

Weekly Financial Sector Bulletin

Issue # 213: 29 April - 5 May 2019

CONTENTS

Selected Vital Statistics at A Glance	2
Product Launch/Enhancement Index (PLEI)	2
Product Promotion Index (PP1)	2
Executive Management/Board Changes	2
Corporate Social Investment (CSI) & Sponsorship Initiatives	3
Corporate Actions	3
Policy/Regulatory/Legal Developments	3
Key May Financial Sector Dates	3
Upcoming Events	3



info@soundgarden.co.zw



+263 4 2913145



WhatsApp

+263 776 450 509

The WFSB is a weekly 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 the financial and related markets.



WEEKLY FINANCIAL SECTOR BULLETIN

IT AGGREGATES FINANCIAL SECTOR CONTENT FOR
DISTRIBUTION TO PAID-UP SUBSCRIBERS IN ORDER TO
KEEP THEM INFORMED

It enables you to start the new week on an informed
note by reviewing the preceding week

The "Highlight Of The Week" commentary and "Quote
Of The Week" help you to get to grips with current
developments

It gives you information in bite size chunks.

"The Week In History" section highlights important
past developments in the financial sector

You also benefit from receiving the Monthly Financial
Sector Bulletin (MFSB) on a complimentary basis

EMAIL: info@soundgarden.co.zw
CONTACT: +263 4 2913145/+263 712 703 269

SELECTED VITAL STATISTICS AT A GLANCE

General Statistics	
Year-on-year Inflation for February 2019	66.80 % (February 2019: 59.39%)
Annual Inflation at End of 2019	5%
Average Inflation for 2019	22.4%
Projected 2019 Gross Domestic Product (GDP) Growth	3.1% (AfDB – 4.2%; World Bank – 3.7%)
Budget for 2019	US\$8.16 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) – 2017	US\$235m (2016 – US\$319 m (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 (31 December 2018)	US\$10.32 billion (US\$9.53 billion – 30 June 2018)
Total Banking Sector Loans & Advances (31 December 2018)	US\$4.22 billion (US\$4.08 billion – 30 June 2018)
Loans-to Deposit Ratio (31 December 2018)	40.71% (30 June 2018 – 43.53%)
Banking Sector Non-Performing Loans (NPLs) (31 Dec 2018)	8.39% (6.22% - June 2018 & Peak 20.45% as at 30 Sept 2014)
Total Banking Sector Assets (31 December 2018)	US\$13.98 billion (30 June 2018 - US\$12.35 billion)

PRODUCT LAUNCH/ENHANCEMENT INDEX (PLEI)

- The [People's Own Savings Bank \(POSB\)](#) announced enhancements to its mobile banking application, which can be downloaded on Googleplay and on the Apple App Store. "App your banking with the Revamped POSB 'On the Go' App. Now with the following features: RTGS, Self-registration, Beneficiary management, Statement request, Debit card pin change, Block/unblock lost or stolen debit cards, Improved aesthetics, Bill payments and more," said the country's sole savings bank.
- [BancEasy](#), a part of [Atlas Mara](#) introduced the BancEasy Emergency Loan, a salary-based loan product. In order to qualify for the loan, which has a repayment period of 1 month, one must earn a minimum net salary of RTGS\$250.00. Proceeds of the loan, which is touted for its fast turnaround time, are available for disbursement through bank account transfer and [EcoCash](#) channels. Requirements for successful application for the loan include the National ID, Latest payslip, a letter from the employer and three months bank statement.

PRODUCT PROMOTION INDEX (PPI)

- [EcoCash](#) introduced the Chaka-Chakachaya neEcoCash promotion, touted as Zimbabwe's biggest promotion, under which over 150 000 winners stood to win monthly draw prizes of airtime, cash and school fees vouchers; monthly grand draw prizes of stands, cows, televisions, goats and generators as well as bonus draw prizes of a house, Afcon, Cape Town Cruise and a trip to Victoria Falls. "Earn a point for every RTGS\$20 when you transact with EcoCash, 5 points get you in the running to WIN amazing prizes," said the [Cassava Smartech](#) company. Users can also transact at any of EcoCash's partners such as the [N. Richards Group](#), [Vaya Rides](#), [Ownai](#), [EcoSure](#), [Gain Cash & Carry](#) and [Simbisa Brands](#) and stand a chance to WIN additional prizes. They can also spend RTGS\$ 10 on the EcoCash Bundle, banking services, remittances and the EcoCash Debit to get 10 booster points. The promotion runs from 1 May to 31 July 2019.

