

WINTER SCHOOL – DAY 1

RECAP

MBEKEZELI MTHUNZI



ZAMFI BOARD CHAIR – MR PATRICK MANGWENDEZA

❖ Next level

- “New dispensation”
- “Open for business”

❖ Achieving inclusive financial services for financial growth & development

1. Affordable financial services for all people
2. Individuals and economic agents making longer term consumption & investment plans
3. Household and firms being shielded from adverse financial shocks
4. Empowering people to exploit better economic conditions & social opportunities
5. Driving economies on a sustainable growth trajectory

❖ Open for business brings in access to international capital, new technology and new innovations for growth => catalysts for growth, profitability & efficiency for MF.

❖ Highlighted growth opportunities in agriculture, agribusiness & agri-processing; education and health; energy, greening; and entrepreneurship (small business financing).

❖ Finally highlighted mixed but notable progress towards attainment of 2017 resolutions



BRIAN ZIMUNHU - ZMF

- Helped set up the microfinance context in light of the new dispensation
- MF sector => lower number of institutions compared to Dec 2016
- Less MFIs serving the more needy provinces
- Growth potential in agriculture => *“de-linking crop and livestock loans from strict adherence to a particular production cycle and, instead, treating farming households as financial units”*
- Growth in productive loans vs non-productive loans
- Massive opportunities in the RE sector
- Low cost housing, educational & school improvement loans, transport, mining, tourism, & health
- 12 facilities worth +\$381million facilities availed by government for the sector => LOW UPTAKE
- Data analytic tool on the horizon



SERVICE PROVIDERS

- MUSONI
- PAYSERV
- ZEGU – MF courses



ISAIAH NYAKUSENDWA - REAZ

- Appreciation of the energy uses and needs in the country
- Challenge – with full industrialization – more power will be needed
- Need to reduce emissions by 33% - 43% of these emissions are energy related – **what is MF's contribution to this?**
- Challenged MFIs to find space and play a more meaningful role in RE issues.
- Highlighted opportunities in energy viz 200K solar geysers to be replaced, solar street lighting, home energy systems
- Need to improve linkages between MFIs, Entrepreneurs and manufacturers
- Encouraged MFIs to innovate and take advantage of the potential in the energy sector – R&D critical – first mover advantage, tax holidays, duty exemptions etc



TAURAI TOGAREPI - DPC

- Dared MFIs to consider moving into micro-insurance and use mobile banking as a key to service delivery.
- GOVERNANCE!!!
 - ✓ Founder mentality – we will not grow into large institutions as long as we hold on to power!!
 - ✓ Good governance key to success => moving MF to the next level
 - ✓ Need for functional balance of power between shareholders, management and board of directors
- MF more complex due to financial innovation & entrance of banks into the MF sector
 - ✓ If you run away from technology you will die
 - ✓ New business models – competition from fintechs increasing – partner fintechs – *“better a dollar in hand than none”*
 - ✓ Find new ways of doing business – do things differently!



RABIRO MANGENA - BDO

- Mergers and acquisitions
- *Return on cost invested in branch network is low, if not negative*
- Growth through mergers and acquisitions
- Cost synergies; channels (new markets); capabilities (management, systems, processes, technology); new customer segments; capital; competitive advantage.
- Why M&As fail – inadequate due diligence, by-passing non-traditional due diligence, inadequately defined integration approach.
- Keys to success in M&As – include effective integration planning, executive management, continuous communication, staff involvement.....



Joey Shumbamhini – CBZ Risk Advisory Svs

- Building businesses that last – **could this be a black man's problem??**
- Understand and address what could go wrong –
- Pure risk vs speculative risk
- Internal and external risks
- 4Ts of risk management – Tolerate, Treat, Transfer, Terminate
- Available risk advisory services



The End

