Monthly Financial Sector Bulletin

Issue No. 48, August 2017 – Four Years and Counting: We Are Ready For The Next Level!

PICTURE OF THE MONTH: Samora Machel Avenue has over the years hosted arguably the highest concentration of financial institutions in Zimbabwe, including the country's apex bank – the RBZ. Accordingly, it is easily the Zimbabwean version of Wall Street. Clearly a commercial street, it has been or continues to be home to financial institutions such as: Allied Bank, BancABC, Barclays Bank, Beverly Building Society, CBZ Holdings, Ecobank, FBC Bank, Genesis Investment Bank, Homelink/Easylink Money Transfer, Interfin Banking Corporation, Kingdom Bank Limited, Lion Microfinance Limited, NicozDiamond Insurance Limited, ReNaissance Merchant Bank, Royal Bank, Trust Bank Corporation, Stanbic Bank, Standard Chartered Bank and ZABG. In the picture, the clouds hovering above the street appear to be a good representation of the country's current economic conditions – don't they suggest that a storm is brewing?

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The MFSB is a monthly roundup of key Zimbabwean financial sector developments produced by SoundGarden Publishing, a provider of proprietary data, business intelligence and analytical content supporting decision-making in financial markets.

SINCE SEPTEMBER 2013: For four solid years, the Monthly Financial Sector Bulletin (MFSB) has been consistently providing reliable aggregated financial sector information enabling industry professionals and other stakeholders to make data-driven decisions! For information on how to get the best out of the MFSB, please go to page 6. You can also see more subscription options on page 35.

CONTENTS

SELECTED VITAL STATISTICS AT A GLANCE

General Statistics

Year-on-year Inflation for **July 2017**	0.14 % (**June 2017**: 0.31%)
Average Annual Inflation for 2016	Minus 1.56% (Minus 2.4% in 2015)
Projected Annual Inflation in 2017	2-3%
Projected **2017** Gross Domestic Product (GDP) Growth	3.7% (Initial projection for 2017 – 2.7%; 2016 - 0.7%)
Original Budget for 2017	U$4.1 billion
2016 Weighted Manufacturing Sector Capacity Utilisation	47.4 %(2015 - 34.3%) (2014 - 36.5%) (2013 – 36.1%)
Trade Deficit for **Jan – May 2017**	US$1,109.7bn (Exports –$1,130.2 bn; Imports – $2,149.9 bn)
Zimbabwe's Foreign Direct Investment (FDI) – **2016**	US$319 million (US$421m in 2015) (US$545m in 2014)

Statutory Ratios

Formula	Ratio
Minimum Capital Adequacy Ratio:(Total Qualifying Capital/Total Risk Weighted Assets) x 100	12%
Minimum Liquidity Ratio:(Total Liquid Assets/Total Liabilities to the Public) x 100	30%

Deposits, Loans and Lending Ratios

Total Banking Sector Deposits (**30 June 2017**)	US$6.99 billion (US$6.51 billion - **31 Dec 2016**)
Total Banking Sector Loans and Advances (**30 June 2017**)	US$3.64 billion (US$3.69 billion - **31 Dec 2016**)
Loans-to Deposit Ratio (**30 June 2017**)	52.11% (31 Dec 2016 - 56.64%)
Banking Sector Non-Performing Loans (NPLs) (**30 June 2017**)	7.95%(7.87% - Dec 2016 & Peak 20.45% as at 30 Sept 2014)
Total Banking Sector Assets (**30 June 2017**)	US$9.65 billion (31 Dec 2016 - US$8.73 billion)

Editorial Comment

Product Innovation & Channel Development: Funeral Assurance Sector now a Red Ocean

The total number of new product and promotional initiatives increased sharply from six (6) in July to seventeen (17) during the month under review. This was mainly due to the strong contribution of three institutions that launched multiple products as follows: NetOne (2), POSB (2) and NMB Bank Limited (3). Product launches increased from only four in the previous month to twelve while product promotions increased from zero to four, with product enhancements disappearing off the radar altogether. With no less than three institutions having launched products in this area in August, the outturn reveals the growing competition in the funeral assurance sector, which decidedly makes it a "Red Ocean". There is also evidence of a strong competitive streak between the two biggest MNOs in the country as they launched a similar product – a credit scheme for mobile devices - during the review period.

Channel development initiatives decreased marginally from six (6) in July to five (5) in August, sixty percent of them occasioned by the deepening foreign currency shortages. Steward Bank's implementation of limit restrictions on its MasterCard Debit Card and EcoCash's progressive reduction of monthly transaction limits for the EcoCash Debit Card are both manifestations of the deepening foreign currency shortages that have already affected other things such as DStv payments. Predictably, the pre-funding of debit cards in foreign currency cash has found favour and support from an unlikely quarter in the form of the Reserve Bank of Zimbabwe Governor who believes that this will force people to bring back into circulation the US$ they had stashed in their homes. The opening of a regional office in South Africa by the African Development Bank is good news for Zimbabwe as it is expected to improve service delivery, enabling the country to benefit from the decline in the period between approval of projects and disbursement of funding that has been recorded in other regions.

Labour Markets Developments: RBZ's Hyperinflationary Baggage

Towards the end of August, Barclays Bank of Zimbabwe workers signed letters accepting the ex-gratia bonus pledge by Barclays Plc. It was not mandatory for Barclays Plc to pay this bonus but the fact that the UK lender considered it prudent to pay is testimony that they were keen to get everyone on board and ensure that the deal sails through with minimum controversy and preferably the least amount of resistance. Meanwhile the labour dispute at the Reserve Bank of Zimbabwe involving security guards suggests that the apex bank does not always lead by example as far as labour relations are concerned. The dispute is probably the aftermath of the hyperinflationary period during which the RBZ recruited in a somewhat unrestrained manner in order to man its quasi-fiscal activities.

Executive Management/Board Changes: Quiet in the C-Suites

It was rather quiet in the country's C-Suites and boardrooms during the month of August after a fairly eventful July. If it wasn't for the appointment of former African Banking Corporation CEO Blessing Mudavanhu as a non-executive director of the Development Bank of Southern Africa (DBSA), it would have been a totally barren month. Mudavanhu's appointment is a significant development which vouches for Zimbabwe's ability to produce business leaders who are fit for purpose on the pan-African stage.

Rebranding and Strategic Realignment: Eagle Insurance Rebrands

In 2010 FBC Holdings Limited acquired the entire shareholding of Eagle Insurance in order to increase traction in the country's insurance market, having previously held a 25% equity stake. Since then, the short-term insurance company maintained its erstwhile identity and during the month under review, the company finally rebranded to FBC Insurance Company Limited.

ICT Developments: Acknowledging Disruptive Impact of Fintech

A number of market players took advantage of the Heroes and Defence Forces holidays to carry out planned system maintenance and upgrades. This included EcoCash which said the move was aimed at upgrading its system in anticipation of increased volumes of transactions on the mobile money platform particularly during the forthcoming festive season given a bleak outlook on the availability of cash. Also notable in the ICT space was the RBZ's revelation that despite the drive to increase POS terminal deployment, it was also open to alternative payment systems and had in 2016 approved over 44 fintech payment solutions. The import of this is that it increases competition for mainstream banks – what some might describe as the disruptive impact of fintech. RBZ's acknowledgement of the impact of fintech on the payment space is a good development since, typically, regulation always lags innovation and the authorities should move quickly and set the regulatory agenda by preempting the prevalence of cryptocurrencies and fintech payment systems instead of being reactive.

Corporate Actions: Shareholder Consolidation at NMBZ & FX Heartbreak at ZBFH

During the month under review, Arise, an investment company formed by a partnership between Norfund and Rabobank took over 69, 14 million shares of Norfund and FMO in NMBZ Holdings, making Arise the second largest shareholder in NMBZ with 17, 98 percent of the shares. The development was expected to enable NMBZ to benefit from being part of a wide network of African banks in which Arise has interests. Against the background of foreign currency shortages prevailing in Zimbabwe, foreign shareholders come in handy when it comes to securing lines of credit and in case of the need to recapitalise the business. Meanwhile, in another development bearing testimony to the deleterious impact of foreign currency shortages, ZB Financial Holdings confirmed that plans to establish a physical presence in Mozambique had stalled on account of foreign currency shortages. The group had wanted to grow its revenue base and spread risk by partaking in opportunities arising in the fast growing economy.

External Financing: FX Shortages Sully Credit Risk Profile

Two of the country's biggest financial services groups – CBZ Holdings and ZB Financial Holdings revealed that they were in the market to raise external lines of credit. CBZ Holdings said its objective was to make more affordable funding available to borrowers in Zimbabwe, which is laudable, but its quest to get funding at 4-5 % is a tall order at a time the country's overall risk profile is – to all intents and purposes - worsening on the back of foreign currency shortages that is progressively sullying the country's credit risk profile.

Capital Markets Developments: Old Mutual Shares Once Again To the Rescue

The big story of recent times continued to be the foreign currency crisis. The revelation that investors were using Old Mutual shares as a way of repatriating their investments outside the country was supposedly the latest manifestation of this many-headed monster – a Hydra, one might say. Foreign investors were reportedly buying Old Mutual shares on the Zimbabwe Stock Exchange (ZSE) and having them removed from the ZSE share register to either the London Stock Exchange (LSE) or the Johannesburg Stock Exchange (JSE). But hold on, not so fast! The last time we checked, one of the conditions for permission to be granted for shares to be moved to the foreign register was that the share price must be higher on the external bourse than on the ZSE and there must be no local buyers for the shares. Unless these rules have changed, which is unlikely, we find it hard to believe this night-in-shining-armour interpretation of Old Mutual shares. It's possible that investors are mainly buying the shares a store of value in order to hedge themselves against loss of value until a time they can repatriate their funds given the bleak inflation outlook coloured by foreign currency shortages that are forcing companies to resort to the black market for their hard currency needs. This development came at a time some economic agents such as FBC Holdings were contemplating holding more fixed assets in an effort to preserve value against the background of inflation worries.

Troubled Institutions Resolutions Initiatives: Legal Action In Respect of Failed Banks Overdue

The confirmation by the Deposit Protection Corporation that it had started taking legal action against shareholders and directors of banks whose institutions failed due to poor corporate governance should be sweet news to the ears of hundreds of thousands of depositors who lost their savings in these failed banks. Not that there are high hopes of depositors redeeming any further value, but at least justice can be seen to be done. The culture of impunity that has so far reigned supreme in relation to bank failures can finally be checked, which could perhaps improve public confidence in the formal banking system. Shareholders and directors of banks must, as a minimum, realise that there are consequences for running a bank aground, and that these can be dire.

Bond/TB Issue Outlook: High Levels of Liquidity Good for Bond Issuances

A number of parties were expected to come to the market in the outlook period to raise funding for various purposes through the issuance of bonds. These included Agribank and FBC Holdings who targeted to raise US$20 million through Agro Bills for the 2017/2018 agricultural season; the Harare City Council which intended to borrow through municipal bonds to finance various service delivery initiatives including housing schemes, clinics and new sewer treatment works. ZINARA also intended to raise up to $100 million through ZB Bank possibly in two phases to refurbish the country's road network while Government was set to issue up to $150 million worth of Treasury Bills to back the funding of soya bean production. With the level of liquidity currently floating in the market due to government's expansionary fiscal stance, maybe this time it won't be as difficult as before for the aforementioned issuances to garner the desired levels of support.

Policy/Regulatory /Legal Developments: Beheading the FX Shortages Hydra

One of the key highlights of the month was the presentation of the Mid-Term Monetary Policy Statement by RBZ Governor Dr John Mangudya on the 2nd of August 2017 under the theme "Produce and Create". The policy was dominated by initiatives to deal with the foreign currency shortages, which appeared to be hurtling towards a full-blown crisis with each passing day. Probably the standout policy initiative was the projected increase the stock of bond notes by another US$300 million, a development likely to completely drive hard currency underground, making bond notes the dominant medium of exchange. There were concerns however about the inflationary impact of this move and the fact that it would only provide temporary relief before the additional bond notes disappeared into the underworld to oil parallel market activities. One of the notable aspects of this statement was its official acknowledgment of parallel market activities, without suggesting ways in which they could be curtailed. Some of the highlights of the policy statement were: enhancement of the Nostro stability facility to $600m in response to the coming to an end of the tobacco marketing season; establishment of the Zimbabwe Portfolio Investment Fund to facilitate the efficient repatriation of portfolio related funds to foreign investors on the Zimbabwe Stock Exchange (ZSE). Other policy initiatives included development of a savings bond to encourage savings, transforming the Industrial Development Corporation to become a DFI with the mandate of industrial financing activity; the renewal of the $200 million African Export-Import Bank Trade Backed Securities (Afrtrades) facility at $400 million for another two years as well as increasing the diaspora remittances incentive for remittances received through banking or wallet accounts from 3 to 10 %, with effect from August 2017.

Meanwhile, as it battled the hydra of foreign currency shortages and sought to ration it across the entire economy, the RBZ's order for platinum miners to surrender 80% of their export earnings to the apex bank, up from 50%, appeared to be a case of killing the goose that lays the golden egg. The move raised fears that this could paralyse the operations of the miners as the 20% they retained was not considered adequate for the capital intensive industry.

Public Tenders

Notable tender activity during the month was in respect of the development of a website for the Insurance Industry's NEC; the undertaking of a longitudinal impact tracking study for a local development finance organisation working with banks and microfinance institutions to finance smallholder farmers and agribusinesses, refurbishment of POSB's Main Street banking outlet in Bulawayo as well as provision of ICT training and T24 Project Management for Agribank.

Domestic Lending & Financing Perspectives: Banks Increasing Prefer Lending to Exporters

As the foreign currency situation worsened, several trends began to emerge, forcing market players to seek to reposition themselves for long-term survival. One of these key trends involved banks increasingly shunning lending to local non-export producers in favour of exporters in order to hedge themselves against the country's worsening foreign currency shortages. While targeting exporters is the logical thing to do, and is an easy decision to make at a micro level; it has double-edged implications at the macro level. First, and most importantly, it can have a positive impact on export growth. Secondly, the downside, is that it could starve producers of non-export goods of the lifeblood of credit, which could in turn affect availability of locally manufactured goods, creating a vicious cycle that leads us to import dependence again. This potential gap for credit for non-exporters has to be plugged somehow and perhaps that is why the RBZ unveiled a $10 million loan facility for small scale oil producers during the month. Apparently, the loan is meant to capacitate small scale oil processors so that they improve their contribution to total oil production from 10 percent to about 20-30 percent, a development that is good for the country's import substitution goals. Meanwhile, ironically the country's unfavourable risk profile gets in the way of banks' efforts to support exporters as it is also emerges that cheap external loans that could help local exporters to be more competitive are increasingly difficult to secure. The country's foreign currency woes are epitomised by the performance of the tobacco season, which had widely been expected to improve the situation. Zimbabwe earned $556 million from 188 million kilogrammes of tobacco during the season which closed August 11, down from the $594 million from 202 million kg in 2016.

While the restructuring of state enterprise Industrial Development Corporation (IDC) into an industrial financing entity was a welcome development, it was dampened by news that the institution had to first raise no less than $100 million in seed capital to kick-start its development financing operations. Meanwhile, the launch of the POSB's mortgage financing division on 23 August 2017, meant that the country's sole savings bank joined the bandwagon of banking institution offering mortgage financing since the Reserve Bank of Zimbabwe opened up of the sector.

