

Monthly Financial Sector Bulletin

Issue No. 70, June 2019



COVER PICTURE: The race for the 2019 African Bankers Awards came to an end on the night of 11th of June 2019 in Malabo, Equatorial Guinea, at a high profile gala dinner of bankers and financial sector stakeholders, with Trade and Development Bank (TDB) President and Chief Executive Admassu Tadesse (pictured) winning the 'African Banker of the Year' award. The 'African Banker of the Year' award celebrates influential and inspirational captains of Africa's banking industry: those who demonstrate outstanding integrity, and who through their leadership and outstanding vision, are exceptionally agile in achieving a strong financial performance and playing an active role in enhancing socio-economic empowerment and development in the region they serve. TDB is now an investment grade bank with half of its loan portfolio directly and indirectly contributing to SDGs and creating millions of jobs. With his world class team, Tadesse has mobilized unprecedented volumes of funding, at reduced cost, for its scaled-up trade and development financing.

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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 six 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!

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SELECTED VITAL STATISTICS AT A GLANCE

General Statistics

| | |
|--|--|
| Year-on-year Inflation for June 2019 | 175.66 % (May 2019: 97.85%) |
| Month-on-Month Inflation August 2019 | 18.07% (July - 21.04%) |
| Projected Average Inflation for 2019 | 22.4% |
| Projected 2019 Gross Domestic Product (GDP) Growth | 3.1% (AfDB – 4.2%; World Bank – 3.7%) |
| Original Budget for 2019 | \$8.16 billion (\$10.85 billion) |
| 2018 Manufacturing Sector Capacity Utilisation | 48.2% (2017 – 45.1%) (2016 - 47.4 % (2015 - 34.3%) |
| Projected Trade Deficit for 2018 | US\$1.6bn (Exports – \$4.9bn; Imports – \$6.3 bn) |
| Zimbabwe's Foreign Direct Investment (FDI) – 2018 | US\$745m (US\$349m - 2017) (US\$319m – 2016) (US\$421m-2015) |

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 2019) | \$16.92 billion (\$10.32 billion – 31 Dec 2018) |
| Total Banking Sector Loans & Advances (30 June 2019) | \$6.17 billion (\$4.22 billion – 31 Dec 2018) |
| Loans-to Deposit Ratio (30 June 2019) | 36.49% (31 December 2018 – 40.71%) |
| Banking Sector Non-Performing Loans (NPLs) (30 June 2019) | 3.95% (6.92% - Dec 2018 & Peak 20.45% as at 30 Sept 2014) |
| Total Banking Sector Assets (30 June 2019) | \$23.54 billion (31 Dec 2018 - US\$13.98 billion) |

Sources: Mainly the Monetary Policy Statement (RBZ), National Budget & Various other Industry Sources

Editorial Comment

Product Innovation & Channel Development: FX Denominated Products Sign of Instability

Product development initiatives increased by 57% from seven in May to eleven in June, with the banking and insurance sub-sectors taking lead roles in terms of contribution. Product promotions however disappeared, unlike in the previous period in which three were witnessed. A notable development during the month was the development of foreign currency denominated products, both of them in the funeral assurance sub-sector in response to the instability of the local currency. The impact of digitisation was manifested by the launch of two mobile applications, one of which was as part of the launch of Standard Chartered Bank's digital bank. Channel development initiatives narrowed down to a single initiative in the review period – a branch relocation by FBC Bank - from the two recorded in May.

ICT Developments: Enhancing Digital Platforms Performance

As financial institutions' reliance on digital platforms deepened, two banks (BancABC and ZB Bank) carried out system upgrade and maintenance activities during the period under review, in order to improve system performance and stability.

Executive Management/Board Changes: Industry Veteran Takes Charge at IPEC

In the C-suite, Finance and Economic Development Minister Professor Mthuli Ncube made a raft of executive and board appointments at quasi-government institutions namely Infrastructure Development Bank of Zimbabwe (IDBZ), the Insurance and Pensions Commission (IPEC), Zimbabwe Statistical Agency (Zimstat) and the Deposit Protection Corporation (DPC). The most notable of these was the appointment of industry veteran Grace Muradzikwa as Commissioner of IPEC, following her departure from Zimnat.

Rebranding & Strategic Realignment Initiatives: POSB Seeks Well-Resourced International Partner

POSB's partial privatisation process continued to unfold with the setting up of a committee to evaluate bids from four international respondents who intended to partner the country's sole savings banks. The Government-owned bank is looking for a partner with similar strategic intent and with the capacity to buy the requisite technology.

Corporate Actions: SOEs Declare Dividends

CBZ Holdings and Agribank, both entities in which Government has equity interests, were amongst the few financial institutions to declare dividends. Agribank CEO Somkhosi Malaba said the dividend made Agribank one of the few parastatals that had given the shareholder a financial reward consistently over the past three years.

External Financing: Lines of Credit & Grant Finance: Reducing Risk Perception in the Livestock Sector

The launch of the US\$45 million Zimbabwe Agricultural Growth Programme (ZAGP) fund during the period under review was an important milestone which is expected to boost the livestock sector, maximise smallholder farmers' profits and improve competitiveness on domestic and international markets. "Our objective is that this investment amounting to US\$45 million will reduce risk perception in the livestock sector and will encourage more investment which will improve productivity and competitiveness in the domestic and regional markets," said EU Ambassador Timo Olkkonen officiating at the official launch of ZAGP.

Capital Markets Developments: Quest for Safety amid Rising Inflation

In the capital markets, investors sought safety in stocks amid rising inflation and general correction of valuation to reflect the weakening of the RTGS dollar against the US dollar in both the official and parallel markets, which gave impetus to the Bull Run on the Zimbabwe Stock Exchange.

Policy/Regulatory/Legal Developments: SI142 Brings Multi-Currency Regime to an Abrupt End

The gazetting of Statutory Instrument 142 of 2019, which can also be cited as the Reserve Bank of Zimbabwe (Legal Tender) Regulations, 2019, was a major defining event of the month, which brought the multi-currency regime to a screeching halt and unexpectedly made the Zimbabwe dollar the sole currency for legal tender purposes. While some stakeholders welcomed this development, its' timing was also questioned in equal measure. For some time now, we have been hearing that it would not be wise to introduce a local currency before the right macro-economic fundamentals are in place, and these include attaining a sustainable GDP growth rate; achieving low and stable

inflation; a reduction in high debt ratios; an increase in the level of savings and investments; a reduction in the current account deficit and achieving import cover of at least six months.

Are we to believe that restoration of these key fundamentals is no longer important and there are more important considerations that have made it imperative to re-introduce the local currency? Some believe that political expedience has trumped pragmatic economic considerations. By its own admission, Government acknowledged that bringing back the Zimdollar was not a policy decision taken voluntarily; it was due to emergency circumstances. Government feared the scope and pace of re-dollarisation which would have allowed the economy to spin out of control and further fueled stratospheric inflation, possibly triggering social unrest and protests. Whatever the merits of the move, it has been variously described as “knee-jerk reaction”, “a surprise move”, “a shock move.”

