

Monthly Financial Sector Bulletin

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COVER PICTURE: Insurance and Pensions (IPEC) Commission Commissioner Dr Grace Muradzikwa revealed that assets in the country's insurance and pensions industry had dwindled to US\$1.4 billion as at the end of the third quarter of 2019 from US\$9.4 billion at the end of 2018. "When you look at the total asset value as at the end of September, we are looking at RTGS\$22.3 billion, this translates to about US\$1.4 billion compared to US\$9.4 billion in 2018. I think when you see us as a Commission emphasizing the issue of valuation guidelines, these are some of the numbers that are worrying us, because how can we move from a total asset value of US\$9.4 billion last year to US\$1.4 billion presently, particularly given the structure of the sector's assets, which are mostly property," she told stakeholders at IPEC's inaugural annual general meeting on the 20th of November 2019. The insurance and pension sector has been affected by the depreciation of the Zimbabwe dollar against the US dollar following a number of currency policy shifts during the course of the year. Dr Muradzikwa also revealed that the Commission was currently seized with the Justice Smith Commission of Inquiry recommendations, adding that they were grappling with legacy loss of value at a time there was repeat loss of value. **Picture Credit:** The Financial Gazette.

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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 November 2019	17.50% (October - 38.75%)
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: Banks respond to electricity shortages through solar loans

The total number of product development and promotional initiatives increased by 57% from seven in October to eleven in November, driven mainly by an increase in product launches. As usual, the banking sub-sector accounted for the majority of the initiatives, of which consumer lending was the dominant product category. Notable for their response to the prevailing operating environment characterised by electricity shortages were solar loan facilities introduced by the National Building Society and Steward Bank.

In the channel development space, Branch rationalisation initiatives accounted for 75% of activity during the month under review as Thrive Microfinance and the People's Own Savings Bank (POSB) relocated their Chitungwiza and Kadoma branches respectively, while CBZ Bank was part of the mix through an outright branch closure in Tsholotsho. In a related development, CABS upgraded its Mobile App to include new features. The banking franchise of the Old Mutual Group urged its customers to "go on and bank away from the branch," a move that can eventually lead to the closure of some of its branches.

ICT Operations & Security Issues: Zimbabwe punches above its weight in electronic payments

During the review period, Visa commended Zimbabwe for being one of the most advanced countries in electronic payments, which accounted for 90 to 98 percent of all payments made, placing it in the same league with highly developed countries such as Sweden. The growth in e-payments has no doubt been exacerbated by the cash shortages that started in 2016, but Zimbabwe has done well to embrace electronic payment systems at a time digitization is fast growing worldwide. Meanwhile, Ecobank Zimbabwe moved to phase out manual or paper based transactions with effect from 2 January 2020, driven by a quest to mitigate errors and increase branch efficiency, thus resulting in a better customer experience. The bank joined a number of local banks that recently on boarded its clients onto electronic and digital channels.

Executive Management/Board Changes: Matsekete leaves First Capital Bank for Old Mutual

The Board of Directors of First Capital Bank Limited issued a press announcement on the resignation of its Managing Director Samuel Matsekete, citing his desire to progress his career. In the interim the Board said it had appointed the FMB Capital Holdings Group Chief Finance Officer, Ciaran McSharry as Acting Managing Director, while it commenced a search for a successor. Matsekete was expected to take over as CEO for Old Mutual Zimbabwe from Jonas Mushosho who was set to retire at the end of 2019. The Board of Directors of First Capital Bank Limited announced other board changes as follows: Kevin Terry was appointed as an independent Non-Executive director with effect from 16 October 2019. Titos Mukuku was appointed as Chief Finance Officer and Executive Director of First Capital Bank Limited with effect from 1 October 2019. Busisa Moyo resigned from the First Capital Bank Limited board with effect from 31 October 2019 following his appointment to the Reserve Bank of Zimbabwe Board. BancABC chief executive officer Dr Lance Mambondiani was appointed president of the Contact Centre Association of Zimbabwe (CCAZ), taking over from DHL Zimbabwe managing director Jeff Phiri.

Corporate Social Investment & Sponsorship Initiatives: Stanbic Bank supports cancer patients

Stanbic Bank and its partners, came to the rescue of cancer patients after the re-opening on the 15th of November 2019 of Harare Central Hospital's Tariro Hostel for Cancer Patients, which suspended operations in 2017 due to financial constraints. This marked Stanbic Bank's first completed project under its Ruyamuro-Usize initiative, the bank's healthcare corporate social investment whose objectives include supporting Government's efforts to provide better healthcare to the nation.

Fiscal, Public Debt & Investment Issues: Hoping for the best preparing, preparing for the worst

In the fiscal space, a key highlight was Finance Minister Mthuli Ncube's downward revision of the country's economic growth projection for 2020 to 3 percent due to anticipated adverse weather conditions. In the 2020 pre-Budget Strategy Paper, Ncube had initially projected the economy to grow by 4.6 percent, building on the success of the ongoing reform initiatives and a successful agricultural season. However, on the 6th of November 2019, Ncube said

because of the latest rainfall projections of a normal to below-normal season, Treasury was forced to revise downwards its growth projections to 3 percent.

This suggests that Government does not know of any other way of achieving growth, which is quite unsettling for the generality of long-suffering Zimbabweans, who had been made to believe that the new administration was firmly in charge and up to the task of turning things around. This is even more disconcerting especially if viewed against the background of the same Government's recent revision of the 2020 expenditure ceiling by over 30 percent, an admission that inflation is going nowhere. It would appear that Government has all the excuses it needs for failing to turnaround the economy. If it's not the weather, it's economic saboteurs manipulating the currency market and if it's not these, it's either sanctions or power shortages. It has become clear that while Zimbabweans hope for the best, they should in fact prepare for the worst.

External Financing: Lines of Credit & Grant Finance/AID: Govt's record-keeping credentials questioned

The integrity of Government's accounting systems and record keeping credentials were questioned by key stakeholders after Treasury understated development-partner support by the Chinese government. Government presented a figure of US\$3 631 500 in the 2020 National Budget Statement but Chinese embassy officials immediately refuted the figure and issued a statement saying China had provided US\$136.8 million between January and September 2019. Following a meeting with the officials, Ncube was forced to issue a statement admitting acknowledging Government's error.

Bond/TB Issue Outlook: Inflationary outlook hampers Government's fundraising moves

The Reserve Bank of Zimbabwe came to market at the end of the month with an issue of 182-day Treasury Bills, seeking to raise Z\$300 million to finance Government programmes. However, a paltry Z\$35 million was allotted at an average rate of 14.4786% out of bids of only Z\$55 million submitted. This came after an earlier offer of 272-day TBs that was also largely snubbed by the market and received 53% support. The low uptake of TBs, particularly for longer tenors, is due to the highly inflationary and uncertain environment which makes the market unwilling to invest in treasury assets at interest rates that are considered sub-economic. This means that unless the interest rates rise, Government will be under pressure to raise funds to finance its programmes and may be forced to resort to money printing. Ironically, this is happening at a time the Reserve Bank resolved to revise the bank policy rate from 70 to 35 percent with effect from November 20, 2019. Apparently, the MPC is of the view that inflation is going to fall very steeply so they felt that there was no need for penalty rates on the overnight accommodation levels. However, the market does not believe this low-inflation tale hence the low level of support for the apex bank's open market operations.