Currency, Pricing and Liquidity Perspectives: FX Shortages Feed Bleak Inflation Outlook

The ongoing cash shortages forced several manufacturing companies to seek foreign currency from illegal dealers, a move that has cost implications to production, and feeds into a bleak inflation outlook. Despite inflation coming off in July, market sentiment was that it would continue to go up for the foreseeable future hence efforts by such market players as FBC Holding who sought to acquire fixed assets in order to hedge themselves against loss of value. Meanwhile, as a result of failure to withdraw their money from banks, Zimbabweans increasingly resorted to the use of bank cards for transacting, leading to 90 percent of transactions in the economy being executed via plastic money. This had two important benefits; First, increased use of plastic money undermined the informal sector benefiting formal retail businesses due to the movement away from the informal sector. Second, increased usage of plastic money, produced an audit trail of records, leading to improved revenue collections and tax compliance. During the month, RBZ also noted that increased usage of electronic payments would enhance Government coffers as electronic money is more traceable and accountable than cash. The audit trail associated with electronic money is also important for business as it will build financial track records that can be used for credit scoring purposes and lending. The economy will benefit from reduced costs of importing cash which increase pressure on the nostro accounts.

The Microfinance Interview: DPC warns against unethical lending practices.

The Microfinance Interview is a monthly question-and-answer feature through which we engage key stakeholders of the sector such as MFIs, funders, service providers, development partners and regulatory authorities amongst others on issues of topical and mutual interest. This is in recognition of the influential role of microfinance as one of the four pillars of the National Financial Inclusion Strategy (NFIS) alongside financial innovation, financial literacy and financial consumer protection. In this instalment, the spotlight is on the Deposit Protection Corporation (DPC) which administers the Deposit Insurance Scheme in respect of which Deposit Taking Microfinance Institutions (DTMFIs) pay a statutory flat premium rate of 0.2% of annual average deposits. Mr John Mafungei Chikura (JMC), the DPC's Chief Executive Officer, talks to the MFSB about regulatory framework for the Scheme, the quantum and affordability of premiums, the scope of cover as well as the corporation's challenges and opportunities in relation to the microfinance sector. Chikura also talks about the evolving consumer protection policy framework for the sector and other pertinent developments in the deposit protection space.

TIPS ON HOW TO GET THE BEST VALUE OF THE MFSB

Source of Reference	The Monthly Financial Sector Bulletin (MFSB) is data-based and not news-driven since it is intended to be a source of reference, so keep an archive of the bulletins as there is some cross-referencing between the issues. You can also compile cumulative information from past issues.
Distinct Sections	You don't have to read the whole bulletin because the information is presented in distinct sections, so you can just go straight to your favourite section!
Editorial Comment	The Editorial Comment is a quick way to digest the content of the entire bulletin without necessarily reading it section by section. It not only summarizes but is also an analysis of the key developments during the review period.
Time Value of Information	If the time value of information is a critical consideration for you and you prefer to receive information more regularly, the Weekly Financial Sector Bulletin is (WFSB) is available on a very affordable subscription. Please see **page 35** for subscription information.
Index of Names	If you want to quickly establish how often you or your organization (or indeed any other organization/institution) is mentioned, refer to the index of names at the end of the bulletin. You will find out how many times your name or that of your organization appears.

FOUR (4) YEARS AND COUNTING: WE ARE READY FOR THE NEXT LEVEL

This edition of the MFSB is our 4th anniversary issue, marking 48 months of uninterrupted publishing. It's been an exciting time of growth, one not without its own challenges. The opportunities have however decidedly outweighed the challenges. Over the years, we have broadened our product offering by introducing the Weekly Financial Sector Bulletin (WFSB), which is available on a very affordable paid subscription platform and has been very well-received by those of our readers to whom the time value of information is as important as the information itself. Our readership and subscriber base for both the MFSB and WFSB continues to grow in the financial and allied sectors and on the next page you can read what some of our stakeholders think about our products. We also conceived of the Monthly Mining Sector Bulletin (MMSB) and published it a couple of times but we have put this on hold for a while – we will reactivate it in the near future. During the same period, we attracted the patronage of a large European bank as one of our international clients, no mean feat a young niche publication. We also embarked on a partnership with Alpha Media Holdings (AMH), the publisher of Newsday, to bring data-driven insights to mutual audiences through informative periodic advertising supplements, although this was short-lived. We are looking forward to more long-term growth but our near-term focus is improving the bulletin's online presence, seeking further subscriber growth and optimizing the revenue generation model of our entire information service for long-term sustainability.

Website

Our flagship product, the Monthly Financial Sector Bulletin (MFSB) is, as its name suggests, available on a monthly basis so currently our most frequent touchpoint with subscribers is the WFSB which, for those who value timely access to information, may not be frequent enough. That is why our focus has now shifted to the building of a dynamic website which will ensure uninterrupted and seamless access to our database. In any case, an online presence is a strategic imperative very few - if any - businesses can do without in this information age. The new website will also enhance our interactive capabilities and expand our local and international reach beyond the people already on our distribution lists. We will also be able to share editorial insights on a more regular basis. We can reveal that we are currently working with Webdev to deliver the website, which we admit is long overdue. We will however shortly make an announcement about this development, which excites us immensely.

Back Catalogue

The MFSB is intended to be primarily a source of reference, not news. Pursuant to this objective, one of the things the website will make possible is the consolidation of back copies of the bulletin for convenient and uninterrupted access by current and future subscribers for many years to come.

Subscription Model

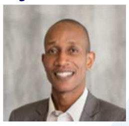
Leveraging on the website and related technology, we intend to enhance our subscription model for the long-term sustainability of the bulletin and to support its evolvement into other possibilities such as a bi-monthly print edition. Watch this space! Below, you will find some of our key milestones over the years.

SOME MFSB MILESTONES

September 2013:	The first Issue of the MFSB, a modest 1-page document, is distributed to a handful of marketing managers of financial institutions.
May 2014:	The first sponsored article appears in MFSB Number 9 courtesy of a local commercial bank.
November 2014:	The MFSB attracts the patronage of a large European bank as one of its international clients.
January 2015:	The Weekly Financial Sector Bulletin, available on a paid subscription platform, is introduced and the first paid subscription for the WFSB is immediately made by a local commercial bank.
April 2017:	The MFSB partners the Financial Services Soccer League (FSSL) to facilitate increased coverage of soccer in the sector.

WHAT OUR STAKEHOLDERS HAVE TO SAY ABOUT THE MFSB & WFSB

We appreciate the companionship and support of all our readers, subscribers and partners on a journey full of exciting possibilities and look forward to your continued support in future years as we fulfill our destiny of becoming the premier source of financial sector intelligence. Here is what some of our stakeholders have to say about the MFSB.

Virginia Sibanda  CEO - Virl Financial Services	"Over the years MFSB has been a reputable and valuable source of information on the financial landscape in Zimbabwe. I look forward to each monthly publication as at a glance I can analyse the developments in the industry. MSFB has been instrumental in breaking down all the players in the financial ecosystem and most importantly the publication has highlighted the role that Microfinance Institutions play in the financial inclusion mandate. Access to finance is a catalyst to economic growth and MFSB provides a platform for information sharing."
Lloyd Borerwe  CEO - Microcred Zimbabwe	"The MFSB provides a candid summary of key financial sector developments. It indeed does and has helped in providing insights that help inform decision making."
Ruth Verah  Regional Manager - Musoni	"I first read the MFSB in 2013. Then, I was engaged as Marketing Manager by a banking institution and I was immediately impressed by the detailed coverage and insights on pertinent developments in the financial services sector. The bulletin proved a useful reference point in my work. To date, I continue to refer to the Bulletin and am very pleased with the introduction and focus on the Microfinance sector, a key sector in enhancing financial inclusion which is our passion and thrust as Musoni Services."
Allen Musadziruma  PR Manager – DPC	"The WFSB and MFSB provide great updates on developments in the financial services industry. The publications are well researched, factual, consistent, provided on time and provided in a format that is easy to read and follow. I enjoy reading the publications and cannot afford to miss your email updates. Keep up the great work!"
Tamirira Rusheche  MD – Microhub Fin Services	"Information plays a very important role to any business organization as it guides in the decision-making process. The MFSB has been very useful in providing an accurate summary of key developments in the financial services which would have otherwise been missed and has become a very reliable source of relevant information. One unique feature of the bulletin is that it provides factual data which is not news-driven, thereby separating the truth from rumour-driven information, which is more prevalent in society."
Emmanuel Tapera  Secretary General - FSSL	"The Bulletin has done well in reporting about FSSL activities. However being a new partnership, there are areas that may be improved so as to strengthen the relationship: The Bulletin may dedicate space for all teams to feature their line-ups which includes names of players so that all clubs may look forward to reading and circulating it. We also propose that the executive highlight future plans and activities lined up so that we may build hype and excitement where potential sponsors may be interested."
Sifiso Mtetwa  Director – Skyburg Systems	"I have found the MFSB magazine to be very insightful. Touching on all matter concerning finance across Zimbabwe, it is rich with breaking corporate and individual finance topics that affect every citizen in the country. Skyburg Systems is happy to mention how MFSB has given us exposure to new markets and a platform to profile us to network with organizations whom we were indirectly affiliated."

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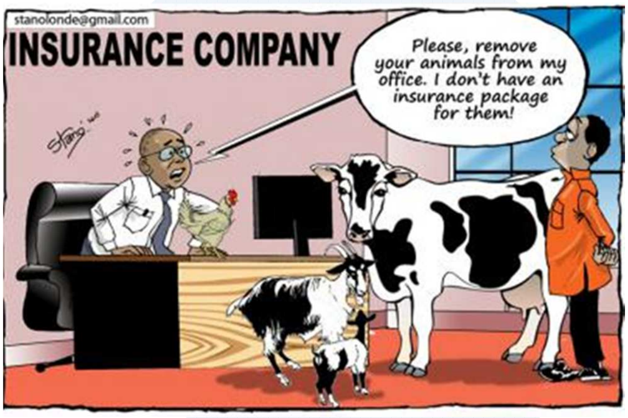
LAUGHING & LEARNING ALL THE WAY TO THE BANK

Welcome to a brand new extra editorial page which is a collage of facts, figures and some humour. "Laughing All the Way to The Bank", as its name suggests, brings you some of the best humour - inspired by the often too serious subject of banking. "Did You Know?" profiles facts and figures you probably didn't know about the Zimbabwean economy in general or the banking sector in particular.

LAUGHING ALL THE WAY TO THE BANK

"Let's have a moment's silence to remember the profits we used to make."



"It's basically debt, but I've re-packaged it nicely."


Banker's decide to 'waive' their bonus cheques!

On 2 September 1969, America's first Automated Teller Machine (ATM) made its public debut, dispensing cash to customers at Chemical Bank in Rockville Centre, New York. ATMs went on to revolutionize the banking industry, eliminating the need to visit a bank hall to conduct basic financial transactions. By the 1980s, these money machines had become widely popular and handled many of the functions previously performed by human tellers, such as cheque deposits and money transfers between accounts. Today, ATMs are as indispensable to most people as cell phones and e-mail. Several inventors worked on early versions of a cash-dispensing machine, but Don Wetzel, an executive at Docutel, a Dallas company that developed automated baggage-handling equipment, is generally credited as coming up with the idea for the modern ATM. Wetzel reportedly conceived the concept while waiting in a line at a bank. The ATM that debuted in 1969 was only able to give out cash, but in 1971, an ATM that could handle multiple functions, including providing customers' account balances, was introduced.


Cashless World
Take your pick;
Swipe @ any POS machine
Mobile Banking / ZB e-Wallet
Internet Banking
ZB Pauri Khonapho
Agent Banking
PAURI Khonapho
Agent Banking
Bank right where you are - Pauri Khonapho Khonapho.
Over 11 000 agents countrywide!
Enjoy the convenience of mobile banking with ZB eWallet
Cash In / Cash Out
ZIPIT
Pay bills...and more.
Open a free ZB eWallet account today!
Choose what you want.
When it comes to financial services provision, ZB are the experts.
We don't drop the ball at ZB. Visit your nearest ZB branch today!
ZB Mortgages
Buy a house
Renovate your home
Invest in land
Mortgages up to 25 years.
Prepaid Electricity Vouchers
Available 24/7 on your mobile phone via ZB e-Wallet or ZB Pauri Khonapho Agents and at any ZB Bank branch
MoreCover PLANS
Funeral Plan
Life Plan
Endowment Plan
Education Plan
for peace of mind and financial security.
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Since 1951
ZB FINANCIAL HOLDINGS
ZB BANK | ZB BUILDING SOCIETY | ZB CAPITAL | ZB LIFE ASSURANCE | ZB REINSURANCE | ZB TRANSFER SECRETARIES | ZB ASSOCIATED SERVICES

Life Is a Juggling Act, So Choose What You Want!

In a world in which time never seems to be enough, life has become a juggling act, both at work and at home. We are all jugglers now, and we have to learn how to do it better. As a financial services provider, we have taken time to learn how to keep several balls in the air without dropping any one of them, so that our valued clients can also do the same.

"If you look at things in only one way, you'll be greatly restricted in how many objects you can juggle. If you look at things in many different ways, you'll develop a depth perception that allows you to unscramble several patterns and see them all at once," says Michael Moschen, the world's greatest juggler.

So it starts with who we are and that is why ZB Financial Holdings has several units under its wings (or several balls in the air, so to speak): ZB Bank, ZB Building Society, ZB Reinsurance, ZB Life Assurance, ZB Transfer Secretaries, ZB Capital and ZB Associated Services.

You are meant to be an expert juggler of your financial affairs and our comprehensive bouquet of products and services are designed to enable you to do just that. We don't drop the ball at ZB and neither should you. So don't settle for less! Visit your nearest ZB branch today and enquire about the following products and services:

Through ZB Mortgages you can buy yourself a new home, renovate an existing one or invest in land, leveraging on our affordable mortgages of up to 25 years.

ZB Pauri Khonapho is our Agent Banking delivery channel that enables you to bank right where you are. With over 12000 agents countrywide, we have got you covered.

The ZB Cashless World enables you to take firm control of your transactional activity with options such as swiping at any POS machine, Mobile Banking/ZB E-wallet, Internet Banking, ZB Pauri Khonapho and Agent Banking.

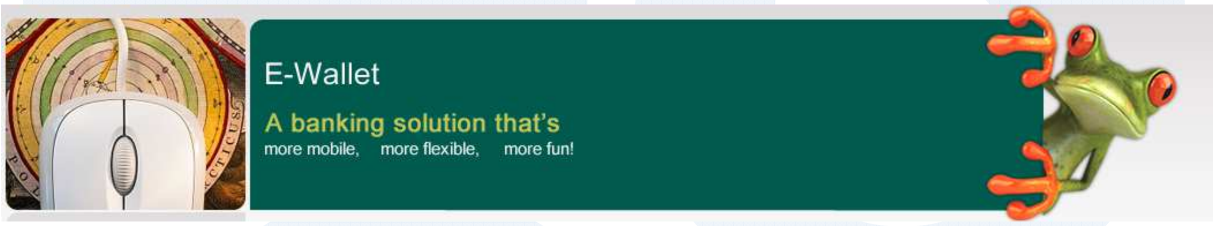
Enjoy the convenience of mobile banking with ZB eWallet. You can cash in and cash out, ZIPIT, pay bills and more! Open a Free ZB eWallet account today!