Currency, Pricing and Liquidity Perspectives: Consumer Resistance forces Price Rethink

During the period under review, Delta said it would now sell its products in RTGS\$ whereas it used to insist on part of payments for its products being settled in foreign currency. Although the beverage manufacturer attributed this decision to improved access to foreign currency on the interbank market, there is no doubt that consumer resistance by big retailers such as OK Zimbabwe hastened Delta’s rethink. We also hear that following the Reserve Bank of Zimbabwe’s increase in supply of foreign currency on the interbank market through drawdowns on the US\$500 million facility, companies and individuals increasingly found it difficult to take up their allocations at prevailing exchange rates due to liquidity challenges. If this situation persists, this could cause a dent on parallel market exchange rates. Could this be the moment Finance Minister Mthuli Ncube has been preparing us for? We are inclined to think so. Meanwhile, traffic in most supermarkets got progressively thinner as the huge gap between incomes and prices took its toll. Will prices begin to come down in sympathy with shrinking disposable incomes? A shrinkage in income manifests itself in reduced demand for goods and services, which could take the country back to deflation. Reduced demand means industry doesn’t need as many workers as before, so companies start to retrench resulting in higher levels of unemployment.

Government’s approval of a producer price increase for maize from RTGS\$726 to RTGS\$1400 based on an exchange rate of 1US\$: RTGS\$5.50 was laudable because in theory, as it enabled farmers to go back to the field. However, for farmers to break-even, their income has to equal sale proceeds but the challenge is that prices of inputs are based on parallel market exchange rates, which keep going up and put immense pressure on their cost structure. This means that there will always be pressure to increase this producer price as government is chasing a moving target. On the 9th of April 2019, cabinet approved that the 38.5 percent subsidy on the selling price to millers be maintained in order to prevent increases in the retail prices. This latest producer price increase however raises questions on sustainability of Government’s austerity measures given the need to review the producer price upwards and/or increase the size of this subsidy. Seen in another light, the increase is also an acknowledgement of the inflationary pressures lurking in the economy.

Meanwhile, during the period under review, Eddie Cross called for government to punish currency speculators. The former opposition MP constantly fights in Government’s corner these days. While he makes sense most of the time, there is something intriguing (if not suspicious) about a former avowed critic of Government who is suddenly singing the praises of Government policies. Either he has truly seen the light and is seeing what the majority are not yet seeing or is singing for his supper. In the meantime, we still follow his drift anyway, until his true intentions are revealed.

Paynet/Banks Saga: Paynet’s Hard Ball Tactics Backfire

Paynet’s winner-take-all/ my-way-or-the-high-way approach to the issue of the pricing of its service to banks appears to have backfired and resulted in a loss of business, with banks requesting their clients to use alternative means while reportedly working together to develop their own system to replace the Paynet solution. Although Paynet has moved to sidestep local banks by partnering with mobile money service provider, Ecocash in an initiative that will see firms paying salaries directly into their employees’ EcoCash wallets, the electronic payments service provider has effectively opened itself to competition as State-owned Mobile Network Operator (MNO) NetOne on the 20th of June 2019 launched OnePay, its secure bulk-payments service that allows third party entities to process payments centrally to any OneMoney registered user. Paynet’s service in partnership with EcoCash will however be offered for free until 1 August 2019, which signals the company’s desperation to develop new business in order to make up for the lost opportunity

with local banks. Instead of insisting on being paid in foreign currency, Paynet could have accepted payment in RTGS\$ and negotiated with banks to facilitate access to foreign currency based on their ongoing business relationship.

Paynet, a subsidiary of Payserv Africa, which has to date provided an outsourced payments transfer platform linking 22 financial institutions and over 1200 corporate institutions in all sectors of the Zimbabwean economy, denied local banks access to its platform after they refused to pay the US\$0.15 it was reportedly demanding for every transaction. Banks are said to owe US\$470 000 for four million transactions concluded since May1, 2019, and the firm said it could not take any more losses. Banks have however called Paynet's bluff and requested their clients to use alternative means. There are several reasons why banks have decided to turn their backs on their erstwhile service provider:

- Banks feel that Paynet has tried to turn customers against them by asking clients to contact them over its decision to cut them off, which is seen as a move in bad faith.
- Banks are of the view that it does not make sense for them to pay the service provider in foreign currency when they process transactions in RTGS. According to banks, the unreasonable stance by Paynet, would mean banks have to pass on the cost to their clients in foreign currency, which is untenable under the circumstances
- Banks believe they could find payment alternatives and promote alternative services to Paynet, notwithstanding approval, testing, security, stability, or reconcilability of such alternatives. Paynet has responded by also striking a deal with EcoCash to facilitate salary payments, whose effect is to disintermediate banks
- Banks believe Paynet is flouting contractual agreements as it was contracted in local currency and is now attempting to change the terms of the contract. Paynet however counters that the contract was entered into at a time there was no local currency.

Timeline of the Paynet/Banks Debacle

- **24 April, 2019:** Paynet Zimbabwe informs all financial institutions on its platforms that the technology owner will directly invoice the contracted US dollar fees. All institutions are required to indicate their intent to pay by end of 31 May 2019. Paynet says those institutions which fail to indicate this intend will be suspended from accepting account holder instructions until they make payment.
- **31 May 2019:** Paynet Zimbabwe issues a public notice in respect of the possible disruption of its service meant for those using Paynet to send bulk payments to their employees or suppliers.
- **3 June 2019:** Further to its earlier public notice, Paynet Zimbabwe issues another statement advising that PAYNET services would continue to all banks. "Following discussion with stakeholders, Paynet Zimbabwe is pleased to announce arrangements that have avoided the need for any suspension of services. A further update will be made on 15 June 2019 to all Paynet users," say the company in the notice.
- **13 June 2019:** The Bankers Association of Zimbabwe (BAZ) issues a Press Release regarding the suspension of Bulk Services by Paynet Zimbabwe. "Members of the public are advised that one of the payment service vendors, Paynet Zimbabwe, has suspended bulk services. The action arose from a dispute whereby the vendor has requested for settlement of local services rendered in United States Dollars....Meanwhile, Banks are working with their valued clients to provide interim solutions. Kindly contact your bankers for further clarification as necessary," says BAZ.
- **19 June 2019:** Paynet and EcoCash announce an introductory offer to provide Paynet's "secure, encrypted, and tested salary payment services" free of charge to senders and recipients through 1 August 2019. Thereafter, they say, the service will be competitively priced compared to any alternatives available in the market.

