

Monthly Financial Sector Bulletin

Issue No. 51, November 2017 – Change Is The Only Constant



PICTURE OF THE MONTH: On November 14, 2017 the Insurance Institute of Zimbabwe (IIZ) named new president, Ushe Mungaraza (right), to take over from Edward Gomba (left) for the 2017/18 term of office. Mungaraza, who is the managing director of Tropical Reinsurance Company will be deputised by Mapiye Chigorondondo, the managing director of Alexander Forbes Risk Services Zimbabwe and Fidelity Life Assurance of Zimbabwe Chief Executive Officer Reuben Java as first and second vice-president respectively.

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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!

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SELECTED VITAL STATISTICS AT A GLANCE

General Statistics

Year-on-year Inflation for November 2017	2.97 % (October 2017 : 2.24%)
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	US\$4.1 billion
2016 Weighted Manufacturing Sector Capacity Utilisation	47.4 % (2015 - 34.3%) (2014 - 36.5%) (2013 – 36.1%)
Projected Trade Deficit for 2017	US\$1.2bn (Exports – \$4.0 bn; Imports – \$5.2 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 September 2017)	US\$7.62 billion (US\$6.99 billion - 30 June 2017)
Total Banking Sector Loans & Advances (30 September 2017)	US\$3.73 billion (US\$3.64 billion - 30 June 2017)
Loans-to Deposit Ratio (30 September 2017)	48.95% (30 June 2016 – 52.11%)
Banking Sector Non-Performing Loans (NPLs) (30 Sept 2017)	8.63%(7.95% - June 2017 & 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: Political Developments Steal the Thunder

Overall product development and promotion activity plunged from eight (8) in October to three (3) in November, a level last seen at the beginning of the year, which is not typical of this time of the year when financial institutions should be jostling to make the most of the festive mood of the transacting public, as did CBZ Holdings through its CBZ Touch Rewardz Reloaded Promotion. There is no doubt that the preponderance of political developments in the country during the month under review had a major impact on business activity as economic players adopted a wait-and-see attitude against the background of a deepening economic crisis. The only two product launches during the month were by EcoSure which broadened its insurance products through introduction of a hospital cashback plan and GetBucks Microfinance Bank Limited which introduced nano loans leveraging on social media.

Channel development also took a precipitous dive from ten (10) in October to two (2) in the month under review in sympathy with the rollercoaster ride of political events that dominated headlines. Barclays Bank of Zimbabwe Limited advised changes regarding usage of its VISA card for cross border transactions, which will now be subject to prior arrangements and approvals by the bank. CBZ Bank issued a public notice on the impending merger of two of its branches – Mhangura and Chinhoyi Branches with effect from 1 January 2018.

Executive Management/Board Changes: IIZ Elects New Presidium

As national attention remained fixated on the momentous developments in the political arena, there was understandably little activity in the C-suites of Zimbabwe's financial sector, save for the appointment of Ushe Mungaraza, the Managing Director of Tropical Reinsurance Company, as the new president of the Insurance Institute of Zimbabwe in mid-November. The change of leadership at the very top was very well received by business, with no less an organisation than the Bankers Association of Zimbabwe issuing a congratulatory message to new national President Emmerson Mnangagwa, whose vision of resuscitating the economy bankers said was encouraging.

ICT Developments: Infrastructure Upgrade and Maintenance Efforts Continue in Earnest

Banks' efforts to maintain and upgrade IT infrastructure in order to cope with increased levels of electronic transactions and improve overall service levels continued in earnest. MBCA Bank Limited featured prominently, with its key contribution being an announcement of plans to introduce a new Core Banking System in the first quarter of 2018. The bank will be migrating from the current T24 system to the Flexcube system.

Rebranding & Strategic Realignment Initiatives: Business Community Braces for Major Policy Shift

As the business community braced for the policy shift occasioned by leadership renewal at both ruling party and government levels, the insurance industry was warned to brace for turbulent times triggered by disruptive technologies, demographic shifts and dramatic changes in consumer aspirations among others. This anticipation of change must be behind the People's Own Savings Bank's skills audit exercise which is part of its restructuring programme. Meanwhile, it was surprising that Meikles Limited disposed of Meikles Financial Services, its financial services arm, less than two years after its establishment, citing the worsening cash crisis and stringent central bank regulations. This suggests that the move to start the financial services arm was not well-thought-out in the first place or the ZSE-listed company was not able to anticipate change and position itself appropriately.

Corporate Social Investment (CSI) & Sponsorship Initiatives: NicozDiamond Partners BOOST Fellowship

Financial institutions from both mainstream banking and insurance came in very strongly in pursuit of their corporate social investment and sponsorship goals. One of the standout initiatives was from POSB which unveiled a corporate social investment programme called "Lend a Hand" under which the bank and volunteer staff members assist needy areas in the community. The programme was launched with an emphasis on two areas: health and philanthropy as well as financial education and literacy. The other standout initiative was from NicozDiamond Insurance Limited, which, in partnership with the BOOST Fellowship invited qualified, talented and enterprising students from three of the country's universities to take part in the NicozDiamond 'Think Tank' Innovators Competition in which entrants stood a chance to win a grand prize of \$2000 and receive mentorship. An individual or a team with a maximum of 3 students

with an “amazing idea” on how to improve insurance products and services could enter by submitting a concept note of the idea.

Corporate Actions: Banking Groups Deal With a Demerger and a Fine

The only corporate actions during the month were by two of the country’s financial services groups. ZB Financial Holdings Limited issued a cautionary announcement apparently to do with the separation of Intermarket Holding Limited from the group citing irreconcilable differences. CBZ Holdings Limited issued its seventh cautionary statement in respect of “the regulatory matter which one of the Company’s subsidiary is involved in” apparently the banking unit’s OFAC fine.

Capital Markets Developments: The ZSE Reacts to Operation Restore Legacy

Just like many facets of Zimbabwean economic life, the capital markets also responded to Operation Restore Legacy, the military operation that culminated in President Robert Mugabe resigning on 21 November 2017. The Zimbabwe Stock Exchange (ZSE) lost nearly \$6 billion, a development analysts attributed to investors responding to prospects of macroeconomic stability. Market capitalisation peaked at \$15.2 billion on November 14, the day before the military announced its intervention, but had come off to \$9.5 billion by 22 November 2017.

Bond/TB Issue Outlook: Investors Warm Up to Alternative Trading Platform

During the month under review, the Infrastructure Development Bank of Zimbabwe (IDBZ) became the second institution to list on FINSEC, as investors seeking diversification embraced Zimbabwe’s alternative trading platform. On 29 November, the development finance institution listed its infrastructure bonds, which were previously issued to support power supply and infrastructure projects for subsidiaries of the Zimbabwe Electricity Supply Authority. Old Mutual was the first to list its Class B shares in December 2016.