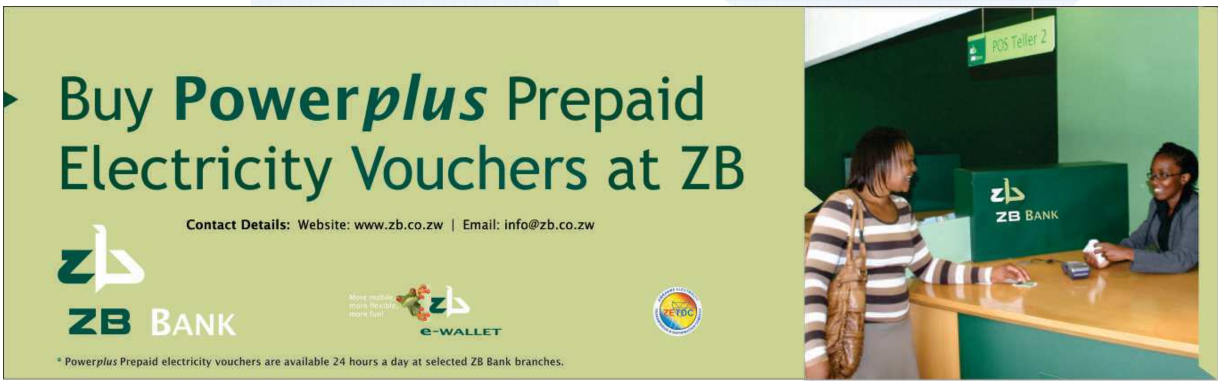
Prepaid ZETDC Electricity Vouchers are available 24/7 on your mobile phone via ZB e-Wallet or ZB Pauri Khonapho Agents and at any ZB Bank branch.

MoreCover Plans include Funeral Plan, Life Plan, Endowment Plan and Educational Plan. All these insurance products are designed to give you peace of mind and financial security.

To find out more about the products on offer from units kindly write to info@zb.co.zw

Facebook: ZB Bank Instagram: zb bank Twitter: @zbbank1 YouTube: ZB Bank





RECENT EVENTS IN PICTURES

ZB Bank promoted the ZB Pauri/Khonapho Card at the Harare Agricultural Show Activations during the period 24-26 August 2017

ZB Bank soccer team lines up after dismissing Agribank 5-0 in a recent FSSL match at ZB Sports Club. (Standing L to R) Godfrey Marongwe-Nkosi, Joseph Chiteza, Obvious Munetsi, Takudzwa Nyambiya, Maxwell Chamboko, Trust Muringayi & Walter Makamure. (Squatting) Israel Murimi, Tatenda Mangoma, Tendai Mandeya, Peckins Kamupira & Effort Mhiripiri. Not in picture - Tapiwa Keche.

THE MICROFINANCE INTERVIEW: DPC WARNS AGAINST UNETHICAL LENDING PRACTICES BY SOME MFIs

Practices Negate Objectives of Financial Inclusion and Confidence Building Measures

The Microfinance Interview is a monthly question-and-answer feature through which we engage key stakeholders of the sector such as MFIs, funders, service providers, development partners and regulatory authorities amongst others on issues of topical and mutual interest. This is in recognition of the influential role of microfinance as one of the four pillars of the National Financial Inclusion Strategy (NFIS) alongside financial innovation, financial literacy and financial consumer protection. In this instalment, the spotlight is on the Deposit Protection Corporation (DPC) which administers the Deposit Insurance Scheme in respect of which Deposit Taking Microfinance Institutions (DTMFIs) pay a statutory flat premium rate of 0.2% of annual average deposits. **Mr John Mafungei Chikura (JMC)**, the DPC's Chief Executive Officer, talks to the MFSB about regulatory framework for the Scheme, the quantum and affordability of premiums, the scope of cover as well as the corporation's challenges and opportunities in relation to the microfinance sector. Chikura also talks about the evolving consumer protection policy framework for the sector and other pertinent developments in the deposit protection space.

MFSB: How many MFIs currently contribute to the Deposit Insurance Scheme and under what regulatory framework do they do so?

JMC: Currently there are four Deposit-Taking Microfinance Institutions (DTMFIs) registered by the Reserve Bank of Zimbabwe namely Getbucks Microfinance Bank Limited, African Century Limited, Lion Microfinance Limited and Success Microfinance Bank Limited (formerly Collarhedge Finance Private Limited) which are contributing to the Deposit Insurance Scheme. The extension of membership to Deposit-Taking Microfinance Institutions is in terms of Section 35 of the Microfinance Act (Chapter 24:29) which requires deposit taking microfinance institutions to be contributors to the Deposit Protection Scheme in line with the provisions of the Deposit Protection Corporation Act (Chapter 24:29).

MFSB: In your view, is the current level of cover for clients of MFIs adequate at US$250.00?

JMC: In terms of public policy objectives, the Corporation aims to cover in full at least 90% of depositor accounts in deposit-taking microfinance institutions. At the current cover level of $250 per depositor per DTMFI, 89.8% of the depositors are fully covered in compliance with the public policy objectives. However, it should be noted that there is a need to strike a balance between providing a confidence building cover level and the need to build a Microfinance Deposit Protection Fund (MDPF) that will have the capacity to compensate depositors in the event of failure of a DTMFI. The Corporation shall continue to review the maximum deposit protection cover level for DTMFIs from time to time to strike a balance between need to comply with the public policy requirements and the Corporation's capacity to compensate depositors from the Microfinance Deposit Protection Fund in the event of failure of a microfinance institution.

MFSB: Can you comment on the affordability of deposit insurance premiums for deposit-taking MFIs.

JMC: All contributory institutions to the Deposit Protection Fund (DPF) currently pay a statutory flat premium rate of 0.2% of annual average deposits eligible for premium assessment, payable on a quarterly basis. Membership to the DPF currently includes all commercial banks, building societies, merchant banks, finance houses, People's Own Savings Bank, Infrastructure Development Bank of Zimbabwe as well as deposit-taking microfinance institutions. The final premium payable to the DPF is therefore dependent on the size of deposits each institution is holding. Currently, all deposit-taking microfinance institutions have been able to pay insurance premiums without facing any challenges.

MFSB: Do you feel that the applicable legislation/regulation clearly and unambiguously defines permissible activities for the MFIs?

JMC: Section 25 of the Microfinance Act [Chapter 24:29] provides a clear framework on the permissible and non-permissible activities of deposit-taking microfinance institutions. The Reserve Bank of Zimbabwe also issued Prudential Standards No. 02-2016/BSD: Deposit-Taking Microfinance Institutions in November 2016, which aim to provide further operational guidelines to all deposit-taking microfinance institutions. However, there is still room to refine the framework in light of changes in the local and international financial space. Following our engagements with deposit-taking microfinance institutions and having taken note of their feedback, we are also in discussion with other safety-net players on how best to refine the regulatory framework on the operations of deposit-taking microfinance institutions.

MFSB: From where the DPC stands, what are the main risks posing a threat to microfinance institutions.

JMC: Microfinance institutions play a key role in financial inclusion and financial intermediation through the provision of affordable and flexible financial products and services. The main risks facing the microfinance institutions include credit risk, liquidity risk and adverse macroeconomic environmental risks. Since microfinance institutions provide loans to the banking public, inability of the borrowers to repay the loans is a threat to the sustainability of the institutions. Liquidity risk also poses a challenge to the sector as shortages of physical cash can hamper businesses in the informal sector to which microfinance institutions lend, thereby increasing non-repayment of loans. The microfinance sector is also vulnerable to the adverse macroeconomic environment. The depressed economy has a negative impact on the asset quality of the microfinance institutions.

MFSB: What are currently the DPC's biggest challenges, in relation to the microfinance sector?

JMC: We have noted with concern some credit-only microfinance institutions practising unethical lending practices and some unlicensed institutions taking deposits from the public, which are not covered by the DPC Scheme. Quite a number of people have been duped and lost hard-earned savings through such institutions, which end up failing to repay clients and at some stage being taken to courts by clients. This negatively works against the objectives of financial inclusion and confidence in the financial system. As DPC, we continue to receive complaints from the public having been duped by some of these institutions, which are not members of the Deposit Protection Scheme. We encourage the public to verify with the regulatory authorities the authenticity of some these institutions and their related products or services. This also calls for the strengthening of the regulatory framework to protect the unsuspecting public as well as the integrity of the financial system.

MFSB: And opportunities? Does the DPC see any opportunities in relation to the microfinance sector?

JMC: The increase in the number of credit-only and deposit-taking microfinance institutions is a welcome development in driving the financial inclusion agenda and overall economic growth. The microfinance sector increases competition for banking business resulting in better service delivery and new product innovations

MFSB: What Consumer Protection mechanisms does the DPC have in place to address grievances against deposit-taking microfinance institutions?

JMC: A policy framework is being developed in liaison with other regulatory players and stakeholders in order to put in place a comprehensive framework for the financial industry. Section 28D to 28F of the Banking Amendment Act, 2015 provides that every banking institution must establish procedures for dealing with customer complaints as well as to keep the record of every complaint received.

MFSB: Anything else we haven't discussed that you think our readers would want to know?

JMC: We encourage depositors of the following closed banks who have not yet submitted their claim forms for the payment of the insured amount to contact Deposit Protection Corporation (DPC) for reimbursement: AfrAsia, Allied, Interfin, Royal and Trust Bank. Claims forms can be downloaded from our website www.dpcorp.co.zw or requests via electronic mail can be sent to claims@dpcorp.co.zw. We are pleased to advise members of the banking public that the Corporation also entered into an arrangement with Zimpost to act as a postal partner where depositors of closed banks can now visit any Zimpost branch across the country to collect or submit claim forms for free. This channel helps to provide clients even in the most remote parts of the country with the convenience of collecting or submitting claim forms as Zimpost offers the largest distribution network across the country. The Corporation also opened a regional office in Bulawayo on the 17th of July 2017 as part of efforts to increase brand visibility and convenient access to our services by the general public.

Deposit Protection Corporation

PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- Nyaradzo Life Assurance Company (NLACO) introduced "the affordable and comprehensive Sahwira Lite Funeral Cash Plan for everyone, everywhere" whose cover level was advised as follows:

Level	Cash Payout	Monthly Premium
Sahwira Lite 200	$200	$0.50
Sahwira Lite 300	$300	$0.80
Sahwira Lite 400	$400	$1.00
Sahwira Lite 500	$500	$1.30

"A maximum of 3 children of the principal member below the age of 23 are covered for free. Cover commences after a waiting period of 3 calendar months from the entry date. Get your cash plan today!" said the funeral assurer," adding that the money would be deposited into the member's bank account within 24 hours.

- In early August 2017, Savemari became the latest start-up to launch an online click and collect system designed to tap from the Diaspora community. The service, which enables the selling of local goods and services through a web portal, mimics the models used by China's e-commerce giant Alibaba and American-based Amazon. Savemari CEO Peter Konoro said that technology brought borderless markets and unlimited possibilities. "Most businesses enjoy local popularity, but what about potential customers outside their city or country? Links are key to viral marketing. If you have many online sites linking to you, information about your business readily spreads all around the world," he said. Savemari was designed and patented by Konoro and had already been launched to corporates and was set to be opened up to the general public on September1, 2017.

- Mobile Network Operator, Econet Wireless launched a new credit scheme enabling civil servants to acquire smartphones at zero deposit and a combo of monthly data and voice calls for $12 per month. The scheme is open to teachers, nurses, doctors and all members of the uniformed forces. "We are excited to extend this offer to the members of the civil service and believe it will be great value for money. We want to make smartphones available to civil servants at affordable monthly instalments while they are using the devices. The credit scheme will allow servants to get new smartphones and then pay as little as $12 per month,' said Econet chief operating officer Fayaz King in a statement. Civil Servants only need to provide their National ID, Staff ID, Current Payslip and Proof of Residence in order to access the devices without a waiting period.

- The second largest mobile network operator, NetOne on 17 August 2017 launched two products covering retailing of mobile phones and insurance services. OneTech, a product backed by a $10 million facility from local financier BancEASY, a subsidiary of BancABC, is meant to avail affordable smartphones to NetOne customers. The smartphones will come with free complementary OneFusion airtime for 12 months with customers getting a maximum of OneFusion $20 per month depending on the device one chooses. The second product, OneCover, is an affordable micro mobile insurance that offers funeral insurance to subscribers. With premiums from as little as 40 cents per month one can get cover of up to $500, making it one of the most competitive products on the market. With additional premiums one can get up to $3000 worth of cover under the product which also covers senior citizens up to 84 years of age. Introducing the two products, NetOne acting COO Clever Isaya said: "We have introduced OneTech because of the feedback we received from our customers. There has been outcry for the operator to avail affordable handsets. The range of products we have start from as low as $18 per month." On OneCover, he said: "We deliberately chose First Mutual Life because of their rating and equity that they have built in the insurance services. So these are two big brands coming together and availing a competitive funeral product."

- FBC Building Society started selling duplex Garden Flats under its housing development project at Number 57 Kennedy Drive in Greendale, Harare. "Your dream duplex home now available. Purchase your ideal home today. With just 16 upmarket duplex garden flats available, offers are limited. Hurry now!" said the mortgage financing arm of FBC Holdings. The features of the flats include three bedrooms (main en suite), lounge, fitted kitchen, bathroom and toilet, private garden, carport, intercoms, security wall with electric fence.

- NMB Bank Limited on 21 August 2017 launched a new package of financial services with the unveiling of the NMBLife range of products at the Harare Agricultural Show. NMBLife incorporates a life assurance plan, a retirement plan and a funeral plan, all underwritten by Old Mutual Life Assurance Company. ''All three NMBLife products are designed to give one peace of mind. It is wise to look to the future to ensure some financial security for yourself in old age and your family when you pass on,'' commented NMB Bank marketing manager Lindiwe Thebethebe. The NMB Funeral Plan covers the policyholder including anyone with whom there is a direct relationship. The cover amount is paid out to beneficiaries upon the death of a person whose life is assured. Premiums are paid monthly for 10 years, after which cover continues without further payments. There is a waiting period of three months for policyholders aged between 18 and 65 and six months for those aged between 66 and 74. However, there is no waiting period for accidental death. The life policy, the NMB Life Plan, comes with two options, the first of which is a straight life assurance, where the sum assured is paid out when the policyholder dies. The other option is a cash back option, which entitles the policyholder to receive back a payment of 50 percent of the premiums paid every five years, with the sum assured still fully payable on his or her death. The NMB Life Plan provides cover of up to $75 000, depending on the premium option chosen. Cover for death arising from natural causes commences six months after the policy has been taken out but at that stage is limited to a maximum of $20 000. Beyond 12 months, the full sum assured is payable in the event of death. The person taking out this policy must be at least 18 years of age and no older than 60 with premiums only paid up to age 65. The Diamond Retirement Plan is a savings plan that provides a lump sum payment and a monthly pension on retirement. The lump sum is one third of the value of the accumulated capital. The remaining capital is used to purchase a pension annuity which enables the person to receive a monthly pension. There is an option to forego the lump sum so that the whole amount can be used for an annuity in order to receive a higher monthly pension. The minimum age for the Diamond Retirement Plan is 16 while the maximum age is 65. The regular minimum monthly contribution is a minimum of $50. The higher the contribution the higher the retirement benefit.

