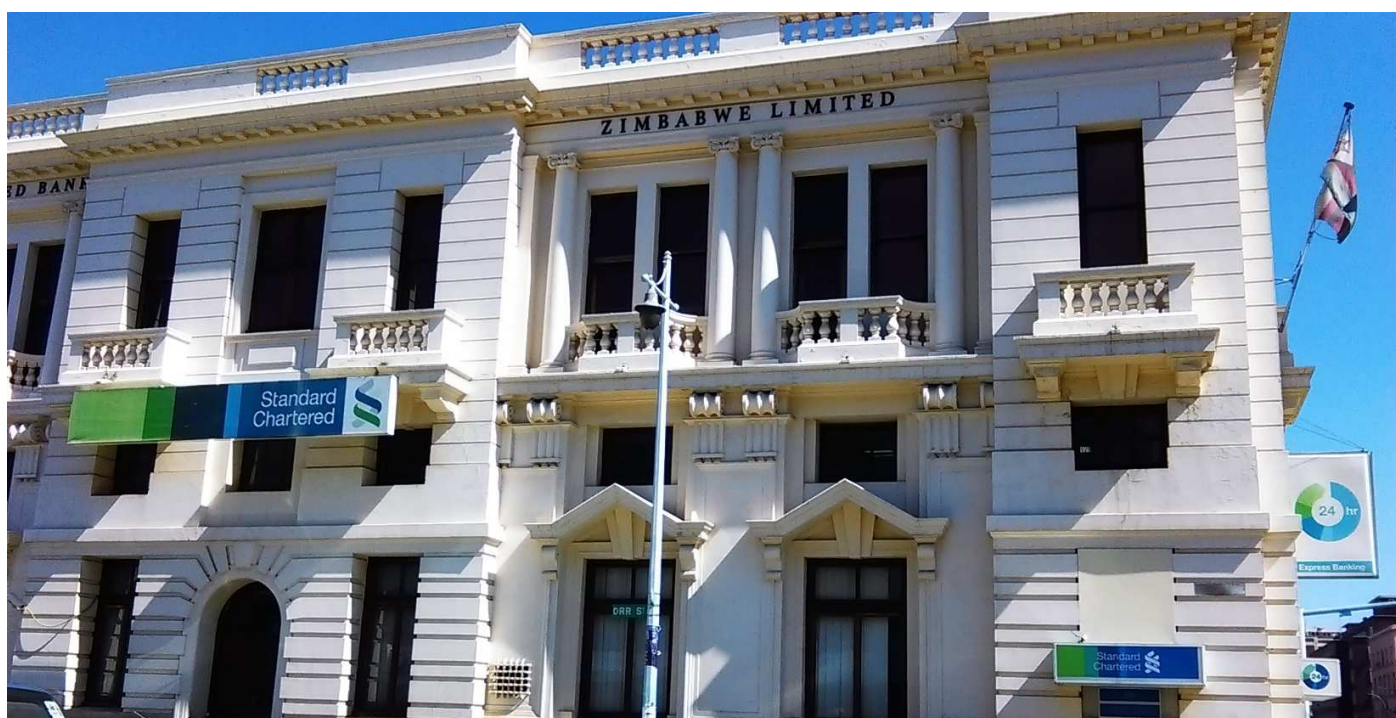


Monthly Financial Sector Bulletin

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COVER PICTURE: Standard Chartered Bank said it remained committed to maintaining a presence in Zimbabwe and its digitization strategy – which has seen it closing most of its branches - should not be interpreted as a deliberate move to wind down operations. The bank, which is left with only three branches out of the 16 it previously had countrywide - two in Harare and one in Bulawayo – said it was leveraging on the growth opportunities offered by digitization. The closing down of branches has, however triggered speculation that the bank might be divesting from Zimbabwe after succumbing to pressure from the US over sanctions breaches. “Standard Chartered has taken the conscious decision to continue to maintain our long-standing commitment to doing business in Zimbabwe. With a history of over 125 years, we remain committed to the long-term interests of our staff and customers in Zimbabwe and to continue facilitating the development and growth of the economy. We are moving from ‘places where people go to bank’ to “brands clients choose for financial transactions’, which means clients will have more choice and banking will be more convenient. Finally, we will have a much sharper understanding of clients’ financial behaviour and anticipate future needs to offer tailored products and services,” said spokesperson Lilian Hapanyengwi. She further said that all possible scenarios that could bring a client to a branch contact centre have been migrated to the mobile device for client self-service. Resultantly, over 70 of the bank’s services are now on the digital platform. These include static data changes, card services, bill payment, funds transfer locally and internationally as well as country specific services.

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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 October 2019	38.75% (September - 17.72%)
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: Digital Disruption's Resolute March towards the 4IR

Product development and promotion activity was spread across seven initiatives of which 57 percent were product launches while 43% were product promotions. No product enhancements were recorded during the review period. The banking sub-sector contributed three of the initiatives, followed by insurance with two while the fintech and mobile money sub-sectors weighed in with one apiece.

Two channel development initiatives were recorded during the review period, a 50 percent reduction from the previous period. Notably, confirmation that Standard Chartered Bank, the country's oldest bank was left with only three branches (two in Harare and one in Bulawayo) out of the 16 it previously had countrywide underlines the resolute march of digital disruption and its impact on banking sector jobs. The bank said it was leveraging on the growth opportunities offered by digitization and resultantly, over 70 of its services were now on the digital platform. The development also confirms that the Fourth Industrial Revolution (4IR) is well and truly here. This is the era of automation of processes previously performed by humans, the era of robotics where robots are programmed to do the work of humans at far faster rates. We have already seen the likes of Steward Bank and Zimnat deploying Chatbots namely Batsi and Musa respectively. A chatbot is an artificial intelligence (AI) program that simulates interactive human conversation by using key pre-calculated user phrases and auditory or text-based signals. Chatbots are frequently used for basic customer service and marketing systems. They are also often included in operating systems as intelligent virtual assistants. A chatbot is also known as an artificial conversational entity (ACE), chat robot, talk bot, chatterbot or chatterbox. Stanchart's bold rationalisation move should get other banks thinking twice about expanding their branch networks at a time economic activity is severely depressed. The development also highlights the impact of cash shortages in Zimbabwe which have decimated branch traffic and turned the transacting public to mobile banking and other online banking platforms. This closure of branches is however not unique to Zimbabwe, in South Africa, Standard Bank, among others, has announced the closure of 104 branches over the past two years.

Labour Market Developments: Cost structure rationalisation leads to job losses

The confirmation by Zimbabwe Congress of Trade Unions (ZCTU) that more than 300 workers in the financial services sector had been laid off in the past two months alone, as companies rationalized their cost structures in a tough operating environment amid economic recession, was a key highlight of the review period. Banks that were reported to have laid off staff included BancABC, CBZ, First Capital and Standard Chartered. This must be seen in the context of the development that Standard Chartered Bank, the country's oldest bank is left with only three branches (two in Harare and one in Bulawayo) in Zimbabwe out of the 16 it previously had countrywide, underlining the resolute march of digital disruption and its inevitable impact on banking sector jobs.

ICT Operations & Security Issues: Mobile Money Transfer System for SADC

The Southern African Development Community (SADC)'s plans to introduce a mobile money transfer system for the bloc is a welcome development which is set to enhance customer convenience and financial inclusion in the sub-region. The system has potential to reduce the cost of cross-border transfers but the jury is still out on the impact it will have on banks in terms of financial disintermediation.