Policy/Regulatory /Legal Developments: President Hits Ground Running With 90-Day Amnesty

In a period in which there were game-changing political developments in the country, Government’s easing of import controls on a number of basic commodities, in anticipation of the increased demand associated with the festive season betrayed the heightened reflexes of an increasingly panicky government faced with a deepening foreign currency crisis. It also casts doubt on whether the implementation of SI 64 was a well-thought-out process, especially following recent revelations that it did not result in an increase in capacity utilisation as often thought. Actually, this move amounts to an acknowledgement that SI 64 has not really worked as intended originally. It’s interesting that Government wants to tap “free funds” in order to improve the supply of imported goods but this has its own challenges. Given the dwindling supply of foreign currency in official markets, this could be a licence for businesses to procure foreign currency in unofficial markets and accordingly at a premium, with attendant inflationary implications. Above all, the move might have the impact of undermining companies and individuals’ confidence in Government policies given what across as policy inconsistency. In the meantime, while everyone’s attention was fixated on the riveting developments in the political arena Dr John Mangudya reviewed the export incentive scheme for tobacco growers upwards from 5% to 12.5% for the 2018 tobacco marketing season. While this was welcomed by tobacco growers, it meant injection of more bond notes into the economy, obviously with considerable inflationary implications.

In his first significant act since his inauguration on 24 November 2017, President Emmerson Mnangagwa on 28 November 2017 announced the granting of a three-month amnesty for the return of illegally externalised funds and assets. While it’s generally agreed that there has been a fair amount of externalisation over the years, the big question is whether those responsible will own up and repatriate the funds. If the authorities’ assertions that the people are known is anything to go by, then the culprits are in tight corner and will have to comply. But the authorities may well be taking a chance, because one wonders why these people haven’t been prosecuted all along while the country languished on the slippery slope of currency shortages. Unconfirmed reports however say that Finance Minister Patrick Chinamasa was about to pull the trigger when he was moved to the Cyber Security and Threat Detection Ministry by the former president in his last cabinet reshuffle. It is believed that ZSE-listed companies played a major role in externalisation of funds through official means by remitting management fees to their offshore accounts while diamond mining companies did so on the pretext of buying equipment that was never delivered. Writing in one of the local newspapers, columnist Dr CZ agreed that an amnesty is the right way of handling the issue of externalisation. “The new owners of the country announced a three month amnesty for individuals and corporates that externalised money

and other assets when the situation in the country was uncertain. That is the civilized way to go. Instead of just starting by pouncing on them, these people need to be given a long rope first.”

Meanwhile, this development came against the background of revelations by the Bankers Association of Zimbabwe that money held by Zimbabweans in banks outside the country stood at US\$940 million, having consistently risen from US\$373 million since 2009. “Maybe this is a sign of low confidence in the banking system,” BAZ President Dr Charity Jinya said. If confidence is the issue does Government think it has already done enough to see the funds coming back within the short period of 90 days? Time will tell.

Currency, Pricing and Liquidity Perspectives: RBZ Warns Against Use of Bitcoin

In a month with few substantive economic developments as political developments bearing the promise of a new era of economic revival took precedence, one of the highlights of the month was the Reserve Bank of Zimbabwe’s warning to members of the public not to use cryptocurrencies such as Bitcoin. However, it is pertinent to mention that the regulator is always late in coming to the party when it comes to some of these innovations. As a result regulation always lags innovation. So just like in those Hollywood action movies where the police arrive late when the hero of the piece has already dealt with the villain, the regulatory authorities typically comment when people have already started using new financial innovations. Just because the RBZ says they haven’t put in place appropriate legal and regulatory frameworks, it doesn’t mean that people will stop using Bitcoin because it provides solutions to some of the current problems such as inability to make external payments for products and services and its perceived ability to preserve value against the background of rising inflation. What should guide the regulators in their attempt to regulate Bitcoin or any other cryptocurrency for that matter, is that it is not for the low income or vulnerable users; so anyone who uses cryptocurrencies is savvy enough and probably does not need the protection of the RBZ. However, that is not to say that appropriate regulatory frameworks can be dispensed with. In South Africa, the SARB has adopted the stance that the potential benefits that could be derived from a digital currency include the convenience of use, greater inclusion due to its reach, real-time settlements and a reduced cost of use. As outlined in a 2014 position paper, cryptocurrencies are not considered a significant threat to financial stability, price stability or the national payments system as they are not widely used. As such, the SARB does not regulate cryptocurrencies but reserves the right to do so. Currently, a multi-disciplinary team from the SARB works with various fintech stakeholders. In doing so, it stays abreast of developments in the space, which may inform policy decisions and help the central bank to craft enabling regulations.

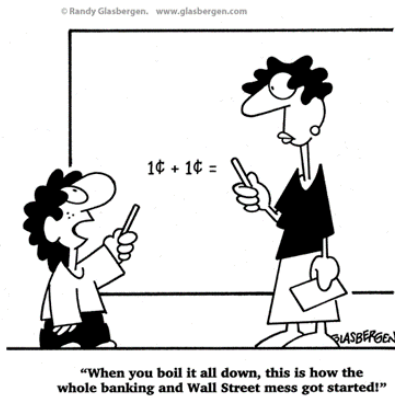
In a related development regarding inflation, it is instructive to note that OK Zimbabwe, which calculates inflation based on the changes in the prices of its product range, said its internal tracking system showed that inflation stood at 7.69% in September 2017, much higher than the 0.78% as measured by Zimstat. This lays bare the difference between official figures and the situation on the ground, again with the impact of undermining public confidence in official statistics.

The currency markets also responded positively to the political developments in Zimbabwe as illegal currency dealers reportedly began adjusting downwards the premiums they charged for hard currency, primarily the US dollar, against bond notes and plastic money.

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



Did you know that **20 November** is **Africa Industrialisation Day**? Within the framework of the Second Industrial Development Decade for Africa (1991-2000), the United Nations General Assembly, in 1989, proclaimed 20 November “Africa Industrialization Day”. The 2017 commemoration was held under the theme: “African Industrial Development: A Pre-Condition for an Effective and Sustainable Continental Free Trade Area (CFTA)”. The objective of this year’s Africa Industrialization Day was to raise awareness of the importance of African industrial development in implementing a successful Continental Free Trade Area, and therefore further growing Africa’s economy and supporting the eradication of poverty. The event took into consideration the role that industrialization plays in enhancing market competitiveness, and elaborates on the necessary steps to be taken in order for African countries to realize their potential.

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RECENT EVENTS IN PICTURES



City Physiotherapy Clinic (CPC) provided services at the 2017 edition of the FSSL Paynet Cup Tournament and attended to injured players while systematically recording the relevant statistics with the intention of producing a post-tournament report. The presence of CPC at this year's tournament augurs well for the commercial possibilities of the tournament as future tournaments could be a platform for service providers to showcase their services.



The CBZ Holdings team at the 2017 Edition of the FSSL Paynet Cup Tournament played at the Standard Chartered Bank Sports Club during the month of November. CBZ made it into the last four of the tournament but was eliminated by ZB Life courtesy of a solitary Victor Matare strike deep into the second half of their semi-final match.

PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- **EcoSure** introduced the **Hospital Cashback Plan** as part of its insurance products. “Don’t let your medical issues become financial issues. Dare to think of what would happen if you or your family were ever hospitalised, how would you manage the expenses? The EcoSure Hospital Cashback plan gives you a fall back plan in case of hospitalisation for more than 4 days,” said the subsidiary of **Econet Wireless**. In order to register one must dial *900# and follow the relevant instructions.
- **Getbucks Microfinance Bank Limited** said while it banked on the civil service for its customer base, it was broadening its attention to the non-banked populace by introducing nano loans which make use of social media. “We have introduced Haraka Nano loans where you apply online using **Facebook** or **WhatsApp** and we can actually issue out loans. We are targeting everyone in line with financial inclusion. One can also payback using E-wallets,” said managed director **Mercy Muchando-Murevesi** on the sidelines of the company’s annual general meeting on 30 November 2017.