Policy/Regulatory /Legal Developments: Inflation looms large: impact on budget, interest rates and pensions

The presentation of the 2020 National Budget Statement themed "Gearing for Higher Productivity, Growth and Job Creation" to the Parliament of Zimbabwe on the 14th of November 2019 by Professor Mthuli Ncube was a milestone development in the month of November. Other than its focus on productivity, growth and job creation, the policy statement tried to stimulate aggregate demand by putting more money into the hands of crisis-weary Zimbabweans through various tax measures:

- A review of the tax free threshold from ZWL\$700 to ZWL\$2 000 per month and adjustment of the tax bands to begin at ZWL\$2 001 and end at ZWL\$50 000, above which the highest marginal tax rate of 40%, with effect from 1 January, 2020.
- A review of the non-taxable portion of the retrenchment package from ZWL\$10 000 to \$50 000 or one-third of the package, to maximum of ZWL\$80 000.
- Reduction of the VAT standard rate from 15% to 14.5%, with effect from 1 January, 2020.
- A review of the tax free bonus from ZWL\$1000 to ZWL\$5 000, with effect from 1 November, 2019.
- A review the Tax-Free Threshold under the 2% Intermediated Tax from the current ZWL\$20 to ZWL\$100 and the maximum tax payable per transaction by corporates from the current ZWL\$15 000 to ZWL\$25 000 for transactions with values exceeding ZWL\$1 250 000.

While these measures were no doubt welcome, one wonders whether their impact would be adequate to counter the deleterious effects of inflation, which threatened to render the figures in this budget meaningless within a very short space of time. Ominously, the statement acknowledged that both the Transitional Stabilisation Plan (TSP) and the Staff Monitored Programme (SMP) had been thrown off-course due to a number of challenges related to government

spending outside the budget encountered during 2019. Despite some setbacks on that front, the budget still hoped to anchor its growth and productivity thrust with the drive to re-engage with the International Community. A number of analysts however wondered how the objectives of this budget would be achieved given the highly inflationary environment and the worsening economic environment.

The Monetary Policy Committee (MPC)'s second meeting took place on the 18th of November 2019, and resolved to revise the bank policy rate from 70 to 35 percent with effect from November 20, 2019, subject to review in future meetings. The rationale and implications of the move were as follows:

- The reduction was meant to stimulate lending to productive sectors, to redirect excess liquidity in the market to liquidity-starved productive sectors of the economy.
- The MPC was of the view that inflation was going to fall very steeply so they felt that there was no need for penalty rates on the overnight accommodation levels
- The MPC was confident that the strict controls put in place by the central bank would keep money supply in check, preventing wild fluctuations in reserve money, which has inflationary implications

The apex bank first increased the overnight rate from 15 to 50 percent in August 2019 in an effort to counter speculative borrowing which was putting the Zimbabwe dollar under pressure. The bank further increased the key overnight rate from 50 to 70 percent at a time there was excess liquidity in the market place and market players were borrowing for the purposes of buying foreign exchange.

Meanwhile, Government issued Statutory Instrument 249 of 2019 titled Exchange Control (Payment for Electricity and Related Services in Foreign Currency by Exporters and Partial Exporters) Order, 2019 to pay ZESA in foreign currency for electricity supplies. The statutory instrument was expected to ensure that more of the exporters' retained earnings are used productively while helping ZESA to access the foreign currency it needs for its operations. However, the challenge is that ZESA may fail to provide the electricity after receiving foreign currency as has been the case in the past.

Following a mid-term actuarial evaluation, the Board of the National Social Security Authority (NSSA) reviewed benefits payable under its schemes in line with the inflationary economic fundamentals that had significantly eroded the benefits. At the courts, Paynet Zimbabwe, the bulk payments service provider, lost its High Court claim for US\$100 million damages against the Bankers Association of Zimbabwe (BAZ) made after Zimbabwean banks stopped using its services because it was demanding payment in US dollars. The High Court agreed with BAZ's counsel that the claim did not disclose the basis for action against the banking lobby group and that Paynet relied on a non-existent cause of action namely "Anti-Competitive Practice", which had not been proved by any averments in its declaration.

Currency, Pricing & Liquidity Perspectives: Money supply and exchange rate drive inflation

As the process to increase the level of physical cash in circulation commenced, the Reserve Bank of Zimbabwe revealed the security features and characteristics of the two-dollar bond coin as well as the new 2 and 5 dollar banknotes. Commercial banks duly collected \$30 million in new notes and coins on the 11th of November 2019 from the apex bank, paving the way for account holders to start accessing their \$300 weekly cash withdrawal rations on the 12th of November 2019. RBZ Governor Dr John Mangudya said measures had been put in place to counter the channeling of cash from banks to the black market and the locking up of the new cash into the informal sector, although he did not go into details about how this would be achieved. Meanwhile, Zimbabwe's year-on-year inflation rate spiralled to 440 percent in October, from 353 percent in September, according to the Confederation of Zimbabwe Industries (CZI), apparently driven by the increase in money supply which had a disproportionate impact on the exchange rate, subsequently feeding into prices. The effect of the exchange rate was also transmitted through implied dollarisation as prices were largely US dollar indexed.

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PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- The **National Building Society** launched the **Solar Energy Loan Fund (SELF)**. “Invest in sustainable energy. With NBS Solar Energy Loan Fund (SELF), you are now able to power your home or business. Don’t worry about power cuts NBS had the right energy solution for you,” said the building society, whose payoff line is “Building Communities.”
- **Moovah**, the motor vehicle insurance cover that is underwritten by **Econet Insurance (Pvt) Ltd** introduced legal cover in order to enhance its offering. “We’ll help you handle all your legal affairs. Finally, an insurer that gets you. Disputes are a common part of our everyday lives. Should they turn legal, we’ll provide a payout dependent on your selected package to cover legal costs regardless of whether the case is brought by you or against you,” said the **Cassava Smartech** subsidiary.
- **Stanbic Bank** launched a new low cost transactional account set to benefit most unbanked individuals including university students and sole traders as the institution complemented the **Reserve Bank of Zimbabwe’s (RBZ)** focus on financial inclusion. Aptly named **BluEase**, depicting how easy it is to open the account without the usual Know Your Customer (KYC) processes, which financial institutions use to verify the identities of existing and potential clients before establishing business relationships. Stanbic Bank’s head of personal and business banking, **Patson Mahachi**, said that BluEase is a low-cost and low-KYC card account for which customers only require an ID to open. Mahachi said in addition to complementing the focus on financial inclusion, BluEase also presented a platform for the bank to achieve its sustainability goals that include customer-centricity and tailoring products based on customer needs. “BluEase seeks to complement the regulator’s five-year road map of coordinated actions that will be followed to achieve the country’s financial inclusion objectives,” said Mahachi. BluEase clients will enjoy low transacting costs and a debit card in addition to a variety of digital banking platforms such as Mobile Banking, Online Banking and EcoCash Bank to Wallet connectivity.
- **The Nyaradzo Group** introduced foreign exchange services through the **Sahwira Bureau de Change** brand. “Safe, secure, convenient Foreign Exchange courtesy of Sahwira Bureau de Change. Now you can experience true convenience when exchanging your foreign currency with Sahwira Bureau de Change. Visit our Park Street branch for simple, swift and secure forex trading,” said the Group whose payoff line is “Service. Strength. Solutions.”
- **EcoFarmer**, a subsidiary of **Cassava Smartech**, introduced an agricultural financing product called **The Diaspora Agriculture Finance Plan**. “Introducing The Diaspora Agriculture Finance Plan. Your loved ones in the diaspora can now hire farming equipment and buy inputs for you. Ask them to simply visit www.cassavaremit.com and follow the steps,” said the company which has partnered, **Easi Seeds, Windmill (Pvt) Ltd, Agricura, Arda Seeds (Pvt) Ltd, Farm Shop, National Tested Seeds** and **Seedco** for the initiative.
- **Steward Bank** introduced a solar loan facility dubbed **Purple Sun**. “Introducing Purple Sun. The easiest way to access a reliable power supply in your home. Purple Sun Solar Loan Facility is the smart solution to your home power needs. Don’t be the one left in the dark! Say goodbye to darkness and hello to Purple Sun. Call or visit Steward Bank today and access reliable power for your home with the Purple Sun Solar Loan Facility,” said the bank in an advertisement. The loan facility for which the equipment is supplied by **Distributed Power Africa**, has a 0% deposit, 5 year repayment period, 15 year warranty for equipment, with service being done for free.
- **FMC Finance**, a registered credit-only microfinance institution partnered **NetOne’s OneMoney** to introduce a consumer loan product dubbed Smart Loan. “Register with OneMoney and enjoy the Smart Loan now! Simply dial *425# and you are good to go. All NetOne subscriber registered on OneMoney qualify. Loan disbursed in minutes,” said the MFI whose pay-off line is “Your Smart Finance Partner.”