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PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- **BancABC**, part of **Atlas Mara** introduced its International Prepaid **VISA** card offering. “Your easy-to-use International Prepaid VISA card is ready to be activated! Visit your nearest BancABC branch or get in touch with our Customer Contact Centre to get your International VISA card today,” said the bank, a member of the **Deposit Protection Corporation**.
- **Fidelity Life Assurance of Zimbabwe** launched a new funeral product that guarantees a 50% cash back on every five consecutive claim free years. The **Fidelity Life Funeral Cash Back Plan** offers a lump sum cash benefit to beneficiaries upon bereavement. The only condition is that one had not made any claim against the policy for five consecutive years. Fidelity Life offers a 50% cash back on all premiums paid whilst one still maintains policy benefits and entitlements. “With our Funeral Cash Back Plan, you are assured of a Funeral Cover at the time of an unfortunate bereavement at the same time we realise life is lived in the now, hence an offer of a cash back payout every five claim free years,” said Fidelity Life’s General Manager, **Melenie Gumbo**. The Cash back plan commences on the first day of the month following receipt of the premium with cover extending to a premium member, spouse and three children. The maximum age for joining a premium member and spouse is 55 years and threshold of 18 years for any individual to be considered a child. The policy can still cover additional children and beneficiaries in accordance with existing terms and conditions for an additional premium fee. Settlement of premiums is done in local legal settlement currencies, including the United States Dollars and cash back is paid out in the currency premium paid.
- **Nedbank Zimbabwe** introduced its family of CHIP and PIN cards which have enhanced security features, namely Basic, Private, Corporate and Current. “We are delighted to advise that we launched our new chip and pin cards for added security and convenience. We request that you migrate to the new chip cards by 31 July 2019, as the old magstripe cards will no longer be functional after that date,” said the local banking subsidiary of South African-headquartered **Nedbank Group**. The features and benefits of the cards are as follows:
 - **Added security against fraud:** Payments are a lot more secure as the card reduces the likelihood of fraud
 - **Better information storage:** Chip cards store considerably more information than magnetic stripe cards
 - **Mobile banking:** Clients can link their Mobile banking and **EcoCash** using the Chip card.
- **Zimnat Life Assurance** introduced **Gadziriwo/Lungiselelo** a funeral plan that pays out up to US\$6000 for a family of six for less than five United States dollars a month. The product launch was marked by a march from Zimnat House to Joina City in Harare. The march was followed by a mall takeover countrywide with Joina City Mall takeover being the main event. Members of the public were able to interact and sign up for the policies on site with Zimnat staff that were stationed across the malls the whole day, while those who signed up stood a chance to win various prizes. For a premium of US\$4.99 per month a husband, wife and four children are each covered for an amount of US\$1000 in the event of their death, meaning that altogether US\$6000 will be paid out eventually to the family, presuming premiums continue to be paid. The minimum cover per person under the Gadziriwo/Lungiselelo plan is US\$500 whilst the maximum cover is US\$5000 and the cover can be extended to parents and other extended family members for an additional charge. A major feature of Gadziriwo/Lungiselelo is that payment is guaranteed in United States dollars, which means the value of the policy remains the same and unaffected by any fluctuations in the value of the RTGS dollars. The policy can be applied for online through Zimnat’s self-help web portal, selfcare.zimnat.co.zw on which customers can enjoy a 10 percent discount by signing up. Alternatively, customers can sign up at any Zimnat branch, or through Zimnat agents countrywide. Premiums can be paid on a monthly, quarterly or annual basis with customers getting a discount if the premiums are paid for the whole year.
- **Paynet** and **EcoCash** announced an introductory offer to provide Paynet’s “secure, encrypted, and tested salary payment services” free of charge to senders and recipients through 1 August 2019. Thereafter, they said, the service will be competitively priced compared to any alternatives available in the market. “If you are on the Paynet Platform, simply give us your consent to assign your current contract by filling out a simple online application form. If you aren’t on our platform already, we will get your company signed up right away. You can use your Paynet Desktop

and Paynet Online service, just as you always have, to pay [EcoCash](#) phone numbers instead of bank account details. You will then remit the required funds into a Trust account using ZIPIT or RTGS. Your payments will be credited into employee wallets within minutes. Your employees will be able to immediately fund their linked bank accounts using ZIPIT, currently priced by [ZimSwitch](#) at 55 cents RTGS. To start conveniently paying you employees using Paynet's secure and private platform, contact Paynet or EcoCash today!

- State-owned Mobile Network Operator (MNO) [NetOne](#) launched its salary and bulk payments platform, [OnePay](#) on the 20th of June 2019. NetOne says OnePay is a secure bulk-payments service that allows an entity to process payments centrally to any OneMoney registered user. The platform presents [OneMoney](#), NetOne's mobile money offering, an opportunity to expand into salary payments and broaden its revenue base. NetOne's chief financial services officer [Nkosinathi Ncube](#) on the 20th of June said the OnePay service was available to corporates and Government entities, SoEs, non-governmental organisations. "At a time when individuals are craving the assurance that they will receive their salaries with speed, safety and consistency, the OnePay Platform prides itself on its proven ability to deliver," said Ncube.
- [EcoSure](#), a [Cassava Smartech](#) company introduced USD packages for its funeral cover, meant to ensure pay-outs in hard currency. "Get your pay-out in USD. From as little as USD1 per month and with pay-outs of up to USD5,000 register yourself and your loved ones on EcoSure USD packages today," said the company further outlining EcoSure benefits, which include, affordable cover, convenient sign-up and payments, pay-out within 24 hours, choice of over 20 funeral service providers and monthly payments. The packages are as follows:

| Package | Payout | Premiums |
|------------------|-----------|----------|
| EcoSure Basic | US\$1 000 | US\$1 |
| EcoSure Standard | US\$2 000 | US\$2 |
| EcoSure Premium | US\$5 000 | US\$5 |

- [FMC Finance](#), a credit only microfinance institution (MFI) announced that it was now a registered Bureau De Change. "We buy and sell foreign currency notes. Visit any of our branches for competitive rates unmatched in the market!" said the MFI whose payoff line is "Your Smart Finance Partner" adding that it catered for business travel allowance, personal travel allowance, DStv payments and Money Transfer Agency (MTA) services.
- [Standard Chartered Bank](#) launched its mobile banking application, branded the [SC Mobile ZW App](#). "Never stop innovating to do your banking. Be unstoppable. Bank on the go with the SC Mobile ZW App. SC Mobile means easy, fast and secure banking from anywhere. Download, activate and fund your account to enjoy seamless banking. Download the SC Mobile ZW App today – experience the new way of banking," said the bank, whose payoff line is "Here for Good."
- [Standard Chartered Bank](#) on Wednesday, 26 June 2019 launched its digital bank in Zimbabwe, in another landmark innovation by the financial institution that aims to tap into the growing mobile penetration rate in the country. The launch of the digitally-enabled bank followed similar launches in Uganda, Tanzania, Ghana and Kenya in the first quarter of the year and Cote d'Ivoire in 2018. The digital bank is designed to bring convenience to clients by enabling them to access banking services through the Internet and mobile platforms. "Our digital bank was developed with our clients in mind. We have taken into consideration their feedback at each stage of the design process, and have incorporated innovative technology to allow them to execute all banking activities from a mobile phone via the Standard Chartered Bank App – SC Mobile Zimbabwe," said head of Retail Banking, [Valeta Mthimkhulu](#), speaking at the launch event. The digital bank is available by downloading the Standard Chartered mobile app – SC Mobile Zimbabwe – for free via both [Google Play Store](#) and the [Apple App Store](#).
- [Fidelity Life Assurance of Zimbabwe](#) introduced its Mobile application branded the [Fidelity Life App](#). "Introducing the Fidelity Life Mobile App. The app that offers you a quick way to contact us, make payments, access our products and services and have seamless integration with our social media platforms. Visit the Google Playstore or the

Microsoft store today and Download the Fidelity Life App for easy transactions,” said the company, which offers financial, medical aid, insurance cover and housing products.

