

TRADING UPDATE

For the First Quarter Ended 31 March 2026

This Trading Update for the first quarter ended 31 March 2026 is issued in terms of the Zimbabwe Stock Exchange (“ZSE”) Practice Note 9 and is released in substitution for the requirement to publish Quarterly Interim Financial Reports in accordance with Section 35(5) of the ZSE Listing Requirements, Statutory Instrument 134 of 2019.

Operating Environment

During the quarter under review (Q1 2026), the local currency appreciated by 2.61% against the United States Dollar, strengthening from US\$1: ZiG25.9807 in January 2026 to US\$1: ZiG25.3209 by the end of March 2026. This modest appreciation was largely attributable to tighter liquidity management measures and increased uptake of gold backed monetary instruments.

Despite the currency gains, inflation increased to 4.4% in March 2026 from 3.8% in February 2026, reversing the prior disinflationary trend. The increase was primarily driven by imported inflation pressures emanating from higher global oil prices linked to geopolitical tensions, which resulted in increased domestic fuel and transport costs.

In response, monetary authorities reinforced the policy measures outlined in the 2026 Monetary Policy Statement (MPS) by maintaining a tight monetary policy stance, elevated interest rates, and strict liquidity controls to anchor inflation expectations and safeguard currency stability. The Group remained fully compliant with all directives of the 2026 MPS and continues to strengthen its operational capacity to adapt to the evolving macroeconomic and regulatory environment.

Q1 FY2026 Performance Outturn

Commissions and Fees

The commissions and fees grew by 7% from ZWG365.86 million in 2025 to ZWG378.22 million on account of increased volume of transactions. The Group remains committed to creating happy people by providing innovative and relevant financial solutions that meet the evolving needs of its clients and markets.

Net Earnings from Lending Activities (NELA)

Net income from lending activities declined during the period, primarily due to reduced asset creation arising from liquidity constraints within the Group’s banking operations. The decrease was further attributable to the maturity and reissuance of Treasury Bills at a 0% coupon rate.

Property Income

Property income increased by 27% from ZWG46.02 million in 2025 to 58.48 million in 2026 year on year, driven largely by growth in rental income and property management services.

Insurance Revenue

The insurance cluster delivered a steady performance during the period with a 21% growth from ZWG33.84 million in 2025 to ZWG41.06 million in 2026 in insurance revenue, underpinned by consistent premium inflows and disciplined underwriting. The segment continues to play a strategic role in diversifying the Group’s revenue streams and enhancing its earnings stability.

Capital and Regulatory Matters

The Group maintained strong capital and liquidity positions throughout the period, with all business units fully compliant with minimum regulatory requirements. The capital base remains adequate to support current operations and planned growth initiatives.

Dividend

No dividend has been declared for the quarter ended 31 March 2026.

Outlook

Zimbabwe’s annualised GDP growth for 2026 is projected to range between 5% and 8.5%, depending on the source of estimates. The World Bank’s baseline forecast of 5% reflects cautious optimism, while the Government of Zimbabwe’s revised projection of 8.5% signals stronger confidence underpinned by developments in mining, agriculture, and policy reforms.

Notwithstanding ongoing risks related to climate shocks and imported inflation pressures particularly from elevated global oil prices the Group remains resilient and committed to delivering value adding financial solutions to the Zimbabwean economy.

The Group will continue to pursue sustainable revenue generation strategies, diversify its investment portfolio, and enforce effective cost management measures to enhance shareholder value while adapting to the evolving macroeconomic and regulatory landscape.

By order of the Board

TINASHE F. A. MASIWA
Group General Counsel and Board Secretary
15 May 2026