PRODUCT PROMOTION INDEX (PPI)

- **ZB Bank** announced the 70 winners of its Early Bird School Fees Deposit Promotion for July and August as well as the Grand Draw Winners and 28 winners for the Piggy Bank Promotions. “Christmas has come early for our third term ZB Early Bird School Fees Deposit Promotion and Piggy Bank Promotion winners. The Promotions were run in the 3rd quarter of the year and were aimed at fostering e-learning in schools through the prizes for winners,” said the bank. For the ZB Piggy Bank Promotion schools were required to maintain a minimum balance in their accounts of \$10 000 each month in order to qualify for the monthly draws. For the Grand Draw, the schools needed to have maintained a minimum of \$10 000 throughout the competition. All first winners for July and August got technology gadgets of their choice valued at \$300 and second winners got \$200 each to purchase a technology gadget of their choice for the school. The Early Bird School Fees Deposit Promotion, Term 3 targeted early school fee depositors for the 3rd term, 2017. Each winner walked away with \$100 worth of prize money and these would be credited to a Stash or Junior Stash accounts to be opened for the recipients.
- **CBZ Holdings** introduced the **CBZ Touch Rewardz Reloaded Promotion** valid from 27 November 2017 to 10 January 2018. “Get paid for transacting this festive season. Every time you transact with CBZ Touch you stand a chance of winning cash, in January, straight into your account,” said the diversified financial services group. The promotion will reward at least 30 of the bank’s clients registered to use CBZ Touch, the application that enables customers to do transaction services such as airtime purchase, paying school fees, utilities payments, transfer funds to other banks and transactions to CBZ wallets and other external wallets. Customers who participate in the promotion stand to win between \$200 and \$1000. “By encouraging the use of cashless transactions, CBZ Bank is confirming its commitment to providing game changing innovative solutions to address the challenges currently facing the nation with regards to access to cash. This commitment is not only being witnessed by the launch of CBZ Touch Promotion, but it is also being shown through the bank’s investment into electronic transaction methods like self-serving centres being opened in our branches countrywide,” said group marketing and corporate affairs executive **Laura Gwatiringa**.



MONTHLY FINANCIAL SECTOR BULLETIN (MFSB): ISSUE NO. 51, NOVEMBER 2017

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

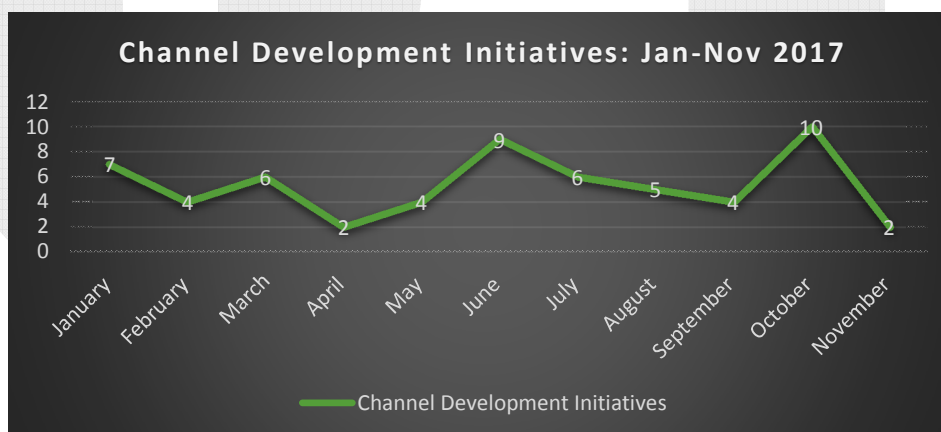
#	Organization	Product /Promotion	Product/Service Category	Sub-sector	Type of Initiative
1	EcoSure	Hospital Cashback Plan	Medical Insurance	Insurance	Product Launch
2	Getbucks Microfinance Bank	Haraka Nano Loans	Consumer Lending	Banking	Product Launch
3	CBZ Holdings	CBZ Touch Rewardz Reloaded	Transaction Services	Banking	Product Promotion

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- **Barclays Bank of Zimbabwe Limited** advised changes on its **Visa** Debit Card. "Please be advised that usage of the VISA card for cross border transactions is now subject to prior arrangements and approvals by Barclays Bank. Applications can be made through your nearest Barclays branch. This arrangement supersedes any previous limits for cross border payments the bank extended to you prior to this notification. All limits on your local Barclays **ZimSwitch**-ready debit cards will remain unchanged. You can apply for your local debit card at any of our branches countrywide," said the bank.
- **CBZ Bank** issued a public notice on the impending merger of two of its branches. "CBZ Bank would like to advise its valued customers that Mhangura Branch will be merging with Chinhoyi Branch with effect from 1 January 2018. Clients can continue to receive world class service at Chinhoyi Branch as well as other CBZ Bank Branches Nationwide. CBZ Touch Mobile App, CBZ Internet Banking, CBZ Agents, Point of Sale terminals are also available for use by all clients anytime anywhere. CBZ Bank remains committed to giving its valued clients exceptional services," read the public notice.

SUMMARY:CHANNEL EXPANSION/RATIONALISATION ACTIVITY

#	Institution	Sector	Type of Initiative	Description
1	Barclays Bank of Zimbabwe Ltd	Banking	Changes in Visa Card Usage	Prior applications for cross border usage
2	CBZ Bank	Banking	Merger of Branches	Mhangura & Chinhoyi Effective 1 January 2018



EXECUTIVE MANAGEMENT/BOARD CHANGES

- The [Insurance Institute of Zimbabwe \(IIZ\)](#) on November 14, 2017 named new president, [Ushe Mungaraza](#), the managing director of [Tropical Reinsurance Company](#) to take over from [Edward Gomba](#) for the 2017/18 term of office. In his acceptance speech at Elephant Hills Resort in Victoria Falls, Mungaraza made commitments to steer ongoing projects to completion. These include the implementation of the new curriculum and construction of the Mount Pleasant project that will see the institute establish physical premises to be utilised by its members. “We are all aware of the crippling business hardships currently faced by the entire economy. Such should not slow our goal for the skills development of the industry. Our skills are our lifeline,” said Mungaraza, who will be deputised by [Mapiye Chigorondondo](#), the managing director of [Alexander Forbes Risk Services Zimbabwe](#) and [Fidelity Life Assurance of Zimbabwe](#) CEO [Reuben Java](#) as first and second vice-president respectively.
- The [Bankers Association of Zimbabwe](#) issued a congratulatory message to the new President of Zimbabwe. “The Bankers Association of Zimbabwe representing all banks in Zimbabwe, congratulates His Excellency, President [Emmerson Mnangagwa](#), following his appointment as the President of the Republic of Zimbabwe and Commander of the [Zimbabwe Defence Forces](#). We are encouraged by his vision of resuscitating the economy. As bankers, we stand ready to offer our full support and commitment in realising this goal,” said the association in the message.