Rebranding, Restructuring, & Strategic Realignment Initiatives: 97% Quarterly Growth for OneMoney

NetOne's mobile money transfer service, OneMoney grew by 97 percent in the three months ending September 30, 2019, with active subscribers growing from 215 000 to 425 000, driven by offerings such as its bulk payment facility OnePay. Such growth is necessary in this sector as it will dismantle a unipolar world in which Econet Wireless' mobile money service EcoCash currently commands the lion's share of the market. A stronger OneMoney will provide competitive pressure to EcoCash, giving the transacting public more options at cost effective tariffs.

Corporate Social Investment & Sponsorship Initiatives: Arts and awards well supported

Various financial institutions such as Old Mutual, First Capital Bank, ZB Bank, Ecobank Zimbabwe Limited, Stanbic Bank, CBZ Holdings and POSB sponsored a number of initiatives encompassing the arts, banking awards, journalism awards and exporter's awards. Other initiatives that received sponsorship from financial sector benefactors were the 11th

Annual Marketers Convention and a research campaign meant to provide University students with hands-on mentoring and intensive training in financial analysis.

Corporate Actions: Financial services giants declare dividends

Two of the country's biggest financial services group, CBZ Holdings and Old Mutual Zimbabwe Limited issued notices of dividend declarations during the period under review. Meanwhile, Zimre Holdings Limited issued a withdrawal of its cautionary statement, effectively terminating negotiations for the Emeritus International Reinsurance Company Limited Capital Raise, although no reasons were given for the termination.

External Financing: Lines of Credit & Grant Finance/AID: Afreximbank lead arranger for Platinum Project Funding

External funding support during the period under review was recorded in the form of a contribution of EUR10 million to the second phase of the Education Development Fund (EDF) to improve access to quality education, by the German Government, through its development bank, KfW. During the review period Great Dyke Investments (GDI) revealed that it was wrapping up financing for its Darwendale platinum group metals project estimated at US\$500 million and expected to begin construction in 2020 and in the meantime revealed that it had since mandated African Export – Import Bank (Afreximbank) as lead arranger of the loans.

Troubled Institutions Resolution Initiatives: Capital Bank Corporation Limited in Provisional Liquidation

During the month, the High Court of Zimbabwe issued an Order for the provisional liquidation of Capital Bank Corporation Limited and appointed Winsley Militala of Petwin Executor & Trust Company the Provisional Liquidator. Any interested person wishing to oppose the winding up of the company was requested to file a Notice of Opposition with the Registrar of the High Court on or before the 15th November 2019 and subsequently appear before the High Court at Harare at the hearing of this matter on the 20th of November 2019 to show cause why the company should not be wound up. This development is expected to bring to an end the long-running saga pitting NSSA and former shareholders of the bank, ReNnaissance Financial Holdings (Pvt) Ltd.

Bond/TB Issue Outlook: Long tenure spooks money market investor against inflationary environment

The two Treasury bill auctions conducted by the Reserve Bank of Zimbabwe during the month were undersubscribed at 27 percent and 34 percent respectively. This was because they had a tenure of 365 days but given the highly inflationary environment investors, wanted much higher rates of up to 45% which the Reserve Bank was not prepared to give. This means the Reserve Bank will have to restrict itself to shorter tenures if it intends to attract meaningful levels of support for the Treasury bill issues.

Policy/Regulatory /Legal Developments: Social media speculation keeps monetary authorities busy

The Reserve Bank of Zimbabwe (RBZ) was forced to deny that it had no plans to tamper with depositors' foreign currency accounts after social media reports circulated advising Zimbabweans to clear their nostro accounts as soon as possible since the central bank was planning to clear all nostro accounts and convert them into Zimbabwe dollars at the interbank rate. Following the release via social media of an FBC Bank internal document, the RBZ was forced to issue another press statement, this time clarifying the administration of Nostro Accounts and cash withdrawals. The apex bank advised that there had not been any change on the administrative arrangements regarding free funds, which would continue to be treated as such in line with the policy directives issued to Authorised Dealers. Predictably, Finance minister Mthuli Ncube was dragged to the High Court by National Social Security Authority (Nssa) employees who, in conjunction with members of the Zimbabwe Pension and Insurance Rights Trust (ZimPIRT), sought an order to declare as unconstitutional, null and void his unilateral decision to ban annualised inflation figures. Amongst other things, the applicants accused Ncube of banning annualised inflation figures out of embarrassment and as a means to cover up for government's failure to address issues that drive inflation. The RBZ's Monetary Policy Committee (MPC) held its inaugural meeting during the month and focused its attention on recent economic developments, inflation trends, cash challenges in the economy, exchange rate and foreign exchange inflows and outflows, as well as the interbank market and national payment issues.

Customer Service, Public Relations Management & Networking Initiatives: Social Media strikes again

In a development that highlights the impact of social media on customer service standards, the People Own's Saving Savings Bank (POSB) was also forced to issue a press statement regarding "the video circulating on social media in

which some of the Bank's customers supposedly stormed the POSB head office." In this era of hyperactivity on social platforms, any supposed incidences of poor customer service are amplified and transmitted at breakneck speed by social media, causing outrage which can harm the image of a financial institution. This means that financial institutions should follow developments on social media in order to respond timeously and be in a better position to manage public perception.

Domestic Lending & Financing Initiatives: Government in agricultural PPPs with selected banks

During the period under review, Government announced that it had entered into a Public Private Partnership (PPP) with selected banks for the financing of agriculture. Agribank will be supporting seed houses and fertiliser companies, Zimbabwe Women's Microfinance Bank will finance the production of traditional grains, while Stanbic will be supporting contractors; companies which contract farmers to produce certain quantities of grain. The rest of Command Agriculture farmers will get their input from CBZ. This is expected to reduce pressure for Government to finance agriculture from the fiscus, which typically inflationary implications.

Currency, Pricing & Liquidity Perspectives: RBZ introduces new notes as interbank control curtail volumes

One of the highlights of the month was the announcement by Reserve Bank of Zimbabwe (RBZ) Governor Dr John Mangudya on the 29th of October 2019 that new \$5 notes and \$2 coins would be in circulation within a fortnight, slightly more than doubling the cash in circulation over the next six months. The introduction of the extra \$1 billion in new notes and coins was expected to:

- To satisfy legitimate demand for coins and small notes.
- Restore consumer buying power that was being eroded by the heavy premiums of up to 60 percent charged by those with access to cash
- Increase/enhance demand for products and services
- Eliminate the multi-tier pricing regime, which was causing distortions in the market place

There were however concerns that as the new notes and coins trickled into circulation, those already hoarding and dealing in cash would simply expand their operations. Accordingly, there were suggestions to disable the speculators by demonetizing the \$5 and \$2 bond notes and set a limit for no-questions-asked currency swaps with the new notes. Others believed that the increase in cash supply would not make much of an impact on the ailing economy due to underlying structural issues such as trust and confidence. Due to the highly informalised nature of the economy, there were also fears that the lack of confidence and trust in the banking sector, would likely see the new notes disappearing into the informal markets black hole and not easily find their way back to the formal system. Against the background of rampant inflation, there were also concerns that the monetary authorities had decided to keep the biggest note at \$5, inconveniencing the transacting public, particularly those in the rural areas where infrastructure for digital payments is inadequate. Though mobile money is an option, most users find it expensive due to the impact of the 2% tax.