- The People's Own Savings Bank (POSB) introduced University Education Loans. "Get your university fees and expenses paid up with no worries. POSB is offering you a University Education Loan Support Facility to cover your university tuition, boarding fees, food and other ancillary expenses. Visit your nearest POSB branch today, apply and focus on attaining your university qualification, hassle free. Students studying at all universities in Zimbabwe qualify," said the country's sole savings bank about the facility which has up to a 5-year payback period and an interest rate of 7% per annum.

- The People's Own Savings Bank (POSB), the country's only savings bank, tapped into the home mortgages market segment with the introduction of a Mortgage Division whose Mortgage Finance products (ordinary mortgage loans, home improvement loans and mortgage refinance/equity release loans) were unveiled to the public at a breakfast launch event held at the Crowne Plaza Hotel in Harare on Friday the 23rd of August 2017 after the Bank received approval from the Reserve Bank of Zimbabwe for Mortgage Finance in February 2017. Speaking at the launch ceremony, Minister of Finance and Economic Development Patrick Chinamasa implored Zimbabweans to use their houses as leverage to borrow and start businesses lest their properties remain dead capital. Interest rates of up to 10% apply for high density individual mortgages and 11% for medium and low density individual mortgages whilst the interest rate for refinance and commercial mortgages is pegged at up to 12%. Loan repayments can be made over a period of up to 15 years.

- Moonlight Provident Associates (Pvt) Limited introduced the Moonlight CashPlus Funeral Plan under which an insured party gets a $500 cash benefit for groceries and transport. "Get complete peace of mind with the Moonlight Cash Plus Funeral Plan. You can cover yourself and family from as little as $0.45 cents per week, $1.79 per month per person and ensure your loved ones get cash towards a dignified burial," said the funeral assurer. The terms of the plan include immediate cover for accidental deaths, 3 months waiting period for deaths due to natural causes and 6 months waiting period for suicidal deaths. No medical examination is required.

"Under the current circumstances, it is prudent to lend to exporters as this also gives us the leeway to pay back the loans,'' - **NMBZ Holdings CEO, Benefit Peter Washaya** speaking on banks' preference to lend to exporters.

PRODUCT PROMOTION INDEX (PPI)

- ZB Bank called "on all schools to enter the ZB Schools Piggy Bank Promotion and stand a chance to win monthly prizes worth $300 and $200 for the runners up, leading to a grand prize of $5000 towards a project of the school's choice." In order to enter the promotion, schools must maintain a minimum balance of $10 000 in their school bank account. The more the amount of money they keep in the account, in multiples of $10 000, the more the chances of winning. Grand draw prizes included $5 000 towards a project of the school's choice, Heavy duty printers valued at $3100, 5 Desktop computers valued at $2600, 5 laptops valued at $700 each as well as Wi-Fi set up and payment for a year valued at $1000. "Switch your school bank account to ZB Bank today, if you don't already bank with us, and start enjoying the benefits!" said the bank about promotion which ran from 1 January to 31 August 2017, with August being the grand draw month. The bank also took the opportunity to congratulate the March-June winners - two schools for each of the designated 7 districts.

- CABS, a member of the diversified financial services group Old Mutual, introduced Swipe & Win Promotion 2 open to CABS individual account holders only and running until 9 September 2017. "Another $10 000 in prize money to be won. Buy goods worth $10 or more and swipe your CABS card on a CABS POS machine at any N. Richards store countrywide," said the mortgage lender, adding that prize money, which included $50 cash for 180 winners and a grand prize of $1000, would be credited directly into the winners' accounts. The first installment of the promotion ran until 27 May 2017.

- FBC Bank Limited introduced its own Swipe and Win promotion as part of the TM Pick n Pay Bargain Bonanza promotion. "Give yourself a chance to win a whopping $10 000 cash prize by simply swiping on FBC Point of Sale Machines at any TM Pick and Pay Shop," said the bank about the promotion running from 1 August to 1 October 2017, adding that it was open to all ATM card holders.

- EcoSure re-introduced the Mabhodho Promotion which started on August 17 and would run until November 11, 2017. "Mabhodho Promotion is back by public demand! EcoSure is giving burial societies, clubs and individuals countrywide funeral cover that will lighten the burden plus FREE utensils and lots of prizes in the EcoSure Mabhodho Zvakare Promotion/Amabhodho Asephendukile Kanjalo Promotion," said the funeral assurer, whose product is underwritten by Econet Life (Private) Limited. The monthly and grand draw prizes for the current edition of the promotion are as follows:

Monthly	90 Cash Vouchers	90 Grocery Vouchers	Airtime worth over $2 000	Free EcoSure Cover Worth Over $3000	Free Utensils
Grand Draw	1 Residential Stand	5 Samsung HD TV	10 Refrigerators	15 Microwave Ovens	Free Utensils

- NMB Bank Limited introduced the "Snap, Post and WIN" promotion during the Harare Agricultural Show which ran from 21 to 26 August 2017. "Take a picture of yourself at the NMB stand and post it on our Facebook page, and you could be one of our 10 daily winners," said the bank, whose pay-off line is "In Pursuit of Excellence." The prizes on offer included branded pens, bags, flash drives, caps and key rings as well as T-shirts.

- EcoCash introduced a promotion under which those who received $100 or more from Cassava Remit directly into their EcoCash wallet stood a chance to win one of 20 vouchers of airtime worth $5 in the weekly draw and one of 20 school fees vouchers worth $200 each in the grand draw. The promotion ran from 25 August 2017 to 30 September 2017.

"It is the discrepancy or mismatch between the supply and demand for foreign exchange, in a dollarised Zimbabwean economy, that causes cash shortages and scarcity premiums of between 5-25% in the informal or parallel markets." – **RBZ Governor Dr. John Mangudya in the Monetary Policy Statement.**

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

#	Organization	Product /Promotion	Product/Service Category	Sub-sector	Type of Initiative
1	Nyaradzo Life Assurance	Sahwira Lite Funeral Cash Plan	Funeral Insurance	Insurance	Product Launch
2	Savemari	e-Commerce Platform	Online Payment System	Fintech	Product Launch
3	Econet Wireless	Zero Deposit Credit Scheme	Consumer Lending	Non-Bank/Telco	Product Launch
4	NetOne/BancEASY	Credit Facility	Consumer Lending	Non-Bank/Telco	Product Launch
5	NetOne/First Mutual Life	OneCover	Micro Mobile Insurance	Non-Bank/Telco	Product Launch
6	FBC Building Society	Duplex Garden Flats	Mortgage Financing	Banking	Product Launch
7	NMB Bank Limited	NMB Funeral Plan	Funeral Assurance/Insurance	Banking	Product Launch
8	NMB Bank Limited	NMB Life Plan	Life Assurance/ Insurance	Banking	Product Launch
9	NMB Bank Limited	Diamond Retirement Plan	Savings/ Pension Product	Banking	Product Launch
10	POSB	University Education Loans	Education Finance/ Lending	Banking	Product Launch
11	POSB	POSB Mortgage Finance	Mortgage Financing	Banking	Product Launch
12	Moonlight Provident	CashPlus Funeral Plan	Funeral Assurance/Insurance	Insurance	Product Launch
13	CABS	Swipe and Win Promotion 2	Plastic Money	Banking	Product Promotion
14	FBC Bank Limited	Swipe and Win Promotion	Plastic Money	Banking	Product Promotion
15	EcoSure	Mabhodho Promotion	Funeral Insurance	Insurance	Product Promotion
16	NMB Bank Limited	Snap, Post & WIN Promotion	Brand Promotion	Banking	Product Promotion
17	EcoCash/Cassava Remit	EcoCash Wallet Promotion	Cross Border Remittances	Non-Bank/Telco	Product Promotion

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- EcoCash, the country's largest mobile money service owned by Econet Wireless announced another reduction of its monthly transaction limit for the EcoCash Debit Card. In a text message sent to its subscribers, Econet said cardholders could now only transact up to $300 per month. "This limit is split, with $50 set for ATM cashouts, $200 for POS (point of sales) transactions and another $50 for online purchases," the message read. This was the fourth reduction of transaction limits by EcoCash. In October 2016, it set its limit at $1 100 and then revised this to $500 in December 2016. In February 2017, the amount was further reversed to $400 per month, split between $200 for

ATM cash outs and $200 for POS (point of sale) transactions and virtual payments which cover online purchases. In July, Econet scaled down the issuance of new debit cards for the EcoCash service, in line with the central bank's directive to monitor foreign expenditure.

- Steward Bank issued a notice in respect of international limit restrictions on its MasterCard Debit Card. "Due to the prevailing foreign currency challenges, the bank will be implementing international limit restrictions on the Steward Bank MasterCard Debit Card. Consequently, with effect from the 16th of August 2017, customers will only be able to access value on the debit card against pre-funding in foreign currency and cash in bond notes, up to the monthly limit of $10,000. Customers can load value on their cards in any of our branches. All local transactions will not be affected. We sincerely apologise for the inconvenience caused which, unfortunately, is beyond our control. We assure all our valued customers that that this position will be under constant review in accordance with prevailing market conditions," said the bank.

- EcoCash issued a public notice in respect of new limits for its MasterCard Debit Card. "Due to the prevailing foreign currency challenges, EcoCash will be implementing international limit restrictions on its MasterCard Debit Card. As a result, with effect from the 16th of August 2017, the Online Payments Service on EcoCash will be discontinued. Further, as of the 1st of September 2017, the MasterCard limits for international transactions will be reduced to $100 per month as follows: Point of Sale (POS) - $75 per month; ATM withdrawal - $25 per month. We apologise for the inconvenience caused which, unfortunately is beyond our control. However this position will be under constant review in line with the prevailing markets conditions. The local transaction limit of $10,000 per month remains unchanged," said the mobile money service of Econet Wireless.

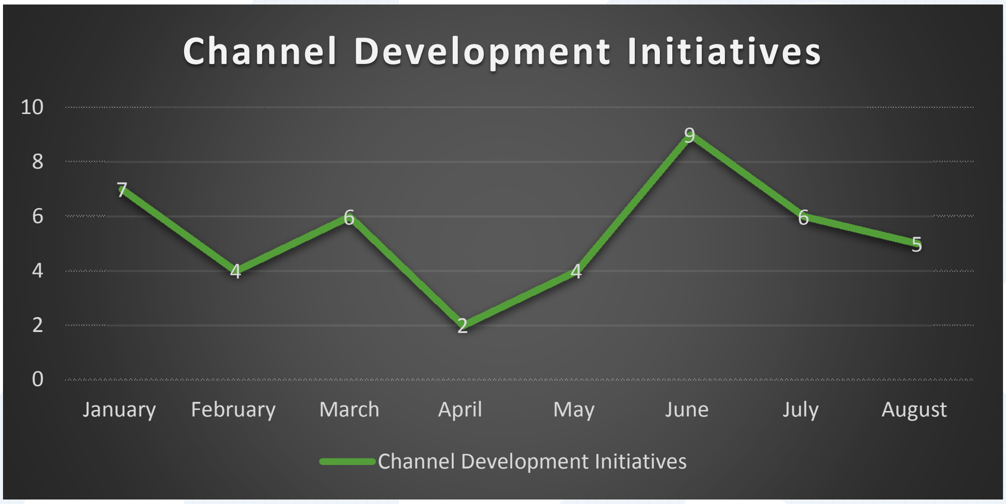
- Standard Chartered said it was going paperless as from 31 August 2017, so RTGS and TT instructions would no longer be accepted in its branches. "To avoid any inconvenience, please ensure that you register on our award-winning digital platforms and do your banking anytime, anywhere. Check your balance, get a bank statement, make an RTGS or TT payment, top-up prepaid ZESA, buy airtime or pay your DSTV subscription on our digital platforms from the comfort of your own home, or even while you are on the go...It's that easy," said the bank.

- The African Development Bank (AfDB) opened a regional development and business delivery office in Pretoria, South Africa which will be responsible for the institution's operations in Southern Africa. Apart from South Africa, the office will serve 12 other countries including Zimbabwe, Angola, Botswana, Lesotho, Madagascar and Zambia as well as the Southern Africa Development Community (SADC) Secretariat. Speaking at a host signing agreement with South Arica's Finance Minister Malusi Gigaba, AfDB president Dr Akinwumi Adesina said the development was part of a drive to move the Bank's operations closer to its clients so as to improve delivery. He said it was also in line with the Bank's Development and Business Delivery Model and a Decentralization Action Plan launched in 2016. "Our goal is to get closer to our regional member countries, decentralise decision-making and accelerate project and program development, financing and disbursements. In short, we want to play on the front lines, not from the headquarters in Abidjan, so we can score more developmental goals for Africa," he said. Adesina said the decentralisation approach had yielded results in other regions, with the period between approvals and first disbursement declining by 41 percent. "We believe that the location of the Bank Group's Southern African Regional Development, Integration and Business Delivery Office in South Africa will help both the Bank and the Government to accelerate economic development and poverty alleviation in South Africa and the region," he said.

- Listed financial services group NMB Holdings confirmed it had received Reserve Bank of Zimbabwe approval for its banking subsidiary NMB Bank Limited to introduce agency banking. Chief Executive Officer Benefit P. Washaya told analysts on 23 August 2017 that following the granting of the approval, the bank's agency banking platforms would become operational before the end of 2017. "We received the necessary regulatory approval for agency banking roll out and we expect to have our agency banking functional during the fourth quarter of the year," he said. The soon-to-be introduced agency banking platforms, will entail a low-cost model, enabling the bank to extend its services to the unbanked and underbanked.

SUMMARY: CHANNEL EXPANSION/RATIONALISATION ACTIVITY

#	Institution	Sector	Type of Initiative	Description
1	EcoCash	Non-Bank	Reduction in transaction limits	EcoCash Debit Card Limit - $300 per month
2	Steward Bank	Banking	International Limit Restrictions	Pre-funding of MasterCard Debt Card
3	EcoCash	Non-Bank	Discontinuation of Online Service	MasterCard Debit Card Effective 16th August 2017
4	Standard Chartered Bank	Banking	Adoption of Paperless Branches	Effective 31st August 2017
5	African Development Bank	Banking	Opening of Regional Office	Pretoria South Africa



LABOUR MARKET DEVELOPMENTS

- The labour row pitting the Reserve Bank of Zimbabwe (RBZ) and security guards retrenched some five years ago returned to the Labour Court with the former employees demanding their dues. The Supreme Court referred the dispute to the lower court earlier in the year to consider whether the salaries and benefits stipulated in the works council in September 2010 encompassed the 153 former security guards. According to the ruling, if the agreement applied to the 153, then the matter should proceed to quantification of the salary and benefits due to each guard in terms of the agreement. This followed an appeal against the judgment of the Labour Court setting aside an arbitral award in favour of the guards which upheld their claim for payment of salary arrears and benefits. In early August 2017, Labour Court Judge Justice Susan Chivizhe, sitting with Justice Fatima Maxwell, deferred the hearing to allow the parties to lead evidence. In the Labour Court, the guards based their argument on the arbitral award made on July 28, 2010 whereby, arbitrator Mr. Nasho Wilson made an award for 109 workers and ordered the RBZ to regularise the workers' contracts of employment in line with the multi-currency system. The salaries were to be backdated to March 1, 2009.