PRODUCT PROMOTION INDEX (PPI)

- The Agribank schools deposit competitions national draw, which was held on the 14th of June 2019 saw **Chifamba High School** of Guruve winning the grand prize of a Grand Tiger single cab vehicle, while **Norton 1 Primary School** and **Mtombowesizwe Primary School** from Bulawayo were the first and second runners up, walking away with prize money of \$50 000 and \$25 000 respectively. **Cheziya High School** of Gokwe won the fourth prize for being the highest depositor, a result of the school’s maintenance of \$500 000 deposit for the duration of the competition. **Baines Infant School, Chibuwe High School, Marymount Mission, St Lukes Jemedza, Norton 2 Primary School, Wise Owl, Mount Sunset Primary School** and **Mtshabezi High School** all managed to walk away with \$2000 apiece as consolation prizes. “Financing agriculture requires significantly high capital levels of deposits for both Capex and working capital expenditure and the schools deposit competition is one such programme allowing Agribank to achieve simultaneously the mutually interrelated objective of deposit mobilisation,” said chief executive officer **Somkhosi Malaba** in his speech at the draw.

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

| # | Organization | Product /Promotion | Product/Service Category | Sub-sector | Type of Initiative |
|----|-------------------------|------------------------|------------------------------|------------------|---------------------|
| 1 | BancABC | Prepaid VISA Card | Card Product | Banking | Product Launch |
| 2 | Fidelity Life Assurance | Funeral Cash Back Plan | Funeral Insurance | Insurance | Product Launch |
| 3 | Zimnat Life Assurance | Gadziriwo/Lungiselelo | Funeral Insurance | Insurance | Product Launch |
| 4 | NetOne | OnePay | Bulk Payments Service | Mobile Money | Product Launch |
| 5 | Paynet/EcoCash | Salary Payment Service | Mobile Money | Payment Services | Product Launch |
| 6 | EcoSure | USD Funeral Cover | Funeral Insurance | Insurance | Product Launch |
| 7 | FMC Finance | Bureau de Change | Foreign Currency Services | Microfinance | Product Launch |
| 8 | Standard Chartered Bank | SC Mobile ZW App | Mobile Banking Application | Banking | Product Launch |
| 9 | Standard Chartered Bank | Digital Bank | Transaction Banking | Banking | Product Launch |
| 10 | Fidelity Life Assurance | Fidelity Life App | Mobile Insurance Application | Insurance | Product Launch |
| 11 | Nedbank Zimbabwe | Chip & PIN Cards | Card Products | Banking | Product Enhancement |

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- FBC Bank** announced the relocation of its Victoria Falls Branch. “The view is better from this side... We are moving! We advise that FBC Bank Victoria Falls Branch is relocating and will start operating from the new premises from Monday the 24th of June 2019. Current location: Shop 4 & 5 Galleria Complex, Victoria Falls. New Location; Shop 7 & 8 Sawanga Complex, Corner Livingstone Way & Pioneer Road, Victoria Falls. We look forward to serving you in a new and modern environment” said the banking subsidiary of **FBC Holdings Limited**.

| SUMMARY:CHANNEL EXPANSION/RATIONALISATION ACTIVITY | | | | |
|--|-------------|---------|--------------------|-------------------------------------|
| # | Institution | Sector | Type of Initiative | Description |
| 1 | FBC Bank | Banking | Branch relocation | Galleria Complex to Sawanga Complex |

ICT DEVELOPMENTS

- BancABC** part of **Atlas Mara** carried out a system upgrade exercise and all its channels were temporarily unavailable from 11pm on Saturday 8th of June to 5am on Sunday the 9th of June 2019.
- ZB Bank** issued a customer notice advising its clients of System Maintenance on its Internet Banking platform. The Scheduled maintenance work on the Internet Banking platforms was conducted from 25 June to 27 June 2019 in

order to improve the Internet Banking system performance and stability. During this period, the Internet Banking Platform was only accessible from 5:00 am to 9:00pm. All other platforms continued to work as normal.

EXECUTIVE MANAGEMENT/BOARD CHANGES

- Finance and Economic Development Minister [Professor Mthuli Ncube](#), after consulting with [President Emmerson Mnangagwa](#), appointed new board members for the [Infrastructure Development Bank of Zimbabwe \(IDBZ\)](#). In a post on his Twitter account, Professor Ncube announced the appointment of [Joe Mutizwa](#) as IDBZ board chairperson. Other board members to the bank include Messrs. [Kupukile Mlambo](#), [Luke Ngwerume](#), [Reginald Mugwara](#), [Jeremiah Mutonga](#), [Tadius Muzorora](#), [Norbert Mugwagwa](#) and [Ms. Sibusisiwe Bango](#).

The minister also appointed [Mrs Grace Muradzikwa](#) the [Insurance and Pensions Commission \(IPEC\)](#) commissioner. [Albert Nduna](#) chairs the IPEC board which also comprises [David Mureriwa](#), [Annah Mashingaidze](#), [Godwin Nyengedza](#) and [Judith Rusike](#).

Ncube also appointed [Taguma Mahonde](#) the new Director of [ZimStat](#) while [Vusilizwe Vuma](#) was appointed chief executive officer of the [Deposit Protection Corporation \(DPC\)](#).

- The [Zimbabwe National Chamber of Commerce \(ZNCC\)](#) held its Annual Congress 2019 at Elephant Hills Hotel on 26-28 June 2019 and there were no major changes to the presidium save the coming on board of [Tinashe Manzungu](#) of the TN Group as Deputy President, following the resignation of [Ozius Marange](#). The TN Group has interests in real estate, health insurance and financial services (microfinance).

REBRANDING & STRATEGIC REALIGNMENT INITIATIVES

- A committee was set up to evaluate bids from four international respondents that intend to partner [People's Own Savings Bank \(POSB\)](#) in its partial privatisation process. This was revealed by chief executive officer [Admore Kandlela](#), speaking at the savings bank's Annual General Meeting in the capital on the 17th of June 2019. The process was being carried out in line with the [Procurement Regulatory Authority of Zimbabwe \(PRAZ\)](#) regulations. "We now have technical advisors who are now going to advise us on the value of POSB and also finding of an actual strategic partner...We are looking for someone with same strategic intent and obviously someone with capacity to buy the requisite technology. A tender for procurement of transaction advisory services has been floated and closed on the 6th of June 2019. We are also considering a local component of our population in the diaspora, (so) we will target those," said Kandlela.

CORPORATE ACTIONS

- [CBZ Holdings Limited](#) issued a notice of Dividend Declaration in respect of the year ended 31 December 2018. "Notice is hereby given that the Board declared a final dividend of RTGS\$6,430,606.00 (1.241RTGS cents per share) for the year ended 31 December 2018 payable in respect of all ordinary shares of CBZ Holdings Limited (the Company). This dividend will be payable in full to all Shareholders of the Company registered as at the close of business on 28 June 2019. The payment of the dividend will take place on or about 5 July 2019. The applicable shareholders' tax will be deducted from the Gross Dividends. The shares of the Company will be traded cum-dividend on the [Zimbabwe Stock Exchange](#) up to the market day of 25 June 2019 and ex-dividend as from 26 June 2019. Shareholders are requested to submit their updated mailing and banking details to: [First Transfer Secretaries \(Private\) Limited](#), 1 Armagh Avenue, Eastlea, Harare," said Group Legal Corporate [Rumbidzayi Angeline Jakanani](#) in the notice issued on 11th June 2019 by order of the board.
- The [Agricultural Development Bank of Zimbabwe \(Agribank\)](#) declared a US\$5.5 million dividend to Government after recording a 63 percent growth in profit to \$13 million in the year to December 2018. Chief executive officer [Somkhosi Malaba](#) said the dividend made Agribank one of the few parastatals that had given the shareholder a financial reward consistently over the past three years. "During the annual general meeting held at Hurudza House,

Harare on [June 27, 2019](#), Agribank declared a dividend to Government of US\$5.5 million. The dividend declaration followed the adoption of the financial statements for the year ended December 31, 2018 by the shareholders. The bank recorded a profit of US\$13 million for the year 2018, representing a 63 percent growth compared to US\$8 million recorded in 2017. The profit for the year was mainly driven by growth in non-interest as well as interest income, against the background of marked loan book growth," said Malaba.