In the foreign currency market, the move by the Reserve Bank of Zimbabwe (RBZ) to make the interbank mid-rate the principal reference rate for all foreign currency trading, determining that authorised foreign currency dealers and Bureaux de Change were not supposed to go above margins of 3 percent and 5 percent, respectively of the interbank mid-rate, slowed down transactions on the interbank market. Resultantly, holders of hard currency held on to their money because they believe that the interbank rate was too low.

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PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- **ZB Bank** introduced its mobile Point of Sale (mPOS) offering, branded **Cheka**. “Introducing Cheka. The Cheka mPOS machine that takes any BIG challenge! Transact with ease with the ZB Cheka mPOS machine. Experience the freedom to do business anywhere and anytime, thanks to Cheka mPOS. Visit the nearest ZB branch and get your Cheka mPOS today,” said the banking franchise of **ZB Financial Holdings**.
- **NetOne’s** mobile money platform **OneMoney**, introduced **Zimbabwe Revenue Authority (ZIMRA)** payments capability. “Making your payments to ZIMRA is now as simple as *554#. With OneMoney, you can pay your ZIMRA obligations on the go. Simply dial *554# and pay for your BP and Assessment numbers. Do it the easy way!” NetOne said.
- **EcoSure** introduced the **EcoSure VAYA Add On Service** which offers transport services in times of bereavement. “Now you can plan ahead with transport for mourners when the unfortunate happens. Choose a package that suits you,” said the funeral insurance company whose product is underwritten by **Econet Life (Private) Limited**. The packages are as follows:

Package	Distance/Radius	Cash Option	Premiums per person p/m
EcoSure VAYA Runner	Usage based	ZWL\$2,500	ZWL\$5.00
EcoSure VAYA Local	Up to 120km	ZWL\$5,000	ZWL\$10.00
EcoSure VAYA Ekhasya	Anywhere in Zim	ZWL\$10,000	ZWL\$20.00

- **Disruptive Technologies Africa**, launched a new cloud-based core banking system which will enable small to medium enterprises and the informal sector to operate at the same level with established firms. Most of the players in this sector cannot afford to buy a server to store their work or software that will enable them to run their businesses effectively and Disruptive Technologies Africa is supplying all this under one roof, according to chief Executive Officer **Doug Mamvura**. To launch this service, DTA partnered **FBC** which will be providing banking services, while **NetOne** will be providing the USSD. **TelOne**, which boasts of the biggest data centre in the country, will provide data storage services.

PRODUCT PROMOTION INDEX (PPI)

- **FBC Bank Limited** was announced as one of the participating brands under the **Choppies Big Birthday Promotion** running from 1 October 2019 – 31 December 2019. Any cardholder swiping on an FBC Bank machine for ZWL50 stood a chance to win ZWL\$20 000.
- **Steward Bank** introduced the **Transact & Win VISA Promotion** under which anyone spending US\$20 or more on their Steward Bank VISA Globetrotter card could win USD 3000. The promotion was set to run from 1 October to 31 December 2019.
- **Edgars** introduced the Edgars Club **Hospital Cash Plan Promotion** running from 21 October 2019 to 29 February 2020. “Win Big This Season! Sign up for Edgars Hospital Cash Plan and stand a chance to be rewarded. Three steps and you are in the running for amazing prizes!
 1. Sign up for the Edgars Club
 2. Add at least three dependents to your Edgars Hospital Cash Plan.
 3. Complete entry form and deposit instore
 Existing club members - upgrade to the Gold or Platinum Plan and add at least 3 dependents and follow the rest of the steps,” said the company in an advertisement. Platinum Plan holders stood a chance to win a car, while Gold Plan holders stood a chance to win a 42 Inch while Silver Plan holders stood a chance to win a double door fridge. The Hospital Cash Plan is underwritten by **FBC Insurance**.

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

#	Organization	Product /Promotion	Product/Service Category	Sub-sector	Type of Initiative
1	ZB Bank	Cheka mPOS Machine	Transaction Banking – mPOS	Banking	Product Launch
2	OneMoney	ZIMRA Payments capability	Mobile Money Payments	Mobile Money	Product Launch
3	EcoSure	VAYA Add On Service	Funeral Services – Transport	Insurance	Product Launch
4	Disruptive Technologies Africa	Cloud-based banking system	Transaction Banking	Fintech	Product Launch
5	FBC Bank/Choppies	Choppies Big Birthday	Transaction Banking - POS	Banking	Product Promotion
6	Steward Bank	Transact & Win VISA	Transaction Banking - Visa Card	Banking	Product Promotion
7	Edgars Club	Hospital Cash Plan	Medical Insurance	Insurance	Product Promotion

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- Standard Chartered Bank** said it remained committed to maintaining a presence in Zimbabwe and its digitization strategy – which has seen the country’s oldest bank closing most of its branches - should not be interpreted as a deliberate move to wind down operations. The bank, which is left with only three branches in Zimbabwe out of the 16 it had countrywide - two in Harare and one in Bulawayo – said it was leveraging on the growth opportunities offered by digitization. The closing down of branches has, however triggered speculation that the bank might be divesting from Zimbabwe after succumbing to pressure from the US over sanctions breaches. “Standard Chartered has taken the conscious decision to continue to maintain our long-standing commitment to doing business in Zimbabwe. With a history of over 125 years, we remain committed to the long-term interests of our staff and customers in Zimbabwe and to continue facilitating the development and growth of the economy. We are moving from ‘places where people go to bank’ to “brands clients choose for financial transactions’, which means clients will have more choice and banking will be more convenient. Finally, we will have a much sharper understanding of clients’ financial behaviour and anticipate future needs to offer tailored products and services,” said the bank’s spokesperson **Lilian Hapanyengwi**. She said there would be no challenges for personal banking clients where branches have been closed down because the new digital bank covers both transaction capability requirements and client queries. She further said that all possible scenarios that could bring a client to a branch contact centre have been migrated to the mobile device for client self-service. Resultantly, over 70 of the bank’s services are now on the digital platform. These include static data changes, card services, bill payment, funds transfer locally and internationally as well as country specific services. “Our channel strategy remains responsive to client needs and transaction patterns on an ongoing basis. As our clients and the world go digital and our branch transaction traffic is decreasing, we are always evaluating how we should reformat our current channels to deliver the most efficient service to our clients,” added Hapanyengwi.
- Access Finance**, a registered Bureau De Change, announced that customers could now buy and sell foreign currency at **Colcom Harare** situated at 1/3 Coventry Road, Workington.
- BancABC Zimbabwe** said it had partnered with London-based start-up **Senditoo** in a development that will allow Zimbabweans in the Diaspora to send and receive money through the bank’s network of branches across the country. **Takwana Tyanani**, Senditoo’s co-founder said the remittances platform had emerged as a disrupter in the remittance market with its mobile airtime service. **Lance Mambondiani**, BancABC’s managing director, said the bank partnered Senditoo as part of growing its remittance business. “It is always exciting to work with young Zimbabwean entrepreneurs who have a global vision and offer innovative digital solutions which improve our customer networks and service delivery,” he said.

SUMMARY:CHANNEL EXPANSION/RATIONALISATION ACTIVITY

#	Institution	Sector	Type of Initiative	Description
1	Access Finance	Bureau de Change	Delivery channel development	Colcom Harare partnership
2	BancABC Zimbabwe	Banking	Cross-border remittances	Partnership with Senditoo

LABOUR MARKETS DEVELOPMENTS

- The Zimbabwe Congress of Trade Unions (ZCTU) on the 23rd of October 2019 revealed that more than 300 workers in the financial services sector had been laid off in the past two months as companies rationalized their cost structures in a tough operating environment amid economic recession. “Our affiliate Zibawu ([Zimbabwe Banks and Allied Workers’ Union](#)) are in trouble because more than 300 of its members have lost their jobs in the last two months across the financial sector,” said ZCTU secretary-general Japhet Moyo. Banks that have laid off staff include [BancABC](#), [CBZ](#), [First Capital](#) and [Standard Chartered](#), he said.