- In late August 2017, Barclays Bank of Zimbabwe workers signed letters accepting a bonus pledge by Barclays Plc, which agreed to sell its controlling stake in the Zimbabwe unit to Malawi-listed lender, FMB Capital. Sources said a majority of low-level managers, who had resisted the transaction on the basis that it violated the country's indigenisation law, had also signed accepting the bonus offer. The development marked a significant step towards the conclusion of the takeover, despite initial objections by the low level managers and a group of empowerment activists seeking government's intervention to block the deal. "All workers have committed themselves by signing the letters. They are now keen to see regulatory approval granted so that they can access their payouts," a member of the worker's committee who declined to be named said, adding that they had been assured that the payments would be made "within 30 days of closing the deal."

EXECUTIVE MANAGEMENT/BOARD CHANGES

- Former African Banking Corporation (ABC) chief executive officer Blessing Mudavanhu was appointed non-executive director of the Development Bank of Southern Africa (DBSA) for a three-year term. ABC is the parent company of pan-African banking group, BancABC. Mudavanhu said he was humbled by the appointment, which was approved by the South African cabinet and announced by Finance Minister Malusi Gigaba. "It's both flattering and humbling to be given such an honour by both DBSA and the South African government to contribute to such an influential regional development bank," Mudavanhu said. The DBSA is an influential finance institution wholly owned by the government of South Africa and it seeks to accelerate sustainable socio-economic development. Announcing Mudavanhu's appointment in early August, the DBSA said: "The Directors bring on board the necessary skills and extensive experience in areas of banking, development finance, legal and business. These skills are imperative in driving the strategy of the bank." In 2009, Mudavanhu joined African Banking Corporation as Group chief risk officer based in Johannesburg. Mudavanhu left African Banking Corporation in January 2017, having served as acting group chief executive officer since January 2015. Following his departure from African Banking Corporation, he founded Dura Capital, a Risk Advisory and Analytics firm, operating in Johannesburg, Harare and New York.

REBRANDING & STRATEGIC REALIGNMENT INITIATIVES

- The Commissioner of Insurance and Pensions and Provident Funds issued a notice confirming that the commission had, in terms of section 73 of the Insurance Act [Chapter 24:07], authorized the change of name of Eagle Insurance Company Limited to FBC Insurance Company Limited.

- The Infrastructure Development Bank of Zimbabwe (IDBZ) confirmed its partnership with a Dutch firm called Rebel International Group, which specialises in infrastructure finance and investment, to construct new schools across the country. Not having invested much in the education sector's infrastructure in recent years, Government disclosed that it had established a deficit of about 2 056 schools in the education sector and appointed the IDBZ to help mobilise funding for construction of schools across the country. Thomas Sakala, the chief executive officer of IDBZ, said: "In carrying out our responsibilities (as project advisors), we do start off by assessing what we can do on our own and where we need additional assistance both within the country and of course outside. In this particular case, we did carry out an exercise, which has resulted in us identifying additional expertise in the form of a consortium which is led by Rebel International based in Rotterdam, the Netherlands, and they are working with one of the leading lawyers in Zimbabwe called Gill, Godlonton and Gerrans."

ICT DEVELOPMENTS

- EcoCash issued a public notice in respect of planned system maintenance. "We would like to inform our valued EcoCash customers and channel partners that there will be a planned system maintenance of EcoCash on Saturday 12th August from 2200hrs to Sunday 13th 2017 at 1400hrs. During this period, all EcoCash services will be unavailable. We acknowledge and sincerely regret the inconvenience that this disruption to our service will cause you," said the Econet Wireless subsidiary.

- CBZ Bank advised that it would be carrying out a major system upgrade on Sunday, 13 August 2017 from 06:00 hours to Monday, 14 August 2017 06:00 hours and some services would not be available during this period as follows: ZESA Prepaid, ZIMRA Payments, DSTV Payments, Internet Banking, Mobile App, and CBZ Agency Banking. "Customers will therefore not be able to transact on these platforms during this period. We urge all our customers to take note of this 24 hour system disruption and plan accordingly. Any inconvenience is sincerely regretted," said the bank in the notice published on 10 August 2017.

- The People's Own Savings Bank (POSB) carried out Planned System Maintenance from 2200hrs on Saturday 12 August to 1200hrs Sunday 13 August 2017. During this period, all Card, Mobile and Internet services were not available. "We acknowledge and sincerely regret the inconvenience that this disruption to our service will cause you,' said the bank in a public notice released on 12 August 2017.

- The Reserve Bank of Zimbabwe (RBZ) said it had approved at least 44 financial technology (FinTech) payment solutions, a development that could provide stiff competition for local banks. Central bank governor Dr John Mangudya said that although the banking sector regulator had been pushing for the extensive distribution of point-of-sale (POS) machines, it was not averse to the adoption of fin-tech e-payment technologies. "The Zimbabwean economy has widely adopted financial technologies leveraging on the information communication technology developments in the sector. While POS deployment has been a major thrust over the last year, it is important to note that in addition to POS there are other alternative digital services available in the economy. To this end, in 2016 the RBZ approved over 44 new technologies; technologies which are now available in the market and will continue to explore innovative ways of transacting and offering financial services. The products or services provide the customers with a wider choice commensurate with their needs." said Dr. Mangudya.

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- First Mutual Life Assurance Company was the key sponsor, FBC Bank Limited the bronze sponsor and the Deposit Protection Corporation (DPC) was amongst the several other sponsors of the Marketers Association Zimbabwe (MAZ) Charity Golf Day 2017 held at the Chapman Golf Club on 4 August 2017.

- MBCA Bank Limited donated US$9 000 for the purpose of refurbishing Matthew Rusike Children's Home's piggery project.

- Stanbic Bank Zimbabwe donated 400 blankets worth $7000 to the Harare Hospital Children's Ward as it lived up to its promises of reaching out where there is need. The Bank's Chairperson Greg Sebborn said Stanbic Bank believed in giving back to the nation and good health was a topical issue which every living being could understand and relate with. "As a bank we endeavour to play our part in partnering with the Ministry of Health and Child Welfare amongst other authorities in the health sector and all other sectors in the country. When there is need we ask "how can we help?" and commit to our pledge. We acknowledge how Harare Hospital is highly depended on by the majority of people living in Zimbabwe, which is why we believe they deserve to be supported in any way possible," he said, adding that Stanbic Bank chose to reach out to the children's ward cognisant of the fact that the children are the future of the nation as supported by the proverb that "It takes a village to raise a child". Greg Sebborn handed over the blankets to Harare Hospital chief executive officer Peggy Zvavamwe with Bank chief executive officer Joshua Tapambgwa in attendance.

- Stanbic Bank once again sponsored Stragglers Cricket Club' holiday development programme from 28 August to 1 September 2017 held at Hartmann House and St George's College for Grades 4 -7. "It's time for the gentleman's game. The development of cricket starts at grassroots. Stanbic Bank is proud to partner Stragglers Cricket for the elevation of the gentleman's game," said the commercial bank, which is a member of the Standard Bank Group. Enrolment forms and further information were available at www.stragglers.co.zw.

- The Zimbabwe Agricultural Society (ZAS) expressed its gratitude to its partners for section and general sponsorship during the 107th edition of the Harare Agricultural Show. "The Zimbabwe Agricultural Society extends its gratitude to the companies that partnered ZAS during the 107th edition of the Harare Agricultural Show," said ZAS. Amongst these were financial sector institutions such as MBCA Bank Limited, Steward Bank, CBZ Bank Limited and First Mutual Life Assurance Company.

- NMB Bank Limited, the Reserve Bank of Zimbabwe, Homelink (Pvt) Ltd and ZB Life Assurance were amongst the companies that sponsored commercial trophies during the 107th edition of the Harare Agricultural Show held from 21 to 26 August 2017.

CORPORATE ACTIONS

- Arise, an investment company formed by a partnership between Norfund (a Norwegian Investment Fund) and Rabobank (a Dutch commercial bank) took over 69, 14 million shares of Norfund and FMO in NMBZ Holdings. This made Arise the second the largest shareholder in NMBZ with 17, 98 percent of the shares with the largest shareholder in NMBZ being African Century Financial Investments incorporated in Mauritius, which has 18, 52 percent of NMBZ's shares. Deepak Malik, the CEO of Arise, said: "In taking and managing strategic minority equity stakes in Sub-Saharan African financial service providers, we aim to build strong and stable institutions that will support the mass market, Small and Medium Enterprises (SMEs) and rural communities." NMBZ chief executive officer Benefit Washaya welcomed the partnership, which he said should enable NMBZ to benefit from being part of a wide network of African banks in which Arise has interests. "NMBZ is excited and welcomes Arise as an important shareholder for our company and as an important contributor to building a stronger financial sector in Sub-Saharan Africa. NMBZ will benefit from the wide network of other African banks that are part of this group," he said. The transaction reportedly received the approval of the various regulatory authorities in Zimbabwe.

- CBZ Holdings Limited issued a fourth cautionary statement dated 18 August 2017 in respect of one of its subsidiaries. "Further to the Cautionary Statements issued by the Board on 2 May 2017, 31 May 2017 and 19 July 2017, the Directors of CBZ Holdings Limited ("the Company") advise shareholders and other stakeholders that the regulatory matter which one of the Company's subsidiary is involved in, is still under discussion and may, on finalization have an impact on the value of the Company's shares. The Directors of CBZ Holdings Limited advise the Company's shareholders and members of the public to exercise caution and to consult their professional advisors when dealing in the shares of the Company until a further announcement is made. The Company's shareholders and members of the public will be updated on the matter in accordance with the Zimbabwe Stock Exchange Listing Rules," said Group Legal Corporate Secretary Rumbidzayi A. Jakanani.

- Zimbabwe Stock Exchange-listed financial services provider, ZB Financial Holdings Limited (ZBFHL), abandoned plans to set up a unit in neighbouring Mozambique due to foreign currency shortages. Ronald Mutandagayi, the chief executive officer of ZBFH, confirmed the development in mid-August. "Establishment of physical presence has stalled on account of foreign currency shortages. Investments are classified (by the Reserve Bank of Zimbabwe) as priority number four," said Mutandagayi. ZBFHL secured a licence to set up an insurance business in Mozambique in 2016, but was underwriting business in that country from its Harare offices. The financial services provider had planned to establish physical offices this year in a bid to grow revenues and spread risk. The group had hoped to partake in opportunities arising in the fast growing economy.

- Barclays Bank of Zimbabwe Limited issued a Further Cautionary Statement in respect of the takeover of the bank by FMB Capital Holdings PLC. "Reference is made to the Further Cautionary Statement issued by the Board on 4 August 2017, in which the Directors of Barclays Bank of Zimbabwe Limited ("BBZ) advised shareholders and other stakeholders that, following negotiations between Barclays Bank PLC ("BBPLC") and FMB Capital Holdings PLC ("FMB"), an agreement had been signed between BBPLC and FMB, pursuant to which FMB will acquire BBPLC's majority shareholding in BBZ, subject to certain terms and conditions ("the Transaction"). BBPLC and FMB are in the process of fulfilling the conditions precedent to the Transaction, which include, but are not limited to, approval by the Reserve Bank of Zimbabwe. Shareholders and the public are therefore advised that the Transaction is subject to statutory, regulatory and other approvals and, as such, should continue to exercise caution and to consult their professional advisors when dealing in the shares of BBZ. Further details regarding this Transaction will be made available in the circulars of BBZ and FMB to be published in due course," said the bank in the statement dated 25 August 2017.

EXTERNAL FINANCING: LINES OF CREDIT AND GRANT FINANCE/AID

- Group CEO Never Nyemudzo said Zimbabwe's largest financial services group by assets, CBZ Holdings was negotiating with regional lenders namely Afreximbank, Trade and Development Bank (formerly PTA Bank) and Shelter Afrique to review Zimbabwe's risk profile and reduce the cost of capital. "We are already and are always on the market looking for loans but the key issue regarding external lines of credit is the price. Currently rates have been averaging between nine and 12 percent, and we are seeing that as not favourable to this operating environment. We are discussing with different people who are willing to provide these facilities at between four and five percent. Once we get it at that level, then we can lend it to somebody who can produce competitively for this market or even the export market. Generally there is a lot of thirst for funding that is properly priced so we are just negotiating for any amount that we are able to disburse to intended beneficiaries. These discussions are at various stages, but the key issue is always about pricing. If it is four to five percent, it is acceptable. Anything else you know you are just giving to somebody who will not be competitive and the issue of imports coming into this country then doesn't get to be addressed," he said.

- ZB Financial Holdings (ZBFH) said it was negotiating lines of credit worth US$35 million from regional banks, as it sought to fund its operations. "The group has made inroads in mobilising lines of credit. A US$20 million facility with a regional bank is at closing stage, while another US$15 million for housing development is under negotiation," CEO Ronald Mutandagayi said during an analyst briefing on Wednesday, 9 August 2017. The search for new lines of credit came as the group saw its deposit declining to US$260 million as at the half year ended June 30, 2017, down from US$275 million as at the same time in the prior year.

CAPITAL MARKET DEVELOPMENTS

- The Zimbabwe Stock Exchange's market capitalisation reached a four-year high of $6 billion on 17 August 2017, after the Industrials Index gained 0,24 percent to the level of 211,69. The bourse last reached a peak market capitalisation of $6 billion in July 2013. Turnover in trades on the 18th of August hit $1,149 million, with foreign trades accounting for $68 000. No foreign sales were recorded.

- Market players revealed that investors were using Old Mutual shares as a way of repatriating their investments outside the country. This came as Old Mutual at US$4.02 at the close of trade on Monday, 21 August 2017 on the Zimbabwe Stock Exchange (ZSE) compared to a Johannesburg Stock Exchange (JSE) price of R34.64 or US$2, 63 on Wednesday, 23 August 2017. Tuesday's (22 August 2017) price was the highest the counter had traded at since dollarisation in 2009. Analysts said investors had been piling into the equities market in the absence of viable options in the country's capital markets. ''What has been happening is that foreign investors have been buying Old Mutual shares on ZSE and have them removed from the ZSE share register to either the London Stock Exchange (LSE) or the JSE. At the moment, this is the only option to get their funds out," said local analyst Walter Mandeya. Repatriating sale proceeds from the ZSE has been a challenge of late, resulting in foreign investors shunning the equities market. The Reserve Bank of Zimbabwe (RBZ) has since created a Zimbabwe Portfolio Investment Fund that is meant to facilitate repatriation of sale proceeds and dividends for foreign investors on the ZSE. Analysts have however said the fund might fail to make an impact unless the RBZ funds the current backlog. ''There is a backlog of more than US$75 million and the US$5 million seed money from the RBZ is not enough.''

- The Old Mutual share price on the Zimbabwe Stock Exchange (ZSE) jumped by over 30 percent in just a few months, widening the gap between it and the stock's Johannesburg and London prices, a development that also implied a devaluation of Zimbabwe's virtual currency. Although the country officially remains a United States dollar economy, with bank accounts denominated in the American currency, the majority of this money is no longer backed by real US dollars and represents money printing by government through the real time gross settlement system. For the past six years, Old Mutual's ZSE listed shares traded almost at par to the London-listed shares, but this swung to a premium in May last year when Zimbabwe announced it would start printing its own bond notes. Old Mutual closed at $4.01 on the ZSE on Monday, 21 August 2017 while trading at $2.64 and $2.61 on the London Stock Exchange (LSE) and Johannesburg Stock Exchange (JSE), 51, 8 percent and 53, 64 percent lower, respectively. Equities analyst, Ranga Makwata, said investors were taking advantage of Old Mutual shares' fungibility to move funds stuck in local banks to either London or Johannesburg where they could easily access their money. ''There are a number of dynamic and fundamental issues that can result in an increase in share prices. But in this case, investors with real time gross settlement balances in Zimbabwe buy Old Mutual shares on the ZSE because of their fungibility and sell the shares in the United Kingdom and or South Africa for pounds and or Rands,'' he said. He added that the disparities between the Old Mutual share prices on ZSE, LSE and JSE was indicative of the depreciation of bond notes, which were officially pegged at par with the United States dollar. The greenback was trading at a premium of 20-30 percent against bond notes on the parallel market due to worsening bank note shortages. During the hyper-inflationary crisis which ended with dollarisation in 2009, the Old Mutual share price discrepancy resulted in an Old Mutual Implied Rate - an indication of the exchange rate of the local unit against the United States dollar which became widely used by economic agents except government.