REBRANDING & STRATEGIC REALIGNMENT INITIATIVES

- [Pathways Africa](#) founder and chief executive officer [Joe Mutizwa](#) warned the insurance sector in Zimbabwe to brace for turbulent times triggered by disruptive technologies, demographic shifts and dramatic changes in consumer aspirations among others. Giving a keynote address at the [Insurance Institute of Zimbabwe \(IIZ\)](#) annual conference in Victoria Falls on 13 November 2017, Mutizwa said the sector would face serious operational challenges in the near future that needed a proactive approach. The challenges, among others, included demographic shifts, dramatic changes in consumer aspirations, disruptive business models and technologies. There is also volatility arising from the country’s operating environment such as political and economic scenarios, socio-psychological as well as regulatory environment. “The greatest threat for the insurance industry will come from outside the existing boundaries of the industry. The question you need to ask is: what solutions do you provide and who else can provide them better?” Mutizwa asked.
- The country’s sole savings bank, [People’s Own Savings Bank \(POSB\)](#) embarked on a skills audit exercise as part of its restructuring programme. Conducted by [Ernst and Young](#), the exercise could result in staff rationalisation to support the company’s restructuring efforts. “As part of the exercise, the consultants will be carrying out a skills audit to identify the skills and knowledge that the bank requires to execute its strategy, as well as establish the current skills and knowledge levels. The process will identify training gaps/needs and recommend interventions for improving the skills knowledge,” reads part of a circular by the company’s human resources department. POSB said the business process re-engineering would support restructuring and deployment.
- [Zimbabwe Stock Exchange](#) listed conglomerate, [Meikles Limited](#), disposed its financial services arm due to the worsening cash crisis in the country and stringent central bank regulations. “The group disposed of its financial services operations on August 31, 2017. The group does accommodate all financial services participants to ensure ease of transacting for customers,” Meikles chairman [John Moxon](#) said. [Meikles Financial Service \(MFS\)](#), which offered mobile financial solutions and bill payment services in the country under the name MyCash, was established in early 2016 and became a hit with shoppers because it allowed them to withdraw large amounts of cash at a time banks were limiting withdrawals. The product backed by the [People’s Own Savings Bank](#) and 30 percent owned by [Veritrans Limited](#) allowed mobile money transactions, including transfers, utility payments, and savings, in addition to other regular banking services at lower transaction costs. For instance, MyCash card holders could make instant transfers of up to \$1 000 to any account at another bank using ZIPIT and would be charged only \$1. MFS, however, ran into problems when the central bank introduced stringent measures that forced all retailers to bank their money at the close of business every day as part of strategies to ease the worsening cash shortages.

ICT DEVELOPMENTS

- **Standard Chartered Bank Zimbabwe Limited** advised that it was upgrading its IT Infrastructure in order to serve its clients better. “As part of our promise to provide you with fast and convenient services, we are enhancing our IT infrastructure and this will cause some disruption of service to you. On Saturday 4 November 2017 and Sunday 5 November 2017, the services below will be unavailable. We urge you to plan your banking in advance to minimize any inconvenience.

Channel	Saturday 4 November 2017	Sunday 5 November 2017
Branches	Closed	Closed
ATMs	Unavailable 4:00am – 6:00pm	Available for use
VISA Debit (Point of Sale Services and International payments)	Unavailable 4:00am – 6:00pm	Available for use
Mobile banking (ZIPIT, ZESA Payments, Airtime Topup, DSTV Payments, Interaccount Transfers)	Unavailable 4:00am – 6:00pm	Available for use
Straight2Bank and Online Banking	Unavailable 4:00am – 6:00pm	Available for use

Normal operations will resume on Sunday 5 November 2017. For further information please do not hesitate to contact your relationship manager or any of our branches,” said the bank, whose payoff line is “Here for good.”

- **MBCA Bank Limited**, a member of the **Nedbank Group** carried out a system maintenance exercise on Sunday, 5 November 2017 from 1300hrs to 0430hrs on Monday, 6 November 2017. As a result of this exercise, the bank’s internet banking platform (MBCAnet) was unavailable. However, alternative digital platforms i.e. MBCA Point of Sale, **ZimSwitch** point of sale purchases, Mobile Banking and all ATMs were available for customers’ banking convenience.
- **Steward Bank** carried out a planned system maintenance on Sunday, 19th November 2017 from 0000hrs to 0600hrs. As a result of this system maintenance, the following services and delivery channels were temporarily unavailable during the mentioned period: Mobile Banking, **EcoCash** Banking Services, Agent Banking Services, POS Machines and Online Banking. Customers were encouraged to make advance arrangements ahead of the period.
- **MBCA Bank Limited** announced plans to introduce a new Core Banking System in the first quarter of 2018. “In support of our vision of becoming Zimbabwe’s most admired bank by all our stakeholders, we are pleased to advise that we will be introducing a new core banking system. We will be migrating from the current T24 system to the new Flexcube system. The launch of the new system will take effect in the first quarter of 2018 and this exciting development is expected to usher in a new era of banking convenience for our clients. In addition, the new system will lay the foundation for better functionality of our service channels and product innovation. Implementation dates will be communicated to all our stakeholders in due course, including all features and benefits of the new system. We further advise that the first digit on all account numbers will fall away, with the rest of the account number remaining the same. A data clean-up exercise is underway to ensure that all client information is accurate as we transition to the new core banking system. Our staff will therefore be calling all clients to verify account information and we request your usual co-operation to assist in the seamless execution of this important exercise. You are also encouraged to visit your nearest branch to update your personal information which will facilitate the smooth transition to a new and improved banking experience. For further information, kindly visit your nearest MBCA Branch, Relationship Manager or contact the Marketing department on marketing@mbca.co.zw,” said **Dedrey Mutimutema**, Executive Head for Marketing, Public Relations and Communications on 30 November 2017.

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- **MBCA Bank Limited**, **ZimSwitch**, **First Mutual Life Assurance Company** and the **People’s Own Savings Bank** were amongst the sponsors of the 9th Annual Marketers Convention hosted by the **Marketers Association of Zimbabwe**

(MAZ) during the period 1-4 November 2017 at Kingdom Hotel, Victoria Falls under the theme “The Changing Face of Marketing : Towards Organisational and Economic Transformation.”