PRODUCT PROMOTION INDEX (PPI)

- **First Capital Bank** introduced a **Use & Win Promotion** under which users stood a chance to win a Samsung Galaxy A80, Solar Power banks, ZWL\$500 Electricity Vouchers and 20 GB of data weekly. “All you have to do is use our

Mobile or Internet Banking platforms for all your bill payments, transfers and Zipit transactions and you could be a lucky winner. The more you transact the better your chances of winning. What are you waiting for? Start transacting now!" said the bank about the promotion which was set to end on the 31st of December 2019.

- **Topics Zimbabwe**, in partnership with **GPC Financial Services** introduced a 0% deposit for credit to all uniformed forces (**ZNA, ZRP, Airforce** and **ZPCS**). To qualify for this, the required documentation included a copy of the National ID, current payslip, proof of residence & stamped letter from employer as well as a passport sized photo.
- **Ecobank Zimbabwe Limited** announced the winners of its Pass IT On! Promotion. "You did Pass It On and You scored! Congratulations to the following Ecobank Afcon 2019 Pass It On Winners. Winners are walking away with 12 months DSTV subscription," said the pan-African Bank.

Name	ID Number	Branch
Brian Chibaya	70-211953P70	Borrowdale
Fortunate Mukwada	63-1157078B63	Nelson Mandela
Trymore Mandeya	59-118093W42	Southerton
Privilege Ndlovu	84-059400M39	Parkade
Onias Zengeni	08-019685Y75	Mutare

- State-owned telecommunications services provider, **NetOne** on 26th of November 2019 announced that it was scrapping service charges on its mobile money platform, **OneMoney** in a move aimed at boosting its market share following a troubled two weeks for its biggest competitor, **EcoCash** which enjoys over 90 percent of the mobile money market. At the end of the first quarter of 2019, data from the industry regulator showed that EcoCash had 6.3 million active subscriptions, followed by OneMoney at a distant second with 312 223. Having watched its competitor go through turbulence after an upgrade on 16th November 2019, OneMoney embarked on an aggressive marketing campaign, touting itself as the go to and reliable mobile money service provider. And to incentivise new subscribers to join the network, NetOne chief executive officer **Lazarus Muchenje** said OneMoney would with immediate effect zero rate all transactions. "Effective today we have introduced zero rated transactions on all OneMoney transactions except the Statutory two percent tax and the card swipe charges. This means that when you send money, there are no fees, when you receive money there is no fees, when you purchase airtime, there are no fees, when you cash out, there are no fees, when you buy at the shop using the merchant code, there are no fees. We expect that with these zero charges, the burden on the consumer will be greatly reduced," said Muchenje who further announced that the network would also give free data to customers who kept a minimum of \$500 in their OneMoney account.
- **CABS**, a member of the **Old Mutual Group** introduced **Black Friday Swipe for Free Promotion** on its Point of Sale machines. "Swipe for free on all our POS pay points this Friday between 6:00am and 6:00pm. Exclusive to CABS customers only," said the mortgage lender whose payoff line is "We'll Help You Get There."

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

#	Organization	Product/Promotion	Product/Service Category	Sub-sector	Type of Initiative
1	National Building Society	Solar Energy Loan Fund	Consumer Lending	Banking	Product Launch
2	Cassava Smartech/Moovah	Legal Cover	Motor Vehicle Insurance	Insurance	Product Enhancement
3	Stanbic Bank	BluEase	Low-cost, Low-KYC Card A/c	Banking	Product Launch
4	The Nyaradzo Group	Sahwira Bureau de Change	Foreign Exchange Services	Insurance	Product Launch
5	Cassava Smartech/EcoFarmer	Diaspora Agric Finance Plan.	Agricultural Financing	Fintech	Product Launch
6	Steward Bank	Purple Sun Solar Loan Facility	Consumer Lending	Banking	Product Launch
7	FMC Finance	Smart Loan	Consumer Lending	Banking	Product Launch
8	First Capital Bank	Use & Win Promotion	Transaction Banking	Banking	Product Promotion
9	Topics Zimbabwe/GPC	0% Deposit Promotion	Consumer Lending	Non-Bank	Product Promotion
10	OneMoney	Zero-rated transactions	Mobile Money	Mobile Money	Product Promotion
11	CABS	Black Friday Swipe for Free	Transaction Banking – POS	Banking	Product Promotion

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- **CABS**, a member of the **Old Mutual Group** announced an upgrade of its Mobile App coming with new features. “For your added transactional convenience, download the app now! In addition to the existing functions, you are now able to: Self-register for the mobile app, block or unblock your card, log-in using your finger or facial recognition function. So go on and bank away from the branch,” said the mortgage lender about the app, which is available for download on **Google Play Store**, the **Apple App Store** and is touted as faster, reliable, secure and convenient.
- **Thrive Microfinance** advised of the relocation of its Chitungwiza Town Centre branch. “We are relocating! Thrive Microfinance wishes to advise its valued customers and various stakeholders that its Chitungwiza Town Centre branch will be relocating to the Head Office at No.97 Willowvale Road, Harare with effect from 01 December 2019. Thrive microfinance is a developmental microfinance which provides training and credit to women excluded from the mainstream financial sector. It helps both rural and urban women to access credit since inception in 2012 and it’s transforming many lives through its program. For any enquiries feel free to visit or call the head office. Any inconveniences caused are sincerely regretted,” said the credit-only microfinance institution whose pay-off line is “Lending for Growth.”
- **CBZ Bank Limited** issued a public notice in respect of the closure of its Tsholotsho Branch. “We would like to advise all our valued stakeholders of the closure of our Tsholotsho Branch on the 30th of November 2019. Clients can continue to receive world class service at any CBZ Bank Branch nationwide. For you convenience, CBZ Touch Mobile App, CBZ Internet Banking, CBZ Agents, CBZ SmartPoint POS terminals and ATMs are available for use by all clients anytime, anywhere. As CBZ Bank Limited, we remain committed to giving all our valued clients exceptional service and we apologise for any inconvenience this closure may cause,” said the bank in the notice.
- The **People’s Own Savings Bank (POSB)** advised of the relocation of its Kadoma Branch. “POSB Kadoma is moving for your convenience. Effective 2 December 2019, **POSB Kadoma** is relocating to Corner Robert Mugabe & Baker Street,” said the country’s sole savings bank. The branch was previously located at Corner Robert Mugabe and Fit Square.