EXTERNAL FINANCING: LINES OF CREDIT AND GRANT FINANCE/AID

- On the 11th of June 2019, Government and the [European Union \(EU\)](#) launched the US\$45 million [Zimbabwe Agricultural Growth Programme \(ZAGP\)](#) fund which is expected to boost the livestock sector, maximise smallholder farmers' profits and improve competitiveness on domestic and international markets. The programme mainly targets small to large scale livestock producers, private sector integrators, processors, research organisations, farmers unions and financial service providers, among others. The programme, which covers all the country's 10 provinces, will address the weakness and gaps in the livestock sector that have prevented the industry from increasing productivity, production and incomes to their potential. The beef enterprise strengthening and transformation programme will be implemented by [World Vision](#), [Zimbabwe Agricultural Development Trust \(ZADT\)](#), [Sustainable Agriculture Technology](#), [Welthungerhilfe](#) and the [Livestock and Meat Advisory Council \(LMAC\)](#). "Our objective is that this investment amounting to US\$45 million will reduce risk perception in the livestock sector and will encourage more investment which will improve productivity and competitiveness in the domestic and regional markets," said EU Ambassador [Timo Olkkonen](#) officiating at the official launch of ZAGP.

CAPITAL MARKET DEVELOPMENTS

- Stocks rallied in the month of May as investors sought safety in stocks amid rising inflation and general correction of valuation to reflect the weakening of the RTGS dollar against the US unit. Shares jumped 42.13% to close the month at a total market valuation of RTGS\$24.80 billion helped by solid gains in big caps such as [Econet](#), [Delta](#) and [Cassava](#). Rising inflation and the weakening of the local currency against the US dollar on both the official and parallel market have given momentum to the Bull Run. The mainstream All Share Index climbed 40.67% to 188.06 while the Top10 Index also jumped 43.34% to 182.99 points. Turnover surged 66.35% to RTGS\$193.52 million with average daily trades of RTGS\$8.80 million realised during the month. Total volume traded grew 62.84% to 218.87 million shares.
- The [Zimbabwe Stock Exchange \(ZSE\)](#) said that firms listed on the local bourse were now required to report financial results on a quarterly basis after the gazetting of amended Listing Requirements under Statutory Instrument 134 of 2019 in mid-June. Up to now, companies had only been required to publish annual results and half-year interim reports in the press or in electronic form, and to distribute these to all shareholders not later than three months after the end of the year or the interim period. "Within 45 days after the end of the first and third quarter of each financial year, issuers must publish their interim reports on their websites and submit the reports to the ZSE Data Portal," reads the amended rules. "This means that the listed company is required to publish financial statements on a quarterly basis, but first and third quarter reports will be published on the ZSE website only," said [Tapiwa Bepe](#), the ZSE's public relations officer.

TROUBLED INSTITUTIONS RESOLUTIONS INITIATIVES

- [First Mutual Life Assurance Company](#) issued a public announcement in respect of the [Altfin Holdings Pension Fund](#). "Notice is given to all former members of Altfin Holdings Limited Pension Fund which is under liquidation. Members who contributed towards the Pension Fund are called to visit their nearest First Mutual offices to complete claim forms, supply bank details as well as collect benefit statements for inspection. Please note that inspection will be open for 30 days from 14 June 2019 to 13 July 2019, during which members should lodge their queries to the [Insurance and Pensions Commission \(IPEC\)](#) at: 160 Rhodesville Avenue, Greendale, Harare," said the subsidiary of [First Mutual Holdings Limited](#).

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- The [Insurance and Pensions Commission \(IPEC\)](#) issued a public notice in respect of the suspension of [Regal Insurance Company \(Pvt\) Ltd.](#) “The Insurance and Pensions Commission (IPEC) wishes to advise the public that it conducted an investigation into the affairs of Regal Insurance Company (Pvt) Ltd in terms of section 67 of the Insurance Act [Chapter 24:07] and suspended the entity from selling insurance policies either directly or through its insurance agents or brokers. Further, IPEC would like to invite Regal Insurance Company (Pvt) Ltd policyholders who have outstanding claims to confirm their claims or make representations to IPEC. Those who have not yet lodged their claims with Regal Insurance Company can submit the said claims to IPEC for onward transmission to Regal Insurance Company. The following should be provided in respect of motor insurance policy claims: -
 - a) Duly completed motor insurance claim form
 - b) Police report
 - c) 3 quotations from reputable panel beaters
 - d) Claim Assessor’s report (if available)
 - e) Bank Details
 - f) Contact details (phone number, email, etc)The documents may be submitted on or before 28 June 2019 to: The Commissioner, Insurance and Pensions Commission, 160 Rhodesville Avenue, Greendale, Harare,” said IPEC in the notice, which was published on the 10th of June 2019.
- Government increased the monetary jurisdiction of magistrates’ civil court from RTGS10 000 to RTGS\$300 000, in line with Statutory Instrument 126 of 2019, in a move set to promote access to justice and to ease pressure on the superior courts. The Justice, Legal and Parliamentary Affairs Ministry made the rules in terms of section 73 of the Magistrates Court Act (Chapter 7:10) and these are seen as opening up the judiciary to ordinary Zimbabweans who could not afford to approach the High Court for various reasons. Magistrates’ Courts are found even in rural areas, while the High Court can only be found in Harare, Bulawayo, Mutare and Masvingo.
- Government’s much awaited Local Content Strategy (LCS), which was approved by Cabinet on Tuesday, 11th June 2019, set an 80 percent minimum threshold for all products. The LCS is meant to encourage local value addition through utilisation of domestic resources and localisation of supply chains. It will be implemented through specific evidence-based local content thresholds in prioritised sectors. The objectives of the LCS are to increase average local content levels in prioritised sectors from current levels of approximately 25 percent to around 80 percent by 2023.
- [EcoCash](#) issued a public notice in respect of the proper utilisation of its mobile money platform. “The EcoCash platform, like any other payment services platform is ONLY for the purposes of bona fide (legal) transactions. The business has systems and mechanisms in place to detect any illicit transactions. All EcoCash Agents, Merchants and the general public are therefore being warned that any illicit transactions detected will be dealt with in line with the country’s laws and regulations including those governing Money Laundering (ML) and Financing of Terrorism (FT) activities. Such measures include, but are not limited to reporting to regulatory authorities and law enforcement agencies, freezing of accounts and confiscation of ill-gotten wealth. The public is encouraged to only trade or transact with licensed dealers and operators in order to safeguard their hard earned money. The public is also encouraged to report any abuses of the EcoCash platform to Call Centre 114 or 111, as well as any of our shops and contact centres across the country,” said the [Cassava Smartech](#) company.
- The Microfinance Amendment Bill received a non-adverse report from the [Parliamentary Legal Committee](#) on the Committee Stage amendments made previously. The National Assembly passed it on 13th June, 2019 and sent it to the Senate. As the Bill had been passed by the National Assembly with amendments, Senators were provided with reprinted versions of the Bill incorporating those amendments. On Tuesday 18th June, in the absence of the responsible Ministers [Industry and Commerce, and Finance and Economic Development] the Minister of Justice, Legal and Parliamentary Affairs steered the Bill through all stages, delivering the Second Reading speeches and moving the required motions. Senators did not raise any substantive issues or engage in debate or suggest

amendments but passed both Bills as received from the National Assembly, paving the way for the Bill to be prepared for signing by the President and then gazetted as an Act.

