



TRADING UPDATE

FOR THE QUARTER ENDED 31 MARCH 2026

Introduction

I am pleased to present an update on the performance of CBZ Holdings Limited and its subsidiaries for the quarter ended 31 March 2026.

Operating Environment Review

The operating environment during the first quarter of 2026 was shaped by heightened global geopolitical risks alongside a relatively stable domestic macroeconomic landscape. On the global front, growth prospects were constrained by escalating tensions in the Middle East following the US-Israel conflict with Iran, which disrupted key energy supply routes. This led to a significant surge in energy prices, with average Brent crude oil prices increasing by 55.3% to US\$103.7 per barrel from US\$66.8 per barrel in January 2026. The resultant tightening in financial conditions weighed on global growth and dampened business confidence, particularly in energy-importing economies.

Domestically, macroeconomic conditions remained broadly resilient, although underlying cost pressures intensified during the quarter. Inflation remained relatively stable, with United States dollar annual inflation rising marginally from 1.0% in January 2026 to 1.3% in March, while ZiG inflation increased from 4.1% to 4.4% over the same period. Exchange rate stability was largely sustained, supporting improved price discovery and strengthening confidence in the monetary framework. However, operating costs increased notably, primarily driven by a 34.9% rise in diesel prices to US\$2.05 per litre, which further escalated in the second quarter to a peak of US\$2.11 per litre. This placed pressure on logistics, transportation, and production costs across sectors.

The policy and regulatory environment continued to evolve, anchored by measures introduced in the Reserve Bank of Zimbabwe's February 2026 Monetary Policy Statement. Key among these was the downward review of bank charges, aimed at enhancing affordability and promoting financial inclusion. While supportive of increased formal banking activity, the measure presents implications for banks' non-interest income streams, particularly given the significant contribution of fees and commissions to sector income in 2025.

The agricultural sector provided a strong positive offset to external and cost pressures. The country recorded a bumper harvest, with cereal production expected to reach 2.74 million tonnes and maize output forecast to grow by 2% to 2.35 million tonnes. Tobacco volumes increased significantly, with sales rising by 63% to 138.4 million kilograms as at Day 32, positioning the sector to meet its annual target of 400 million kilograms. However, softer prices moderated value growth, with average tobacco prices declining by 22% to US\$2.67 per kilogram, resulting in overall tobacco sales value increasing by 26% to US\$292 million.

Overall, while global risks and cost pressures intensified during the quarter, domestic macroeconomic stability, supportive policy reforms, and strong agricultural performance provided a relatively predictable operating environment, enabling the Group to navigate prevailing challenges while maintaining its growth trajectory.

Capital Markets Performance

Capital markets recorded a strong performance during the quarter, underpinned by improved investor sentiment and favorable liquidity conditions. The Zimbabwe Stock Exchange (ZSE) All Share Index increased by 29.0% to close Q1 2026 at 358.55 points, with market capitalization rising to ZiG115.23 billion. CBZ Holdings' share price gained 40% to close at ZiG16.09, translating to a market capitalization of ZiG8.4 billion. On the Victoria Falls Stock Exchange (VFEX), the All-Share Index advanced by 41.1% to 249.86 points, reflecting improved market activity during the period.

Financial Performance

During the period under review, the Group delivered a resilient performance, recording profit after tax of ZWG 361.34 million (2025: ZWG 537.53 million) on total income of ZWG 1.33 billion (2025: ZWG 1.41 billion). The outturn reflects strong underlying earnings, with funded income increasing to ZWG 658.48 million (2025: ZWG 627.63 million), driven by growth in loans and advances. Non-funded income moderated to ZWG 878.09 million (2025: ZWG 938.03 million), largely due to the non-recurrence of once-off treasury bill gains recognised in the prior year. Core revenue streams remained steady, with commission and fee income rising by 4.9% to ZWG 524.17 million (2025: ZWG 499.58 million), supported by continued momentum in digital channels and a stable transactional deposit base.

The Group's asset base closed at ZWG 40.81 billion (2025: ZWG 41.15 billion), underpinned by customer deposits of ZWG 27.83 billion (2025: ZWG 27.76 billion). Loans and advances to customers increased marginally to ZWG 10.26 billion (2025: ZWG 10.19 billion). The balance sheet remains liquid, well capitalised, and resilient, sustaining the Group's strong position in the market.

The Group's underlying operational performance remains sound, supported by diversified income streams, disciplined execution, and ongoing capitalisation initiatives across subsidiaries, positioning the business for sustainable growth. The Group remains on course to achieve its revenue and profitability targets for the financial year, supported by continued business momentum and focused execution of strategic priorities.

Subsidiaries capitalization

All business units remain adequately capitalised to support operations and strategic growth, with all regulated entities compliant with minimum capital requirements. The Group commenced subsidiary recapitalisation in the prior period and continues to deploy capital in the current year in a targeted manner to support identified growth initiatives.

Going Concern

The Directors have assessed the Group's ability to continue as a going concern and are confident that adequate resources are in place to sustain operations in the foreseeable future. The Group continues to generate positive cash flows and maintains strong capital and liquidity buffers, underpinned by a diversified income base and sound risk management practices.

Outlook

The operating environment is expected to remain dynamic, with global geopolitical developments and commodity price volatility continuing to pose downside risks to growth and cost stability. Elevated energy prices are likely to sustain pressure on operating costs, while ongoing policy interventions may further reshape revenue dynamics within the financial services sector.

Notwithstanding these headwinds, the domestic economy is projected to remain relatively stable, supported by improved agricultural output, exchange rate stability, and continued policy support aimed at enhancing financial sector participation and economic productivity. The Group is well-positioned to sustain performance and drive growth, underpinned by its strong capitalisation, diversified business portfolio, and disciplined risk management framework. Focus will also remain on optimising balance sheet utilisation, strengthening liquidity, and deepening customer-centric solutions, while leveraging strategic partnerships to unlock new growth opportunities.

Overall, the Group remains confident in its ability to navigate prevailing uncertainties and deliver sustainable value to its stakeholders.

By order of the Board.

Rumbidzayi Angeline Jakanani
Group Chief Governance Officer

11 May 2026

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