

Monthly Financial Sector Bulletin

Issue No. 73, September 2019



COVER PICTURE: Zimbabwe Stock Exchange chief executive officer Justin Bgoni and his Botswana Stock Exchange Limited counterparty, Thapelo Tsheole signed a Memorandum of Understanding between the two bourses in Harare on the 16th of September 2019. The partnership between the two exchanges provides a framework for cooperation in multiple areas, including product and market development as well as promotion of cross listings. The agreement also encourages cross border listings and furthers opportunities for cooperation between both institutions at the same time fast tracking listing requirements for firms seeking secondary listing in either market. "The cooperation is good for risk diversification, if you are looking for money it is always nice to have different sources, it is even better when the sources are in different countries. The second thing we cannot deny especially in our situation is the country risk, so if you are listed on Botswana and Zimbabwe Stock Exchanges you will be listed in two countries thus reducing country risk. We chose Botswana because we have a good relationship. We actually started the exchange so that relationship has continued going forward and also Botswana has some advantages. We know that they have excess capital so they have the money, the other thing is Botswana doesn't have exchange controls so it is an easier country to do business, so we thought of that synergy," said Bgoni.

SoundGarden
Publishing



info@soundgarden.co.zw



+263 4 2913145



+263 776 450 509

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!

CONTENTS

Editorial Comment	03
Product Launch/Enhancement Index (PLEI)	07
Product Promotion Index (PPI)	07
Channel Development/Rationalisation Activity	08
ICT Operations & Security Issues	09
Executive Management/Board Changes	10
Rebranding, Restructuring & Strategic Realignment Initiatives	11
Corporate Social Investment & Sponsorship Initiatives	11
Corporate Actions	12
External Financing: Line of Credit & Grant Finance/AID	12
Capital Markets Developments	12
Fiscal, Public Debt & Investment Issues	13
Troubled Institutions Resolution Initiatives	13
Bond/TB Issue Outlook	14
Policy/Regulatory/Legal Developments	15
Customer Service/Public Relations Management & Networking Initiatives	18
Industry Awards & Achievements	18
Domestic Lending & Financing Perspectives	18
Currency, Pricing & Liquidity Perspectives (CP & LP)	19

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 September 2019	17.72% (August - 18.07%)
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: More branch closure anticipated

Seven product development and promotion initiatives were recorded during the period under review with 57% coming from the banking sub-sector, 29% from the fintech sub-sector and 14% from the insurance sub-sector. The initiatives were spread around categories such as transaction banking, SME Banking, remittances, card products and motor vehicle insurance. In the channel development space, a highlight was Standard Chartered Bank's announcement that it would close its Gweru branch with effect from 1st October 2019 and transfer the affected accounts to Bulawayo. While the move is apparently in alignment with global banking trends, where the use of mobile and digital banking are becoming dominant, there is no denying that it is also a reflection of the depressed business levels, which can only get worse given the recessionary state of the economy. One hopes that staff from the affected branch will be deployed to other areas of the bank instead of being sent home. The FSB predicts that we can expect further branch closures before the end of the year due to a combination of cash shortages that reduce the utility of branches, the impact of customers' migration to digital and online channels as well as low levels of economic activity.

ICT Operations & Security Issues: Ecobank unveils "intuitive and secure" banking experience

During the period under review, three banks carried out system maintenance/upgrades or announced plans to do so. Notably, Ecobank Zimbabwe Limited announced the successful implementation of a system upgrade, which was expected to improve stability and robustness of its systems and service availability across all our channels. Pursuant to the upgrade, the pan-African bank switched from the existing internet banking application to a new improved version called Ecobank Online, which it said harnessed the latest technology to provide "an online banking experience that is both intuitive and secure."

Executive Management/Board Changes: New board for RBZ & management changes at Getbucks

While there were several changes in the C-Suite at ZSE-listed Getbucks Financial Services Limited, the key development was the appointment of Paul Soko as deputy managing director of GetBucks Microfinance Bank Limited effective 5 June 2019 and Patrick Mashinga as Chief Finance Officer effective 19 August 2019. Meanwhile, NMB Bank Limited announced the appointment of Gerald Gore as Deputy Chief Executive Officer, as part of its succession planning. Also notable was Finance Minister Mthuli Ncube's appointment of a new board for the Reserve Bank of Zimbabwe (RBZ) chaired by Governor John Mangudya, with Industrialist Kumbirai Katsande coming in as vice chairman.

Rebranding, Restructuring, & Strategic Realignment Initiatives: FX services diversify revenue streams & product offering

The partnership deal between insurance services firm Zimnat and bureau de change operator, Access Finance, under which Zimnat customers can now obtain bureau de change services at selected Zimnat branches across the country, signifies the importance of foreign currency services as both a way to diversify revenue streams and product offering while increasing customer convenience.

Corporate Actions: Changes in functional currency drives half-year profitability

After First Capital Bank's profit warning in August, Old Mutual also issued a shareholder statement in respect of its financial performance for the half year ended 30 June 2019, which it expected to be significantly higher than that for the same period in 2018. The diversified financial services group attributed the increase in profit mainly to investment properties fair value adjustments, fair value gains of equity investments and translation of foreign currency balances arising out of the change in functional and reporting currency from United States Dollars to the local currency (ZWL\$).

Fiscal, Public Debt & Investment Issues: Repeal of SI 205 of academic interest

On the 18th of September 2019, High Court Judge Justice Haplias Zhou scrapped Statutory Instrument (SI) 205 of 2018, which enabled Government to levy 2 percent tax on electronic money transactions above \$10. However, the development turned out to be of academic interest as judgment did not affect the collection and levy of the Intermediated Money Transfer Tax (IMTT) because the collection of the Tax under that Statutory Instrument 205/2018 was subsequently validated by Parliament under the Finance Act No. 1 of 2019.

Bond/TB Issue Outlook: Huge appetite for government paper

The results of recently held Treasury Bill (TB) auctions, including the ZWL\$ 100 million 92-day TB auction held during the month, showed that the local market clearly had huge appetite for government paper specifically and perhaps fixed-income securities in general. Analysts felt that it might be a good time to test the local market's appetite for new issuers of fixed-income instruments.

Policy/Regulatory /Legal Developments: New 12-member RBZ board expected to slay inflation dragon

A key highlight of the month was Finance and Economic Development Minister Mthuli Ncube's appointment of a nine-member Monetary Policy Committee (MPC) chaired by central bank Governor Dr John Mangudya, with effect from 10 September 2019. Some of the functions of the MPC are as follows:

- Determining the monetary policy of Zimbabwe; including the setting of limits on open market operations by the bank
- Ensuring price stability as defined by the Government's inflation target in the national budget.
- Determining interest rates in line with the Government's economic policies and targets for growth and employment creation
- Any other monetary policy functions, as the minister may prescribe by way of regulations.

There was however a view by some stakeholders that the appointment of the MPC was an attempt by Treasury to weaken the influence of the Reserve Bank of Zimbabwe. This point of view appeared to be validated by the appointment of Eddie Cross, seen as one of the RBZ's avowed critics. Despite the foregoing, speculation on the motive for the formation of the MPC, its immediate task entailed stabilising the recently reintroduced local currency exchange rate, which has been on a free fall since being floated in February 2019. The MPC was also expected to craft strategies to slay the inflation dragon which has decimated the buying power of consumers.