ICT OPERATIONS AND SECURITY ISSUES

- [ZB Bank](#) issued a customer notice in respect of scheduled system maintenance. “Dear valued customers. We advise that we will be carrying our scheduled maintenance work on our core banking system from 5:00pm on Friday 11 October 2019 to 10:00 am on Sunday 13 October 2019 in order to improve system performance and stability. During this maintenance exercise ZB customers who are registered for internet banking services will not be able to access our internet banking platform. Branches will however, be operating normally on Saturday 12 October 2019 and all other services will continue to be available. Any inconvenience caused during the scheduled system maintenance is sincerely regretted. Should you experience any challenges after the above period, kindly get in touch with your branch or the below contact details for assistance. We sincerely apologise for any inconveniences caused and thank you for your support and understanding,” said bank in the customer notice.
- The [Southern African Development Community \(SADC\)](#) region said it was working to introduce a mobile money transfer system for the bloc. “We are running a pilot to enable customers to transfer funds to any SADC country using mobile phones which will bring convenience to the customers in the SADC region. Two banks, [ZB Bank](#) in Zimbabwe and [Zanaco](#) in Zambia as well as Mobile Network Operators (MNOs), [Mukuru](#) and [TerraPay](#) in South Africa as well as [Airtel](#) in Malawi are involved in the pilot tests. Once successful, we will roll-out to all member regional banks and MNOs and this is part of a financial inclusion strategy in the region,” said Zimbabwean banker and chairman of the SADC Payments Scheme Management Body [Andrew Mugari](#).

EXECUTIVE MANAGEMENT/BOARD CHANGES

- The minister of Lands, Agriculture, Water, Climate and Rural Resettlement [Perrance Shiri](#) appointed boards of directors for some agricultural parastatals, including [Agribank](#). The Agribank board will be chaired by [Godfrey Mutemachani](#), who will be deputised by [Bevan Ngara](#). The rest of the board members are [Ms Mirirai Apolonia Washaya](#), [Andy Farayi Hodges](#), [Honourable C. Sibanda](#), [Dr Jacqueline Mutambara](#), [Ms Philomina Mandaza](#), [Somkhosi Malaba](#), [Francis Macheka](#), [Elfas Chimbera](#), [Mrs Scholastica Mrewa](#) and [Ms Maveneka Catherine Madanda](#).

REBRANDING, RESTRUCTURING & STRATEGIC REALIGNMENT INITIATIVES

- [NetOne](#)’s mobile money transfer service, [OneMoney](#) grew by 97 percent in the three months ending September 30, 2019, driven by offerings such as [OnePay](#), a bulk payment facility. Active subscribers grew from 215 000 to 425 000 in the period under review. Head of public relations [Dr Eldrette Shereni](#) said OnePay had provided relief to many corporates as it offered “convenient, seamless and instant multi-wallet salary disbursements.” The OnePay facility has been well received by several institutions including corporates mainly for salary and stipend payments, NGOs, farmers, as well as institutions that process grants and other social security payments. This facility is one of the feeders into the OneMoney ecosystem from an enterprise or B2B level. At individual level, there are several convenient methods which can be used to fund the OneMoney Wallet. The most exciting is the fact that OneMoney is integrated to all 18 banks via the Zipit facility which allows clients to transfer funds seamlessly from bank to wallet and vice versa using the [Zipit](#) platform,” said Dr Shereni.

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- **Old Mutual** launched Amazing Voices, a new Pan-African TV reality singing competition that is set to take the continent by storm. “Think your singing group has what it takes to get to the top? We are giving talented Gospel, Pop and R&B groups an opportunity to win US\$100 000 and become the first Old Mutual Amazing Voices champions,” said the diversified financial services group, which further reminded prospective participants not to miss the open auditions at **The City Hall** in Bulawayo on the 15th of October 2019 and at **Monomotapa Hotel** in Harare on the 18th of October 2019. Singing groups made up of four to eight members from Zimbabwe, Kenya, Ghana and South Africa will be vying for the grand prize of US\$100 000 in the finale. Each of the four participating countries will produce one team that will advance to the finals scheduled to take place in South Africa in January 2020.
- **Investment Professionals Association of Zimbabwe (IPAZ)**, a grouping of local chartered financial analysts (CFA), launched a research campaign meant to provide University students with hands-on mentoring and intensive training in financial analysis. “The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis and professional ethics,” said IPAZ board member **Ranga Makwata**, speaking at the official launch of the CFA Institute Research Challenge in early October 2019.
- **First Capital Bank** was a principal sponsor of the **Zimbabwe Independent’s Banks & Banking Survey** held at The Venue in Avondale on the 17th of October 2019 under the theme “Return Of The Zim-Dollar: Transition To Normalcy.”
- The 2018 – 2019 National Journalism and Media Awards (NJAMA) hosted by the **Zimbabwe Union of Journalists (ZUJ)** were held on the 17th of October 2019, under the theme “Media, Communities and Climate Change”. **ZB Bank Limited** sponsored the Sports Journalist of the Year Award while **ZB Financial Holdings** sponsored the Financial Journalist of the Year Award.
- **Ecobank Zimbabwe Limited** and **Stanbic Bank** were diamond sponsors of **ZimTrade’s** 2019 edition of the Exporters’ Conference and Exporter of the Year Awards held during the period 17-18 October 2019 at the Zimbabwe International Exhibition Centre in Bulawayo. Meanwhile, **ZB Bank**, **CBZ Holdings** and the **Export Credit Guarantee Corporation of Zimbabwe (Pvt) Ltd (ECGC)** were silver sponsors of the event.
- The **People’s Own Savings Bank (POSB)** was one of the sponsors of the 11th Annual Marketers Convention which was held from the 30th of October 2019 to the 2nd November 2019 at **Holiday Inn** in Bulawayo under the theme “Engaging Strategic Marketing In A Dynamic Environment – Expanding Horizons.”

CORPORATE ACTIONS

- **Old Mutual Zimbabwe Limited** issued a notice to shareholders in respect of a dividend declaration. “Notice is hereby given that on 1st October 2019, the Board of Directors of Old Mutual Zimbabwe declared a dividend of 8.66 ZWL cents per share. The dividends accrue to members registered in the Share Register of Old Mutual Zimbabwe Limited at the close of business on 7th October, 2019. Dividend warrants will be posted, or direct payments made, on or about 14th October 2019. The last date to trade Cum-dividend is 2nd October 2019, while the ex-dividend date is on 3rd October 2019,” said Group Company Secretary **Nqobile Munzara** in the statement dated 1st October 2019.
- **Zimre Holdings Limited** on 3 October 2019 issued a withdrawal of its cautionary statement. ‘Shareholders of ZHL are referred to the cautionary dated 10 September 2019, and are advised that negotiations for **Emeritus International Reinsurance Company Limited** Capital Raise have been terminated and the contents referred to in the cautionary dated 10 September 2019 have ceased to have any relevance on ZHL. Accordingly, caution is no

longer required to be exercised by shareholders when dealing in the securities of ZHL,” said Group Company Secretary, L. Madzinga.