SUMMARY: CHANNEL EXPANSION/RATIONALISATION ACTIVITY

#	Institution	Sector	Type of Initiative	Description
1	CABS	Banking	Mobile App Upgrade	Introduction of new features
2	Thrive Microfinance	Microfinance	Branch relocation	Chitungwiza Town Centre branch to Head Office
3	CBZ Bank Limited	Banking	Branch Closure	Tsholotsho Branch closure effective 30 Nov 2019
4	People’s Own Savings Bank	Banking	Kadoma Branch relocation	R. Mugabe/Fit Square to R. Mugabe /Baker Street

ICT OPERATIONS AND SECURITY ISSUES

- **Visa** said that Zimbabwe was one of the most advanced countries in electronic payments accounting for 90 to 98 percent of all payments made, and noted that the high penetration rate of electronic payments placed Zimbabwe in the same league with highly developed countries such as Sweden. Visa General Manager for Southern Africa **Jabu Basopo** said that electronic penetration rate in Zimbabwe was encouraging at a time regional counterparts were still lagging behind at below 10 percent. “Elsewhere in the region, for instance Mozambique and Zambia, they are still at below 10 percent...There is no need for cash if the infrastructure is right, just make sure everybody can transact and has credentials to make payments, although we know consumers sometimes want that confidence that comes with possessing cash,” said Basopo in Harare on the 7th of November 2019. While he acknowledged that the growth in e-payments was also exacerbated by the cash shortages that started in 2016, Basopo said Zimbabweans had done well in embracing electronic payment systems at a time digitization was fast growing worldwide. He however indicated the need for Zimbabwe to maintain the standard even in the event cash becomes available, for the country to remain ahead in line with global standards.

- **EcoCash**, a subsidiary of **Cassava Smartech** carried out a major planned system upgrade on its system from 9am on Saturday the 16th of November 2019 to 9pm on Sunday 17th of November 2019. All EcoCash services were not available during this period.
- **Ecobank Zimbabwe Limited** issued a customer notice regarding its decision to go paperless. “Ecobank Zimbabwe Limited wishes to advise all our customers and stakeholder that effective 2 January 2020, our branches will no longer be processing manual or paper RTGS and internal funds transfer requests. The bank’s move to phase out manual or paper based transactions is driven by our request to mitigate errors and increase branch efficiency, thus resulting in better customer experience. Customers are therefore encouraged to use electronic and digital channels such as Ecobank Omni, Ecobank Omni Life, Ecobank online and Ecobank Mobile App. To avoid any inconveniences, customers are urged to ensure that they have registered on these electronic and digital channels by 31 December 2019. Should you have any questions or require more information, please contact your relationship Manager or email ezw@ecobank.com. You may also call Toll Free Line 08677008434 or visit your nearest branch. We apologise for any inconvenience these changes may cause. We thank you for your continued support and we value your business,” read the notice.

EXECUTIVE MANAGEMENT/BOARD CHANGES

- The Board of Directors of **First Capital Bank Limited** issued a press announcement on the resignation of its Managing Director **Samuel Matsekete**. “The Board of Directors of First Capital Bank Limited would like to inform all stakeholders that our Managing Director Mr Samuel Matsekete has resigned from the bank with effect from 1 January 2020 to pursue a new career opportunity. The Board extends its huge appreciation to Sam for his contribution over 12 successful years with the bank and fully appreciates his desire to progress his career and wish him all success in his new endeavours. In the interim the Board has appointed the **FMB Capital Holdings Group** Chief Finance Officer, **Ciaran McSharry** as Acting Managing Director, while we commence a search for a successor. Ciaran is a career banker with over 20 years’ experience, the last 9 years of which were with **Barclays UK** before joining the bank,” said board chairman **Sydney Mtsambiwa** in the announcement dated 8 November 2019. Meanwhile, Matsekete was expected to take over as CEO for **Old Mutual Zimbabwe** from **Jonas Mushosho** who was set to retire at the end of 2019. “Old Mutual is pleased to confirm the appointment of Samuel (Sam) Matsekete as the Group CEO-designate of **Old Mutual Zimbabwe Limited (OMZIL)**. Sam will commence service on January 1, 2020, following the retirement of the current Group CEO, Jonas Mushosho at the end of 2019,” Old Mutual said in a statement.
- **BancABC** chief executive officer **Dr Lance Mambondiani** was appointed president of the **Contact Centre Association of Zimbabwe (CCAZ)** taking over from **DHL Zimbabwe** managing director **Jeff Phiri**. In his acceptance speech on November 15, 2019, Dr Mambondiani said the appointment was a “moment of personal honour” and also of “deep personal responsibility.” There is perhaps no bigger contributor to the success of contemporary business than great customer service. The important role of the CCAZ is highlighted by the fact that service-centric strategies now represent an important aspect of firms’ efforts towards enhancing overall revenue and profit, customer acquisition and retention, and competitive differentiation. I sincerely believe that delivering exceptional customer service should be the central aim of any organisation in Zimbabwe,” said Dr Mambondiani. CCAZ’s other new board members from the financial sector include **Marjorie Madamombe** from **NMB Bank** who comes in as vice president; **Patricia Mutyavaviri** from **Zimnat** who will be in charge of membership and events; **Hazel Chitare** from **Old Mutual** who will head human resources and administration and **Tichaona Gandanhamo** from **Ecobank** in charge of finance and sponsorship.
- The Board of Directors of **First Capital Bank Limited** announced board changes as follows: **Kevin Terry** was appointed as an independent Non-Executive director with effect from 16 October 2019. Kevin holds a Bachelor of Laws Degree from the **University of Zimbabwe** and brings to the board a wealth of knowledge and experience in banking gained from his extensive career in the financial services sector. Kevin started his career

as a public prosecutor in the Attorney General's office and moved to private practice with [Stumbles and Rowe](#), and thereafter joined the [Old Mutual Zimbabwe Pensions](#) department. He rose through the ranks, gaining experience in operations, business management and strategy. During his tenure at Old Mutual, he held various posts including Deputy CEO [Old Mutual Kenya](#), COO UAP – [Old Mutual East Africa](#) and Managing Director of Central Africa Building Society. He currently chairs the Boards of St George's College, Childline Society and EFT Services (Private) Limited. Kevin is also an Arbitrator with the Commercial Arbitration Centre of Zimbabwe.

[Titos Mukuku](#) was appointed as Chief Finance Officer and Executive Director of [First Capital Bank Limited](#) with effect from 1 October 2019. Prior to his appointment, he held the position of Financial Controller. Taitos is a qualified Chartered Accountant and trained for his articles with [Price Waterhouse Coopers \(PwC\)](#). He has over 15 years' experience served predominantly in the audit, financial services and telecommunications industries.

[Busisa Moyo](#) resigned from the First Capital Bank Limited board with effect from 31 October 2019 following his appointment to the [Reserve Bank of Zimbabwe](#) Board. Busisa was appointed on 2 September 2015 and served as Chairman of the Audit and Migration Committees as well as a member of the Risk Committee. "The board would like to take this opportunity to thank him for the valued contributions he made over the years and wish him all the best in his new endeavours," said part of the notice.