- “Government issued Statutory Instrument 142 of 2019, under Chapter 22:15, which can also be cited as the Reserve Bank of Zimbabwe (Legal Tender) Regulations, 2019. The Minister of Finance and Economic Development has, in terms of section 64 as read with section 44A of the [Reserve Bank of Zimbabwe Act](#) (Chapter 22:15), made the following regulations: – Zimbabwe dollar to be the sole currency for legal tender purposes 2. (1) Subject to section 3, with effect from the 24th June, 2019, the British pound, United States dollar, South African rand, Botswana pula and any other foreign currency whatsoever shall no longer be legal tender alongside the Zimbabwe dollar in any transactions in Zimbabwe. (2) Accordingly, the Zimbabwe dollar shall, with effect from the 24th June, 2019, but subject to section 3, be the sole legal tender in Zimbabwe in all transactions.

“(3) For the avoidance of doubt it is declared that— (a) references to the Zimbabwe dollar are coterminous with references to the following and to no other forms of legal tender or currency— (i) the bond notes and coins referred to in section 44B of the Act; and (ii) the electronic currency prescribed for the purposes of section 44C of the Act, that is to say to the RTGS dollar; (b) the abovementioned bond notes and RTGS dollars are at par with the Zimbabwe dollar, that is to say each bond note unit and each RTGS dollar is equivalent to a Zimbabwe dollar.” references to the currency of Zimbabwe shall, with effect from the 24th June, 2019, be construed as references to the form of legal tender and the electronic currency with which the term “Zimbabwe dollar” is, in terms of paragraph (a) (i) and (ii), coterminous.

Savings

3. (1) Nothing in section 2 shall affect—

(a) the opening or operation of foreign currency designated accounts, otherwise known as “Nostro FCA accounts”, which shall continue to be designated in the foreign currencies with which they are opened and in which they are operated, nor shall section 2 affect the making of foreign payments from such accounts;

(b) the requirement to pay in any of the foreign currencies referred to in section 2(1) duties of customs in terms of the Customs and Excise Act [Chapter 23:02] that are payable on the importation of goods specified under that Act to be luxury goods, or, in respect of such goods, to pay any import or value added tax in any of the foreign currencies referred to in section 2(1) as required by or under the Value Added Tax Act [Chapter 23:12].

(2) Notwithstanding section 2 it is permissible to tender any of the foreign currencies referred to in section 2(1) in payment for international airline services.

- The [Reserve Bank of Zimbabwe](#) issued a press statement on measures meant to strengthen the Interbank Foreign Exchange Market. “Further to the Statutory Instrument 142 of 2019 issued by the Hon Minister of Finance and Economic Development, [Prof Mthuli Ncube](#), on the removal of the multi-currency system in Zimbabwe and replacing it with a local unit of account (RTGS\$/ZWL\$) for transacting purposes, the Reserve Bank of Zimbabwe wishes to announce that it will implement the following measures to buttress and strengthen the local unit of account:
 - a) Direct banks to transfer to the Reserve Bank the RTGS\$/ZWL\$s that they are holding as counterpart funds for the foreign currency historical or legacy debt that Government, through the Reserve Bank, is assuming at the rate of 1:1 between the RTGS\$ and US\$. This measure is expected to mop around ZWL\$1.2 billion from the market by the end of this week
 - b) Adjust the interest rate on the Reserve Bank overnight window upwards from the current 15% per annum to 50% per annum in line with inflation trends.
 - c) Remove administrative limits on the operation of bureaux de change and on the cap on margins for banks for interbank foreign exchange transactions
 - d) Put a vesting period of 90 days on disposal of dual listed securities or shares purchased by investors on the Zimbabwe Stock Exchange.

- e) Increase supply of foreign currency into interbank market by ensuring that at least 50% of the surrender portion of foreign currency is sold to the interbank market. This will be supplemented by the use of Letters of Credit (LCs) for the importation of essential commodities that include fuel, cooking oil, and wheat. The Bank has put in place LCs amounting to US\$330 million for this purpose,” said the statement.

| Measure | Impact |
|--|--|
| Direct banks to transfer to the Reserve Bank the RTGS\$/ZWL\$ that they are holding as counterpart funds for the foreign currency historical or legacy debt that Government, though the Reserve Bank, is assuming at the rate of 1:1 between the RTGS\$ and US\$. This measure is expected to mop around ZWL\$1.2 billion from the market by the end of this week. | Suck liquidity out of the market and stifle parallel market activity |
| Adjust the interest rate on the Reserve Bank overnight window upwards from the current 15% per annum to 50% per annum in line with inflation trends. | Encourage lending by making it more viable; stifle speculative borrowing |
| Remove administrative limits on the operation of bureaux de change and on the cap on margins for banks for interbank foreign exchange transactions. | Increase flow of currency into the formal market by encouraging FIs to adopt more aggressive foreign currency trading postures |
| Put a vesting period of 90 days on disposal of dual listed securities or shares purchased by investors on the Zimbabwe Stock Exchange. | Stem the outflow of foreign currency through speculative trading of fungible shares |
| Increase supply of foreign currency into interbank market by ensuring that at least 50% of the surrender portion of foreign currency is sold to the interbank market. | Improve liquidity on the interbank foreign exchange market and make it a more reliable source for importers |

- Government gazetted a statutory instrument that classifies maize as a controlled product. The maize market was liberalised in 2009 to encourage competition and ensure farmers get the highest price for their commodity. The Statutory Instrument, which was published in a Government Gazette dated 28 June 2019, will preclude farmers from selling to private buyers, but only to the [Grain Marketing Board](#) or contractors. According to Statutory Instrument 145 of 2019 [CAP18:14] Grain Marketing (Control of Sale of Maize) Regulations 2019, maize is a controlled product. In terms of Section 29 of the Grain Marketing Act, no person or statutory body or company or entity shall sell or dispose any maize except to a contractor or to GMB. “Any maize which is required to be sold to the GMB in terms of this section shall be delivered to the GMB at such time, place and quantities as the board may direct and under such terms and conditions as the GMB may please. No person who is not a producer of maize or who is not a contractor shall sell maize to the GMB,” reads the SI.
- [Joseph Busha](#), leader of opposition party [Free Zimbabwe Congress](#) on Friday, 28th June 2019 filed High Court application challenging the introduction of the RTGS dollar, saying the presidential powers used in ushering in the currency reforms were unconstitutional. Busha, who was a candidate in the 2018 presidential elections, cited President [Emmerson Mnangagwa](#), Finance Minister [Mthuli Ncube](#), Reserve Bank of Zimbabwe governor [John Mangudya](#) and Attorney-General [Prince Machaya](#) as respondents. He argued that the law and Statutory Instrument 33 of 2019, which was used to introduce the currency were inconsistent with the constitution and must be outlawed. “It gives the first respondent (Mnangagwa), the president, powers which the Constitution specifically and purposively does not give him. The powers of the president are set out in section 110 of the constitution and none of those powers entitle him to legislate. It being subsidiary to the constitution, the Act cannot validly expand the powers of the president beyond what the Constitution confines them to,” said Busha, who wanted the court to declare that any reference or actions based on the RTGS currency must not be valid or binding. He said it was unlawful to convert people’s bank balances from United States dollars to the electronic currency.
- Government on Friday, 28 June 2019 launched the [Zimbabwe National Industrial Policy \(ZNIDP\)](#), which is expected to help transform the economy through value addition, increasing employment levels and promoting a culture of savings. The ZNIDP was launched by Industry and Commerce Minister [Nqobizitha Mangaliso Ndlovu](#).

