

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 third quarter ended 30 November 2022

OVERVIEW OF TRADING ENVIRONMENT

The business has remained focused on ensuring that we remain relevant in the fast changing economic environment by increasing our value proposition and offering an exceptional product experience and convenience to our customers.

BUSINESS OPERATIONS REVIEW

Mobile Money Services

In the quarter under review, we have focused on growing the Mobile Money United States Dollar transactions distribution footprint across the country. The growth has greatly improved customer convenience and physical accessibility to our financial services for United States Dollar transaction volumes. We expect this trend to continue as we drive to digitize the United States Dollar cash economy which has continued to grow. The reduction of IMTT on domestic money transfer transactions from 4% to 2% effective 1 January 2023 is expected to further accelerate the adoption of United States Dollar digital money transfer services. As the market has increased usage of the United States Dollar, we have seen a drop in the volume of our local currency mobile money transactions in the period compared to prior year.

Banking Services

The Bank registered 56% growth in Mobile Banking Volumes in the 3rd quarter against the same period last year. Interest earning assets recorded an upward trend buoyed by an aggressive drive to grow the foreign currency loan book particularly for the corporate sector. Point of Sale transaction volumes dropped by 27% confirming the increase in United States Dollar cash transactions in the economy.

Insurtech Services

The short-term insurance business was able to sustain its revenue performance over the 3rd quarter period, compared to the previous year. The business also recorded a lower claims ratio compared to the same period last year. The life business has continued to innovate and re-invent itself with several new value adding products that include the "Dura Pension Scheme", "Data Life Cover" and the United States Dollar package to grow revenues despite declining disposable incomes. We are pleased with the increased adoption of United States Dollar packages that allow the business to enhance life cover through assured United States Dollar benefits. We have continued to leverage on the network of funeral service providers to ensure we adequately provide required services in our customers' time of greatest need.

Other business segments

Our digital platforms business, Vaya Technologies continued to focus on and drive the anchor businesses in Healthtech and On Demand Services. We continue to develop and refine our products in these sectors which we believe have yet to fully realize their potential. As we progress into the next quarter and year, we believe we will be able to increase contribution from these nascent businesses to the broader EcoCash Holdings Group performance.

BUSINESS OUTLOOK

While the business environment remains challenging, the Group is committed to delivering value to all its stakeholders. Through leveraging on digital and financial technologies, we firmly believe we have a big role to play in unlocking opportunities, providing needed digital solutions and thereby improving our financial performance.

By order of the Board



Mrs C R Daniels

Group Company Secretary

31 January 2023

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DIRECTORS:

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