- [First Mutual Life Assurance Company](#) and [FBC Holdings Limited](#) were amongst the sponsors of the 2017 International Project Management Day Breakfast Meetings held on 2 and 3 November 2017 by the Bulawayo and Harare Chapters respectively under the theme “People, Passion and Purpose in a Digital Age”
- The [Insurance and Pensions Commission \(IPEC\)](#) was one of the sponsors of the [Zimpapers](#) Power Walk for Cancer held at the [Old Hararians Sports Club](#) on 4 November 2017.
- [People’s Own Savings Bank \(POSB\)](#) on 13 November 2017 unveiled a corporate social investment programme in which the bank and volunteer staff members assist needy areas in the community. The programme, “Lend a Hand”, was launched with an emphasis on two areas: health and philanthropy as well as financial education and literacy. “We are a people’s bank that is cognisant of the need for corporate social investment and will continue to play a part in addressing needy areas in the community as may be necessary,” POSB chief executive officer [Admore Kandlela](#) said. Twelve State-run provincial hospitals will be receiving an assortment of the much-needed hospital linen comprising sheets and pillowcases. The hospitals that will benefit from this initiative include Lupane Provincial, Mpilo Central, Gwanda Provincial, Masvingo Provincial, Chinhoyi Provincial, Gweru Provincial, Marondera Provincial, Mutare Provincial, Bindura Provincial, Chitungwiza Central, Harare Central and Parirenyatwa Group. Under the CSI initiative, POSB staff volunteers also embarked on a resource mobilisation initiative, wherein they contributed and collected donations in both cash and kind in order to assist the needy. Two old people’s homes and two children’s homes in Bulawayo and Harare were selected as beneficiaries from the exercise. In Harare, [Bumhudzo Old People’s Home](#) in Chitungwiza and [Matthew Rusike Children’s Home](#) in Epworth will be the recipients of these donations, while [Ekhuphumuleni Old Peoples’ Home](#) and [Thembiso Children’s Home](#) will be the beneficiaries in Bulawayo.
- [Stanbic Bank Zimbabwe](#) donated \$10 000 to the [Cancer Association of Zimbabwe \(CAZ\)](#) towards chemotherapy treatment for underprivileged cancer patients. The donation came as cancer continued to be a threat with over 400 cases recorded annually since 2009. According to Zimbabwe Cancer Registry data, cancer is emerging as a major public health concern in the country. It is with this in mind that Stanbic Bank scaled up its contribution to the treatment of the members of the Cancer Association of Zimbabwe through the \$10 000 donation, up from the \$5800 previously donated. Head of Corporate and Investment Banking (CIB) [Rhett Groves](#) said the bank was honoured to support the Cancer Association of Zimbabwe as it joined the cancer awareness commemorations held internationally in the month of October 2017.
- The [Institute of Chartered Secretaries and Administrators in Zimbabwe \(ICSAZ\)](#) on Wednesday, 29 November 2017 hosted the 2017 Excellence in Corporate Governance Awards at Rainbow Towers in Harare under the theme “Good Corporate Governance for Sustainable Economic Development.” [Denys Denya](#), the Executive Vice President of [Afreximbank](#) was the guest of honour at the event at which [MMC Capital](#) and the [Deposit Protection Corporation](#) were the sponsoring partners alongside supporting partners [Zimbabwe Stock Exchange \(ZSE\)](#), [Securities and Exchange Commission of Zimbabwe \(SECZ\)](#) and the [Reserve Bank of Zimbabwe \(RBZ\)](#). The Deposit Protection Corporation (DPC) was the sponsoring partner for the Banking Categories at the Awards.
- [NicozDiamond Insurance Limited](#), in partnership with the [BOOST Fellowship](#) invited qualified, talented and enterprising students from [Great Zimbabwe University](#), [National University of Science and Technology](#) and [Midlands State University](#) to take part in the NicozDiamond ‘Think Tank’ Innovators Competition. Entrants stood a chance to win a grand prize of \$2000 and receive mentorship. In order to qualify entrants had to be third or final year students (first preference) studying any of the following courses: Risk Management and Insurance, Actuarial Studies, Marketing, Accounting, Finance, Economics, Computer Science, or ICT. An individual or a team with a maximum of 3 students with an *amazing idea* on how to improve insurance products and services could enter by submitting a concept note of the idea to the ‘Think Tank’ Competition through nicozthinktank@gmail.com by 31 December 2017.

- **Stanbic Bank Zimbabwe Limited** on 30 November 2017 donated a borehole and resuscitated two others at the **Chitungwiza Central Hospital** as part of its Corporate Social Responsibility (CSR) initiatives. The bank also donated a 10 00 litre tank for use by the Hospital's maternity ward, which houses close to 200 patients at any given time. Stanbic Bank non-executive director, **Valentine Mushayakarara** said the financial services institution was committed to contributing to the welfare of the members of the communities in which the bank operates and provision of safe water was one of its top priorities. Mushayakarara said the decision to donate a borehole and resuscitate two others was arrived at after a fact finding mission by bank personnel earlier in 2017. "After the visit Stanbic Bank decided to assist with the provision of safe water. It is a pleasure for Stanbic Bank to be a partner and a friend to an institution such as Chitungwiza Central Hospital and we intend to further compliment their efforts in the community by drilling three more boreholes in the near future," said Mushayakarara. Chitungwiza Central Hospital CEO **Obadiah Moyo** said the donation was most welcome as it helped combat water borne diseases such as typhoid and cholera. He commended the bank for not only focusing on their core business as a financial institution but for reaching out to various health institutions through their CSR initiatives which enrich communities.

CORPORATE ACTIONS

- **ZB Financial Holdings Limited** issued a Cautionary Announcement in respect of a material transaction for which it said it was engaged in negotiations. "Shareholders and member of the public are advised that ZB Financial Holdings Limited ("ZBFH of "the Company") is engaged in negotiations concerning a material transaction which, if concluded, may have an effect on the price of the Company's shares. Accordingly, shareholders and members of the public are advised to exercise caution and consult their professional advisors when dealing in the Company's shares until a full announcement is made or this cautionary is withdrawn," said Company Secretary **C T Kathemba** in the Cautionary Statement dated 14 November 2017.
- **CBZ Holdings Limited** issued a seventh cautionary statement dated 23 November 2017 in respect of one of its subsidiaries. "Further to the Cautionary Statements issued by the Board on 2 May 2017, 31 May 2017, 19 July 2017, 23 August 2017, 21 September 2017 and 23 October 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**.

CAPITAL MARKETS DEVELOPMENTS

- The **Zimbabwe Stock Exchange (ZSE)** lost nearly \$6 billion since a military operation that forced former **President Robert Mugabe** to resign on Tuesday, 21 November 2017, with analysts saying investors were responding positively to prospects of macroeconomic stability. ZSE market capitalisation peaked at \$15.2 billion on November 14, the day before the military announced its intervention, but had come off to \$9.5 billion on 22 November 2017. Analysts pointed to disparities between the **Old Mutual** share price in London and Harare, where it recently traded five times the **London Stock Exchange (LSE)** prices, as evidence of unrealistic valuations in Zimbabwe.

BOND/TB ISSUE OUTLOOK

- The **Infrastructure Development Bank of Zimbabwe (IDBZ)** announced results relating to its issue of housing bonds. "The Infrastructure Development Bank of Zimbabwe ("IDBZ" or "the Issuer") invited investors, including but not limited to Pension and Provident Funds, Insurance Companies, Mutual Funds, Asset Management Firms, Commercial Banks and other interested corporates or institutions as well as individuals from the local and international markets, to subscribe for the Infrastructure Development Bonds ("the Bonds") known as IDB Series 1 2017B and Series 2 2017B. The Series 1 2017B is a Variable Rate Bond issued to finance the development of the **Sumben Housing Project** in Mt Pleasant, Harare, whilst

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Series 2 2017B comprises Fixed and Variable Rate Bonds issued to finance the development of the [Kariba Housing Project](#). In line with the Offer Timetable which was published as part of the abridged information Statement on Friday the 27th of October 2017, the Offer officially closed on Wednesday the 15th of November 2017. The Issuer hereby notifies the public of the status of the capital raise at close of the Offer. The total proceeds raised for the Bonds to date are tabulated below.

Bond Issue	Bond Issue Amount	Total Amount Raised and Allotted
IDB Series 2 2017B	US\$ 14,900,000	US\$ 12,531,000
IDB Series 1 2017B	US\$ 12,200,000	US\$ 1,000,000

The Issuer through the Bond Registrars and Transfer Agents, Corpserve Registrars has processed all subscriptions and certificates as required under the terms of the Bonds," said the development finance institution (DFI) whose payoff line is 'National Growth and Transformation Enablers.'