The ZNIDP seeks to turn the manufacturing sector into a technologically advanced competitive and diversified industry by 2030. Ndlovu said specific policy objectives are to attain a manufacturing sector growth rate of at least 2 percent per year; contributing towards attainment of a gross domestic savings rate of about 30 percent of GDP; manufacturing value added growth of 16 percent per annum; merchandise export growth rate of 10 percent per annum to orient the manufacturing sector towards exports and generate capital for a high savings rate; and increasing the manufacturing sector share of employment to 20 percent in 2023.

CONFERENCES/SYMPOSIA & TRAINING EVENTS

- More than 25 development finance institutions (DFIs) from the SADC region met in Victoria Falls on the 6th of June 2019 to deliberate on how best future capital projects can embrace environmentally friendly practices. The institutions, under the banner of [SADC Development Finance Institutions \(SADC – DFIs\)](#) and members of the [SADC Development Finance Resource Centre \(SADC – DFRC\)](#), play a humanitarian role in times of disasters. Zimbabwe was represented by [Agribank](#), [Infrastructure Development Bank of Zimbabwe \(IDBZ\)](#), [Industrial Development Corporation Zimbabwe \(IDCZ\)](#) and the [Small and Medium Enterprises Development Corporation \(SMEDCO\)](#). The conference which ended on Friday, 7 June 2019, ran under the theme “Green Financing”. [Reserve Bank of Zimbabwe](#) deputy Governor [Dr Kupukile Mlambo](#) was the guest of honour at the official opening on the 6th of June 2019.

INDUSTRY AWARDS AND ACHIEVEMENTS

- Fast food chain [Simbisa Brands](#) on 7th June 2019 won the Top Companies Survey 2019 for the best performing [Zimbabwe Stock-Exchange](#)-listed company. The survey award ceremony, held under the theme “Reality Check - Adapting to a New Normal” – was hosted by the Financial Gazette and sponsored by financial services giant [Old Mutual Zimbabwe](#). [OK Zimbabwe](#), the country’s largest retailer, was the first runner-up, while pan-African seed company, [SeedCo](#) – which also won the environmental and social responsibility award – was the second runner-up. [Ecobank](#) was capped the best bank while [Standard Chartered](#) was the second runner-up. [Econet Wireless Zimbabwe’s EcoSure](#) won the life insurance segment top award, with [CBZ Life](#) coming second, while [Zimnat](#) scooped the short term insurance award.
- Listed Technology Company, [Cassava Smartech](#) and [Comviva](#) jointly won the East Africa Com Award in the “Changing Lives” category for Cassava’s EcoCash mobile money service, which enables financial inclusion by banking the unbanked and providing them with access to easily accessible, quick, affordable, secure and convenient mobile financial services. “We are delighted to win this award for the second consecutive year. We are committed to constantly seeking out new ways to deliver innovative digital payment solutions which provide convenience to our customers, and which help them solve real problems in a meaningful way. We hope to continue the good work and ensure the growth and prosperity of the mobile money ecosystem in Zimbabwe,” said Cassava Smartech Zimbabwe. “The EcoCash service is powered by Comviva’s mobiquity Money platform. Mobiquity Money delivers a host of mobile money services that transform the way consumers save, borrow, transfer and spend money. It is designed to seamlessly integrate consumer touch points with a wide ecosystem of banks, billers, merchants, agents and third-party payment systems, creating a convergence powered by interoperability,” said Comviva head of Africa Region [Ms. Anil Krishnan](#), also speaking on the award.
- The [Zimbabwe National Chamber of Commerce \(ZNCC\)](#) Annual Congress 2019 was held at Elephant Hills Hotel on 26-28 June 2019 under the theme “Expanding Horizons: Dynamic Solutions for Economic Turnaround”. The 2019 ZNCC National Business Awards were held concurrently and [Agribank](#) emerged the winner of the Financial Institution supporting MSMEs Award and [CBZ Holdings](#) was the runner – up.

DOMESTIC LENDING & FINANCING PERSPECTIVES

- [CABS](#), a member of the [Old Mutual Group](#), announced that it had reviewed its lending rates with effect from 1 July 2019 as follows:

| LOAN PRODUCT TYPE | INTEREST RATE PER ANNUM |
|------------------------|-------------------------|
| Mortgages – Individual | 14% |
| Mortgages – Commercial | 14% |
| Equity Release | 15% |
| Personal Loans | 18% |
| SME Loans/Overdrafts | 11%-14% |

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES(CP & LP)

- The [Agricultural Marketing Authority \(AMA\)](#), in consultation with the [Reserve Bank of Zimbabwe](#), Cotton Growers’ representatives and cotton merchants issued a press statement to advise that, as already announced by Government, the floor price for the 2019 cotton marketing season shall be RTGS\$1.95 per kg. “The cotton merchant shall pay to the grower, this price of RTGS\$ 1.95 per kg using a combination of USD cash, RTGS\$ cash and electronic transfers as follows:
 - For a bale of 200kgs and above, the grower shall receive cash payments of USD10 and RTGS\$ 150.00. Any remaining RTGS dollars shall be transferred into the grower’s Mobile Money Wallet;
 - For a bale of between 150kgs and 199kgs, the grower shall receive cash payments of USD5.00 and RTGS\$ 150.00. Any remaining RTGS dollars shall be transferred into the grower’s Mobile Money Wallet;
 - For a bale of less than 150kgs, the grower shall not be paid the USD cash component but will be eligible for maximum cash payment of RTGS\$ 150. Any remaining RTGS dollars shall be transferred into the grower’s Mobile Money Wallet; and
 - For any sale of a bale valued at less than RTGS\$ 150.0, the grower shall be paid the full amount in RTGS\$ cash.

The cash payment of USD10.00 or USD5.00, shall be converted to RTGS dollars at the prevailing inter-bank exchange rate, and shall be deducted from the grower’s RTGS\$ sales proceeds to come up with the RTGS\$ value. The RTGS\$ value shall be paid as RTGS\$ 150.00 cash, with the balance being transferred into the grower’s Mobile Money Wallet. Payment illustration for a grower who sold a bale of 200 kgs when the prevailing exchange rate is USD1: RTGS\$3.00

| | |
|--|---------------|
| RTGS\$ Sales Proceeds (1.95*200) | RTGS\$390.00 |
| Less USD cash payment (USD10.00*3) | RTGS\$30.00 |
| Less RTGS\$ cash payment | RTGS\$ 150.00 |
| Balance transferred into Mobile Money Wallet | RTGS\$210.00 |

Cotton Growers are encouraged to embrace these payment modalities, and report to the Reserve Bank or Agricultural Marketing Authority any form of abuse of these payment modalities,” said the statement jointly issued by [Dr J. P. Mangudya](#) (Governor Reserve Bank of Zimbabwe), [Mr. P. Zakariya](#) (Director [Zimbabwe Farmers Union](#)), [Mr. J. Chindanya](#) (Chairman [Cotton Ginners Association](#)), [Mrs N. Zitsanza](#) (Acting Chief Executive Officer [Agricultural Marketing Authority](#)) and [Mr. S. Mubonderi](#) for the [Zimbabwe National Farmers Union](#).