- **CBZ Holdings** issued an interim dividend declaration notice in respect of the six months ended 30 June 2019. “Notice is hereby given that the Board declared an interim dividend of ZWL 5,516,745.00 (1.06 ZWL cents per share) for the six months ended 30 June 2019 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full to all Shareholders of the Company registered at the close of business on 8 November 2019. The payment of the dividend will take place on or about 11 November 2019. The applicable shareholders’ tax will be deducted from the Gross Dividends. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 5 November 2019 and ex-dividend as from 6 November 2019,” said Group Legal Corporate Secretary **Rumbidzayi Angeline Jakanani** in the notice dated 24 October 2019.

EXTERNAL FINANCING: LINES OF CREDIT AND GRANT FINANCE/AID

- The German Government, through its development bank, **KfW**, on the 17th of October 2019 contributed EUR10 million to the second phase of the **Education Development Fund (EDF)** to improve access to quality education for Zimbabwe’s children. The funds will be used to support Disaster Risk Reduction in the drought and cyclone affected districts by increasing national capacity to provide access to age-appropriate, quality learning opportunities for out-of-school children, and strengthening political commitment, accountability and national capacity towards inclusive education. German Ambassador **Dr Thorsten Hutter** said: “This additional funding of the EDF in Zimbabwe demonstrates Germany’s commitment to ensure access to quality schooling for all children in Zimbabwe. It also demonstrates my Government’s commitment to assist those in need.”
- **Great Dyke Investments (GDI)** said it was wrapping up financing for its Darwendale platinum group metals project and expected to begin construction in 2020. The funding for phase one of the project is estimated at US\$500 million and GDI has since mandated **African Export – Import Bank (Afreximbank)** as lead arranger of the loans. “The project team is finalising contractual terms, pricing and documentation with a set of leading international and local Zimbabwean contractors, suppliers and service providers,” said GDI chief executive officer **Igor Higer** on the 21st of October 2019.
- Chinese financial institutions reportedly indefinitely suspended funding three big infrastructural projects totalling US\$1.324 billion after government raided and diverted US\$10 million from an escrow account for the Robert Mugabe International Airport expansion project. The affected infrastructural projects are the US\$1.1 billion Hwange 7 and 8 refurbishment, US\$153 million **Robert Mugabe International Airport** expansion project, at various stages of implementation. They were bankrolled through various loan facilities secured from **China Eximbank**. The seized funds, which were converted by government through the **Reserve Bank of Zimbabwe**, were raided from an account holding investment capital for the expansion of the airport at the beginning of the year.

TROUBLED INSTITUTIONS RESOLUTION INITIATIVES

- **G.N. Mlotshwa & Company** issued a notice in respect of the matter between the **National Social Security Authority** and (Applicant) **Capital Bank Corporation Limited** (1st Respondent); **ReNaissance Financial Holdings (Pvt) Ltd** (2nd Respondent) in the High Court of Zimbabwe being case number H.C. 1293/18 held at Harare. “Take notice that on the 9th of October 2019, the High Court of Zimbabwe issued an Order for the provisional liquidation of Capital Bank Corporation Limited and **Winsley Militala** of **Petwin Executor & Trust Company**, 24 Caithness Road, Eastlea, Harare, has been appointed Provisional Liquidator of the Applicant. Any interested person who wishes to oppose the winding up of the company shall file a Notice of Opposition with the Registrar of the High Court on or before the 15th November 2019 and shall serve a copy of the Notice on the Applicant’s Legal Practitioners, Messrs GN Mlotshwa and Company of **Titan Law**, c/o Dube, Manikai & Hwacha of 6th Floor, Goldbridge Eastgate Complex, Harare. He should then appear before the High Court at Harare at the hearing of this matter on the 20th of

November 2019 to show cause why the company should not be wound up. A copy of the Application and the full Order granted by the Court may be inspected at the office of the Registrar of the High Court and at the office of the Applicant's Legal Practitioners," said the notice dated 21st of October 2019.

BOND/TB ISSUE OUTLOOK

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) invited Financial Institutions including Commercial banks, Building Societies, [POSB](#) and [IDBZ](#), asset managers, insurance and pension funds and other corporates 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 365-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: 365 days
- Purpose of Issue: To finance Government Programmes
- Offer Opens: Wednesday, 02 October, 2019 at 08:00hrs
- Offer Closes: Thursday, 03 October, 2019 at 12:00hrs
- Allotment and Payment: Thursday, 03 October, 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 365-day Treasury Bill tender that opened on the 2nd of October 2019 and closed on the 3rd of October 2019.

Amount on Offer	ZWL\$300,000,000.00
Highest Rate	19.0000%
Lowest Rate	12.0000%
Average Rate	15.0679%
Amount Allotted	ZWL\$81,000,000.00
Total Bids	ZWL\$81,000,000.00

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) invited Commercial banks, Building Societies, [POSB](#) and [IDBZ](#), asset managers, insurance and pension funds and other corporates to subscribe to Treasury Bills amounting to One Hundred and Fifty million dollars (ZWL\$150, 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 365-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: One Hundred and Fifty Million dollars (ZWL\$150,000,000 – 00)
- Interest Rate: Open Tender on a yield basis
- Tenure: 365 days
- Purpose of Issue: To finance Government Programmes
- Offer Opens: Wednesday, 09 October, 2019 at 08:00hrs

- Offer Closes: Thursday, 10 October, 2019 at 12:00hrs
- Allotment and Payment: Thursday, 10 October, 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 second 365-day Treasury Bill tender that opened on the 9th of October 2019 and closed on the 10th of October 2019.

Amount on Offer	ZWL\$ 150,000,000.00
Highest Rate	45.0000%
Lowest Rate	12.0000%
Average Rate	15.4902%
Amount Allotted	ZWL\$ 51,000,000.00
Total Bids	ZWL\$ 72,000,000.00

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- [Cassava Smartech Zimbabwe Limited](#) approached the High Court seeking to nullify the [Reserve Bank of Zimbabwe's](#) directive to shut down its [EcoCash](#) cash-in and cash out facilities, saying the move was unlawful. Represented by [Mtetwa and Nyambirai Legal Practitioners](#), the company argued that the directive by RBZ is ultra vires Section 10 of the National Payments Systems Act (Chapter 24:23) under which it was made. The shutdown, according to Smartech in an urgent chamber application for a temporary interdict, will cause financial loss to the company and to millions of users. "The directive by the defendant to shut down the EcoCash cash-in and cash-out facilities is ultra vires Section 10 of the National Payment Systems Act (Chapter 24:23) under which it purports to have been made. EcoCash and its facilities is duly recognised by the RBZ in accordance with the National Payment Systems Act. That recognition gives applicant and its clients a right to use these facilities. Section 10 only authorises the RBZ to act in the event that the system has itself done or omitted to do something. The applicant is not punishable where some users are alleged to have committed abuse. The approach in that case is to penalise the defaulting users. There is no wrong doing by the EcoCash system or its management board so the kind of wrong doing alleged by the respondent does not fall within the power that RBZ has under section 10 of the Act," reads the application. The lawyers also revealed that the EcoCash platform had 10 562 070 users of which 6 400 000 had been active in the last 90 days.
- The [Reserve Bank of Zimbabwe](#) issued a press statement in respect of cash-in, cash-out and cash-back facilities. "The Directive (NPS 01/2019) on cash-in, cash-out and cash-back facilities was issued to protect the transacting public from some mobile banking agents leveraging and abusing the payment ecosystems. Payment systems by their nature play an important role of providing a mechanism or highway to facilitate economic activities in the country. As such, the Reserve Bank continues to promote digital financial services which contribute to financial inclusion and stability. Cognizance of that, enhanced monitoring mechanisms have been put in place by both the Reserve Bank and Payment System Providers to mitigate against abuse of payment systems and ensure abusers are brought to book. To this end, Payment System Providers and Agents are hereby advised that the cash-out facility is now capped at \$100 per transaction with immediate effect. Related to that, existing operational cash-in and cash-back limits shall remain. Furthermore, the Reserve Bank will be injecting cash into the economy without changing money supply. In this regard, banks will exchange existing RTGS balances for cash thus maintaining the monetary base unchanged. Financial institutions and Agents are required to strictly adhere to the Know Your Customer (KYC) and Customer Due Diligence (CDD) principles for all their customers at all times and ensure that there is no abuse of the payment systems. Going forward, the [Financial Intelligence Unit](#) shall enhance monitoring

of financial activities to ensure compliance,” said RBZ Governor [Dr John P. Mangudya](#) in the statement dated 2 October 2019.