- The [Infrastructure Development Bank of Zimbabwe \(IDBZ\)](#) issued a pre-listing statement relating to the listing on 29 November 2017 by introduction of the entire issue of the Infrastructure Development Bonds ("IDB") Series 1 2014B and the Infrastructure Development Bonds ("IDB") Series 2 2014B on the [Financial Securities Exchange \("FINSEC"\)](#) Fixed Income Board, which bonds were issued in November 2014 by the IDBZ for the purposes of funding energy infrastructure projects in Zimbabwe. The trading of the bonds, with nominal values of \$ 15 million and \$50 million respectively, would be conducted on FINSEC's Alternative Trading Platform (ATP).

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- [FBC Holdings Limited](#) carried out a fire drill at its Head Office situated at FBC Centre 45 Nelson Mandela Avenue in Harare on Wednesday, 1st of November 2017 at 0900hrs. "The routine fire drill is to ensure that FBC Holdings employees are constantly mindful of how to get to safety as quickly as possible if a fire, smoke or other emergency occurs," said the financial services group in a public notice. Employees of FBC Holdings converged at the [Zimbabwe Republic Police \(ZRP\)](#) Post at the corner of First Street and George Silundika Avenue, Harare.
- [CBZ Holdings Limited](#) issued a press statement in respect of recent media reports about its OFAC penalty. "CBZ Holdings Limited (the Company) wishes to advise its stakeholders of a recent newspaper article stating that its subsidiary, [CBZ Bank Limited](#) (the Bank) is facing the possible imposition of a financial penalty by the United States Department of the Treasury's [Office of Foreign Assets Control \(OFAC\)](#). The Company acknowledged that OFAC issued a Pre-Penalty Notice which required the Bank to respond to their observations relating to transactions carried out by the bank on behalf of clients banking with other institutions. For the record, these payments by the Bank were for clients that are not on the OFAC Sanctions List and as such the Bank has shown cause why it should not be subjected to any penalty. The Company wishes to assure its clients and other stakeholders that the Bank continues to operate and conduct its business normally with both local and international correspondent relationships," said the diversified financial services group in the statement issued on 2 November 2017.
- Government was set to increase the export incentive after manufacturers and exporters approached Exchange Control seeking an upward review of the 5% incentive to enable them to increase production and exports, thereby generating more foreign currency. Exchange Control, through the [Reserve Bank of Zimbabwe](#), swiftly responded to the requests and invited manufacturers and exporters to make submissions. "Given the need to increase production and exports, Exchange Control is receiving a number of requests from companies that are requesting for an export incentive of more than 5 percent. Most companies are of the view that an export incentive in excess of 5 percent will make their products competitive on the export market and will also enhance capacity utilisation. To this end, there is need for Exchange Control to do a thorough analysis of the submissions from the companies with a view of ensuring that the objective of increasing production and exports is attained. In order for an informed decision to be made on requests for consideration of export incentive of five percent, applicants through their bankers should provide information concerning a lot of things. These include a motivational submission from the company, clearly outlining the objectives and strategies for the company, including the impact of the requested export incentive on value chains. Latest audited financial statements or management accounts to ascertain the

financial performance of the company. Cash flow projections assimilating different levels of the export incentive, including the five percent export incentive, current production levels of the company and associated production costs,” said Exchange Control in a statement.

- Government clarified the easing of import controls on basic commodities saying the move did not render Statutory Instrument 64 of 2016 ineffective, but rather was a call for organisations with free funds to obtain licences for import permits to ensure adequate supplies during the Christmas period. Industry Commerce Minister [Dr Mike Bimha](#) said that the SI64 of 2016 (now consolidated into SI 22 of 2017) explained itself in that imports would chip in whenever demand exceeded supply. “We have always clarified that SI64 is not a ban but a restriction on imports. We cannot import when we are producing enough goods for the country and the same can be said on shortages, we cannot have empty shelves during the Christmas period because we don’t want imports. What this means is that when there is a shortage due to foreign currency deficiencies, we allow those with free funds to import basic commodities and my Ministry is ready to process permits and licences to that effect,” said Dr Bimha.
- The [Reserve Bank of Zimbabwe](#) and the [Tobacco Industry and Marketing Board](#) issued a joint press statement regarding the review of the export incentive for the 2018 tobacco marketing season. “The Reserve Bank of Zimbabwe (the Bank) recognises the growing significance of tobacco as a key foreign currency earner for the country. Given this significance and the need to ensure sustained growth of the sector to enhance its contribution to foreign earnings, the Bank has reviewed the export support given to the sector. This review is consistent with reviews of support prices on other agricultural products to enhance production. Accordingly, and following consultations with tobacco industry stakeholders, the Bank advises that the export incentive scheme for tobacco growers has been reviewed upwards from 5% to 12.5% for the 2018 tobacco marketing season. In line with practice, the revised 12.5% export incentive shall be paid directly into the respective tobacco growers’ bank accounts on a monthly basis upon submission of tobacco sales information to the Reserve Bank by the Tobacco Industry and Marketing Board (TIMB). Tobacco growers are, therefore, implored to have active bank accounts, with banks of their own choice, prior to the start of the 2018 tobacco marketing season so as to avoid inconveniences on delayed payments at the start of the tobacco selling season. Furthermore, in order to promote the use of plastic money, and at the same time decongesting the Tobacco Auction Floors, tobacco growers are encouraged to use their respective bank branch networks, and the points of sale across the country. The Reserve Bank has engaged banks to facilitate the opening of low cost bank accounts for tobacco growers, which shall remain active during and after the tobacco selling season. Tobacco growers are further encouraged to desist from selling their tobacco to middlemen, as doing so would result in them losing out on the 12.5% Export Incentive,” said [Dr John P. Mangudya](#) and [Dr A. E. Matibiri](#) said in the joint press statement.
- The new President of Zimbabwe [Emmerson Dambudzo Mnangagwa](#) issued a public statement on the granting of a three-month amnesty for the return of illegally externalised funds and assets. “Activities linked to Operation Restore Legacy have, among other things, helped to uncover cases where huge sums of money and other assets were illegally externalised by certain individuals and corporates. Needless to say, such malpractices constitute a very serious economic crime against the people of Zimbabwe which the Government of Zimbabwe will never condone. As a first step towards the recovery of the illegally externalised funds and assets, the Government of Zimbabwe is gazetting a three-month moratorium within which those involved in the malpractice can bring back the funds and assets, with no questions being asked or charges preferred against them. The period of this amnesty stretches from 1st December 2017 to the end of February 2018. Affected persons who wish to comply with this directive should liaise with the [Reserve Bank of Zimbabwe](#) for necessary facilitation and accounting. Upon the expiry of the three-month window, Government will proceed to effect arrest of all those who would not have complied with this directive and will ensure that they are prosecuted in terms of the country’s laws. Those affected are thus encouraged to take advantage of the three-month moratorium to return the illegally externalised funds and assets in order to avoid the pain and ignominy of being visited by the long arm of the law,” said the President in the statement dated 28 November 2017.
- Statutory Instrument 140 of 2017 in respect of the insurance regulations amendment was gazetted on 17th November 2017. Legal watchdog [Veritas](#) described the instrument as “a piece of nonsense that should not have

made it into the Government Gazette at all – because it fails the test of clarity and certainty necessary for a valid law. It purports to amend section 7(c) of the Insurance Regulations, SI 49/1989, but that provision is nowhere to be found in that SI as amended. If the provision targeted is really section 7(c) of SI 24/2016 of February 2016, which seems likely, this new SI misses the target completely. In fact, to achieve acceptable clarity both SIs 140/2017 and 24/2016 need to be repealed and replaced by something more intelligible; this should be done urgently because the amendment must have been intended to reduce the maximum administrative penalty for breaches of statutory requirements from level 5 to level 3.”

