

EcoCash

HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

TRADING UPDATE FOR THE FIRST QUARTER ENDED 31 MAY 2024

OPERATING ENVIRONMENT

The Company has been focused on repositioning the business following the Approval of the Scheme of Reconstruction by Shareholders at an EGM held on the 17th of April 2024 wherein all non-banking assets will be transferred from EcoCash Holdings Zimbabwe Limited to Econet Wireless Zimbabwe Limited.

Subject to regulatory approval, only the banking unit, Steward Bank Limited, will remain under EcoCash Holdings. The trading update has therefore been prepared for the remaining banking unit, Steward Bank Limited.

On the 5th of April 2024, the Reserve Bank presented the 2024 Monetary Policy Statement which introduced, amongst others, a new currency, Zimbabwe Gold (ZWG) that is backed by gold reserves. The Bank policy rate was reduced from 130% per annum under the ZWL era to 20% per annum for the new currency. These measures should assist in reducing inflationary pressures in the short to medium term.

PERFORMANCE REVIEW

The Bank achieved a quarterly historical revenue of ZWG403 million and a historical Profit after Tax of ZWG214 million. The performance for the quarter was anchored by FCA transactions whose volumes grew by 36% against the same period last year. FCA inflows grew by 284% as compared to Q1 FY24 whilst active FCA accounts increased by 78%. Remittance volumes remain strong with an increase of 8% as compared to prior year's period.

The Bank accelerated its green energy initiatives in the quarter under review, having partnered with Distributed Power Africa to offer Power as a service (PAAS). For the period under review, installations increased by 47% in comparison to the previous quarter. The installations cut across powering business premises and residential households ensuring that clean energy is availed and contributes to the target of reducing carbon emissions by 40%. From a revenue performance perspective, the business saw its green energy revenue improve by 51%.

CAPITALISATION

Capital adequacy ratio for the Bank as of 31 March 2024 stood at 44.85%, above a mandated regulatory minimum of 12%. Steward Bank is compliant with Tier 1 capital requirements as prescribed by the Reserve Bank of Zimbabwe.

ECONOMIC OUTLOOK

We are optimistic about the future and are well-positioned to continue building on our momentum and creating long-term value for our shareholders through continued innovation, leveraging on digital technologies, prudent cost management and optimization of our operational efficiency.

By Order of the Board



Mrs C R Daniels

Group Company Secretary

12 July 2024

Registered Office:

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Registrars and Transfer Secretaries:

First Transfer Secretaries (Private) Limited

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DIRECTORS:

Mrs S.G. Shereni (Chairperson), Mr M.L. Bennett, Dr Z. Dillon, Ms E.T. Masiyiwa, Mr C. Maswi,
Mr D. Musengi, Mr H. Pemhiwa, Mr D.T. Mandivenga, Mr E. Chibi*, Mrs T. Nyemba*.

* Executive.