- The 2019 [Insurance Institute of Zimbabwe](#) Annual Conference, which was held at Elephant Hills in Victoria Falls, during the period 10-13 November 2019 under the theme "Challenge Risk Culture, Rethink Business Models, Navigate Uncertainty," ushered in a new Presidium as follows:

Position	Office Bearer
IIZ President	Mapiye Chigorondondo
IIZ First Vice President	Reuben Java
IIZ Second Vice President	Musa Bako

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- [First Mutual Holdings Limited](#) hosted the First Mutual 2019 Marathon on the 3rd of November 2019 at [Old Georgians Sports Club](#) in association with the [Harare Athletics Club](#). The race was limited to 500 runners who could compete over distances of 5km, 10km, 21km and 42.2km.
- [Stanbic Bank](#) and its partners, came to the rescue of cancer patients after the re-opening on the 15th of November 2019 of [Harare Central Hospital's Tariro Hostel for Cancer Patients](#), which suspended operations in 2017 due to financial constraints. The bank and its partners donated \$275 000, 32 beds, 32 mattresses, 35 blankets, 35 pairs of sheet, 72 pillow covers, 32 bed covers and four solar geysers for the hostel to re-open. Stanbic Bank partnered [Think Pink Golf](#), [Rank Wholesalers](#), [DSV](#), [Nancy Haven Foundations](#), [Cancer Association of Zimbabwe](#), [Beit Trust](#) and [Zim Health](#) who contributed resources to refurbish the hostels. This marked Stanbic Bank's first completed project under its Ruyamuro-Usizo initiative which is the bank's healthcare corporate social investment whose objectives include supporting Government's efforts to provide better healthcare to the nation. Speaking at the official re-opening event, Stanbic Bank's non-executive board member [Valentine Mushayakarara](#) said Ruyamuro-Usizo sought to bring together local and international entities who seek to contribute towards the support of Zimbabwean hospitals and clinics.

FISCAL, PUBLIC DEBT & INVESTMENT ISSUES

- Government revised the 2020 expenditure ceiling from \$28 billion by over 30 percent in light of the inflationary backdrop and the need to grow the economy. This was revealed by Finance and Economic Development Minister Professor [Mthuli Ncube](#) in a report titled "2020 Pre-Budget Parliamentary Consultation Meetings: October 30 – November 4, 2019." According to the Pre-2020 Budget Strategy Paper, revenues are projected at \$24.8 billion (11.8 percent of GDP) next year, while expenditures are estimated at \$28.5 billion (13.6 percent of GDP). "This

year is unique due to the high inflationary environment and hence I would like to announce that total expenditure ceiling is revised upwards from \$28 billion by a factor of above 30 percent. This should provide a window to finance some of the additional Budget requirements from line ministries over and above the ceilings already provided," said Professor Ncube.

- Finance Minister [Mthuli Ncube](#) revised downwards the country's economic growth projections for 2020 to 3 percent due to anticipated adverse weather conditions. In the 2020 pre-Budget Strategy Paper, Ncube had projected the economy would grow by 4.6 percent, building on the success of the ongoing reform initiatives and a successful agricultural season. However, on the 6th of November 2019, Ncube said because of the latest rainfall projections of a normal to below-normal season, Treasury was forced to revise downwards its growth projections. "The prognosis this year was that it would be better than the previous agricultural season but it is just normal to below normal. Our growth rate for an above normal season was more like 5.55 to 6 percent but now we realised that it's just a normal season, that is why our gross domestic product (GDP) growth is just three percent because we had to revise it downwards," Ncube told editors during a luncheon meeting in Harare. Ncube further said that the economic difficulties throughout 2019 were exacerbated by severe weather shocks, as such GDP growth in 2019 was expected to be negative as the effects of drought on agricultural production and electricity generation and Cyclone Idai impacted on growth.

CORPORATE ACTIONS

- [Old Mutual Zimbabwe Limited](#) issued a notice to its shareholders in respect of dividend payments and share trading through the C-TRADE platform. "Old Mutual Zimbabwe Limited ("OMZIL") shareholders are now able to receive dividends and trade their shares online using their mobile phones and gadgets through the C-TRADE platform with immediate effect. C-TRADE is a mobile and online platform for the trading of securities on Zimbabwe's capital markets and some of its features include:
 - Access to full trading on both [FINSEC](#) and [ZSE](#)
 - An opportunity to accumulate and automatically reinvest more dividends
 - Real time access to shareholding information

Future dividends can be paid to your C-TRADE cash account as per your instructions and these can be reinvested to buy shares. Alternatively you can withdraw your funds from your C-TRADE account to your preferred bank or mobile wallet. Please note that trading of shares on the C-TRADE platform is guided by the C-TRADE terms and conditions," said the diversified financial services group in the notice published on the 22nd of November 2019.

EXTERNAL FINANCING: LINES OF CREDIT AND GRANT FINANCE/AID

- On the 14th of November 2019, a three-member delegation from the [Arab Bank for Economic Development in Africa](#) led by its General Manager, [Dr Sidi Ould Tah](#) paid a courtesy call on [President Emmerson Mnangagwa](#) at his Munhumutapa Offices where they indicated their willingness to continue supporting Zimbabwe. "This is a visit from the Arab Bank for Economic Development in Africa and the purpose of the visit is to reinforce the relationship between the Bank and Zimbabwe and to listen to the orientation of the President and his Government in terms of development finance. As you may know, the Bank is a multilateral development institution and it has been supporting Zimbabwe for many years and now we would like to scale up our operations and reinforce our cooperation," Dr Tah said. He added that the magnitude of the support the bank was willing to extend to Zimbabwe would be determined during the meetings they would conduct with various ministries and the [Reserve Bank of Zimbabwe](#). Headquartered in Khartoum, Sudan, the bank was established in 1975 to provide assistance to African countries in the areas of infrastructure development, trade financing and also promote Arab investments on the continent among other objectives. The bank has in the past provided support to the country in the areas of roads and dam construction, trade financing and lines of credit for financial institutions.

- Finance Minister [Mthuli Ncube](#) on Wednesday, 20 November 2019 held talks with China’s Deputy Ambassador to Zimbabwe [Zhao Baogang](#) following a fallout over development-partner support figure of US\$ 3631 500 presented in the 2020 National Budget Statement. Chinese embassy officials including Ambassador Guo Shaochun and Zhao Baogang immediately refuted the figure. The Chinese Embassy on Tuesday, 19 November 2019 issued a statement saying China had provided US\$ 136.8 million between January and September 2019. “...The Embassy has noted that in the statement among Development Partner Support received by the Zimbabwean government through bilateral channels , the figure of bilateral support provided by China is 3 631 500 USD. This is very different from the actual situation on the ground. According to our record from January to September 2019, the actual bilateral support provided to Zimbabwe by China is 136.8 million USD. Such a figure does not include the other bilateral supports such as the expense of expert assistance, embassy’s donations to local vulnerable groups and so on,” the Chinese embassy said. Following the meeting, Ncube issued a statement on the 20th of November 2019. “The government of Zimbabwe acknowledges the assistance received from the People’s Republic of China on the following: upgrading of the [Robert Gabriel Mugabe International Airport](#), rehabilitation of Hwange 7 and 8, Cyclone Idai, [Mahusekwa District Hospital](#), food aid and borehole drilling programme. Further the People’s Republic of China has provided the Republic of Zimbabwe with loans and grants for other projects. The two sides have reached an agreement on the facts and figures contained in the statement issued by the embassy on the 19th November 2019 and the national 2020 Budget Statement,” Ncube said.