Meanwhile on the 13th of September 2019, Reserve Bank of Zimbabwe (RBZ) Governor Dr. John P. Mangudya presented the mid-term monetary policy statement titled "Transition to Normalcy." Some of the key highlights of the policy included an increase in the overnight borrowing rate from 50% to 70%, a development which took into account developments on the inflation and exchange rate fronts. The hike was expected to help in the fight against inflation but there are also fears that the increase might impact negatively on economic growth as private companies struggle to access new loans or repay existing ones. Another highlight was the apex bank's plan to curtail cash shortages by injecting more cash into the economy. One hopes that the new money will not also disappear into the parallel markets where dealers charge a premium to those desperate to access cash for various uses.

Another highlight of the month was the issuance by the International Monetary Fund (IMF) of an end-of-mission statement following the visit to Harare by a mission led by Gene Leon from September 5th to 19th to conduct the Article IV Consultation and review progress under the Zimbabwe's Staff-Monitored Program (SMP). Some of the highlights of the statement were as follows:

- Social conditions have deteriorated sharply, with more than half of Zimbabwe's population (8.5 million people) estimated by the UN to be food insecure in 2019/2020.
- Weakening confidence, policy uncertainty, a continuation of FX market distortions, and a recent expansionary monetary stance has increased pressure on the exchange rate.
- Policy actions are urgently needed to tackle the root causes of economic instability and enable private-sector led growth.
- The key challenge is to contain fiscal spending consistent with non-inflationary financing and tighten monetary policy to stabilize the exchange rate and start rebuilding confidence in the national currency.
- Risks to budget execution are high as demands for further public sector wage increases, quasi-fiscal activities of the RBZ that will need to be absorbed by the central government, and pressure to finance agriculture could push the deficit back into an unsustainable stance.
- There is also a need to strengthen FX market operations and improve transparency on monetary statistics.
- These adjustment challenges are magnified by slow progress on international reengagement. Efforts will need to be intensified on both economic and political fronts to drive Zimbabwe forward.

The Reserve Bank of Zimbabwe's banning of cash-in, cash-out and cash-back facilities and the prompt reversal of the ban after a legal pushback by Econet Wireless, was also notable. The directive for the suspension of the facilities appeared to have been intended to force Econet to reign in its agents, which were blamed for charging extortionate premiums of up to 60 percent for cash-out transactions. However, Econet through its fintech subsidiary Cassava Smartech, being the litigious company that it is, chose the legal route and approached the High Court seeking to nullify the RBZ directive. Probably sensing a looming defeat, the apex bank restored cash-in and cash-back facilities while capping the cash-out facility limit at ZWL\$100 per transaction. Coming as they did before the ink dried on Statutory Instruments 212 and 213 that outlaw the use of foreign currency for domestic transactions, the RBZ's regulatory manoeuvre regarding cash-in, cash-out and cash-back facilities did not help to allay fears that the financial markets in Zimbabwe are overregulated. At a time the market was calling for policy consistency, the fact that the directive was reversed barely 72 hours later, reinforced industry's concern about policy flip flops and conflicting policy signals.

There were also concerns that Government was now resorting to interventionist policies, and was using statutory instruments to achieve certain goals, which were selective in nature. Recent interventions included new regulations for bureaux de change and the ban on the use of the US dollar. Some stakeholders felt that government's heavy reliance on delegated legislations such as temporary powers was undermining law-making institutions such as Parliament.

Currency, Pricing & Liquidity Perspectives: Industry decries half-hearted approach to currency reforms

The Reserve Bank of Zimbabwe revealed that the depreciation of the Zimbabwe dollar against the US dollar and other currencies in recent weeks was a result of the closure of the tobacco marketing season, which is a major foreign currency earner for the country. Zimbabwe has a cyclical inflow of foreign currency due to its dependence on agricultural exports. The bulk of export earnings are received between April and August post-harvest. The dry period, starts around September and ends in March when the tobacco marketing season commences. Meanwhile, industry has rapped Finance and Economic Development minister Mthuli Ncube over his "half-hearted approach" to the currency reforms, saying the continued use of the United States dollar in the market was undermining confidence in the local unit. "Prospects for industry to year-end will depend on a number of important factors, which include foreign currency availability, electricity supply and general macro-economic stability. The macro environment has been highly volatile for most of the year and does not auger well for business performance. A functional market for foreign currency requires liquidity and transparency. The continued half-hearted approach to the mono-currency system is undermining confidence in the local currency. The active support of the market by the monetary authorities is also important for stability," Confederation of Zimbabwe Industries president Henry Ruzvidzo said.

Insuring Businesses, Guaranteeing Peace of Mind, Enabling Growth!



CREDIT INSURANCE
Export, Domestic

SHORT TERM INSURANCE
Motor, Business, Personal, Marine

BONDS
Custom, Construction Contract

ECGC is a solid **INSURANCE** company with vast experience in **CREDIT INSURANCE**. Together with our **SHORT TERM INSURANCE** offering, it makes ECGC a perfect fit for all your insurance needs.

Situated in a quiet, accessible and secure environment, come in and be served by our team of experts.



6 Earls Road, Alexandra Park, Harare, Zimbabwe Tel: +263-4-745565 / 452 / 744644 Email: info@ecgc.co.zw

Everyday Insurance Made Easy

PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- **ZB Bank** introduced its WhatsApp Banking offering, following in the footsteps of **Steward Bank** which introduced Sosholoza. “Just say Hi to 0731 440 440 and experience ZB WhatsApp Banking,” said the bank in an advertisement. Branded ZB WhatsApp Banking, the offering allows users to do quick payments, balance enquiries and statement download, send ZIPIT, buy **ZESA** tokens, pay bills, execute internal transfer, pay school fees and view payees menu.
- **Stanbic Bank Zimbabwe** launched the Stanbic Bank Incubator Hub, a programme aimed at supporting and empowering budding entrepreneurs and Small to Medium Enterprises (SMEs). In a speech read on his behalf by **William Manhimanzi**, the deputy director for financial and capital market, **Reserve Bank of Zimbabwe** Governor **John Mangudya**, commended Stanbic Bank for introducing the Incubator Programme saying it was in line with the Central Bank’s financial inclusion thrust, as well as the roadmap for Vision 2030 which seeks the inclusion of the informal sector. “I would like to commend Stanbic Bank on the launch of such an initiative, as it is going to immensely assist the upcoming entrepreneurs to overcome most of the challenges that they are currently facing by taking them into mainstream businesses that are accountable and can be counted in terms of KYC (Know Your Clients) and tax remittances. Stanbic Bank, as your regulator, we would like to let you know that you have our full support and would like to commend you on working together with your strategic partners as this will prove to have greater impact,” said Dr Mangudya. Stanbic Bank non-executive director **Nellie Tiyago-Jinjika** had this to say about the introduction of the hub: “The Incubator Programme is strategically structured, and its objectives include empowering and growing small business ventures and encouraging innovativeness in the youths. The hub is equipped to address challenges faced by enterprise businesses such as lack of business and financial management skills; lack of collateral; poor access to markets; and poor corporate governance structures.”
- **Stanbic Bank** introduced an account called **BluEase**. “Yet another move forward. With just a copy of your ID you can open a BluEase account. It’s a way of making banking easier for You. Contact us today and find out how easy it is to move forward!” said the bank whose payoff line is “Moving Forward.”
- **Steward Bank** announced an upgrade of the security of its cards offering “Get to the next LEVEL of Banking with EMV. Level up today and upgrade your Old Mag stripe card to a new EMV card. The new Chip & Pin card offers you an enhanced and more secure payment experience. Visit your nearest Steward Bank branch TODAY!” said the **Smartech** company. EMV means **Europay**, **Mastercard** and **Visa** is a Security Global Standard for cards while for Magstripe, which is sometimes called swipe card, data is stored on magnetic reading stripe.