- The [Reserve Bank of Zimbabwe \(RBZ\)](#) said it had no plans to tamper with depositors’ foreign currency accounts. “The RBZ would like to notify Zimbabweans and the banking community in general that there is no such pronouncement or such plans to raid any nostro accounts by the central bank, or the Ministry of Finance and Economic Development. Those that have crafted these fake reports are making use of and quoting an old exchange control order from June 2019, and doing so out of context,” said RBZ Deputy Governor [Dr Kupukile Mlambo](#) on the 7th of October 2019. He further urged Zimbabweans to rely on official communication in the conventional media and on the central bank’s official communication platforms such as the website and its official social media pages. “The Reserve Bank of Zimbabwe would like to dismiss the social media reports suggesting that nostro accounts will be raided by the RBZ and Ministry of Finance & Economic Development. This assertion should be dismissed with the contempt it deserves. There hasn’t been any change in operation of nostro accounts,” reads the RBZ statement on [Twitter](#). Social media reports that circulated over the past weekend had advised Zimbabweans to clear their nostro accounts as soon as possible as the central bank was planning to clear all nostro accounts and convert them into Zimbabwe dollars at the interbank rate.
- Finance minister [Mthuli Ncube](#) was dragged to the High Court by [National Social Security Authority \(Nssa\)](#) employees who, in conjunction with members of the [Zimbabwe Pension and Insurance Rights Trust \(ZimPIRT\)](#), sought an order to declare as unconstitutional, null and void his unilateral decision to ban annualised inflation figures. In a joint High Court challenge filed through their law firm, [Tendai Biti Law](#), the [Nssa Workers’ Union \(Nssawu\)](#) and ZimPIRT said Ncube’s decision was illegitimate, illegal and unconstitutional. Nssawu acted through its president [Joseph Chimhanda](#), while [Martin Tarusenga](#) stood in for ZimPIRT in his capacity as the organisation’s general manager. Ncube was cited as the first respondent, while [ZimStat](#) was cited as the second respondent in the application, filed at the Masvingo High Court on [September 30](#). In their founding affidavit, the applicants argued that the decision by Ncube was irrational and was neither supported by law nor logic. They also stated that by so doing, Ncube was in violation of Section 10:28 of the Administrative Justice Act, which prohibits ministers from interfering in administrative affairs of statutory institutions as well as the Census and Statistics Act. The applicants further accused Ncube of banning annualised inflation figures out of embarrassment and as a means to cover up for government’s failure to address issues that drive inflation. Nssawu, on its part, argued that it derived its locus standi from the fact that it negotiates employee salaries annually, with primary considerations being inflation and the consumer price index as derived from annualised inflation figures. ZimPIRT said because of the move, it was unable to calculate pension values, which will result in pensioners significantly losing out.” The applicants’ grounds of review are that the first respondent is irrational and not supported by the law or logic. The decision is grossly unreasonable such that no reasonable person properly applying his mind would have arrived at the same. The decision is in any event illegal, illegitimate and not supported by any provision in any law, in particular in the Census and Statistics Act. In any event, the decision of the first respondent offends the principles of good governance and transparency codified in the Constitution of Zimbabwe,” court documents read. “The general public uses consumer price statistics to understand the impact of inflation on their personal and household budgets and understand incomings and outgoings linked to inflation (such as taxes, benefits, pensions, wages and other costs) are likely to change. By banning year-on-year inflation figures, Zimbabweans have been deprived of the ability to plan their lives for periods beyond a month.” The applicants also argued that Ncube’s decision to ban publication of year-on-year inflation figures has seen many pensions not being adjusted in line with actual inflation and, as such, many such pensions have been arbitrarily deemed worthless and removed from the books by pension administrators not adequately informed and guided about inflation in Zimbabwe, which the minister has caused. The applicants also argued that Ncube’s ban, effected without consulting key stakeholders, has adversely affected interest rates since they are premised on annualised inflation figures.
- The [Reserve Bank of Zimbabwe \(RBZ\)](#) issued a press statement clarifying the administration of Nostro Accounts and cash withdrawals. “The Reserve Bank of Zimbabwe (the Bank) has noted with concern that false information is being circulated through the media suggesting that the Bank has changed the policy and administrative arrangements regarding the treatment of nostro accounts and cash withdrawals. This follows the release via social

media of an [FBC Bank](#) internal document. Please be advised that there has not been any change on the administrative arrangements regarding free funds. Free funds shall continue to be treated as such in line with the policy directives issued to Authorised Dealers. As previously communicated, employees of International Organisations, Non-Governmental Organisations and Embassies shall continue to receive their salaries in foreign currency in Individual Nostro FCAs at the discretion of their employers. Such free funds may be retained in the Nostro FCA for an indefinite period and cash withdrawals remain permissible. Holders of such funds may liquidate cash withdrawn from their accounts, or their account balances into local currency through a bank or a *bureau de change* to fund domestic transactions. As regards exporting entities, exports receipts shall continue to be received through normal banking channels. Funds generated from exports shall continue to be administered in line with policies governing export proceeds which include settlement of bona fide foreign payments and liquidation on the interbank market of all unutilised balances after 30 days from date of receipt. This is to facilitate funding of the interbank market for the importation of critical imports for corporates and individuals without access to foreign exchange as is the case in other jurisdictions. Members of the public should therefore disregard the falsehoods being peddled through social and other media as such claims are not consistent with the Exchange Control policy on administration of foreign exchange," said RBZ Governor [Dr J P Mangudya](#) in the statement dated 11 October 2019.