BOND/TB ISSUE OUTLOOK

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) on behalf of the [Government of the Republic of Zimbabwe](#) invited Commercial banks, Building Societies, [POSB](#) and [IDBZ](#), to subscribe to Treasury Bills amounting to Three Hundred million dollars (ZWL\$300, 000,000). “Applications must be for a minimum of one million Zimbabwe dollars (ZWL\$ 1,000,000 -00). The number of bids per investor are restricted to two (2) and copies of the application forms are available from [RBZ Local Dealers](#), 80 Samora Machel Avenue, Harare. Applications should be clearly marked “[Zimbabwe 182-Day Treasury Bills](#),” said the apex bank’s Financial Markets Division, which further advised the features of the bills as follows:

- Issuer: Government of Zimbabwe
- Amount on Offer: Three Hundred million dollars (ZWL\$300,000,000 – 00)
- Interest Rate: Open Tender on a yield basis
- Tenure: 182 days
- Purpose of Issue: To finance Government Programmes
- Offer Opens: Tuesday, 12 November, 2019 at 08:00hrs
- Offer Closes: Tuesday, 12 November, 2019 at 12:00hrs
- Allotment and Payment: Tuesday, 12 November, 2019

The bank further advised the special features as follows: Prescribed Asset Status, Liquid Asset Status, Tradability, Tax Exemption, Acceptability as collateral for overnight accommodation by the RBZ and finally, Allotment at weighted average rate. “The Bank reserves the right to accept or reject a portion of any or all tenders,” added the apex bank’s Financial Markets Division.

- The [Reserve Bank of Zimbabwe’s Financial Markets Division](#) announced results of the 182-day Treasury Bill tender that opened on the 12th of November 2019 and closed on the same day.

Amount on Offer	ZWL\$ 300,000,000.00
Highest Rate	17.0000%
Lowest Rate	12.0000%
Average Rate	14. 0208%
Amount Allotted	ZWL\$ 300,000,000.00
Total Bids	ZWL\$ 300,000,000.00

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) on behalf of the Government of the Republic of Zimbabwe invited Commercial banks, Building Societies, [POSB](#) and [IDBZ](#), to subscribe to Treasury Bills amounting to Three Hundred million dollars (ZWL\$200, 000,000). “Applications must be for a minimum of one million Zimbabwe dollars (ZWL\$ 1,000,000-00). The number of bids per investor are restricted to two (2) and copies of the application forms are available from **RBZ Local Dealers**, 80 Samora Machel Avenue, Harare. Applications should be clearly marked “**Zimbabwe 272-Day Treasury Bills**,” said the apex bank’s Financial Markets Division, which further advised the features of the bills as follows:

- Issuer: Government of Zimbabwe
- Amount on Offer: Two Hundred million dollars (ZWL\$200,000,000 – 00)
- Interest Rate: Open Tender on a yield basis
- Tenure: 272 days
- Purpose of Issue: To finance Government Programmes
- Offer Opens: Tuesday, 19 November, 2019 at 08:00hrs
- Offer Closes: Tuesday, 19 November, 2019 at 12:00hrs
- Allotment and Payment: Tuesday, 19 November, 2019

The bank further advised the special features as follows: Prescribed Asset Status, Liquid Asset Status, Tradability, Tax Exemption, Acceptability as collateral for overnight accommodation by the [RBZ](#) and finally, Allotment at weighted average rate. “The Bank reserves the right to accept or reject a portion of any or all tenders,” added the apex bank’s Financial Markets Division.

- The [Reserve Bank of Zimbabwe’s Financial Markets Division](#) announced results of the 272-day Treasury Bill tender that opened on the 19th of November 2019 and closed on the same day.

Amount on Offer	ZWL\$200,000,000.00
Highest Rate	15.0000%
Lowest Rate	14.5000%
Average Rate	14.5095%
Amount Allotted	ZWL\$105,000,000.00
Total Bids	ZWL\$105,000,000.00

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) on behalf of the Government of the Republic of Zimbabwe invited Commercial banks, Building Societies, [POSB](#) and [IDBZ](#), to subscribe to Treasury Bills amounting to Three Hundred million dollars (ZWL\$300,000,000), issued under Public Debt Management Act Chapter 22:21 (2015) “Applications must be for a minimum of one million Zimbabwe dollars (ZWL\$ 1,000,000 -00). The number of bids per investor are restricted to two (2) and copies of the application forms are available from **RBZ Local Dealers**, 80 Samora Machel Avenue, Harare. Applications should be clearly marked “**Zimbabwe 182-Day Treasury Bills**,” said the apex bank’s Financial Markets Division, which further advised the features of the bills as follows:

- Issuer: Government of Zimbabwe
- Amount on Offer: Three Hundred million dollars (ZWL\$300,000,000 – 00)
- Interest Rate: Open Tender on a yield basis
- Tenure: 182 days
- Purpose of Issue: To finance Government Programmes
- Offer Opens: Friday, 29 November, 2019 at 08:00hrs
- Offer Closes: Friday, 29 November, 2019 at 11:00hrs
- Allotment and Payment: Friday, 29 November, 2019

The bank further advised the special features as follows: Prescribed Asset Status, Liquid Asset Status, Tradability, Tax Exemption, Acceptability as collateral for overnight accommodation by the [RBZ](#) and finally, Allotment at

weighted average rate. “The Bank reserves the right to accept or reject a portion of any or all tenders,” added the apex bank’s Financial Markets Division.

- The [Reserve Bank of Zimbabwe’s Financial Markets Division](#) announced results of the 182-day Treasury Bill tender that opened on the 29th of November 2019 and closed on the same day.

Amount on Offer	ZWL\$300,000,000.00
Highest Rate	16.0000%
Lowest Rate	14.0000%
Average Rate	14. 4786%
Amount Allotted	ZWL\$35,000,000.00
Total Bids	ZWL\$55,000,000.00

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- The Board of the [National Social Security Authority \(NSSA\)](#) issued a press statement in respect of pension reviews. “Following mid-term actuarial evaluation that was necessitated by the need to review NSSA benefits in response to prevailing economic fundamentals, the Minister of Public Service, Labour and Social Welfare has, with effect from 1 October 2019, reviewed benefits payable under the Authority’s two schemes. Earlier, in July 2019 the Ministry, in consultation with the NSSA Board, awarded NSSA pensioners a once-off discretionary bonus equivalent to month’s pension to cushion them from the general increase in the cost of living. The decision was taken as a stop-gap measure while waiting for the conclusion of the mid-term actuarial review. The reviewed pensions, which were done in consultation with the Minister of Finance and Economic Development, are now as follows:
 - **Pension and Other Benefits Scheme (POBS):** Minimum monthly retirement pension increased to ZWL200 from ZWL80. In addition, all pensions have been increased by 65% across the board.
 - **Accident Prevention & Workers Compensation Scheme (APWCS):** Minimum monthly worker’s pension increased to ZWL240 from ZWL80. All monthly pensions for APWCS have been increased by 200% across the board.
 - **The NSSA funeral grant for both schemes has been reviewed from ZWL\$300 to ZWL2, 000.**

Arrears for October will be paid together with monthly pay-outs that are due on the 13th of November 2019. Payments will be done via the usual channels, such as banks and mobile money platforms. Going forward, NSSA, in consultation with ALL its key stakeholders and the Ministry of Public Service, Labour and Social Welfare, will continue to monitor economic developments and the general cost of living to assess the level of social impact to pensioners and align the level of benefits reviews, taking into account the long term sustainability of the schemes,” said board chairman [Dr. Cuthbert Chidoori](#) in the statement issued on the 11th of November 2019.