PRODUCT PROMOTION INDEX (PPI)

- **Cassava Remit**, in association with **EcoCash Bureau De Change** introduced a **Back to School Promotion** running until 30th of September 2019. “Win school fees! Receive any amount of money directly into your EcoCash FCA wallet via Cassava Remit and stand a chance to win school fees vouchers and airtime. Once your money is in the EcoCash Bureau De Change,” said **Cassava Smartech** sister companies about the promotion under which 30 recipients stood a chance to win ZW\$500 worth of school fees vouchers while 1000 others stood to win ZW\$ airtime.
- **Cassava Smartech** on 25 September 2019 launched a \$10 million **Chakachaya PaSasai Promotion** open to all active Sasai application users. The promotion, which was expected to run for over 10 weeks starting from the 26th of September to the 6th of December 2019, aimed to establish digital trust and worth to all its valued customers. According to company officials, Sasai App is the first of its kind in Africa incorporating three main functions of pay, chat and explore. For one to qualify for the Sasai promotion, they must have over 10 friends on the application. The company intends to make the Sasai app remittance service available globally in partnership with mobile operators and local banks.
- **Moovah** introduced a **Free ZINARA promotion** under which vehicle owners could get 100% off their ZINARA licence. Comprehensive insurance customers get 100% discount while third party insurance customers get 50% discount. “Renew with Moovah & you’re guaranteed to get up to 100% OFF your Zinara licence payment. Move

over to Moovah & experience the difference!” said the Econet Wireless subsidiary. The promotion runs from the 19th of September to the 28th of February 2020.

SUMMARY: PRODUCT LAUNCH & PROMOTION INITIATIVES

#	Organization	Product /Promotion	Product/Service Category	Sub-sector	Type of Initiative
1	ZB Bank	ZB WhatsApp Banking	Transaction Banking	Banking	Product Launch
2	Stanbic Bank Zimbabwe	Stanbic Bank Incubator Hub	SME Banking	Banking	Product Launch
3	Stanbic Bank Zimbabwe	BluEase Account	Transaction Banking	Banking	Product Launch
4	Steward Bank	EMV Cards	Card Product	Banking	Product Enhancement
5	Cassava Remit/EcoCash	Back to School Promotion	Cross-border remittances	Fintech	Product Promotion
6	Cassava Smartech/Sasai	Chakachaya PaSasai Promotion	Sasai Application	Fintech	Product Promotion
7	Moovah	Free ZINARA promotion	Motor Vehicle Insurance	Insurance	Product Promotion

CHANNEL DEVELOPMENT/RATIONALISATION ACTIVITY

- **Standard Chartered Bank** said it would close its Gweru branch with effect from 1st October 2019 and transfer the affected accounts to Bulawayo. The bank said the closure of the branch was in alignment with global banking trends, where the use of mobile and digital banking was becoming dominant. “We have also noted that our clients are preferring to transact more digitally, including on our recently launched SC Mobile App, our ATMs as well as our online and mobile banking. Whilst branch domiciliation allows you to relate to a particular branch, you have always been able to do your transactions at any branch and on our digital platforms,” said the bank’s Head of Retail Banking **Valeta Mthimkhulu**.
- **NetOne’s** mobile money platform **OneMoney** invited businesses such as sole traders, SMEs, retailers and corporates to join its merchant network. “NetOne is offering you an opportunity to join the growing OneMoney Merchant network. To apply, call Simpson on 0712 980 712 or visit any of our NetOne shops for more details,” said the company, which went on to outline the registration requirements as follows:

Registered Company	Educational Institutions; societies; Associations; Clubs; Non-profit organisations	Sole Trader; Vendor
Duly signed application form	Duly signed application form	Duly signed application form
Certified copies of ID, Proof of residence and a passport photo for two directors	Certified copies of ID, Proof of residence and a passport photo for 2 signatories/trustees	Certified copies of ID and a passport photo
Certificate of Incorporation (certified copies)	Minutes with resolution	Proof of operating licence
Tax certificate	Constitution	Proof of residence or Police affidavit
Proof of operating licence	Proof of physical address	
CR6 (certificate copy)		
CR14 (certificate copy)		
2 copies of Agent Agreement		

- **Access Finance** introduced new retail partners where customers could access services in addition to its proprietary branches. At selected **Delta, Electrosales, Farmvet, Gain Cash & Carry, Datlabs, Irvines or Zimnat**, members of the public can access tuition fees payment, air ticket payments and DSTV payment services. Customers can also enjoy access to forex through the business and holiday allowances. Demand for bureau de change and forex payment services has steadily grown and Access Finance said it continued to play its part to broaden formal channels for foreign exchange. “We are pleased to be growing a network of strong partnerships that will empower customers across the nation to access our services. Our market is transitioning into an era of safe and secure transacting and

we will continue to do our part as we grow, to bring inclusive transacting to customers across Zimbabwe,” said Managing Director [Raymond Chigogwana](#).

- [NMB Bank Limited](#) announced the expanded use of its TapCard. “Tap and go! You can now use the TapCard at Harare to Beitbridge Tollgates. Get yours at Tollgates or any NMB Bank Branch today,” said the bank whose payoff line is “In Pursuit of Excellence.”

SUMMARY: CHANNEL EXPANSION/RATIONALISATION ACTIVITY				
#	Institution	Sector	Type of Initiative	Description
1	Standard Chartered Bank	Banking	Closure of Gweru branch	Effective 1 October 2019
2	OneMoney	Mobile Money	Merchant Recruitment	Sole traders, SMEs, retailers and corporates
3	Access Finance	Bureau de Change	Delivery channel development	Retail channel partnerships
4	NMB Bank Limited	Banking	Tap Card Use Expansion	Harare to Beitbridge Tollgates

ICT OPERATIONS AND SECURITY ISSUES

- [ZB bank](#) issued a customer notice regarding System Maintenance on its Internet Banking platform. “Dear Valued Clients. We wish to advise our valued customers that we are carrying out maintenance on our Live Data Centre from 10:30 pm on the 7th of September 2019 to 00:30am on the 8th of September 2019. During the exercise the E-Banking channels will not be accessible. Should you experience any challenges after the above period, kindly get in touch with your branch for assistance. We sincerely apologise for any inconvenience caused and thank you for your support and understanding,” said the bank in the notice published on the 4th of September 2019.
- [Ecobank Zimbabwe Limited](#) issued a customer notice on the ongoing system upgrade. “Ecobank Zimbabwe Limited wishes to advise all our valued customers and the general public that further to our notice dated 27 August 2019, in which we informed you of our project to upgrade our Core banking system, we hereby advise that we are expecting to go live on Monday the 23rd of September 2019. In order to achieve a successful transition, please take note of the following:
 - Online services shall be disrupted on Friday 20 September 2019 from 8pm until Sunday 22 September 2019.
 - All branches will be closed on Saturday 21 September 2019.