CONFERENCES/SYMPOSIA & TRAINING EVENTS

- Zimbabwe hosted that 39th [Committee of Insurance, Securities and Non-Banking Financial Authorities \(CISNA\)](#) Conference from 8th to 10th November 2017 under the theme ‘SADC Financial Harmonisation - be part of it’. CISNA chairperson [Tafadzwa Chinamo](#) said CISNA was looking at harmonizing laws governing insurance and capital markets across the SADC region, in line with principles of trade integration, increased cooperation and inclusive growth across the region. Zimbabwe’s CISNA members include the [Insurance and Pensions Commission \(IPEC\)](#), the [Reserve Bank of Zimbabwe](#) and the [Securities and Exchange Commission of Zimbabwe](#). The conference discussed funding for establishment of a permanent secretariat with countries in the region expected to bid to host the regional body’s office. “There is need to harmonise our laws and build capacity in the region. It should be easy for an operator licensed in Zimbabwe to set up in Mozambique. As we move towards regional integration, the work of CISNA is critical in the delivery of financial services to the citizens of SADC,” he said.
- The [International Association of Deposit Insurers \(IADI\)](#) Africa Regional Committee Conference was held in Victoria Falls on Monday, 6 -7 November 2017 under the theme “Deposit Protection and Financial Technology Linked Deposits”. Delegates’ discussions were centred on how digital technology has transformed the types and distribution mechanisms of banking and financial services across the globe and gaps for policy making.

PUBLIC TENDER INVITATIONS/RESULTS, EOI & RFPs

- The [People’s Own Savings Bank](#) issued an invitation to Informal Tender in respect of the shop fitting works at its Lupane Branch. “POSB invites sealed bids from eligible contractors or shop fitting companies to offer shop fitting services for the refurbishment of POSB Lupane Banking outlet. 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 per set. Tender documents should be accompanied by the following documents: Company Profile, Certificate of Incorporation, CR14 and Contact details of at least 3 traceable references where jobs of similar scope and magnitude have been executed. A compulsory site meeting will be conducted on Monday 20th November 2017 at 10:00 am at the site in Lupane. Failure to attend the site meeting will lead to automatic 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 on or before Tuesday 28 November at 10:00 am where they will be opened in the presence of bidders who wish to attend,” said the savings bank, adding that the closing date was 28 November 2017 at 10:00am.
- An undisclosed microfinance bank issued an invitation to informal tender for the partitioning of its banking hall branch and ground floor office. “Tenders must be enclosed in sealed envelopes and endorsed on the outside with the advertised tender number, description, the closing date and must be submitted to the Procurement Officer, Ground Floor, Trust Towers, 56-60 Samora Avenue, Harare before 1000hrs on the closing date. (22 November 2017). Tender documents are available for collection during normal working hours from the Procurement Officer, Ground Floor, Trust Towers, 56-60 Samora Machel Avenue, Harare, upon proof of payment of a non-refundable fee of US\$ 10 in cash,” read the Informal Tender invitation.

INDUSTRY AWARDS AND ACHIEVEMENTS

- The **Exceptional Marketing Awards (EMA)** were hosted by the **Marketers Association of Zimbabwe (MAZ)** on November 3, 2017 during the 9th Annual Marketers Convention held at the Kingdom Hotel in Victoria Falls. Winners from the financial sector were as follows:

Award	Institution	Position
Best Print Advert of the Year	Steward Bank – The Square	Winner
Best Print Advert of the Year	CBZ Touch Advert	2 nd Runner Up
Best Outdoor Media Advert of the Year	MBCA - Migrate to the money experts	2 nd Runner Up
Best Social and Digital Marketing Campaign of the Year	CBZ - CBZ Touch Campaign	1 st Runner Up
Best Website for 2017	Steward Bank	Winner
Best integrated promotional campaign of the year	CBZ - CBZ Rewards Programme	1 st Runner Up
Best Marketer of the Year (Management)	Lawrence Kupika (POSB)	2 nd Runner Up
Best Marketing Oriented CEO/MD of the year	Never Nyemudzo	2 nd Runner UP

- The **Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ)** announced the winners of the 5th Excellence in Corporate Governance Awards at the Awards presentation dinner held on **29 November 2017** as follows:

Banking Sector Awards				
Awards	Winner	First runner-up	Second runner-up	Consolations
Best Banking Governance Practices Disclosures	CABS	NMB Bank	FBC Bank	CBZ Bank, MBCA Bank
Best Banking Risk Management Disclosures	CABS	CBZ Bank	Barclays Bank	FBC Bank, Stanbic Bank
Best Banking Internal Audit Disclosures	MBCA Bank	FBC Bank	Agribank	CABS, Stanbic Bank
Overall: Best Banking Corporate Governance Disclosures	CABS	FBC Bank	NMB Bank	

Listed Companies Awards				
Awards	Winner	First runner-up	Second runner-up	Consolations
Best Shareholder Treatment Disclosures		NicozDiamond Insurance Limited		CBZ Holdings Limited
Best Stakeholder Practices & Sustainability Reporting			FBC Holdings Limited	
Best Board Governance Practices Disclosures	NicozDiamond Insurance Limited		Barclays Bank Zimbabwe Limited	CBZ Holdings Limited
Overall: Best Banking Corporate Governance Disclosures		NicozDiamond Insurance Limited		

The **Deposit Protection Corporation (DPC)** was the winner of the Best Corporate Governance Practices Disclosures Award in the State Enterprises and Parastatals Awards.

- The 2017 Megafest Northern Region Awards ceremony hosted by [Megafest Holdings](#) were held at Cresta Lodge, Msasa, Harare on 30 November 2017. Winners from the financial sector lined up as follows:

Award	Winner	First runner-up	Second runner-up
Best Socially Responsible Organisation		MBCA Bank	
Best Marketed Organisation	National Building Society & Steward Bank		
Excellent Business Personality	Ian Mudiwa Mutandwa (Steward Bank)		
CEO of the Year			Clive Msipha (Untu Holdings)
Businessman of the Year	Ranga M Mavhunga (FMC Finance)		

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES(CP & LP)