- Cabinet on the 21st of October 2019 received the 2020 proposed Budget Strategy Paper that was presented by Finance and Economic Development Minister [Professor Mthuli Ncube](#). "Cabinet received the 2020 proposed Budget Strategy Paper as presented by the Minister of Finance and Economic Development. The minister's presentation took note of the ongoing reforms which are premised on the 2019 national Budget theme – Austerity for Prosperity as outlined in the Transitional Stabilisation Programme (TSP). Notable milestones in this regard include fiscal consolidation, monetary policy restoration, liberalisation of the foreign exchange market, re-engagement and a number of governance and structural reforms aimed at improving the business environment and to support the productive sectors," said Higher and Tertiary Education, Science and Technology Development Minister [Professor Amon Murwira](#) while briefing journalists in Harare after the Cabinet meeting. Murwira was representing Information, Publicity and Broadcasting Services Minister [Monica Mutsvangwa](#).
- The [Securities and Exchange Commission of Zimbabwe \(SecZim\)](#) suspended stockbroker [Benson Gasura](#) for six months to facilitate investigations into possible misconduct. Gasura deals under [FBC Securities](#) but the suspension affected him only. "Gasura's dealer license has been suspended to facilitate investigations in terms of section 49(1)(a) of the Securities and Exchange Act (Chapter 24:25). Gasura is prohibited from carrying out any licensable activities from the 7th of October 2019 for a period of six calendar months, unless revoked by SecZim," said [Tafadzwa Chinamo](#), the SecZim chief executive officer, adding that to facilitate the investigations, [PFK Chartered Accountants](#) would conduct the forensic audit until the investigation was complete.
- The [Zimbabwe Special Economic Zones Authority \(Zimseza\)](#) declared a portion of Selous, covering areas with mining grants issued to platinum company, [Karo Zimbabwe Holdings](#), as a special economic zone. This was published under General Notice 1838 of 2019 published in the Government Gazette of the 18th of October 2019 by Zimseza chief executive officer [Edwin Kondo](#). This brought to six the number of areas declared as SEZs after Victoria Falls, Beitbridge, Harare (Sunway City), Mutare and Norton got similar status. "It is hereby notified that in terms of section 20(1) of the Special Economic Zones Act [Chapter 14:34], the Zimbabwe Special Economic Zones Authority, has declared a portion of Selous measuring 50 667 hectares as a special economic zone. The zone is located on a certain piece of land covered by special mining grants issued to Karo Zimbabwe Holdings Private Limited," said Kondo.
- The [Reserve Bank of Zimbabwe](#) issued public notice in respect of the extension of curatorship for [Lion Microfinance Limited](#). "Notice is hereby given that the Curatorship of Lion Microfinance Limited has been extended by a further period of three months ending 25 January 2020. The Reserve Bank has similarly extended the appointment of the Curator, the [Deposit Protection Corporation](#) accordingly," said the apex bank in the notice dated 25th October 2019.

- A survey conducted by [African Actuarial Consultants \(AAC\)](#) revealed that the country's insurance sector had made a positive impression on the recently concluded Zimbabwe Integrated Capital and Risk Project (ZICARP) survey which showed that 95 percent of the industry is willing to take up risk mitigation techniques. The survey was commissioned by the insurance and pensions regulator, [Insurance and Pensions Commission \(IPEC\)](#), in March and sought to develop a solid insurance regulator and supervisory framework to enhance policyholder protection. The survey was guided by four main themes namely the risk culture, risk governance standards and implementation, risk management processes and the actual risk management operations. Presenting the survey results in Harare on the 31st of October 2019, AAC managing director [Tinashe Mashoko](#) said while compliance gaps still existed in terms of IPEC circular number 11 of 2016, there was however evidence that most firms were implementing good risk management practices.
- The [Reserve Bank of Zimbabwe's](#) Monetary Policy Committee (MPC) held its inaugural meeting on October 28 and 29, 2019 at the Bank Chambers. During its deliberations, the committee noted a number of issues that require urgent implementation for attainment of macroeconomic stability for sustainable development. The committee focused its attention on the recent economic developments, inflation trends, cash challenges in the economy, exchange rate and foreign exchange inflows and outflows, as well as the interbank market and national payment issues.

PUBLIC TENDER INVITATIONS/RESULTS, EOI & RFPs

- The [Infrastructure Development Bank of Zimbabwe \(IDBZ\)](#) issued a notice in respect of advertisements for requests for Expressions of Interest. "Please be advised that going forward all requests for Expressions of Interest by the Bank will be advertised on our online platforms and Government Gazette only:

Website	www.idbz.co.zw
Twitter	@idbzw
Facebook	IDBZW
YouTube	IDBZ
dgMarket Tenders Worldwide	www.dgmarket.com

Should you have any queries please do not hesitate to email procurement@idbz.co.zw for more details on how we have changed our requirements," said the development bank in the notice.

CUSTOMER SERVICE/PUBLIC RELATIONS MANAGEMENT & NETWORKING INITIATIVES

- The [People Own's Saving Savings Bank \(POSB\)](#) issued a press statement regarding "the video circulating on social media in which some of the Bank's customers supposedly stormed the POSB head office. The Bank wishes to clarify that it experienced an unfortunate delay in disbursing cash to its valued customers, the government pensioners on their designated pay date, 3 October 2019. This caused regrettable frustration to the customers who met with the Bank's officials on the morning of the said day at the POSB head office, Causeway building. Despite the initial challenges, the Bank commenced processing withdrawals at its Harare branches by midday. Furthermore, POSB extended its banking hours in order to accommodate all customers who were served on the same day. POSB sincerely regrets the inconvenience experienced by its valued customers and has put measures in place in liaison with the [Reserve Bank of Zimbabwe](#) to prevent the recurrence of similar incidents on future pensioner pay dates. POSB values the support and feedback of all its clients and is fully committed to providing them with exemplary service at all times," said the savings bank in the press statement.
- [First Mutual Holdings Limited](#) hosted the 2019 First Mutual Golf Day on the 18th of October 2019 at Royal Harare Golf Club in the Individual Stableford format, attracting a field of close to one hundred and fifty golfing enthusiasts.

INDUSTRY AWARDS AND ACHIEVEMENTS

- **Global Credit Rating (GCR)** revised **Zimnat General Insurance’s** national scale financial strength rating to A+ (ZW) Stable Outlook, from its previous rating of A – (ZW). The financial strength rating (formerly claims paying ability) went up two notches. Explaining the rating upgrade GCR commended Zimnat’s sound business profile and disciplined approach to underwriting and capital management. This comes after Zimnat started employing value preservation strategies, to counter the uncertainties presented by the operating environment. “The insurer has maintained strong brand recognition and evidenced healthy growth momentum over the review period, with a significant increase in market share in the 2018 financial year, underpinned by comparatively high-risk uptake in key lines of business,” GCR said.
- The **Zimbabwe Independent’s** Banks & Banking Survey Awards Ceremony, organised by **Alpha Media Holdings (AMH)**, was held in Harare on the 17th of October 2019 the theme “The Return of the Zimdollar: Transition to Normalcy? The event, held annually, awards banks that have excelled during the period under review. Award winners for the 2019 edition lined up as follows:

#	Award	Winner
1	Overall Winner	Ecobank
2	First Runner-up	People’s Own Savings Bank (POSB)
3	Second Runner-up	NMB Bank
4	Most Sustainable CSR Award	FBC
5	Mobile Application of the Year	CBZ
6	Most Innovative Bank	Steward Bank
7	Special Award	Steward Bank

- The 2019 Service Excellence Awards hosted by the Contact Centre Association of Zimbabwe (CCAZ) were held on 31st of October 2019 and winners from the financial sector emerged as follows across various categories:

Categories	Winner	1 st Runner Up	2 nd Runner Up
Banking	Nedbank	CBZ	Stanbic Bank
Microfinance	Getbucks	Kreamorn	Women’s Bank
Shor term insurance	CBZ Insurance	Zimnat	Old Mutual
Health Insurance	FML Health	Generation Health	PSMS
Most Improved Organisation	NMB Bank		
Best Call Centre	Cassava Smartech	CBZ	
Customer Focused Innovative Organisation		Zimswitch	
Contact Centre Agent	Charity Tusu (CBZ)		