Furthermore, be advised that our executive and management teams will be working round the clock during the period to oversee the process and ensure a seamless transition on the expected date. Should you have any queries regarding the system upgrade, please do not hesitate to contact us via Email: ezw@ecobank.com; Toll Free Line: 08677008434 or visit any Ecobank branch. We apologise for any inconvenience this upgrade may cause. We thank you for your continued support and we value your business,” said the bank in the notice published on the 18th of September 2019.

- [Ecobank Zimbabwe Limited](#) announced the successful implementation of system upgrade. “We have upgraded our system to serve you better. Ecobank Zimbabwe Limited wishes to advise all our valued customers and general public that the system migration was successfully implemented on 23 September 2019 and all platforms are now up and running. The upgrade is expected to improve stability and robustness of our systems and service availability across all our channels. We would like to thank you for your patience during the preparations leading to the bank’s system upgrade and subsequently the switchover that occurred on 23 September 2019. Should you have any queries regarding the changes that have come with the system upgrade, please do not hesitate to email: ezw@ecobank.com or your Relationship Manager. Toll Free Line: 086 77008434. Visit our online page ecobank.com/system-upgrade or walk into any of the Ecobank branches. Please be assured that Ecobank is fully committed to providing you with the best products, channels & service. We thank you for your continued support and hope you enjoy your new and improved Ecobank Service,” said the bank in a customer notice published on the 27th of September 2019.

- **Agribank** announced an intention to undertake a System Upgrade and Migration project. “The Bank is undertaking a major project to upgrade the core banking system in order to improve service delivery. This will cause temporary service disruption during the migration period. The migration is scheduled to commence from 2000hrs on 31st October 2019 to midnight on 3rd November 2019. During this migration period all systems will be down. This means all branches will be closed and no service will be available. Normal operations and all services will resume on the 4th November 2019. We look forward to offering you more efficient service after this necessary upgrade,” said the bank in a notice to customers.
- **Ecobank Zimbabwe Limited** issued a further customer notice on the system upgrade. “Further to the successful system upgrade and subsequently the switchover that occurred on Monday 23 September 2019, Ecobank Zimbabwe Limited wishes to advise all our valued customers the following key notable changes and improvements.

ECOBANK ONLINE (Formerly Internet Banking)

We have automatically switched from our existing internet banking application to a new improved version called Ecobank Online. This new version harnesses the latest technology to provide you with an online banking experience that is both intuitive and secure.

ACCOUNT NUMBER

Your account number has changed from the current 16 digits to 13 digits. The new number can be accessed as follows:

1. When using Ecobank Online (Formerly Internet Banking), you will find your new account number under ‘Current & Savings’ on the dashboard after logging in (after entering your login credentials).
2. On the Ecobank Mobile App, your new account number will be shown on your account profile page.

Should you be unable to view your new account number on any of the above stated channels or if you do not currently use Ecobank Online or Mobile Banking, visit your nearest Ecobank branch. Should you have any queries regarding these changes that have come with the system upgrade, please do not hesitate to contact us via the following channels: ezw@ecobank.com or your Relationship Manager. Toll Free Line: 086 77008434. Visit our online page ecobank.com/system-upgrade or walk into any of the Ecobank branches. Visit our online page ecobank.com.system-upgrade or walk into any of the Ecobank branches. We thank you for your continued support and hope you enjoy your new and improved Ecobank service,” said the local franchise of “The Pan African Bank”.

EXECUTIVE MANAGEMENT/BOARD CHANGES

- ZSE-listed **Getbucks Financial Services Limited** announced the appointment of **Paul Soko** as deputy managing director of **GetBucks Microfinance Bank Limited** effective 5 June 2019. He will deputize the managing director and handle the portfolio of Chief Operations Officer. Soko is a Chartered Accountant who also holds an MBA from the **University of Cape Town**. He joined the bank in 2015 and was previously the Company’s Chief Finance Officer. Meanwhile, the board also appointed Patrick **Mashinga** as Chief Finance Officer Effective 19 August 2019. Patrick is also a Chartered Accountant and was previously the Group Finance Manager at **Brainworks Limited**. Meanwhile the Board of Directors announced the resignation from the Board of **Mrs. Milanda Manjengwah** and **Mr. Gert (Gerrie) Thomas Fourie** effective 23 May 2019 and 30 June respectively. “Mr. Fourie was a founding executive director of the bank and has been reassigned to another country within the **MyBucks** Group. Mrs. Manjengwah has been on the Board since 2016 and leaves to concentrate on her official duties in her law firm. The Board thanks Mr. Fourie and Mrs. Manjengwah for all their hard work throughout the years,” said Chief Executive Officer **Terrence Mudangwe** in the public notice dated 5 September 2019.
- **NMB Bank Limited** announced the appointment of a Deputy Chief Executive Officer as part of its succession planning. “We are pleased to announce the appointment of **Mr. Gerald Gore** to the position of Deputy Chief Executive Officer for NMB Bank with effect from 1 September 2019. Prior to this appointment, Mr. Gore was the Chief Operating Officer, a position he will continue to hold. He has extensive experience in banking spanning over

15 years in strategic management, business development, risk management and banking regulations. He is a holder of a Masters in Business Leadership and an MSc in Finance & Investments among other qualifications. We wish him well in his new role," said the banking subsidiary of [NMBZ Holdings Limited](#) in a notice of an Executive Appointment.

- The Minister of Finance and Economic Development, [Professor Mthuli Ncube](#) issued a press statement on the appointment of two additional Zimbabwe Revenue Authority (ZIMRA) board members. "In terms of the Revenue Authority Act [Chapter 23:11] and in consultation with His Excellency, the President, Cde E.D. Mnangagwa, I am pleased to announce the appointment of two additional ZIMRA Board Member with effect from 10 September 2019 as follows: Mrs Grace Muradzikwa and Mrs Nothando Ndebele," said Professor Ncube in the statement dated 10th September 2019.
- Finance Minister [Mthuli Ncube](#) appointed a new board for the [Reserve Bank of Zimbabwe \(RBZ\)](#) chaired by Governor [John Mangudya](#), with Industrialist [Kumbirai Katsande](#) coming in as vice chairman. [Zvinechimwe Churu](#), a principal director in the Ministry of Finance is part of the 12-member board. Presidential advisor and industrialist, [Busisa Moyo](#) is also part of the new board. [Matilda Dzumbunu](#), [Edwin Manikai](#), [Lindiwe Sibanda](#), [Emma Fundira](#), [Caleb Fundanga](#) who is a former governor of the bank of Zambia, [Belinda Musakwa](#) and [Jerry Parwada](#) are also in the board.

