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ZB Financial Holdings

Celebrating 75 Years ANNIVERSARY of being for you



TRADING UPDATE

For the Third Quarter Ended 30 September 2026

Dear Stakeholder, I am pleased to present an update on the performance of ZB Financial Holdings Limited and its subsidiaries for the period ending 30 September 2026.

Operating Environment

The domestic macroeconomic environment maintained its hard-won structural stability throughout the third quarter of 2026. The gold-backed currency system continued to anchor stability, containing inflation expectations and allowing Zimbabwe to sustain single-digit annual inflation throughout the quarter. Exchange rates were stable, with the ZWG marginally depreciating by 0.4%, moving from US$1: ZWG26.6845 on 1 July 2026 to US$1: ZWG26.7965 on 30 September 2026. This resilience provided a more predictable footing for local commerce and banking activities. However, the broader market continues to defend against external pressures, most notably imported inflation risks arising from energy price volatility and global fuel cost adjustments linked to ongoing Middle East tensions.

With macroeconomic conditions stabilizing, the Reserve Bank of Zimbabwe (RBZ) has begun easing monetary policy to stimulate economic activity, cutting its policy rate by a cumulative 7.5 percentage points, from 35% to 27.5%. At the same time, rising foreign currency inflows lifted foreign exchange reserves to about US$2.0 billion as of September 2026, equivalent to roughly two months of import cover.

The Group has adapted to these new economic realities, hedging against potential risks and positioning itself for emerging opportunities, particularly in servicing high-viability productive sectors while managing commercial lending dynamics against gradually easing market conditions.

Q3 FY2026 Performance Outturn

Financial Highlights (ZWG)

Revenue	Profit After Tax	Total Assets
10%	31%	28%
2.57billion 30 Sep 2026	0.42billion 30 Sep 2026	20.53billion 30 Sep 2026
2.86billion 30 Sep 2025	0.61billion 30 Sep 2025	16.08billion 31 Dec 2025

The Group's Profit After Tax for the period ending 30 September 2026 was ZWG0.42billion, 31% lower than the ZWG0.61billion reported for the same period last year. However, I am pleased to advise that sustainable profit (excluding Exchange Gains and Fair Values) improved from a profit of ZWG0.04billion in 2025 to ZWG0.215billion as the Group placed more reliance on revenues from its core business

Net Income from Lending Activities

Net Income from Lending Activities marginally declined from ZWG 638million recorded in 2025 to ZWG617.8million and is expected to grow in the remaining quarter and beyond as the group increases its lending.

Non-Funded Income

The commissions and fees amounted to ZWG1.386billion (2025: ZWG1.382billion). Net insurance and assurance income was ZWG133.8billion, a 16% increase compared to prior year's income of ZWG115.2billion on account of increased new business and share participation.

Operating Expenses

Operating costs were contained at ZWG2.07billion (2025: ZWG2.09billion). The Group remains committed to cost discipline measures to improve efficiencies.

Statement of Financial Position

The Group reported Total Assets of ZWG20.53billion (December 2025: ZWG16.08billion), a 28% increase. Cash and short-term funds grew by 47% to ZWG5.93billion. Mortgages and other Advances grew by 78% to ZWG5.52billion, which is expected to strengthen Net Interest Income in the last quarter of the year and beyond. The customer base continues to grow, with Deposits and other Accounts increasing by 52% to ZWG9.96billion, reflecting customer retention and customer-centric products.

Dividend

No dividend has been declared for Q3 2026.

Outlook

The long-term economic outlook for Zimbabwe remains positive, with 2026 GDP projected at US$65.92 billion, placing the country among Africa's top 15 largest economies as expansion scales up across key industries. While the pace of output growth is expected to moderate slightly in the next fiscal cycle, owing to shifting regional climate patterns and anticipated summer agricultural risks, near-term activity remains firmly anchored. This momentum is driven by new investment licensing approvals, particularly in a surging manufacturing sector that has overtaken mining as the main driver of new capital injections, alongside strong precious global metal prices and expanding real estate developments.

The Group's strategy remains centered on capturing value from these expanding sectors. By balancing disciplined cost control with targeted investment in financial technologies and regional expansion, the Group is well positioned to mitigate localized headwinds. Moving into the final quarter of the year, ZBFH remains committed to strengthening asset quality, driving sustainable revenue pipelines and delivering resilient financial solutions aligned with national development goals.

By order of the Board

TINASHE F. A. MASIIWA
Group General Counsel and Board Secretary
11 November 2026

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