- [Paynet Zimbabwe](#), the bulk payments service provider, lost its High Court claim for US\$100 million damages against the [Bankers Association of Zimbabwe \(BAZ\)](#) made after Zimbabwean banks stopped using its services because it was demanding US dollars. Paynet Zimbabwe and [Payserv Africa Limited](#), both subsidiaries of the [London Stock Exchange \(LSE\)](#) – listed firm [Cambria Africa](#), had instituted legal action against BAZ and its members. However Justice [Edith Mushore](#) upheld an exception by BAZ lawyer Advocate [Thabani Mpfu](#) and dismissed Paynet’s claim with costs in an ex tempore (prompt) ruling on the [15th of November 2019](#). Advocate Mpfu argued that the claim did not disclose the basis for action against his client and that Paynet relied on a non-existent cause of action namely “Anti-Competitive Practice”, which had not been proved by any averments in its declaration. Justice Mushore agreed with the BAZ lawyer’s submission that the action taken against his client was not provided for in the provisions of the Competition Act.

- The Reserve Bank of Zimbabwe's Monetary Policy Committee (MPC) on the 18th of November 2019 resolved to reduce the overnight accommodation rate from 70 percent to 35 percent, paving the way for banks to lend to the productive sector at lower rates. RBZ Governor [Dr John Mangudya](#) said the MPC welcomed the 2020 national budget which sought to boost productivity, growth and job creation. "To this end, the bank rate currently at 70 percent, requires review, notwithstanding a recent spike in monthly inflation to 38.8 percent due to shocks caused mainly by adjustments of electricity and fuel prices, the inflation outlook is positive. Consequently, the committee resolved to revise the bank policy rate from 70 to 35 percent with effect from November 20, 2019. This position will be reviewed at future meetings," said Dr Mangudya.
- The introduction of Exchange Traded Funds (ETFs) by the [Zimbabwe Stock Exchange \(ZSE\)](#) received a major boost on the 15th of November 2019 when Government gazetted Statutory Instrument 240 of 2019 to pave way for the registration of various investment instruments with the Securities and Exchange Commission of Zimbabwe. "The Zimbabwe Stock Exchange Limited hereby notifies all stakeholder the above mentioned Statutory Instrument has been published in the Government Gazette of November 15, 2019 by the Minister of Finance and Economic Development. The publication of the Statutory Instrument paves the way for the registration of various investment schemes with the [Securities and Exchange Commission of Zimbabwe](#), including Exchange Traded Funds," said ZSE chief executive officer [Justin Bgoni](#) in notice to the public. Reads part of SI240 of 2019: "It is hereby notified that the Minister of Finance and Economic Development has, in terms of section 118 (6) of the Securities and Exchange Commission Act [Chapter 24: 25] as read with section 42 of the Collective Investment Scheme Act [Chapter 24:19] approved the following regulations made by the Securities and Exchange Commission: - These regulations may be cited as collective investment schemes (Internal Schemes) (Amendment Regulations, 2019 (No.5). The collective investment schemes (Internal Schemes) Regulations, 1998, published in Statutory Instrument 172 of 1998 were amended in section 2 to incorporate and securitize various schemes that entail the commodity fund, exchange traded fund, private equity fund, real estate investment scheme and venture capital fund."
- [Insurance and Pensions Commission](#) Commissioner [Dr Grace Muradzikwa](#) revealed that assets in the country's insurance and pensions industry had dwindled to US\$ 1.4 billion as at the end of the third quarter of this year from US\$9.4 billion at the end of 2018. "When you look at the total asset value as at the end of September, we are looking at RTGS\$22.3 billion, this translates to about US\$ 1.4 billion compared to US\$9.4 billion in 2018. I think when you see us as a Commission emphasizing the issue of valuation guidelines, these are some of the numbers that are worrying us, because how can we move from a total asset value of US\$9.4 billion last year to US\$ 1.4 billion presently, particularly given the structure of the sector's assets, which are mostly property," she told stakeholders at IPEC's inaugural annual general meeting on the 20th of November 2019. The insurance and pension sector has been affected by the depreciation of the Zimbabwe dollar against the US dollar following a number of currency policy shifts during the course of the year. Dr Muradzikwa also revealed that the Commission was currently seized with the Justice Smith Commission of Inquiry recommendations, adding that they were grappling with legacy loss of value at a time there was repeat loss of value.
- Amendments to the Microfinance Act, were gazetted on Friday, 22 November 2019, empowering the Registrar (of Microfinance Institutions) and chief executive officer of the [Deposit Protection Corporation \(DPC\)](#) to institute proceedings against any director, principal officer or shareholder of a microfinance institution in terms of any liability by that person under Subsection 5 and Section 318 of the Companies. "Every person who was a director or principal officer of the institution when its business was being carried in that manner and every shareholder who was knowingly a party to the carrying on of the business of the institution in that manner shall jointly and severally be liable for any loss or damage suffered by creditors, including depositors of the institution," the amended law says.
- Exporters will now have to pay 35 percent of their electricity bills in foreign currency to [ZESA](#), the [Reserve Bank of Zimbabwe \(RBZ\)](#) ordered on the 29th of November 2019, in Statutory Instrument 249 of 2019 titled Exchange Control (Payment for Electricity and Related Services in Foreign Currency by Exporters and Partial Exporters) Order, 2019. The SI was made in terms of the Exchange Control Regulations, 1996 and had the approval of the Minister

of Finance and Economic Development. While the statutory instrument mentions US dollar and Euros by name it says any other foreign currency can be used. All forex payments must be made from the nostro account holding retained export earnings or from a foreign currency account containing free funds. While partial exporters must pay 35 percent of their bills in forex, they can pay the whole bill in forex, but in that case there must be a contract or memorandum of agreement and that has to be submitted to [Zimbabwe Electricity Regulatory Authority \(ZERA\)](#) and the RBZ prior to implementation. The same need for advance approval of a contract is required where a customer wants to pay in forex in advance. The regulations are valid for six months from the 29th of November 2019 unless earlier renewal for another period not exceeding six months.

CONFERENCES/SYMPOSIA & TRAINING EVENTS

- The [Zimbabwe Stock Exchange Limited](#) conducted Exchange Traded Funds (ETFs) training on the 29th of November 2019 at Mandel Training Centre targeting investment advisors, research analysts, stockbrokers, dealers, investors, fund managers and individuals interested in learning about ETFs. "This training introduces you to the fundamentals of ETFs, with the objective to ensure delegates understand the basics of ETFs from the structure of ETFs, the risks and benefits of this form of investment and most importantly how they are traded on the exchange," said the bourse in an advertisement.

CUSTOMER SERVICE/PUBLIC RELATIONS MANAGEMENT & NETWORKING INITIATIVES

- The [African Forum and Network on Debt and Development \(Afrodad\)](#), together with the [Zimbabwe Coalition on Debt and Development \(Zimcodd\)](#) held a multi-stakeholder public debt conference to discuss the impact of debt on citizens, build collaborative plans to tackle Zimbabwe's rising debt while ensuring continuity of consultations with stakeholders. The conference also sought to devise policy recommendations to address Zimbabwe's debt situation.