REBRANDING, RESTRUCTURING & STRATEGIC REALIGNMENT INITIATIVES

- Insurance services firm [Zimnat](#) struck a partnership deal with bureau de change operator, [Access Finance](#), for provision of key services to their clients. Under the arrangement, [Zimnat](#) customers can now obtain bureau de change services at selected [Zimnat](#) branches across the country. "The establishment of bureau de change services at [Zimnat](#) branches is part of [Zimnat's](#) bid to make life better for its clients by offering them a one-stop shop for various insurance and financial services," [Stanley Mazorodze](#), [Zimnat General Insurance's](#) chief executive officer said. [Access Finance](#), a specialist financial services institution, provides fixed income, structured finance and foreign exchange services. It recently launched services enabling customers to buy and sell foreign currency for business and holiday travel on a willing seller willing buyer basis, as prescribed by the [Reserve Bank of Zimbabwe](#), following the establishment of an interbank market.
- [Steward Bank](#) introduced new staff uniforms which it described as the fresh look for improved service. "Introducing the [Steward Bank](#) new spring look. Staff uniforms are an important part of any institution's brand. Our Stewards, will from this month step out in a new uniform. It's a refreshed look designed to connect with our organization's youthfulness while instilling a sense of pride in the [Steward Bank](#) brand. It's crisp without being stuffy, comfortable without being too casual," said the [Cassava Smartech](#) banking subsidiary.
- [Standard Chartered Bank Zimbabwe Limited](#) issued a notice in respect of the termination of safe custody services. "Following earlier advice to affected clients and other press advertisements, [Standard Chartered Bank Zimbabwe Limited](#), wishes to remind all those who have previously lodged items for Safe Custody with the Bank, that it is regrettably no longer offering this service. If you have lodged items with the Bank, you are requested to collect them from our Africa Unity Square Branch by 31 December 2019, upon producing the relevant identification documents and Safe Custody receipt which was issued when the item was lodged. Post this date, the Bank will open these items," said the bank in the notice published on 11 September 2019.

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- [Lobels Athletics Club's](#) athlete [Misheck Sithole](#) and [Fortunate Chidzivo](#) on the 8th of September 2019 emerged winners at the [Old Mutual Westgate](#) half-marathon as they beat a strong field that was made up of some of the country's seasoned middle and long-distance runners in Harare. [Sithole](#) was the first to cross the finish line in the men's 21km Open race in 1 hour 7 minutes 39 seconds ahead of [Moses Tarakino](#), who came second in 1 hour 8 minutes 14 seconds. [Abel Chibanda](#) was seven seconds behind [Tarakino](#) to finish third with a time of 1 hour 8

minutes 21 seconds. This year's event attracted about 1400 athletes across the board from the 21km event, which was the main race, to the 10km race and the 5km Fun Run.

- **Zimnat** partnered with the **Professional Women, Women Executives and Business Women's Forum (PROWEB)** to offer free eye cataract surgery to hundreds of people affected by the condition in Zimbabwe. A team of doctors from Spain under the **Elena Barraquer Foundation**, working with local doctors, performed the operations at **Chitungwiza Central Hospital** from September 23 to 28. The foundation is an offshoot of the Barraquer Ophthalmology Centre, a top Spanish Eye Hospital in Barcelona which has for years undertaken similar eye projects in Africa. More than 200 people from Harare, Mahusekwa, Marondera, Dema, Mount Darwin, Madziva and Shurugwi benefited from the programme, undergoing successful cataract removal operations.

CORPORATE ACTIONS

- **FBC Holdings Limited** made an interim dividend announcement on the 5th of September 2019. "Notice is hereby given that the Board of Directors of FBC Holdings Limited has declared an interim dividend of 2.232 cents per share on 671 949 927 ordinary shares in issue on 28 August 2019. The dividend is in respect of the six months ended 30 June 2019 and will be payable in full to all the shareholders of the Company registered at close of business on Friday, the 20th of September 2019. The payment of dividend will take place on or about 30 September 2019. The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market day of 17 September 2019 and ex-dividend as from 18 September 2019. Shareholders are requested to submit their bank details to our transfer secretaries who are First Transfer Secretaries situated at No. 1 Armagh Avenue, Eastlea, P.O. Box 11 Harare," said Group Company Secretary **Tichaona Mabeza**.
- **Old Mutual Zimbabwe Limited** issued a shareholder statement in respect of its financial performance to 30 June 2019. "The Directors of Old Mutual Zimbabwe Limited (OMZIL/the Company) wish to advise all shareholders that due to the lack of market-wide consensus in applying hyperinflation accounting based on IAS29, the Company's interim financial results for the half year ended 30 June 2019 have been prepared on a historical cost accounting basis. In an environment of very high inflation, financial statements prepared using historical cost accounting may not result in fair presentation of the financial position and performance of an entity, especially when compared to prior period financial information presented. In this regard and in line with Clause D1.19 of the **Financial Securities Exchange (Private) Limited** Issuer Admission Rules, the Directors advise that the Company's profit after tax prepared on the historical cost basis for the half year ended 30 June 2019 will be significantly higher than the profit after tax for the same period in 2018. The increase in profit is mostly attributable to investment properties fair value adjustments, fair value gains of equity investments and translation of foreign currency balances arising out of the change in functional and reporting currency from United States Dollars to the local currency (ZWL\$). Shareholders are accordingly advised to exercise due caution in trading of their OMZIL shares before the publication of the half year results by 13 September 2019," said the board in the statement dated 9 September 2019.

EXTERNAL FINANCING: LINES OF CREDIT AND GRANT FINANCE/AID

- Cabinet approved a US\$51 million facility to be financed by **John Deere**, which was presented by the Minister of Lands, Agriculture, Water, Climate and Rural Resettlement. The facility will involve the supply of agricultural mechanisation equipment so as to increase agricultural productivity and viability. The equipment to be imported under the scheme includes 80 combine harvesters, 1 300 tractors, 200 disc harrows, 400 planters, 200 seed drills, 100 boom sprayers, 100 tipping trailers and fast-moving spare parts for each of the equipment and machinery. Furthermore, training will be given to farmers so as to guarantee sustainability of the programme. The facility will extend loans of three to five years to participating farmers from all the country's eight provinces at a 5 percent interest rate.

CAPITAL MARKET DEVELOPMENTS

- **Zimbabwe Stock Exchange** chief executive officer **Justin Bgoni** and his **Botswana Stock Exchange Limited** counterparty, **Thapelo Tsheole** signed a memorandum of Understanding between the two bourses in Harare on

the 16th of September 2019. The partnership between the two exchanges provides a framework for cooperation in multiple areas, including product and market development as well as promotion of cross listings. The agreement also encourages cross border listings and furthers opportunities for cooperation between both institutions at the same time fast tracking listing requirements for firms seeking secondary listing in either market. “The cooperation is good for risk diversification, if you are looking for money it is always nice to have different sources, it is even better when the sources are in different countries. The second thing we cannot deny especially in our situation is the country risk, so if you are listed on Botswana and Zimbabwe Stock Exchanges you will be listed in two countries thus reducing country risk,” said Bgoni. The two exchanges’ collaboration stems from almost similar guidelines that govern the two institutions but Bgoni was quick to point out the move was also motivated by relaxed exchange controls in the country’s western neighbour. “We chose Botswana because we have a good relationship. We actually started the exchange so that relationship has continued going forward and also Botswana has some advantages. We know that they have excess capital so they have the money, the other thing is Botswana doesn’t have exchange controls so it is an easier country to do business, so we thought of that synergy,” he added.

- As they sought safe haven against inflationary pressures, stocks rallied and investors gained \$2 billion in the session for the 20th of September 2019. By close of trade on the same day, total market value had jumped 9 percent to \$25 billion, sustained by gains in the market’s heavyweight counters. The primary indicator, the ZSE All Share Index added 11 percent to 196.37 points, while the ZSE Industrials Index put on 11 percent to 654.89 points on firming demand across counters. At 182.38 points, the ZSE Top 10 Index was 13 percent above the prior session, extending its year-to-date gains to 25.76 percent.

