

Three bid for ZNCB shares - *By Times Reporter, Zambia - Tuesday, September 13, 2005.*

THREE bidders, among them a consortium of Zambian fund managers and individuals are gunning for the 49 per cent shares in the Zambia National Commercial Bank (ZNCB) Limited in the ongoing privatisation of the bank.

The three whose bids were opened yesterday at the end of the bidding period by the Zambia Privatisation Agency (ZPA) are the Zambezi consortium comprising the Executive Capital Management, African International Holdings, First Rand of South Africa, the European Investment Bank, the Netherlands Development Finance Organisation and Germany's Development Bank.

The second bidder which include a group of Zambian nationals and fund managers is the Industrial Credit Company (ICC) consortium, comprising ICC Zambia, a subsidiary of ICC Africa Holdings, National Pensions Scheme Authority (NAPSA), Workers Compensation Fund, Lyall Investment of London and Ernst and Young Investment.

Among the individuals in the second bidder are former Barclays Bank Zambia managing director Margaret Mwanakatwe, now with Barclays Ghana, Mwila Lumbwe, Cosmas Mwananshiku, Henry Nondo and former Lusaka Stock Exchange (LuSE) general manager Charles Mate.

The third is a Dutch bank, Rabo Bank from the Netherlands.

The three bidders were among the six that had expressed interest for the 49 per cent stake in the bank at which stage, four bidders were invited to submit actual bids enclosing both the technical and financial proposals.

ZPA documentalist Catherine Muyawala said only technical proposals were opened yesterday while the financial proposals would be opened later.

The individual bidders would be officially notified of their bids being opened and then would be invited for negotiations in due course.

The African International Financial Holdings and the Amalgamated Bank of South Africa (ABSA) were the two bidders that came through in May 2003, with whom the ZPA commenced parallel negotiations before the agency announced it had terminated negotiations before the shares were re-advertised.

At the time the African International Financial Holdings was bidding as a consortium of international financial institutions, which included the Hong Kong Shanghai Banking Corporation, the International Finance Corporation (IFC), the EIB and the Netherlands Development Finance Corporation through a US\$100 million worth private equity investment fund created by the consortium.

Early this month, Government completed a thorough review of the privatisation of the bank in which it would retain a 25 per cent shareholding and offload 25.8 per cent onto the capital market for access by eligible Zambian citizens and financial institutions.

The 49 per cent shares were to be sold through a competitive bidding process to attain the best commercial terms that could be obtained on the market while the 0.2 per cent shareholding would remain in the hands of the current minority shareholders.

The Government also gave guidelines to ZPA to ensure that the process was handled with a human face and in the interest of the nation.