- During its 20th meeting held on the 11th of June 2019, Cabinet approved an upward review of the maize producer price. “Cabinet considered and approved that the [GMB](#) Maize Producer Price of USD242 per metric tonne be payable to farmers in RTGS dollars based on the prevailing foreign currency interbank market rate. In this case, therefore, the maize producer price is thus reviewed upward from the current \$726 to \$1400 per metric tonne based on the interbank market rate of US\$ 1: \$5.5. The review of the maize producer price does not translate into an upward adjustment in the retail price of mealie-meal since the GMB sells the maize to the millers at a Government subsidised price. Cabinet is appealing to business people not to increase prices as the GMB buying price has no impact on the selling price of mealie-meal,” said Cabinet in its 20th Cabinet decisions matrix.
- Economist and former opposition Member of Parliament [Eddie Cross](#) said that Zimbabwe’s economic fundamentals were now sound and there was no need for speculators to continue with wayward behaviour on the foreign

currency parallel market. “The currency speculators are manipulating the exchange rate and are using the opportunity created by these activities to make millions at the expense of all Zimbabweans. There is no justification for the current open market exchange rates. The economic fundamentals here are now sound and in my view rates should not be above 4 to 1. Government has to take action to eliminate this activity and corrective action could correct matters in a few days,” he said on the 12th of June 2019.

- **Telecash** mobile money introduced new tariffs effective June 2019 which include sending money and cash out charges, withdrawal charges, merchant payments as well as bill payments. The mobile money service also announced new daily (\$2000), weekly (\$5000) and monthly (\$10 000) transaction limits as well as limits for ATM Withdrawals & Pay Merchant (Card), Pay merchant (Cardless), Bulk Payment and ZIPIT.
- The **Bankers Association of Zimbabwe (BAZ)** issued a Press Release regarding the suspension of Bulk Services by **Paynet Zimbabwe**. “Members of the public are advised that one of the payment service vendors, Paynet Zimbabwe, has suspended bulk services. The action arose from a dispute whereby the vendor has requested for settlement of local services rendered in United States Dollars. The suspension of this service does not affect :
 - RTGS transfers
 - Point of Sale (POS) transactions (local and international cards)
 - ZIPIT
 - Mobile Money Transactions (EcoCash, OneMoney, TeleCash)
 - Internet Banking
 - SWIFT transfer for cross border payments

Meanwhile, Banks are working with their valued clients to provide interim solutions. Kindly contact your bankers for further clarification as necessary,” said BAZ in a statement dated 13th June 2019.

- **Facebook**, the social media behemoth announced on Tuesday, 18th June 2019 that it was creating a cryptocurrency called Libra to debut in 2020. The currency, built on blockchain, the technology underlying other cryptocurrencies like Bitcoin, was developed in part to ease money transfers across borders and serve unbanked and underbanked populations around the globe. The currency is meant to be sent almost instantly, with fewer fees than current money transfer services. Facebook’s goals include lower fees, more accessibility and close-to-instantaneous transfers worldwide. Libra will be managed by a Swiss-based non-profit. It is currently backed by Facebook and more than two dozen Founding Member companies, including **Ebay, Uber, Lyft, Spotify, Visa, Mastercard, PayPal, Coinbase** and venture capital firm **Andreessen Horowitz**. Unlike other cryptocurrencies, Libra will be backed by “real” government-backed assets from central banks to give it stability. Facebook says Libra will be made available to Messenger and WhatsApp users, who can cash in their local currency to buy Libra. The currency will be held in a digital wallet called Calibra and can be spent on products and services at participating merchants, just like any other currency. To withdraw funds, users will be able to convert their digital currency into legal tender based on an exchange rate. It won’t be so dissimilar to when you exchange U.S. dollars for euros during a European vacation, for example. Currently, Libra is not “pegged” to a single currency. Its value will depend on the value of its underlying assets, which may fluctuate. Still, this will reportedly help it be less volatile than other cryptos.

PAN-AFRICAN DEVELOPMENTS

- The **African Development Bank**, with donor partners, **Bill & Melinda Gates Foundation, Agence Française de Développement** and the **Government of Luxembourg** launched the **Africa Digital Financial Inclusion Facility (ADFI)** on 12 June 2019 at the Bank’s Annual Meetings in Malabo, Equatorial Guinea. ADFI is a new financing vehicle designed to accelerate digital financial inclusion across Africa, with a goal of ensuring that 332 million more Africans, of which, 60% are women, have access to the formal economy. The Malabo launch outlined the Fund’s objectives, structure and focus areas. Donor partners, including the Bill & Melinda Gates Foundation, The Government of Luxembourg and Agence Française de Développement, discussed challenges and opportunities around digital financial inclusion during a panel discussion. Attendees included the Bank’s Governors and

representatives of regional member countries, multilateral organizations, the private sector, donor organizations and digital finance inclusion experts and businesses.

- The race for the 2019 African Bankers Awards came to an end on the night of the 11th of June in Malabo, Equatorial Guinea, at a high profile gala dinner of bankers and financial sector stakeholders, with [Trade and Development Bank \(TDB\)](#) President and Chief Executive [Admassu Tadesse](#) (pictured below) winning the 'African Banker of the Year' award. The Bank also jointly received with [Crédit Agricole](#) the 2019 'Infrastructure Deal of the Year', for its co-financing of the ground-breaking Coral South Floating Liquefied Natural Gas (FLNG) project in Mozambique, where TDB collaborated closely with its national partner, [Banco Nacional de Investimento \(BNI\)](#), among others, on this strategic national investment. TDB was also nominated in the categories 'African Bank of the Year' and 'Deal of the Year – Debt' for its US\$ 1.25bn syndicated sovereign loan facility to the Government of Kenya. The 'African Banker of the Year' award celebrates influential and inspirational captains of Africa's banking industry: those who demonstrate outstanding integrity, and who through their leadership and outstanding vision, are exceptionally agile in achieving a strong financial performance and playing an active role in enhancing socio-economic empowerment and development in the region they serve. TDB is now an investment grade bank with half of its loan portfolio directly and indirectly contributing to SDGs and creating millions of jobs. With his world class team, he has mobilized unprecedented volumes of funding, at reduced cost, for its scaled-up trade and development financing. The Bank's total assets grew from just over US\$ 1bn in 2012, to close to US\$ 6bn in 2019, with non-performing loans at under 3%. TDB's second win in the category 'Best Infrastructure Deal of the Year' is a testament to the latter. Its US\$ 99.2M Senior Loan Facility towards Mozambique's Coral South FLNG project – part of one of the largest subscription tickets for which Crédit Agricole was the lead arranger – is an absolute game-changer both in terms of technology used as well as for Mozambique's economy. TDB is the only DFI among other African banks to have participated in the lending of the project.