FISCAL, PUBLIC DEBT & INVESTMENT ISSUES

- High Court Judge Justice [Happias Zhou](#) on the 18th of September 2019 scrapped Statutory Instrument (SI) 205 of 2018, which enabled Government to levy 2 percent tax on electronic money transactions above \$10. The tax was introduced as an austerity measure by Finance and Economic Development Minister [Professor Mthuli Ncube](#). However, Justice Zhou’s judgement had no material effect given the existence of a Finance Act, which provides for the contested tax, passed on August, 21. The ruling followed an application by [Combined Harare Residents’ Association \(CHRA\)](#) director [Mfundo Mlilo](#) challenging SI 205 of 2018 in October the same year. Mlilo was represented by lawyer [Tendai Biti](#), who, writing on his Twitter handle, confirmed the austerity measure was still in existence. “It seems the 2 percent is not going anywhere as what has been set aside is the Statutory Instrument 205 of 2018 which introduced the 2 percent tax, but currently the 2 percent tax is based on the Finance Act passed on August 2019, hence *ngoma ndiyo* (nothing has changed),” Biti said. In his application, Mlilo argued that the Government’s decision was made without the necessary backing of the law, citing in particular the amendment of the Income Tax Act or regulation of the tax in a Statutory Instrument.
- Meanwhile [Professor Mthuli Ncube](#), the Minister of Finance and Economic Development issued a press release in response to the court judgment on the Intermediated Money Transfer Tax. “The Attorney General had brought to my attention the judgment on SI 205/2018 pertaining to the collection of Intermediated Money Transfer Tax. That judgment will not affect the collection and levy of the Intermediated Money Transfer Tax because the collection of the Tax under that Statutory Instrument 205/2018 was subsequently validated by Parliament under the Finance Act No. 1 of 2019. Consequently, the 2% tax will continue to be levied,” said Ncube in the press release dated 18 September 2019.

TROUBLED INSTITUTIONS RESOLUTION INITIATIVES

- The Deposit Protection Corporation issued a public notice in respect of Lion Microfinance Limited which was placed under curatorship in July 2019. “[Lion Microfinance Limited t/a Lion Finance Zimbabwe](#) (“Lion Finance”) was placed under the curatorship of the [Deposit Protection Corporation](#) (“DPC”) by the [Reserve Bank of Zimbabwe](#) (“RBZ”) on the 26th July 2019 according to the Microfinance Act [Chapter 24: 29] for a period of three months. DPC further appointed [Mr. Ngoni Kudenga](#) of [BDO Tax & Advisory Services \(Private\) Limited](#) (“BDO Advisory”) as their Agent for the curatorship of the deposit-taking microfinance institution (DTMFI). This notice serves to advise the public that the DTMFI is now open for lending business with effect from Monday, 16th September 2019. The institution

will continue with the loan recovery processes that is already underway. The public is free to visit the DTMFI's premises situated at Century Towers, Ground Floor, 45 Samora Machel Avenue, Harare from Monday 16th September 2019 for their loan funding requirements. Clients with loan obligations which are due for payment should continue making payments as previously advised. The public is further advised that for the period of the curatorship, the DTMFI will not be taking any deposits. A plan for the payment of pre-curatorship creditors and depositors will be announced in due course. The curator is seized with full restoration of the DTMFI's operations in the shortest possible time," said the DPC in the notice dated 16th September 2019.

BOND/TB ISSUE OUTLOOK

- The results of the most recently held Treasury Bill (TB) auctions are anything to go by, the local market clearly has huge appetite for government paper specifically and perhaps fixed-income securities in general. The said TB auctions were oversubscribed with total bids tendered amounting to double the value of securities on offer. Now might be a good time to test the local market's appetite for new issuers of fixed-income instruments. Corporates with strong balance sheets could well look to issue commercial paper, which is non-secured short-term instrument (with tenor of 365 days or less) used by high-credit-worthy corporates to finance their working capital needs.
- 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 One Hundred million dollars (ZWL\$ 100, 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 92-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 million dollars (ZWL\$ 100,000,000 – 00)
 - Interest Rate: Open Tender on a yield basis
 - Tenure: 92 days
 - Purpose of Issue: To finance Government Programmes
 - Offer Opens: Wednesday, 25 September, 2019 at 08:00hrs
 - Offer Closes: Thursday, 26 September, 2019 at 12:00hrs
 - Allotment and Payment: Thursday, 26 September, 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 92-day Treasury Bill tender that opened on the 25th of September 2019 and closed on the 26th of September 2019.

Amount on Offer	ZWL\$ 100,000,000.00
Highest Rate	25.0000%
Lowest Rate	12.0000%
Average Rate	13.6765%
Amount Allotted	ZWL\$ 102,000,000.00
Total Bids	ZWL\$ 419,000,000.00

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- **International Monetary Fund (IMF)** representative in Zimbabwe **Patrick Imam** on Tuesday, 27 August 2019 revealed that a team from the Washington DC- headquartered **Bretton Woods** Institution would be in the country in September, 2019 to assess progress made on the Staff Monitored Programme for the period between May and June 2019. ‘The team will evaluate whether the commitments set by the government for the end of June were met. While I cannot prejudge the outcome of these findings, it seems to me that the economic reforms are broadly on track and have continued against a very difficult economic and political background. But let’s wait for the outcome of the mission... The team will also update the economic forecasts. While I do not want to prejudge the findings of the mission, it is clear, compared to the projections of the original SMP which did not foresee the severity of the drought and its secondary impact, nor the electricity shock, that growth is almost certainly going to be revised downwards and inflation upwards compared to the original SMP forecasts,’ Imam said.
- Parliament on the 9th of September 2019 started public hearings in Harare to solicit views on the Money Laundering and Proceeds of Crime Bill which sought to question people leading posh lifestyles from inexplicable sources of income. The Bill sought to empower law enforcement agents with powers to arrest those who failed to explain or hid useful information pertaining to the source of their wealth as they risked being jailed up to two years, while the tainted property would be forfeited to the State. The **Parliamentary Portfolio Committee on Budget, Finance and Economic Development** chaired by **Felix Mhona** said they would conduct public hearings in Mutare before heading to Gweru en-route to Bulawayo.
- Finance and Economic Development Minister **Mthuli Ncube** appointed a nine-member Monetary Policy Committee (MPC) chaired by central bank Governor **Dr John Mangudya**, with effect from 10 September 2019. Other members of the MPC included the RBZ deputy governors; **Dr Kupukile Mlambo** and **Dr Jesimen Chipika**, industrialist and businessman **Kumbirai Katsande**, ex- government advisor and economist Professor **Ashok Chakravarti**, former ABC Holdings chief executive officer **Douglas Munatsi**, economist and former Bulawayo South legislator **Eddie Cross**, Professor **Theresa Moyo** and **Mrs Marjorie Ngwenya**. The MPC is established in terms of the Reserve Bank of Zimbabwe Act, Section 29B, subsection (1), which also requires committee members to have sound knowledge, experience or expertise in finance, banking and fiscal or monetary policies. The MPC’s functions entail determining the monetary policy of Zimbabwe; including the setting of limits on open market operations by the bank and ensuring price stability as defined by the Government’s inflation target in the national budget. It shall also determine interest rates in line with the Government’s economic policies and targets for growth and employment creation as well as other monetary policy functions, as the minister may prescribe by way of regulations. According to the RBZ Act, the committee shall submit its findings to the board of the central bank for information purposes only. Notably, the MPC’s immediate task will entail stabilising the recently reintroduced local currency exchange rate, which has been on a free fall since being floated in February 2019 and slaying the inflation dragon.
- The Finance and Economic Development Minister **Professor Mthuli Ncube** said a two-member delegation from the **International Monetary Fund (IMF)** was in the country to review progress under the Staff Monitored Programme. Comprising of **Gene Leon**, Division Chief of the IMF African Department and **David Robinson**, the Deputy Director, the delegation paid a courtesy call on President **Emmerson Mnangagwa** at his Munhumutapa Offices on the 12th of September 2019. “This is a delegation from the IMF. As you know, Zimbabwe is under the Staff Monitored Programme for the next few months, which is meant to support our reform agenda under the Transitional Stabilisation Programme,” said Ncube after the meeting.
- Government moved to protect contributions by members into pension funds after Cabinet approved the Pensions and Provident Funds Bill on the 17th of September 2019. Presenting the 33rd Cabinet Meeting Decision Making Matrix on the same day, Acting Minister of Information, Publicity and Broadcasting Services **Kazembe Kazembe** said the Bill would also ensure the sustainability of the insurance sector as a whole. “Cabinet considered and approved the Pensions and Provident Funds Bill which was presented by the Attorney-General (**Prince Machaya**). The Bill seeks to ensure protection of pension fund members and beneficiaries interests, ensure security of funds and ensure sustainability of the pension insurance sector as a whole,” said Kazembe.