DEPOSIT PROTECTION & TROUBLED INSTITUTIONS RESOLUTION INITIATIVES

- The Deposit Protection Corporation (DPC) revealed that it had started taking legal action against shareholders and directors of banks whose institutions failed due to poor corporate governance. DPC chief executive officer John Chikura said this in Bulawayo on 1 August 2017 while responding to questions from the floor during a workshop to create awareness on the operations of the Deposit Protection Scheme run by the corporation. "You will notice that we have recently started doing this (suing of shareholders and directors) and these court cases are playing out in the courts. None of the cases have come out for hearing yet, but we hope that when that happens we will be successful," he said. Speaking after the workshop, Chikura said the DPC had since issued summons to shareholders and directors of Royal Bank, Trust Bank and Interfin while others were being worked on. Royal Bank was majority-owned by Jeff Mzwimbi and Simba Durajadi, Trust Bank by William Nyemba and Interfin by Farai Rwodzi, Jeremiah Tsodzai and Ray Njanike.

BOND/TB ISSUE OUTLOOK

- Agribank announced that it was in the market with FBC Bank to raise US$20 million for the 2017/18 agricultural cropping season. Said the bank: "A cumulative total of US$65 million has been raised for agriculture by the two banks as part of an ongoing business partnership since 2010. The Agro Bills, which have a tenor of 270 to 360 days, have the following special features: Prescribed Asset Status, Liquid Asset Status, Government Guarantee and Tax Exemption. FBC and Agribank are grateful for the support they have always received from investors, including but not limited to Pension and Provident funds, Insurance companies, Life mutuals, commercial banks and other institutions, as well as the investing public. The funding has been deployed to support diverse agricultural activities such as: Sugar cane; Agro Processors; Tobacco Smallholder farming; Macadamia Farming; Dairy Farming; Seed Maize; Maize (Brazil More Food Programme); Wheat and Soya. Funding is generally seasonal, but both Agribank and FBC are exploring opportunities to secure medium and long-term funding, which is more suitable for capital infrastructure development to augment existing seasonal financing. Agribank and FBC have always been able to pay investors on maturity of the agro bills using proceeds from various agricultural interventions."

- Government was set to issue non-tradable two-year Treasury Bills amounting to $150 million to fund soya bean production while oil producers were mobilising up to $100 million of inputs part of which was meant for soya bean production. Sakunda Holdings, which funded the 2016-17 agricultural season to the tune of $192 million, would this time work with financial institutions CBZ, Ecobank and Barclays to provide $48 million funding for soya bean production under the Command Scheme. "Government is in the process of mobilising $150 million for the 2017/18 Command Soya Bean Scheme. Of the amount, Government has secured an $80 million facility to fund the 2017/18 soya bean production with Sakunda Holdings having already committed $47, 8 million towards the facility. The balance of $ 70 million is expected to come from private players. Of the total amount Government will provide TBS worth $100 million on the behalf of the farmers," said Deputy Minister of Agriculture, Mechanisation and Irrigation Development (Crop Production) Davison Marapira adding that the TBs issued to Sakunda Holdings would be non-tradable and would be surrendered back to Treasury once farmers paid back what they owe. "The TBs will be held by CBZ and Ecobank. A point to note is that both Treasury and Reserve Bank of Zimbabwe have mechanisms to monitor the status of the Treasury Bills issued in line with terms and conditions," he said. The TBS will be issued before the distribution of inputs as financiers are demanding security upfront. This security will be provided in case farmers fail to pay or in the event of any catastrophe.

- Harare City Council issued a notice indicating that it was seeking permission to borrow $100 million through municipal bonds to finance various service delivery initiatives including housing schemes, clinics and a new sewer treatment works. The Council intended to make the application in terms of Section 290 (3) of the Urban Councils Act (Cap.29:15) of the Urban Councils Act (Cap. 29: 15). "Notice is hereby given in terms of Section 290 (3) of the Urban Councils Act (Cap 29:15), council resolved to borrow a sum not exceeding $100 million by way of Municipal Bonds for purposes specified hereunder," reads the notice. According to the notice, the city intended to use $30 million to upgrade council houses in Geneva and Zororo (Highfields), Joburg (Mbare) and Tafara. An additional $25 million would be used for the construction of Lyndurst Sewer Treatment Works. The city also planned to shell out $15 million to replace water pipes, while $10 million would be reserved for upgrading sewer lines. About $5 million was earmarked for a City Centre Maternity Clinic, and a similar amount would be reserved for city clinics. Gazaland Home Industry, construction of Hatcliffe farmers market and Kuwadzana Home Industry would account for $600 000, $700 000 and $900 000, respectively. It was also estimated that the construction of Mufakose Home Industry and Mbudzi Roundabout Flea Market would cost $800 000 and $2 million in that order.

- Zimbabwe National Roads Administration (Zinara), through ZB Bank, was set to float a $60 million bond to spruce up the country's road network, ZB Financial Holdings CEO Ron Mutandagayi said. Subject to its success, another $40 million bond would subsequently be issued, bringing the total resource envelope to $100 million. The road fund administrator's hand in tapping the capital markets was strengthened by 2016's $50 million bond - floated by the Infrastructure Development Bank (IDBZ) - which was oversubscribed by more that 17 percent. Once raised, the funds would be committed to the Emergency Road Rehabilitation Programme currently underway. "Out of the $100 million Zinara bonds, we will be floating $60 million as soon as the road administrator's logistics are in place. 'There is still time to raise another $40 million; we will see how the deal goes," Mutandagayi said.

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- The Reserve Bank of Zimbabwe ordered platinum miners to surrender 80% of their export earnings to the apex bank, up from 50%, raising fears that this could paralyse the operations of the miners as the 20% they retained was not considered adequate for the capital intensive industry. "In order to ensure effective administration of foreign exchange, as well as spread liquidity to guarantee equity in the foreign exchange market, with immediate effect, 80% of all foreign exchange receipts from the Platinum Group of Metals (PGMs) and Chrome shall be transferred to the Reserve Bank of Zimbabwe Nostro Account on receipt. The Reserve Bank shall immediately transfer an equivalent amount through RTGS to the Authorised Dealer for the account of the exporter. The remaining 20% of the foreign exchange shall be retained in the Authorised Dealer's Nostro Account for the exporter and the rest of the market's requirements," said the RBZ's Exchange Control Department in directive RS119/2017 of 4 August 2017 issued in terms of Section 35(1) of the Exchange Control Regulations Statutory Instrument 109 of 1996.

- The Insurance (Amendment Regulations, 2017 (Number 19) which amend section 2 (interpretation) of the Insurance Regulations 1989 published in Statutory Instrument 49 of 1989, also referred to as principal regulations were Gazetted in late August. According to the amended rules, the minimum unencumbered capital for life assurance business, including funeral assurance, will be $5 million. Minimum capital threshold for non-life business is $2 million. The minimum capital threshold will be $7, 5 million for entities involved in life assurance, funeral insurance and non-life insurance business, $5 million for reinsurance and $2 million for life assurance companies, which solely provide funeral assurance services. According to the Insurance (Amendment) Regulations, 2017 (No19), in assessing the eligibility of the capital of an insurer for regulatory purposes, the Insurance and Pensions Commission shall ensure that insurance companies fulfil prescribed features for capital. "A discount of 20 percent shall be applied on all quoted equities for insurers, non-marketability discount of 20 percent and illiquidity discounts of 30 percent shall be applied on the fair value of all investment in unquoted or private equity," the regulations say. For cash and money market instruments, 100 percent of the fair value of assets shall be considered. The value of Government securities, prescribed assets and term deposits will also be considered 100 percent. Insurance and Pensions Commission, may prescribe discounts for term deposits in line with credit rating of insurers' counterparties holding the term deposits are held under banks under curatorship, such deposits will not be considered for calculating capital. In terms of properties, the forced sale value will be considered, receivable other than premium debtors shall only be considered if they are aged less than 60 days from due date. Valuation for private and unquoted equities properties shall be conducted by independent professionals. "The valuation reports for properties shall indicate the market value, replacement cost and the forced sale value, cost per square metre, availability of encumbrance and the name registered in title deeds. The eligible capital must be substantially permanent, not impose fixed charges such as interest on earnings, must not be borrowed funds, unencumbered, investment must be predominantly assets whose profile matches liabilities and the capital must not be concentrated in one asset class."

- The Reserve Bank of Zimbabwe (RBZ) said increased usage of electronic payments would enhance Government coffers as electronic money is more traceable and accountable than cash. In the recent past, the Central bank and Treasury lamented that a number of players in the economy, especially the retail sector and Small-to-Medium Enterprises (SMEs) were side-stepping formal banking channels as well as avoiding paying taxes. "Moving towards a cash-lite economy helps in providing a digital footprint thus availing an audit trail which will increase government revenue or tax collections. The audit trail is also important for business as it will build financial track record that can be used for credit scoring purposes and lending. The economy will benefit from reduced costs of importing cash which increase pressure on the nostro accounts. Instead of importing cash, the country can use the foreign currency in needy areas which are key to boost production capacity," said RBZ governor Dr John Mangudya.

- Government granted the Export Credit Guarantee Corporation (ECGC) a 10-year income tax exemption back-dated to 2011, but tax already paid by the institution in the past six years would not be refunded. A notice in the Government Gazette of August 25, 2017 said the Minister of Finance and Economic Development Patrick Chinamasa had retroactively granted ECGC the tax exemption. "The Minister of Finance and Economic Development, in terms of Paragraph 2 (j) of the Third Schedule of the Income Tax Act, hereby declares the income accruing to the Export Credit Guarantee Corporation of Zimbabwe to be exempt from income tax for a period of 10 years with effect from 1st January, 2011. The consequence of this declaration is that all income tax paid by Export Credit Guarantee Corporation of Zimbabwe prior to 1st January, 2017 shall not be refunded," the notice read. This effectively allowed the institution, which is a wholly owned subsidiary of the Reserve Bank of Zimbabwe, to benefit from the tax break for the remaining four of the 10-year exemption period.

- The Common Market for Eastern and Southern Africa (COMESA) Competition Commission begun the process of looking into the acquisition of Barclays Bank Zimbabwe's majority shareholding by FMB Malawi from Barclays Plc. The COMESA Competition Commission is an international organisation established to handle all mergers and acquisitions with a regional dimension more so when both the acquiring firm and the target operate in two or more COMESA member states. COMESA Competition Commission manager for merges and acquisitions Willard Mwemba confirmed that due process into the transaction was underway. "We have started an investigation into the transaction involving First Merchant Bank of Malawi and Barclays Zimbabwe after they had made a notification to the Commission. There has been an outcry from different circles on the complexities around the transaction. We have, however, dispatched a team of investigators to look into the deal," he said.

CONFERENCES/SYMPOSIA &TRAINING EVENTS

- The Insurance Institute of Zimbabwe (IIZ) said it was transforming into a fully-fledged training institution to cater for the dynamic needs of the industry. IIZ president Dr Edward Gomba said at the IIZ Winter School in Nyanga on 22 August 2017 that plans were already underway to set up a school in Harare and the institution had already secured premises for the school. "The institution has been offering training in collaboration with universities but we have since purchased a property in Mt Pleasant where we are going to set up the school. We have also applied for accreditation with the Ministry of Higher and Tertiary Education and we hope that the accreditation will be granted soon," he said, adding that the IIZ was also working on a new curriculum that responds to the changing needs of the industry, expected to be unveiled soon.

PUBLIC TENDER INVITATIONS/RESULTS, EOI & RFPs

- The National Employment Council (NEC) for the Insurance Industry said it was looking for firms in the website development business to apply for the development of its interactive website. The main features of the website the

NEC wanted to be developed were: Website design and development including forms, live chats facility, member login, banner slide show, social media integration, and responsive design for PC, tablet and mobile as well as the training of administrators. The firms were expected to submit a letter of proposal including quotation, company registration documents, current Tax Clearance Certificate, company profile and at least four trade references. Interested firms had to submit applications to The General Secretary, National Employment Council for the Insurance Industry, No. 1 Daventry Road Eastlea, Harare by the closing date of 10 August 2017.

- A local development finance organisation working with banks and microfinance institutions to finance smallholder farmers and agribusinesses invited interested consultants (individuals or institutions) to express interest to undertake its 2017 longitudinal impact tracking study. "The purpose of the study is to track impacts of the organisation's agricultural value chain financing facility on smallholder farmers. The impacts will be tracked over a period of three years starting from 2017 to 2019. The tracking of the impacts will be done through longitudinal surveys which will be conducted in each of the stated years. In each of the years a consultant will be recruited to conduct the respective round of the study. As a longitudinal study data collection will focus on following the same respondents. The study will be based on selected value chains from identified sites referred to as Sentinel Sites. Interested consultants who wish to be considered for the first round (2017) of the Longitudinal Study should send in their Expressions of Interest. Interested consultants are expected to submit their applications indicating their capacity and relevant experience in carrying out similar studies. Data collection for the 2017 round is expected to be completed by the end of October 2017," the unidentified organisation in the expression of interest adding that the deadline for the submission of the EOIs was 10 August 2017.

- The People's Own Savings Bank (POSB) invited tenders for shop fitting services for the refurbishment of its branch in Bulawayo. "The POSB invites sealed bids from eligible contractors or shop fitting Companies to offer shop fitting services for the refurbishment of the POSB Main Street Banking outlet in Bulawayo. Documents for this tender are obtainable from THE FINANCE OFFICE, 4th floor Causeway Building, Corner Third Street and Central Avenue Harare, upon payment of a non-refundable deposit fee of US$50.00 pet set. Tenders should be accompanied by the following documents: Company Profile, Certificate of Incorporation including CR14 and Contact details of at least 3 recent traceable references where jobs of similar scope and magnitude have been executed. A compulsory site meeting will be conducted on Friday 11 August 2017 at 10:00 AM at POSB Bulawayo Main Street Branch in Bulawayo. Failure to attend the site meeting will lead to disqualification. Tenders shall be delivered and deposited in sealed envelopes in the Tender Box installed in the 4th floor at Causeway Building, Corner 3rd Street and Central Avenue, Harare on or before Thursday 22 August 2017 at 10:00 am where they will be opened in the presence of bidders who wish to attend," said the savings bank in the tender invitation.