- The 2019 edition of the Exceptional Marketing Awards were held during the period 30 October – 2 November at the at **Holiday Inn**, Bulawayo under the theme “Engaging Strategic Marketing in a Dynamic Environment – Expanding Horizons.” Winners from the financial sector lined up as follows:

Award	Winner	1 st Runner Up	2 nd Runner Up
Best TV Advert of the Year	Ecosure – Widzo TVC		
Best Print Advert of the Year		Zimnat – Gadziriro/Lungiselelo Funeral Plan	
Best Outdoor Media Advert of the Year	Zimnat – Car Crash Borrowdale Road Billboard		
Customer Engagement & Experience of the Year		Zimnat	

New Product or Innovation of the Year	NMB – Tap Card		FBC – MyDrive
Brand Manager of the Year		Shingirai Mazambani (Zimnat)	
Marketing Oriented CEO		Mustafa Sachak (Zimnat)	

DOMESTIC LENDING & FINANCING PERSPECTIVES

- **CBZ Holdings Limited** launched an agricultural finance initiative under a new division called **CBZ Agro Yield**, meant to curb the ever-growing import bill with regard to agricultural produce. The initiative is a partnership between the bank and Government to sponsor soya beans and maize farming for the 2019/2020 season. “This initiative is housed under a new division branded **CBZ Agro-Yield**. The new division will be the bank’s partner together with Government in financing maize and soyabeans,” said CBZ.
- Government announced that it had entered into a Public Private Partnership (PPP) with selected banks for the financing of agriculture. “We have four banks that have come online to support Command Agriculture; **Stanbic, Agribank, CBZ and Women’s Bank**. Agribank will be supporting seed houses and fertiliser companies, Women’s Bank will finance the production of traditional grains, while Stanbic will be supporting contractors; companies which contract farmers to produce certain quantities of grain. The rest of Command Agriculture farmers will get their input from CBZ and the registration process and verification is underway,” said Minister of Lands, Agriculture, Water, Climate and Rural Resettlement **Perrance Shiri**.

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES(CP & LP)

- The **Grain Marketing Board** issued a notice to farmers in respect of the increase in the 2018/2019 producer prices. “The Grain Marketing Board (GMB) advises that the Government increased the producer prices for maize and traditional grains namely sorghum, millet and rapoko To RTGS4 000 up from RTGS\$ 2 100. GMB is encouraging farmers who still have grain to take advantage of the new price and urgently deliver their crop to their nearest depot. For any clarification, farmers can contact the GMB Corporate Communications Department through the hotline telephone line 04-701898 or email at publicrelations@gmbdura.co.zw,” said chief executive officer **R. Mutenha** in the notice dated 4 October 2019.
- The move by the **Reserve Bank of Zimbabwe (RBZ)** to make the interbank mid-rate the principal reference rate for all foreign currency trading, slowed down transactions on the interbank market. In September, the country’s apex bank determined authorised foreign currency dealers and Bureaux de Change were not supposed to go above margins of 3 percent and 5 percent, respectively of the interbank mid-rate. “The spread of interbank foreign currency buying and selling by Authorised Dealers shall be at a margin that shall not exceed 3 percent of the interbank mid-rate and for Bureaux de Change, the margin shall not be more than 5 percent of the interbank mid-rate. These margins are inclusive of commissions and fees. The RBZ shall continue to publish the daily interbank mid-rate for foreign currency trading,” announced the central bank in an Exchange Control Directive RU131/2019. Financial institutions said they had witnessed significant declines in trades on the interbank market. “There are currently no trades (on the interbank market) after the central bank basically determined the rate at which we should to trading. Exporters are holding on to their hard currency because they believe that the interbank market is too low. Trades have literally dried out on the interbank. It’s only small players who are coming through, and in a few cases only the very desperate ones,” said a top official with a leading commercial bank. The source said when Exchange Control Directive RU131/2019 was issued in September 2019, the RBZ prescribed an interbank rate of 13.2566 to the United States dollar, which would amount to an exchange rate of 15.7 when they factor in the set margin.
- Government pegged the 2019 wheat producer price at \$8612.08 per tonne, despite an expected low output due to power outages that characterised this year’s winter season. This was an increase from the \$1089.68 per tonne announced in April 2019. Lands, Agriculture, Water, Climate and Rural Resettlement Minister **Perrance Shiri**

announced the new price in mid-October 2019, adding that the price was expected to prevail throughout the wheat marketing period. “The wheat producer price shall be \$8612.08. The price will remain firm throughout the harvesting period,” said Shiri.

- The month-on-month inflation rate for September shed 0.35 percentage points on the August rate to 17.72 percent, as inflationary pressures eased briefly on relative exchange rate stability. The average monthly decline though remains significantly low for the envisaged downward spiral to the 10 percent level forecast by Finance Minister [Mthuli Ncube](#) in his 2020 pre-budget strategy paper. According to the [Zimbabwe National Statistics Agency \(ZimStat\)](#), the monthly inflation rate for September was 17.72% meaning prices, as measured by All Items Consumer Price Index (CPI) increased by an average of 17.72% from August levels. The monthly rate is given by percentage change in the index of the relevant month of the current year compared with the prior month; however, a decline in the rate does not signify a drop in prices, but a slower price rise. Pricing models in Zimbabwe now often track the US dollar exchange rate dynamics as the Zimbabwe dollar continues to weaken against the greenback, given the strong dependency on imports
- [Reserve Bank of Zimbabwe](#) Governor [Dr John Mangudya](#) on the 29th of October 2019 announced that new \$5 notes and \$2 coins would be in circulation within a fortnight to ease cash shortages that had resulted in cash barons charging premiums of up to 60 percent and the breaking of the law with two-tier pricing for digital money and cash. Briefing the media after a two-day meeting of the Monetary Policy Committee (MPC), Dr Mangudya said the new notes and coins would be circulating alongside bond coins and notes and had the same value. “When you are substituting your cash for plastic money, you don’t increase inflation, but what it does, it will help the population...to the extent that people are going to use their money without being charged premiums,” said Dr Mangudya explaining why the additional cash would not be inflationary. He said the MPC had noted that the level of physical cash in the economy was inadequate to meet transactional demand, considering that the current proportion of cash to broad money supply of four percent was lower compared to regional and international levels of 10 to 15 percent. This low ratio resulted in an undesirable cash premium which the “committee would like to see eliminated.”
- [Reserve Bank of Zimbabwe \(RBZ\)](#) Governor [Dr John Mangudya](#) said cash in circulation would slightly more than double over the next six months, as the Reserve Bank of Zimbabwe injects an extra \$1 billion to satisfy legitimate demand for coins and small notes, but still make it impractical to use cash for larger transactions. Mangudya on the 31st of October 2019 said that the \$2 bond coins, \$2 and \$5 notes being eased into circulation would, when added to \$855 million bond notes and coins already in use, bring issued cash to just under 10 percent of total deposits in both local and foreign currency. By doubling the amount of cash in circulation, the RBZ hopes to ease pressures that have seen high premiums for cash, yet by keeping the top denomination at \$5, it is hoped that significant payments in the formal sector will remain digital. Mangudya was addressing Members of Parliament attending the 2020 National Budget seminar at Elephant Hills Resort. “Zimbabwe has the lowest (cash to deposit ratio). Zambia has 10 percent, Tanzania 15 percent, Rwanda 9.5 percent, Uganda 17.65 percent...We want to increase to 10 percent over the next six months on a drip feed basis,” said Dr Mangudya. Zimbabwe currently has about \$19 billion in circulation, with only 4.5 percent being cash.