- The [Ministry of Finance and Economic Development](#) issued a press statement on the new financing model for agriculture. “In line with the Transitional Stabilisation Programme (TSP) and the Budget Statements for 2019, the financing model for Special Grain and Oil Seed (Maize, Wheat and Soya Beans) Production (Command Agriculture) has been transformed and now involves Commercial Banks and Private Sector Out-grower schemes, working jointly with Government on Public Private Partnership (PPP) basis. So far the banks that have entered into a partnership with Government include, [Agribank](#), [CBZ Bank](#) and [Stanbic Bank](#). More Banks are expected to join the programme, therefore bolstering efforts for domestic resource mobilisation. In the main, Government will provide guarantees to the Banks in order for them to lend to farmers on a commercial basis. We look forward to working with the private sector on a PPP basis in capacitating our agricultural sector and raising productivity,” said the ministry in the statement dated 18 September 2019.
- The [Reserve Bank of Zimbabwe](#) issued a press statement outlining refinement of the operations of the Bureaux de Change. “The current interbank foreign exchange market is currently governed by the willing seller – willing buyer concept, without making reference to the interbank foreign exchange rate. In order to bring sanity on the operations of the Bureaux de Change, the following shall strictly be enforced:-
 - (a) All the interbank trades shall be processed at a margin of plus or minus 7% of the interbank mid-rate;
 - (b) The Bureaux de Change shall only sell foreign currency cash to individuals for foreign travel, upon submission of a passport. The current cash limits for Personal Travel Allowance of USD300 per day, per travel, and up to a maximum of USD10, 000 per year, should strictly be adhered to. The Bureaux de Change are, henceforth, required to endorse passports of travellers who would have purchased foreign currency;
 - (c) The Business Travel Allowance of USD400 per day, and up to a maximum of 7 days per travel, shall be strictly monitored;
 - (d) The Bureaux de Change shall be required to strictly adhere to the daily reporting requirements to the Central Bank; and
 - (e) The Bureaux de Change are required to visibly display the interbank exchange rate on their FX rate boards.

The [Financial Intelligence Unit \(FIU\)](#) and [Exchange Control Division](#) shall immediately mobilise resources to enforce compliance by all foreign exchange market players. Non-compliance by any Bureau de Change shall result in the imposition of heavy financial penalties, as well as revocation of the operating licence,” said the apex bank in the press statement dated 20th of September 2019.

- Government gazetted new regulations that will, among other things, ensure minimum prescribed asset ratios for insurers as announced by Finance and Economic Development Minister [Mthuli Ncube](#) in the 2019 National Budget Statement. The measures to be administered by [IPEC](#) are contained in Statutory Instruments 2016 of 2019 otherwise known as Insurance (Amendment) Regulations of 2019 (No.22). Insurance companies will now undergo monthly audits to ensure their assets are sufficient to cover their clients’ properties in the event of loss. Prescribed assets are the percentage of retirement funds’ assets (and possibly of other institutional investors) that, by law, have to be allocated to certain Government-approved instruments. Registered life insurers will have a minimum prescribed assets ratio of 15 percent of total market value, while funeral assurance, non-life insurance and reinsurance business will be required to have 10 percent of total adjusted value. Composite companies conducting both life and non-life business shall have 15 percent of the adjusted value of the respective component of the business and 10 percent of insurance business other than the entity’s life business. Every insurer shall conduct a self-assessment to prescribed assets ratios within 14 days after the end of each calendar month based on management accounts. An insurer that fails to comply with the new prescribed asset ratios is required to, within 30 days from the date it becomes aware of such, advise IPEC of non-compliance and take corrective plans within a period of six months,” reads the Statutory Instrument (SI).
- An International Monetary Fund (IMF) mission led by [Gene Leon](#) visited Harare from September 5th to 19th to conduct the Article IV Consultation and review progress under the Zimbabwe’s Staff-Monitored Program (SMP). The discussions covered recent economic developments, the near and medium-term outlook, risks to the economy,

developments in the financial sector, and the set of economic policies that are needed to restore stability and build the foundations for strong, sustainable, and balanced growth. At the end of the mission, Leon issued the following statement dated 26th September 2019:

“The IMF mission had productive discussions with the Zimbabwean authorities related to the 2019 Article IV consultation and performance under the Staff Monitored Program. In this context, the authorities have reiterated strong policy commitments to implement much needed reforms to restore stability, strengthen social protection, meaningfully improve transparency, improve FX policies and the monetary policy framework, and lay the foundations for a sustainable job-creating growth path. The authorities and staff both acknowledge the complex macroeconomic environment in which these reforms are being undertaken, with Zimbabwe facing the impact of a severe drought and its external arrears preventing access to traditional avenues of external financing.

Economic difficulties have continued throughout 2019, exacerbated by severe weather shocks. GDP growth in 2019 is expected to be steeply negative as the effects of drought on agricultural production and electricity generation, impact of cyclone Idai, and the significant fiscal consolidation to correct past excesses serve to drag on growth. Social conditions have deteriorated sharply, with more than half of Zimbabwe’s population (8.5 million people) estimated by the UN to be food insecure in 2019/2020. Weakening confidence, policy uncertainty, a continuation of FX market distortions, and a recent expansionary monetary stance has increased pressure on the exchange rate. Since the February currency reform, the exchange rate has depreciated from USD 1:1 ZWL to USD 1:16.5 ZWL (as of September 23), fostering high inflation, which reached almost 300 percent (year-over-year) in August.