EXECUTIVE MANAGEMENT/BOARD CHANGES

- The Chief Secretary to The President and Cabinet, [Dr Misheck J. M. Sibanda](#) announced extension of the term of office of the [Reserve Bank of Zimbabwe](#) Governor [Dr John Mangudya](#). "The Chief Secretary to the President and Cabinet, Dr. Misheck J. M. Sibanda, has announced the Extension of the Term of Office of the Reserve Bank of Zimbabwe Governor, Dr John Panonetsa Mangudya by His Excellency the President of Zimbabwe, Cde E.D.

Mnangagwa, acting in terms of Section 14 of the Reserve Bank Act [Chapter 22: 15]. The extension takes effect from 1st May 2019 for another five years,” said the statement dated 3rd May 2019.

CORPORATE SOCIAL INVESTMENT (CSI) & SPONSORSHIP INITIATIVES

- The [African Development Bank \(AfDB\)](#) on the 30th of April 2019 donated US\$400 000 towards the Cyclone Idai disaster that ravaged parts of Manicaland and Masvingo in March 2019. In addition, the bank donated US\$100 million to be shared among Zimbabwe, Malawi and Mozambique, the countries that were affected by the cyclone that left hundreds of people dead, infrastructure destroyed and thousands displaced. President [Emmerson Mnangagwa](#) confirmed the donation after a meeting with a five-member AfDB team led by vice president [Mr. Mateus Magala](#) at his Munhumutapa Offices in Harare.

CORPORATE ACTIONS

- [GetBucks Microfinance Bank Limited](#) issued a cautionary statement in respect of a potential capital raising initiative. “Shareholders and members of the public are advised that GetBucks Microfinance Bank Limited (“GBZW” or “the Company”) is contemplating a capital raising transaction, which if successfully concluded may have a material effect on the price of the company’s shares. Accordingly, shareholders and members of the public are advised to exercise caution and consult their professional advisors when dealing in the Company’s shares until a full announcement is made or this cautionary statement is withdrawn,” said Company Secretary [Paul Soko](#) in the statement dated 29 April 2019.

POLICY/REGULATORY/LEGAL DEVELOPMENTS

- Cabinet resolved to avail foreign currency to manufacturers of basic goods for the acquisition of raw materials so as to arrest the unjustified price increases obtaining in the country. The decision, which came out during Cabinet deliberations on Tuesday, 30 April 2019, had recently been proposed by the [Confederation of Zimbabwe Retailers \(CZR\)](#). “To alleviate the suffering of the majority of our people, Cabinet is putting in place mechanisms to ensure foreign currency is available to the business community for the procurement of raw materials for production process. This will go a long way in stabilising prices. In light of this initiative, Government is appealing to business to exercise restraint and stop the wanton increase of prices. Government used to support bread and cooking oil makers with foreign currency for the importation of key raw materials in a bid to reduce prices. However, following the introduction of the interbank foreign currency market, whose forex rate is market determined, Government felt it was now prudent for the producers to source their own forex at low rates. However, producers claim they are facing challenges in obtaining foreign currency on the interbank market, which makes them turn to the parallel market rate to keep the wheels of factories turning.

KEY MAY 2019 FINANCIAL SECTOR DATES

- | | |
|--------------------|---|
| 1 May 2019: | EcoCash introduced the Chaka-Chakachaya neEcoCash promotion, running through to 31 July 2019 and touted as Zimbabwe’s biggest promotion, under which over 150 000 winners stood to win various monthly draw prizes; monthly grand draw prizes as well as bonus draw prizes. |
| 1 May 2019 | The term of Office of the Reserve Bank of Zimbabwe Governor, Dr John Panonetsa Mangudya was extended by His Excellency the President of Zimbabwe, E.D. Mnangagwa, acting in terms of Section 14 of the Reserve Bank Act [Chapter 22: 15]. |

UPCOMING EVENTS

- | | |
|------------------------|--|
| 15-18 May 2019: | The Zimbabwe Association of Pension Funds 44 th Annual Congress at Elephant Hills Resort, Victoria Falls under the theme “Retirement Savings in an Uncertain Economic Environment.” |
|------------------------|--|

*