- The Infrastructure Development Bank of Zimbabwe issued a Request for Expressions of Interest (RFEOI) in respect of Project IDD No.: IDBZ/IPDR1/ Runde-Bridge-Boli-link-road /24082017. "The Infrastructure Development Bank of Zimbabwe ("The IDBZ") has allocated a budget for the development of the proposed **Chilonga - Runde River Bridge and Boli Link Road Project in Masvingo Province, Zimbabwe**, and intends to apply part of this budget allocation towards payments under the contract for engagement of Consulting Firms to undertake a detailed feasibility study which includes technical, economic, financial, social and environmental viability assessment. The IDBZ now invites eligible consulting firms to indicate their interest in providing the consultancy services. Interested consultants must provide information demonstrating that they are qualified to undertake this assignment (Company profiles and registration documents, Curriculum Vitae, brochures, description of similar assignments; experience under similar environment or conditions; availability of appropriate skills/ experience among staff, etc). Prospective Consultants may constitute joint-ventures where necessary to enhance their capacity to undertake the assignment. Eligibility criteria, establishment of the short-list and the selection procedure shall be in accordance with the IDBZ "Rules and Procedures for the use of Consultants" downloadable from the IDBZ website, www.idbz.co.zw. Interested firms may obtain further information during office hours, 1000hours to 1600 hours. Expressions of interest must be delivered on or before 14th September 2017 by 1500 hours and clearly labelled "EOI for Contract Ref: IDBZ/IPDR1/Runde-Bridge-Boli-link-road /24082017: Feasibility Study for a Runde Bridge and Boli Link Ridge", said the DFI.

- Agricultural Bank of Zimbabwe (Agribank) invited bids from reputable companies for the provision of ICT Training and T24 Project Management as per the details of the following tenders:

Tender Number	Description	Closing Date
AGRINF18/2017	ICT Training	13.09.2017
AGRINF19/2017	T24 Project Management	13.09.2017

"Documents for the above tenders will be issued to interested bidders upon payment of a non-refundable tender fee of USD10.00 from: Procurement Department, Agricultural Bank of Zimbabwe, 2nd Floor, Hurudza House, Head Office, Harare...Tenders must be enclosed in sealed envelopes and deposited in the "Tender Box" addressed to Procurement Board Chairman, 11th floor, Hurudza House, Head Office on or before 1000hrs on the closing date," said the bank in the invitation to informal tender.

CUSTOMER SERVICE/RELATIONSHIP MANAGEMENT INITIATIVES

- Agribank issued a notice to its customers in respect of a customer information update exercise. "Kindly please note that the Bank will be phasing out paper withdrawals and embracing fully, card and mobile banking payments effective 1 October 2017. Pursuant to the foregoing and as an integral part of the ongoing ICT Systems Upgrade, we request all our Valued Customers to visit their nearest Agribank branch and update their customer information. Agribank is committed to bringing you enhanced and efficient service. Thank you all in advance," said the bank whose pay-off line is "Your all weather bank."

- Life Offices Association of Zimbabwe hosted a Golf Day at the Royal Harare Golf Club on 4 August 2017 with close to 130 participants and a Better Ball Stableford format.

- The People's Own Savings Bank (POSB) held a Fun Run over distances of 5km, 10km & 21km and a Fun Walk for 5km on Sunday, 27th August 2017 at the Reserve Bank of Zimbabwe club. All were invited to the event for which entrance was free. There were scheduled activities and lots of fun for the whole family including volleyball, Zumba Aerobic Sessions, Jumping Castle and Tug of War. There were also lots of prizes for the various categories.

INDUSTRY AWARDS AND ACHIEVEMENTS

- CBZ Holdings won the Financial Services Floating Trophy for the best stand exhibited by a financial service institution at the Harare Agricultural Show held during the period 21 to 26 August 2017.

DOMESTIC LENDING AND FINANCING PERSPECTIVES

- Cabinet approved proposals by the Ministry of Industry and Commerce to restructure state enterprises Industrial Development Corporation (IDC) into an industrial financing entity. Industry and Commerce minister Mike Bimha told delegates attending the Confederation of Zimbabwe Industries (CZI) annual congress that Cabinet had approved the creation of a window in IDC, to cater for the funding needs of local industry. The minister said discussions were underway with the Reserve Bank of Zimbabwe on the structure and modalities under which this would be done. The industry financing role would be similar to dedicated roles by Infrastructure Development Bank of Zimbabwe (IDBZ) and Agriculture Development Bank (Agribank). "There are programmes that we have had before (DIMAF, ZETREF) to assist companies, but what we want now is an institution dedicated to funding industry. As you are aware, we have Agribank, which is an institution dedicated to funding agriculture. We also have an institution dedicated to funding infrastructure (IDBZ) and what has been missing is the institution to fund industry. What we now want is to open a window within IDC that caters for funding industry. We have been talking about transformation and reorganisation of IDC. I presented a paper to Cabinet in that regard, which was approved, so that IDC transforms itself to play the role other similar entities play. In any case, it is part of its mandate to assist in industrial development and ensure that it nurtures those upcoming industries, and in so doing, make sure it provides funding," he said. IDC Zimbabwe is a self-financing, Development Finance Institution (DFI) established in 1963 through an Act of Parliament, (Chapter 14:10) and it is wholly owned by the Government.

- The Cross Border Traders Association (CBTA), got a major boost when it signed a credit-enhancement deal with Global Entrepreneurship Society (GES) to provide collateral for traders, a development that was expected to stimulate uptake of the US$15 million cross border traders facility which was released by the Reserve Bank of Zimbabwe in a bid to promote the sector, especially its export component. The facility had to date not found many takers as most traders did not have the requisite collateral. CBTA president Dr Killer Zivhu bemoaned the slow uptake of the facility. "It's quite disturbing that we are sitting on $15 million which our people are failing to access. We have heard cross borders lamenting the lack of collateral but now that GES has come on board we hope we will witness the rise in uptake of this facility. We are tired of people saying they are not getting support from Government and yet there are facilities like this one," he said.

- The National Building Society (NBS) on Thursday, 10 August 2017 unveiled 65 newly built low-cost houses in Amalinda High Density suburb, which will mainly benefit workers from the Tobacco Industry and Marketing Board, the Zimbabwe Nurses Association and SeedCo. Speaking at the unveiling ceremony, Public Service, Labour and Social Welfare Minister Priscah Mupfumira applauded the NBS for delivering on its mandate only a year into its existence. She said more houses were currently being built in areas such as Chinhoyi, Gweru and Masvingo. "The initial target, depending on availability of land is 10 000 units by 2018, however, these will be reviewed on an annual basis,'' she said. Speaking at the same event, National Social Security Authority (NSSA) board chairman Robin Vela said by the end of the second quarter of 2017, NBS had delivered 3000 houses across the country.

- The Industrial Development Corporation of Zimbabwe (IDC) was reported to be looking at raising $100 million seed capital to kick-start its development financing operations. IDC was also in advanced talks with the Industrial Development Corporation of South Africa (IDCSA) for a $20 million credit line with the Reserve Bank of Zimbabwe expected to come up with a facility to fund this new initiative. The negotiations with IDCSA came after IDC Zimbabwe finished the repayment of a six year $15 million loan facility unveiled by the South African development finance institution that went towards its recapitalisation programme. Well-placed sources said that the $100 million would enable IDC to fully execute its new role as a development finance institution.

- The People's Own Savings Bank (POSB)'s mortgage financing division was launched on 23 August 2017 after, according to chief executive officer, Admore Kandlela, the bank realised that there was a niche in the lower income market, with some of the bank's customers looking for loans for their high-density properties. "What we intend to do is to work on the cheapest form (housing). Why land is expensive in Zimbabwe is because of the sourcing. If you buy land from private developers, it is highly priced, so from the onset, with a square metre, if you are to sell a piece of land for more than $5 to an individual, it is actually quite expensive and unaffordable," he said. POSB's mortgage financing division offers four packages: the ordinary mortgage loan, building loan, company supported mortgage and mortgage refinancing. Valuation and inspection fees for the land being bought will be 1% of the loan amount per annum, mortgage loan establishment fees 2%, mortgage interest rate 10% to 12% and will allow a buyer up to 15 years to pay off the mortgage. Mortgage applications will be processed at any of the 30 POSB branches nationwide.

- Students at institutions of higher and tertiary learning who are struggling to pay fees were expected to start getting loans under the US$1 billion Higher & Tertiary Education Loan Support Facility from September 2017. Participating institutions CBZ Bank Limited, NMB Bank Limited, POSB, Eduloan and GetBucks were expected to meet half of the budget, with the Reserve Bank of Zimbabwe covering the balance. Higher and Tertiary Education, Science and Technology Development Deputy Minister Dr Godfrey Gandawa said: "The parent will borrow on behalf of the student, with the student becoming a co-debtor. In two weeks' time, the financial institutions will start giving out the loans, and parents can approach them directly. They should produce proof of enrolment." The facility does not cover foreign students attending Zimbabwean universities, Zimbabwean students undertaking certificate, diploma or degree programmes offered by foreign colleges or universities as well as students who have received full Government or other scholarships. Participating lending institutions (administering institutions) are required to pay the fees straight into the college or university account. The maximum loan tenure under the facility is 60 months (5 years) and beneficiaries are not permitted to access multiple loans through different lending institutions under the facility. The participating banking institutions will charge an all-inclusive interest rate not exceeding 10% per annum, while participating microfinance will charge up to 2% per month, with the interest accruals under the facility starting from the date of loan disbursement.

- The Insurance industry said it had mobilised US$30 million to fund Zimbabwe's Command Agriculture programme for the 2017-2018 season. "There are ongoing discussions on another application for prescribed asset status for Command Agriculture support for the upcoming season to the tune of US$30 million," said Insurance and Pensions Commissions (IPEC) Commissioner Tendai Karonga, adding that in the past three years, the insurance and pensions sector had contributed over US$200 million in Prescribed Assets towards infrastructure development. Life insurance companies reported an average investment into prescribed assets of 14 percent against a minimum prescribed asset ratio of 7, 5 percent as of March 2017, Karonga said. Short-term insurance companies recorded an average of about 13 percent, which is more than double the minimum requirement of 5 percent. "This shows the industry's appetite to contribute to the country's infrastructural development," Karonga said.

- Banks increasingly shunned lending to local non-export producers in favour of exporters to hedge themselves against the country's worsening foreign currency shortages. NMBZ chief executive officer (CEO), Benefit Washaya, said that his financial institution was engaging foreign development finance institutions for external loans that were earmarked for exporters. "Under the current circumstances, it is prudent to lend to exporters as this also gives us the leeway to pay back the loans," he said, adding that it was, however, getting increasingly difficult to secure cheap external loans that could help make local exporters more competitive.

- The Reserve Bank of Zimbabwe (RBZ) unveiled a $10 million loan facility for the capacitation of small scale oil producers. Addressing beneficiaries at the launch of the loan facility to Zimbabwe Small Scale Processors Association (ZISSOPA) on Wednesday, 30 August 2017, RBZ deputy governor Dr Jesimeni Chipika said the loan facility was meant to support the agro-industry processing sector which falls under the Zim-Asset's value addition and beneficiation cluster. "Downstream industries need financial support, so we are here to witness the official launch of $10 million Homelink support to ZISSOPA. It is an agro industry processing sector, therefore this facility is meant to support the value addition and beneficiation cluster of the Zim-Asset,'' Dr Chipika said.. "The loan is meant to capacitate small scale oil processors so that they improve their contribution to the total oil production from 10 percent to about 20-30 percent,'' said Homelink lending manager Paradzai Berere.

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES(CP & LP)

- The ongoing cash shortages forced several manufacturing companies to seek foreign currency from illegal dealers popularly known as "Osiphatheleni" so as to procure raw materials. This added a cost burden on producers, industry experts said, with a negative effect on the competitiveness of local companies, already constrained by a myriad of cost drivers. This emerged during a National Economic Consultative Forum (NECF) dialogue on pricing in Bulawayo on 1 August 2017 where industry and commerce executives urged monetary authorities to come up with measures to cushion the productive sector and foster economic growth. Presenting a paper on pricing Dr. Nyasha Kaseke, a lecturer from the University of Zimbabwe's Graduate School of Management, said the contribution of the manufacturing sector to Gross Domestic Product (GDP), one of the primary indicators used to gauge the health of a country's economy, remained low with the sector projected to register less than two percent growth due to challenges that included foreign exchange shortages. "The industry's GDP contribution is down because of operational challenges that have reduced capacity utilisation to around 47 percent instead of the desired 60 or more percent. The major factor to this is the liquidity crisis. Companies are now getting foreign currency from the streets at 20 - 25 percent premium, which is an additional cost to production. For instance, several businesses are now putting 10 percent discount on US$ payments, 5 -12 percent premium on bond notes payments, 10 - 25 percent on swipe/RTGS and 15 -25 percent on mobile money," said Dr. Kaseke, adding: "all these costs are reflected on the end product pricing".

- The Reserve Bank of Zimbabwe (RBZ) began allocating foreign currency for remittance of cash from ticket sales by international airlines, which had been failing to repatriate payments due to foreign currency shortages. International airlines had started tightening screws on liquidity-starved Zimbabwe owing to a worsening foreign currency crisis hence a huge backlog of unremitted ticket payments, with some having been outstanding for over 140 days. Board of Airlines Representatives chairperson, Winnie Muchanyuka, also South African Airways country manager, said although there was still a backlog, the situation was now under control. "The issue of foreign currency shortages is not a secret in Zimbabwe. Constant engagement between the airlines, IATA (International Air Transport Association) and the RBZ has yielded results. Although we have a backlog, the situation is being managed so that the airlines do not suffer. Zimbabwe's situation is less than what is happening in Angola, not that we are trivialising the issue but the repatriations have been going through every single week to IATA to distribute to the airlines," she said.

- Analysts said that formal retail businesses were beginning to benefit from increased use of plastic money caused by a worsening cash crisis, which was slowly undermining the informal sector, now the largest source of employment in the country. Availability of US dollar notes started declining in 2016, with critics blaming government for repaying local debts using electronic funds transfers, in the process depleting the stock of foreign currency in the banking system. This led to depletion of the stock of notes in the economy, to the point where banks reportedly held only two percent of cash reserves against a benchmark of 15 percent. As a result of failure to withdraw their money from banks, Zimbabweans have been forced to increasingly resort to use of bank cards for transactions using these platforms. "I think 90 percent of transactions in the economy are now via plastic money. We're seeing a movement away from the informal sector. This should improve revenue collection by ZIMRA (Zimbabwe Revenue Authority)," said a financial analyst. ZIMRA chairperson, Willia Bonyongwe, also noted that increased usage of plastic money, which produces an audit trail of records, had improved revenue collections and tax compliance.

- Zimbabwe's headline inflation rate slowed down to 0, 14 percent year-on-year for the month of July, from 0, 31 percent in June, Zimbabwe National Statistical Agency (ZIMSTAT) the official statistics agency announced on 16 August 2017. On a month-on-month basis, the inflation rate stood at -0, 36 percent, shedding 0, 12 percentage points on the June 2017 rate of -0, 24 percent. "The year-on-year inflation rate (annual percentage change) for the month of July 2017 as measured by the All Items Consumer Price Index stood at 0,14 percent, shedding 0.17 percentage points on the June 2017 rate of 0,31 percent," said ZIMSTAT. The country's inflation broke from a deflationary mode between October 2014 and January 2017. Inflation returned to positive territory in February 2017 at 0, 06 percent, before further quickening to 0, 75 percent in May. The figure eased to 0, 31 percent in June. The International Monetary Fund recently forecast that inflation in Zimbabwe would quicken to seven percent by December and to 10 percent by the end of 2018.