Policy actions are urgently needed to tackle the root causes of economic instability and enable private-sector led growth. The key challenge is to contain fiscal spending consistent with non-inflationary financing and tighten monetary policy to stabilize the exchange rate and start rebuilding confidence in the national currency. Risks to budget execution are high as demands for further public sector wage increases, quasi-fiscal activities of the RBZ that will need to be absorbed by the central government, and pressure to finance agriculture could push the deficit back into an unsustainable stance. There is also a need to strengthen FX market operations and improve transparency on monetary statistics. These adjustment challenges are magnified by slow progress on international reengagement. Efforts will need to be intensified on both economic and political fronts to drive Zimbabwe forward.

The IMF staff and the authorities have agreed to maintain a close and continuous dialogue in the coming weeks on economic policies to restore economic stability while accommodating spending to alleviate food insecurity and protect vulnerable groups. Our dialogue with the Zimbabwean authorities is anticipated to continue during the IMF and [World Bank](#) Annual Meetings, taking place October 14-20, 2019.

The team is grateful to the authorities for their frank and open discussions on economic policy options. The mission met with H.E. President [E. Mnangagwa](#), Finance Minister [M. Ncube](#), RBZ Governor [J.P. Mangudya](#), other senior officials, members of Parliament, representatives of the private sector, civil society, and development partners. The team wishes to thank the authorities and the staff of the MoFED and the RBZ for their warm hospitality and collaboration,” said the IMF Communications Department.

- The [Reserve Bank of Zimbabwe](#)’s National Payment Systems Department on 30 September 2019 issued directive NPS 01/2019 in terms of the National Payment Systems Act [Chapter 24: 23] on Cash-In, Cash-Out and Cash-Back facilities. “It has come to the attention of the Reserve Bank of Zimbabwe that some economic agents are engaging in illegal activities abusing the cash-in, cash-out and cash-back facilities thereby compromising the public interest objectives of national payment systems in the economy. Notable activities include the buying and selling of cash through mobile money agents at high rates above the approved charges for cash-in and cash-out with some economic agents not banking cash sales under the disguise of cash-back services. The charging of commissions outside the approved framework adversely affects the smooth running of payment systems and have the negative effect of distorting pricing of goods and services. In view of the above, all mobile payment system providers and merchants are hereby directed to discontinue cash-in and cash-out with immediate effect. Furthermore, all

economic agents are, with immediate effect, directed to discontinue cash-back facilities. Banks, mobile payment system providers and other economic agents are reminded of the need to ensure that the entire ecosystem operate within the confines of law and enforce compliance. Please be guided accordingly,” said [Josphat Mutepfa](#), the Deputy Director of Financial Markets in the National Payment Systems Department.

CUSTOMER SERVICE/PUBLIC RELATIONS MANAGEMENT & NETWORKING INITIATIVES

- On the 28th of August, 2019, [Zimnat](#) announced the social media winners of an all-expenses paid trip to Cape Town to participate in the [Sanlam Marathon](#) on September 15 and briefed the winners, [Tariro Makanga](#) and [Lilian Choruwa](#), on what to expect during the trip. Entrants to the competition could either tag Zimnat social media pages with a video or picture of how they would get ready for a marathon with a partner or a friend or else tag Zimnat in a posted video of them sharing a story about someone who helped them on their life’s journey. This was in line with the theme of the marathon, which is “Life Is A Marathon, you can’t do it alone.” The winning entry was the one with the most likes. The competition attracted an overwhelming number of submissions with a total of 55 000 people reached, 4231 engagements, 914 likes and 612 comments in just one week. Tariro managed to secure the tickets for herself and Lilian with 327 likes.
- [Nedbank Zimbabwe](#) hosted its Golf Tournament on the 12th of September 2019 at Chapman Golf Tournament which attracted a field of over 120 golfing enthusiasts.

INDUSTRY AWARDS AND ACHIEVEMENTS

- The Megafest Public Sector, Local Govt Awards were held at Cresta Lodge in Harare on the 30th August 2019. Winners from the financial sector lined up as follows:

Award Category	Winner
The Customer Service Award	POSB
CFO of the Year Award	Elfas Chimbera (Agribank)

- In what was said to be a first among Zimbabwean banks, [CBZ Bank Limited](#) was named Zimbabwe’s best bank by [Euromoney Magazine](#), a British publication. [Blessing Mudavanhu](#), [CBZ Holdings](#) chief executive officer said the country’s largest commercial bank by asset base was on Wednesday, [18 September 2019](#) honoured for its commitment and excellence and for pursuing sound management practices in its operations put in place by new management with international experience.

DOMESTIC LENDING & FINANCING PERSPECTIVES

- [ZB Bank](#) issued a customer notice advising of the review of its lending rate. “To Our Valued Customers. We wish to advise our valued customers that we have reviewed our minimum lending rate to 30% p.a. with effect from 4 October 2019. Contact your nearest ZB Bank branch for enquiries,” read the notice.
- [Industrial Development Corporation of Zimbabwe Limited](#) invited manufacturing and value adding sector companies to submit applications for loans under the Industrial Development Fund. “The Industrial Development Corporation of Zimbabwe Limited (IDCZ) is inviting bankable applications from all parts of the country for consideration for loan funding under the Industrial Fund. This follows recent resourcing of the Fund by the Government of Zimbabwe. Consideration will be on a first come first served basis.

1. Eligibility

Targeted beneficiaries should be corporates (brownfield/greenfield) who are into manufacturing and value adding activities especially those who are exporting or have potential to export and import with high employment impact.

2. Loan Terms and Conditions

2.1 Minimum loan amount currently ZWL\$ 1 000 000 and maximum of ZWL\$ 5 000 000.

2.2 Interest rate of 15% per annum which may be reviewed in line with the operating environment.

2.3 Once off administration fee of 1.5% of the loan amount being applied payable at disbursement.

2.4 Loan tenure of 12 months for working capital and 24 months for capital expenditure.

3. Application Process

3.1 Applicants should acquaint themselves with the Fund's list of application requirements obtainable from IDCZ offices,

3.2 A bankable business plan which includes all other applicable requirements together with a duly completed application form obtainable after payment of the requisite application fees should be submitted to the IDCZ.

4. Contact Details

Those eligible and interested should either visit us at 93 Park Lane, Harare or call us on +263 242 706 971/5 or email at pr@idc.co.zw. Further details on the fund can be obtained on our website: www.idc.co.zw," said IDCZ in the invitation.

CURRENCY, PRICING & LIQUIDITY PERSPECTIVES(CP & LP)

- Deputy Governor of the Reserve Bank of Zimbabwe Dr Kupukile Mlambo revealed that the depreciation of the Zimbabwe dollar against the US dollar and other currencies in recent weeks was a result of the closure of the tobacco marketing season which is a major foreign currency earner for the country. "The movements of the exchange rate are a reflection of the fact that we have come to the end of the tobacco marketing season. This country relies on four commodities foreign currency – gold, tobacco, chrome and platinum - and between February to the end of August or early September we had all four but at the end of August we had only three, so the amount declined and these movements are a reflection of that. They (the movements) are a reflection of what's happening in the market. They have nothing to do with Treasury Bills because the minister (Professor Mthuli Ncube) was very clear on that he doesn't borrow from the RBZ anymore and that's the only way we can increase money supply through the issuance of TBs," he said. The tobacco marketing season opened in March and closed at the end of August with the country having sold 758.18 million kilogramme worth US\$526 million. The value of the tobacco was however down from the US\$737 million realised from 753 million kg sold in 2018.