- Zimbabwe's largest retailer, [OK Zimbabwe](#) in mid-November said its internal tracking system showed that inflation stood at 7,69% in September, much higher than the 0,78% given out by the [Zimbabwe Statistics Agency \(Zimstat\)](#), laying bare the difference between official figures and the situation on the ground. OK Zimbabwe calculates its inflation based on the changes in prices of its product range. Its financial results were also reflective of the influence of high inflation. The performance, as OK Zimbabwe said, was attributed to the inflationary environment coupled with the use of electronic means of payment as the economy moved to plastic money to counter the prevailing serious cash shortages. The largest retail group OK Zimbabwe's net income more than doubled to \$5, 1 million in the six months to September, from \$2, 3 million in the comparable period in 2016 on increased revenue and inflationary pricing.
- Annual inflation for October gained 1.46 percentage points to 2.24 percent from the September rate of 0.78 percent. According to the [Zimbabwe National Statistical Agency \(Zimstat\)](#) this meant that prices as measured by all items consumer price index (CPI) increased by an average rate of 2.24 percent between October 2016 and October 2017. The year-on-year inflation rate is given by the percentage change in the index of the relevant month of the current year compared with the index of the same month in the previous year. The month-on-month inflation rate in October 2017 was 1.54 percent gaining 1.16 percent points on the September 2017 rate of 0.38 percent. "This means that prices as measured by the all items CPI increased at an average rate of 1.54 percent from September 2017 to October 2017," said Zimstat.
- The [Reserve Bank of Zimbabwe \(RBZ\)](#) warned members of the public against using [Bitcoin](#), saying its use was not legal in the country. The RBZ said while it recognised the economic benefits of using digital currencies such as Bitcoin, it believed that any type of unregulated alternatives should be approached with caution, even if it provided the unbanked an opportunity to regain financial control. RBZ director and registrar of banking institutions, [Norman Mataruka](#) said Bitcoin was illegal and the regulator would not allow its use in Zimbabwe. "In terms of the Bitcoin, as far as we are concerned, it is not actually legal. In Southern Africa, what we have done as regulators, we have said that we will not allow this in our markets. Research is currently being undertaken to ascertain the challenges and risks associated with these particular products and until we have actually established and come up with a legal and regulatory framework for them, it will not be allowed," he said.
- Illegal currency dealers reportedly began adjusting downwards the premiums they charged for hard currency, primarily the US dollar, against bond notes and plastic money as market forces reacted positively to political changes in Zimbabwe. President [Emmerson Mnangagwa](#) was on Friday, 24 November 2017 inaugurated as the country's second Executive President, taking over from former President [Robert Mugabe](#) who tendered his resignation on Tuesday, 21 November 2017. Premiums for hard currency skyrocketed on September 23 when US\$1 cost \$1.60 in bond and US\$1.80 in plastic money. Government responded by unveiling the US\$600m Nostro Stabilisation Facility from the [African Export-Import Bank](#), which saw the bond note firming before it returned to a downward spiral. "I can't really tell why we are experiencing this but the brisk returns we were registering are no

longer obtaining. A few days ago we were selling US\$1 for \$1.45 of bond but today (Friday, 24 November) we have lowered the rate to \$1.30... but still we are not selling anything significant as people are not buying at these rates," said an illegal trader who operates at Eastgate Shopping Mall in Harare.

- Money held by Zimbabweans in banks outside the country currently stood at US\$940 million and statistics availed by the [Bankers Association of Zimbabwe \(BAZ\)](#) president [Charity Jinya](#) showed that the figures had been consistently rising since 2009. As at end 2015, the stock of deposits held by Zimbabweans in the [Bank for International Settlements \(BIS\)](#) reporting banks amounted to US\$678 million, having grown from US\$373million in 2009. "Maybe this is a sign of low confidence in the banking system," Jinya said. In 2017, the amount of deposits held by Zimbabweans in BIS reporting banks were at US\$706 million in the first quarter, before going to US\$940 million by the end of the half year.
- The value of bond notes appreciated on the parallel market on hopes of economic recovery following the appointment of President [Emmerson Mnangagwa](#), who was expected to institute broad reforms. Currently, the country has at least three exchange rates for the various mutations of its unofficial currency; one for electronic bank transfers, another for mobile money transfers and yet another for the bond notes. A snap survey by [The Financial Gazette](#) on 29 November showed a transfer using real time gross settlement was attracting a 45 percent premium for US\$100 from 60 percent during the same period last week. If one transacted using [Eccash](#) the premium ranged from 30 percent to 35 percent, from as much as 45 percent while for hard cash the range was between 20 percent and 25 percent from 30 percent. The value of bond notes has been going down due to the high demand for foreign currency for payment of externally sourced goods and services. Banks' requirement for accounts to be pre-funded with US dollars has also contributed to the depreciation of bond notes. This is despite the fact that the [Reserve Bank of Zimbabwe \(RBZ\)](#) has pegged its value at par with the US dollar.



MFSB SPORT: FSSL FACTS, FIGURES & LEAGUE TABLE

THE FSSL TIMELINE FOR 2017 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.

28 October 2017: Official Launch of the FSSL Paynet Cup Tournament at Standard Chartered Bank Sports Club.

4 November 2017: First Group Games of the FSSL Paynet Cup Tournament 2017 played

5 November 2017: Final Group Games of the FSSL Paynet Cup Tournament 2017 played

11 November 2017: Final of the FSSL Paynet Cup Tournament 2017 played

MFSB SPORT: WEEK 18 (FINAL) FSSL LEAGUE TABLE

Week 18		FSSL League Table 2017							
Position	Team	P	W	D	L	F	A	GD	PTS
1	FBC	18	14	2	2	65	14	51	44
2	SCB	18	14	2	2	64	19	45	44
3	CABS	18	11	3	4	53	19	34	36
4	OM	18	11	1	6	74	28	46	34
5	CBZ	18	10	4	4	56	20	36	34
6	ZB	18	10	3	5	64	27	37	33
7	ECO	18	5	2	11	33	53	-20	17
8	AGRI	18	2	2	14	20	105	-85	8
9	RBZ	18	1	3	14	22	124	-102	6
10	PAYSERV	18	0	2	16	14	56	-42	2
	Totals	180	78	24	78	465	465	0	258

INDIVIDUALS, COMPANIES AND INSTITUTIONS MENTIONED IN THIS ISSUE

Companies & Institutions Mentioned in This Issue

■ Afreximbank	13,19
■ Agribank	18,21
■ Alexander Forbes Risk Services Zimbabwe	1,11
■ Bankers Association of Zimbabwe	3,5,11,20
■ Bank for International Settlements (BIS)	20
■ Barclays Bank of Zimbabwe Limited	3,10,18
■ Bitcoin	5,19
■ BOOST Fellowship	3,13
■ Bumhudzo Old People's Home	13
■ Cancer Association of Zimbabwe	13
■ CBZ Bank Limited	3,9,10,15,18
■ CBZ Holdings	3,4,8,9,10,14,15,18,21
■ CABS	18,21
■ Chitungwiza Central Hospital	14
■ CISNA	17
■ City Physiotherapy Clinic	8
■ DStv	12
■ Deposit Protection Corporation	13,18
■ Ecobank	21
■ EcoCash	12,20
■ Econet Wireless	9
■ EcoSure	3,9,10
■ Ekhuphumuleni Old Peoples' Home	13
■ Ernst and Young	11
■ Facebook	9
■ FBC Bank	18
■ FBC Holdings	13,15,18,21
■ Fidelity Life Assurance of Zimbabwe	1,11
■ Financial Securities Exchange ("FINSEC")	4,15
■ Financial Services Soccer League (FSSL)	21
■ First Mutual Life Assurance Company	12,13
■ FMC Finance	19
■ GetBucks Microfinance Bank Limited	3,9,10
■ Great Zimbabwe University	13
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