- FBC Holdings Limited (FBCH) said it would move to acquire fixed and real assets to preserve value amid inflation worries, CEO John Mushayavanhu told analysts and journalists at a briefing in Harare in late August 2017. "We have seen inflation creeping up in the past few months. We need to maximise our fixed assets. We need hard and real assets on our book. We can go up 25% as required by regulators," he said. This came amid concerns inflation was rising faster despite official figures portraying consumer prices coming off. Inflation has been trending up since February and reversed the trend in June and July, according to Zimstat, the government statistical agency. As part of the group's strategy to invest in real assets, Mushayavanhu said he was looking at developing its land bank.

- On 29 August 2017, the Confederation of Zimbabwe Industries (CZI) claimed that some errant banks could be diverting to other uses foreign currency allocated by the Reserve Bank of Zimbabwe (RBZ) to companies towards procurement of critical imports. The foreign currency diversion, the industrial lobby group said, could be partly responsible for the ballooning external payments backlog. CZI president Sifelani Jabangwe, said it emerged during meetings with the RBZ to discuss the manufacturing industry amid the choking foreign currency shortages that some firms that procure certain critical medical supplies did not receive money allocated to them. "We have identified that in the current system there is a problem with the allocation of money. We have had meetings with the Governor and one company said to have been allocated money by the RBZ for critical requirements, did not receive the allocated funds. So there is a problem in the system. They were allocated (money), but it did not get to them. Maybe it was converted by the bank or someone in the bank, so, we believe this is one company, but this might be happening to other companies. This company said 'we have not received our allocations in the last three months, but the RBZ said 'we have been allocating you money every month' because the RBZ was monitoring them heavily, they supply essential material into the medical field. (The allocations) were significant, they run into millions. Probably, most of the companies that are crying (over foreign currency) were given allocations (by the RBZ) but the allocations did not get to them," he said. CZI said increased monitoring of disbursement of hard currency by banks after allocations by the RBZ was one way to manage shortage of foreign currency.

- Zimbabwe earned $556 million from 188 million kilogrammes of tobacco crop sold during the selling season which closed August 11. Sales at the country's auction floors raked in $88 million from 31 million kg of the golden leaf, while $468 million was earned from contract tobacco sales. In 2016, the country earned $594 million from 202 million kg from both auction floors and contract sales.

- Government's top advisor on Ease of Doing Business reforms, Ashok Chakravarti, recommended that bond notes operate as the official local currency and not as a surrogate of the United States dollar. Speaking at the Southern African Political Economic Series policy discussion titled "Zimbabwe's Economy: How and When to Reintroduce a Viable Zimbabwe Currency" on 31st August 2017 Chakravarti said scrapping the pegging of the bond note to the US dollar by the Reserve Bank of Zimbabwe (RBZ) would halt the liquidity crisis. "Let us accept that we already have bond notes as a local currency, RBZ has put a peg between the bond and the US dollar and yet it is not equal. My recommendation is that to eliminate the liquidity crisis, government needs to remove the peg and let the bond note operate on its own and that way it will be a real currency," Chakravarti, who, was speaking as an independent analyst, pointed out. The University of Zimbabwe economics professor, said keeping the peg was only depreciating the value of the Real-Time Gross Settlement system (RTGS). He noted that the Confederation of Zimbabwe Industries had revealed that the RTGS premium to real money was now at 30%, meaning if one had US$1 000 in RTGS, they only had US$700 in real money. He added that it was "pointless" to have the Afreximbank facility, which the central bank said backs the bond notes, if it was not convertible.

- Non-exporting depositors have no right to demand foreign currency from local banks because they are not generating any, Barclays Bank of Zimbabwe chief officer, George Guvamatanga said, joining other bank executives who have suggested that since most Zimbabwean depositors are not exporting to earn foreign exchange, they should not demand US dollar cash from banks. "Let's face something here; you cannot have something that you have not created. We have to understand that when you want the US dollars, you need to have exported. Farmers and small scale miners should get all their money in cash because they have exported. A civil servant cannot go to the bank and demand all their money in cash because he has exported nothing," Guvamatanga said during a recent digital money conference. Central bank governor, John Mangudya, has spoken against cash-thirsty depositors, urging them to "eat what they kill. The country is in this situation because people who do not generate cash feel entitled to cash and refuse to embrace plastic money. But it makes little sense for someone not producing to want cash," Mangudya said. He has also noted that civil servants were getting paid using RTGS but wanted US dollars notes when their incomes were not backed by real money.

UNAUDITED FINANCIAL STATEMENTS AS AT 30 JUNE 2017: HIGHLIGHTS

- The financial sector reporting season for the first half of the year drew to a close during the month with 14 banks and 4 building societies having released their unaudited results for the half year ended 30 June 2017. The highlights of the financial results are given in the following table, ranked according to profit after tax. Notably, twelve commercial banks and two building society recorded increases in profit after tax while the remaining two banks recorded decreases, as did two building societies.

Bank	Profit Before Tax (US$)	Profit After Tax (US$)	Total Income (US$)	Total Expenses (US$)	Total Assets (US$)
Stanbic Bank	18,762,000	12,753,000 (Increase)	50,938,000	28,632,000	1,059,621,000
Ecobank	16,022,000	11,414,000 (Increase)	25,508,000	9,486,000	396,912,000
CBZ Bank Limited	9,968,962	10,026,520 (Increase)	62,819,646	38,447,337	1,967,002,205
Barclays Bank	12,170,000	9,539,000 (Increase)	34,032,000	21,972,000	479,799,000
Standard Chartered	10,139,121	6,839,895 (Increase)	30,292,855	20,623,814	626,974,700
ZB Bank Limited	6,704,006	6,179,931 (Increase)	25,960,505	19,256,499	348,755,301
POSB	3,834,207	3,834,207 (Decrease)	17,204,537	13,370,330	188,753,533
NMB Bank Limited	4,819,200	3,538,868 (Increase)	19,152,467	13,627,312	338,212,682
FBC Bank Limited	5,211,221	3,304,021 (Decrease)	22,837,507	14,380,602	525,437,684
BancABC	4,961,000	3,249,000 (Increase)	21,353,000	16,329,000	513,997,000
MBCA Bank Limited	3,616,663	2,705,636 (Increase)	16,053,636	12,436,973	310,319,234
Agribank	2,179,000	2,179,000 (Increase)	16,974,000	11,451,000	214,986,000
Metbank	543,371	403,453 (Increase)	6,422,526	5,488,472	232,272,147
IDBZ	196,572	196,572 (Increase)	4,574,215	4,328,527	160,397,752
CABS	16,520,000	16,520,000 (Decrease)	50,280,000	33,580,000	1,076,050,000
FBC Building Society	4,569,920	4,569,920 (Increase)	8,144,111	3,574,191	156,984,443
ZB Building Society	170,698	170,405 (Decrease)	2,640,605	2,469,907	43,340,993
National Building Society	(633,662)	(633,662) (Increase	3,213,463	3,847,125	86,395,871

"We are saying it's better to share infrastructure because there is no point in duplication and the resources can be diverted to other important issues. For example, it doesn't make sense to have three towers on one hilltop except to make the hill ugly," - **Gift Machengete, Potraz Director General** at a mobile money conference in Harare.

MFSB SPORT: FSSL FACTS, FIGURES & LEAGUE NEWS

THE FSSL TIMELINE SO FAR THIS SEASON

9 March 2017: The Financial Services Soccer League (FSSL) Annual General Meeting (AGM) is held, ushering in the new executive chaired by Kudzai Kwangwari of FBC Holdings.

29 April 2017: 2017 Fixtures commence with three matches being played while the fourth is a walkover. The standout development is the 22-0 drubbing of Payserv by FBC, prompting the League's Executive Committee to deliberate on the result and pass a decision in the spirit of sportsmanship.

8 May 2017: The withdrawal of the NMB Bank team from the League is formally communicated after the team reportedly fails to secure sponsorship from the employer and accordingly, revised fixtures are released.

25 June 2017: Window period opens, enabling clubs to de-register and register players.

8 July 2017: Window period closes, signalling the end of the process of registration and deregistration of players.

29 July 2017: Resumption of week 10 games after all outstanding matches were played.

15 September 2017: Dates for the 2017 edition of the Paynet Cup revealed by the FSSL.

LEAGUE NEWS

Date of End of Year Tourney Revealed

The FSSL revealed the dates of the 2017 edition of the Paynet Cup. "Greetings to you all. I hope I find you well. It is our pleasure to announce that the league has once again partnered Payserv for the end of year tournament dubbed the 'PAYNET' cup. The tournament will be held over three days on 28 and 29 October with the finals set for 04 November 2017 at a venue to be advised. We are planning to have extra activities like women's soccer, kids entertainment and other sporting disciplines so that people may bring their families and have fun. The climax will be an after party on Saturday 04 November 2017 after the final match. The Tournament launch date is expected to be conducted on Friday 20 October 2017 at a venue to be advised. The Tournament will involve 16 teams drawn from all the teams in the league and 6 other invited teams from the Banking and Insurance Industry. We hereby invite clubs to send two members of the executive from their organisation whom the league will invite and cater for in terms of refreshments at the tournament. These should be influential people who will be introduced to the tournament sponsors. We require this information by Friday 22 September 2017. We will provide more details including tournament rules in due course,' said FSSL Secretary General, Emmanuel Tapera in an e-mail dated 15 September 2017 to clubs.

Executive Member of CABS/Old Mutual Loses Son

On 15 September 2017, the Fixtures Secretary advised of the postponement of Old Mutual and CABS fixtures following bereavement of the son of one of their executive members, Walter Matemera's son who was buried at Glen Forest on Saturday, 16 September 2017. "There will be a church service at Faith Ministries (Close to Blue Lagoon shops) off Lomagundi Road at 0900hrs. As the FSSL family, let's take time to be with one of our own and comfort them during this trying time,' said Secretary General, Emmanuel Tapera.

Payserv Makes Great Strides

Although Payserv is still without a win after 15 matches in their debut FSSL season, they sure have made great strides from the whipping boys they were early in the season, at least according to FBC Player Tawanda Mumbengegwi who recently acknowledged this after Payserv narrowly lost 0 -1 to FBC. "Special mention to Payserv. Well played. That was a very tough game and I'm sure you will surprise a few more teams with that kind of performance," he quipped.

MFSB SPORT: WEEK 15 FSSL LEAGUE TABLE

Week 15	FSSL League Table 2017								
Position	**Team**	**P**	**W**	**D**	**L**	**F**	**A**	**GD**	**PTS**
1	FBC	15	12	1	2	59	13	46	37
2	SCB	15	11	2	2	51	16	35	35
3	CABS	14	9	2	3	43	16	27	29
4	CBZ	15	8	4	3	50	17	33	28
5	OM	14	9	1	4	49	19	30	28
6	ZB	15	8	3	4	58	24	34	27
7	ECO	14	3	2	9	24	45	-21	11
8	AGRI	15	2	2	11	19	92	-73	8
9	RBZ	14	1	2	11	19	94	-75	5
10	PAYSERV	15	0	1	14	12	48	-36	1
	Totals	**146**	**63**	**20**	**63**	**384**	**384**	**0**	**209**

CBZ Holdings team after dismissing Payserv in a recent league match. **Standing from left**: Edmore Masanga, Chris Nazare, Emmanuel Tapera, Nobert Mhike, Genius Mutero, and Leslie Magombo. **Squatting from left**: Casper Kazima, Nyasha Dodzo, Pious Chitombo, Pride Viriri, Neckson Chimtiku, Nigel Jongwe and Walter Muzenda.

MFSB SPORT: FSSL PREPARATIONS FOR PAYNET CUP GATHER MOMENTUM

The Financial Services Soccer League (FSSL) season typically runs from March/April and ends around October. It culminates in the annual sponsored tournament called Paynet Cup. Payserv Zimbabwe is the major sponsor which bankrolls the League Cup tournament by covering the major expenses. This year the tournament is set to be held over three days – the 28th, 29th culminating in the final on 4th November 2017. The FSSL Secretary General Emmanuel Tapera (ET) talks to the MFBS about the plans for the tournament which will run under the theme, "Health and Wellness for improved Employee Productivity."

MFSB: Has the Financial Services Soccer League (FSSL) and its sponsors decided on the date and venue for this year's Paynet Cup?

ET: The Tournament will be held over three days being the 28thand 29th of October; with the finals being played on the 4th of November 2017. The venue will be advised in due course, however it will be in Harare.

MFSB: Do you have any other partners for this year's edition?

ET: Payserv, the providers of the electronic payment platform popularly known as Paynet, has been our main sponsor for the past three years - that is why this is the Paynet Cup. Payserv has been working with financial institutions for years. Companies uses the Paynet system for corporate payments.

MFSB: What is the objective of this tournament, for those not familiar with it?

ET: The objective is to create a platform where players in the financial industry meet and socialise in a family set up or environment whilst also promoting health and wellness.

MFSB: Do you have a theme for this year's tournament?

ET: "Health and Wellness for improved employee productivity" is this year's theme.

MFSB: How many teams are expected to participate in this year's tournament and what's the qualification criteria for participation? Can you please name the teams?

ET: The tournament will be have 16 teams drawn from the Banking and Insurance Industry. All teams currently playing in the FSSL automatically qualify to participate and there will be 6 invited teams. The current FSSL teams are Agribank, CABS, CBZ, Ecobank, FBC, Payserv, RBZ, Stanchart, Old Mutual, and ZB. The invited teams will be advised in due course. There will also be women`s soccer match pitting two invited women`s teams, as a curtain raiser to the finals.

MFSB: Has the draw for the tournament been conducted and if not, when is it likely to be done?

ET: The tournament draw is expected to be done on the 20th of October at the venue where the finals will be held.

MFSB: What individual and team awards will be up for grabs at the tournament?

ET: The Individual awards are Player of the Tournament, Top goal scorer and Best Goalkeeper whilst the tournament winners, the runners up as well as the third and fourth placed teams will be honoured.

MFSB: Please also tell us about the prize money available for this year's tournament.

ET: The winners will walk away with $500, a floating trophy and medals. The runners up will get $300 and medals whilst the third and fourth placed teams will each get $100.

MFSB: What will you be doing differently at this year's tournament?

ET: This year we are inviting other sporting disciplines within the Banking and Insurance leagues to also partake in the activities and there will also be children`s activities so as to encourage families to come. We have also invited two women`s teams to be curtain raisers to the finals and the climax will be an after party after the finals where we have invited prominent entertainers. The tournament will also be held over three days in two weekends unlike in previous years when it was hosted on one weekend.

MFSB: To refresh our memory, which teams were in the final of last year's Paynet Cup and who won?

ET: Last year the finals were played between Stanchart and CBZ and Stanchart won the match 5-4 on penalties.

MFSB: What message do you have for those who are interested in the tournament? What can they look forward to this year?

ET We encourage everyone in the Financial Services sector in particular sport loving people to come and have fun during the tournament. This year`s edition emphasizes on Health and Wellness as well as the family unit in homes and the financial industry as one big happy family.

MFSB: Anything else that we haven't discussed that you would like our readers to know?

ET: We encourage all executives to grace the event and support their teams. We also encourage those teams that are not in the league to use the tournament as a spring board to build a team that will also be part of the FSSL league.

Standard Chartered Bank, winners of the 2016 edition of the Paynet Cup Tournament which was held at Barclays Sports Club during the weekend of 19-20 November 2016.

INDIVIDUALS, COMPANIES AND INSTITUTIONS MENTIONED IN THIS ISSUE

Companies & Institutions Mentioned in This Issue

People Mentioned in This Issue

SoundGarden Publishing