INDUSTRY AWARDS AND ACHIEVEMENTS

- The [Institute of Corporate Directors Zimbabwe \(ICDZ\)](#) held its awards ceremony on Thursday, 28 November 2019 in Harare under the theme "Recognising astute directors in turbulent times" and the following individuals from the financial sector emerged winners:

#	Award	Name
1	Board Chairperson of the Year	Herbert Nkala, FBC Holdings
2	Board Chairperson Listed Companies	Herbert Nkala, FBC Holdings
3	Director of the Year Award	Natalie Jabangwe, EcoCash
4	Women Champion in Boards	Mandas Marikanda, ZWMB
5	Women Champion in Boards	Ruth Ncube, FML, 2 nd Runner-up
6	Board and Corporate Public Enterprise board honours	Agribank (First runner-up)
7	Corporate Social Responsibility Award	Stanbic (First runner-up)

- The 2019 edition of the [Marketers Association of Zimbabwe's](#) SuperBrands Awards were held on the 29th of November 2019 and the sectoral winners from the financial sector emerged as follows:

Sector	Winner	1 st Runner Up	2 nd Runner Up
Banking Sector	Steward Bank	CBZ Bank	POSB
Electronic money transfer sector	EcoCash	OneMoney	TeleCash
Funeral Assurance & Services Sector	Nyaradzo Funeral Assurance	Doves Assurance	Ecosure
Health Insurance Sector	First Mutual Health	Cimas	PSMAS
Life Assurance Sector	Old Mutual	First Mutual Life	Zimnat
Short Term Insurance	Zimnat	Nicoz Diamond	Champions Insurance

Top 20 B2C

- 17th Position : Steward Bank
- 2nd Position : Nyaradzo Funeral Services

Top 20 B2B

- 18th Position : POSB
- 17th Position : Steward Bank
- 13th Position : FBC Bank
- 7th Position : CBZ Bank
- 6th Position : EcoCash

- The 2019 Megafest Northern Region Awards were held on the 28th of November 2019 at Cresta Msasa under the theme “Think fast... Think fast... Think Disruptive.” Winners from the financial sector lined up as follows:

Award	Winner
Award of Excellence of the Year	Gold Winner: Safel Insurance
Business Vanguard of the Year	Gold Winner: Mandas Marikanda (Zimbabwe Women’s Microfinance Bank)
Business Vanguard of the Year	Platinum Winner: Admore Kandlela (POSB)
Female Executive of the Year	Gold Winner: Loice Ngulube (POSB)
CFO of the Year	Silver Winner: Pamela Shamuyarira (ShelterSol Finance)

- The Standards Association of Zimbabwe (SAZ) hosted the 10th National Annual Quality Awards (NAQA), meant to recognise and appreciate organisations and individuals who are contributing to quality advancement in all sectors in Zimbabwe. Fidelity Life Assurance emerged the winner in the Service Company of the Year Award. The event, whose winners will go and compete at the regional level, was held as part of the Zimbabwe Standards Week from the 20th of November, 2019 was held in the resort town of Victoria Falls under the theme: ‘Business Resilience and Growth in a VUCA Environment’

DOMESTIC LENDING & FINANCING PERSPECTIVES

- CABS, a member of the Old Mutual Group, announced a review of lending rates effective 13 December 2019 as follows:

Loan Product Type	Interest Rate Per Annum
Mortgages – Individual	25%
Mortgages – Commercial	30%
Equity Release	30%
Personal Loans	35%

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES (CP & LP)

- The Reserve Bank of Zimbabwe issued a public notice on the issue and circulation of the two-dollar bond coin. “In line with the pronouncement made in the 2019 Mid-Term Monetary Policy Statement and the Press Statement of 2 October 2019 to increase the level of physical cash in circulation, the Reserve Bank of Zimbabwe wishes to advise the public that with effect from 11 November 2019, it shall issue a two-dollar bond coin which will circulate alongside the two-dollar bond note. The two-dollar bond coin will have the following features and characteristics:
 - bi-metal with outer rim being copper-nickel and the inner core being aluminium-bronze plated
 - serrated rim profile with a groove and edge lettering;
 - inscription of the words “Two Dollar Bond Coin” and the numeral and symbol “2\$” on the obverse side; and
 - inscription of the letters “RBZ” and the numeral “2018” on the reverse side.

The public is also advised that all bond coins and bond notes shall circulate alongside, and shall be interchangeable with, the two and five dollar banknotes issued in terms of Statutory Instrument 231 of 2019," said [Dr John P. Mangudya](#) in the notice dated 4 November 2019.

- The [Reserve Bank of Zimbabwe](#) revealed the security features for the new 2 and 5 Dollar Banknotes as follows:
 1. Visually impaired recognition features
 2. Latent image showing the denomination
 3. Optical variable ink with colour shift from gold to green
 4. Security thread with "RBZ"
 5. Watermark with highlighted "RBZ"
 6. See-through Zimbabwe Bird on either side which is in perfect register
- Commercial banks collected \$30 million in new notes and coins on the 11th of November 2019 from the [Reserve Bank of Zimbabwe \(RBZ\)](#) and account holders were expected to start accessing their \$300 weekly cash withdrawal rations on the 12th of November 2019. RBZ Governor [Dr John Mangudya](#) said measures had been put in place to counter the channeling of cash from banks to the black market and the locking up of the new cash into the informal sector, although he did not go into details about how this would be achieved. "Money moves from formal to informal sector; it gets trapped there. So, it means we need to make sure that the economy is formalised. We need to improve production to grow the circle of the formal sector. We need to address structural challenges," said Mangudya. Banks were also expected to start feeding money into automated teller machines (ATMs) in the near future.
- Zimbabwe's year-on-year inflation rate spiralled to 440 percent in October, from 353 percent in September, according to the [Confederation of Zimbabwe Industries \(CZI\)](#). "The implied year-on-year inflation rate (annual percentage change) for the month of October 2019 was 440.2 percent, gaining 87.1 percentage points on the implied year-on-year inflation rate for September the same year at 353 percent. The increase in money supply has a disproportionate impact on the exchange rate, which subsequently feeds into prices. Money supply grew from \$16.9 billion in July 2019 to \$19.5 billion in August 2019. The effect of the exchange rate is also transmitted through implied dollarisation as prices are US dollar indexed. The local unit prices are marked at highly depreciated exchange rates as business hedges against higher replacement costs in future," CZI said. Zimstat reported that the month-on-month inflation rate for October 2019 was 38.75 percent, compared to the September 2019 rate of 17.7 percent.
- Finance and Economic Development [Professor Mthuli Ncube](#) said Government had not banned calculations of Zimbabwe's annual inflation rate but the actualities could be determined using the monthly inflation figures. "I did not ban inflation calculation. We said the year-on-year inflation (figures), the methodology we were using was inconsistent because the currency regimes were different. We were comparing a US dollar regime which is pre-February 2019 to a Zimbabwean dollar post that date. We have done that before. We are probably the leaders in it in the world. We did it in 2009. There is nothing new, just wait for two months you will get the year-on-year inflation in February. There is month-on-month inflation and the accounting rules allow for the use of month-on-month inflation indices and accountants know this. There is no challenge at all. We expect them ([Zimstat](#)) to do their inflation adjusting accounting on the back of the month-on-month inflation," said Professor Ncube while fielding questions from journalists during a media briefing in Harare on the 22nd of November 2019.