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CORPORATE NEWS

THE NEW ZIMBABWEAN TREASURY MASTERCLASS: FROM SURVIVAL MODE TO GROWTH ENGINE

A briefing for boards, CFOs, treasury managers, shareholders and investors on why cash management is quietly becoming the most important strategic function on the ZSE and VFEX



For fifteen years, “treasury strategy” in Zimbabwe meant one instinct: get the cash out of local currency before the weekend. That era is closing. On 16 June 2026, the Reserve Bank of Zimbabwe (RBZ) cut its benchmark policy rate by 500 basis points, from 35% to 30%, its first move since the rate was set at 35%, where it had held through the ZWG currency’s stabilisation since April 2024 ([RBZ MPC, via Xinhua](#)). Annual ZWG infaltion, the trigger cited by RBZ for the cut, has continued to fall to 2.9% by August 2026 ([ZimStat, via NewZimbabwe.com](#)).



Foreign currency inflows hit US\$8.3 billion in the first five months of the year, up 39.1% year on year; the RBZ’s August Mid-Term Monetary Policy Statement (MPS) puts the fuller first half figure at US\$10.72 billion, up 47.8% ([RBZ Mid-Term MPS](#)). Reserves backing the ZWG had climbed to US\$1.7 billion by end of July and about six times reserve money, but still only 1.7 months of import cover.

None of that means the old playbook is safe to retire. It means the playbook needs an upgrade. The firms getting this right are not just protecting cash anymore they are compounding it. The ones getting it wrong are about to discover that borrowing costs still sitting in the high 20s to 30s even after the June cut, a worrying-looking 2026/27 El Niño season, and a listed market that is actively restructuring itself can punish complacency just as fast as hyperinflation once did.

This is the new master class!

THE NUMBERS THAT MATTER RIGHT NOW

Signal	Reading	Why it matters
RBZ policy rate	30% (cut from 35% on 16 June 2026)	The RBZ’s own cost of lending to banks fell, but banks have been slow to pass the cut through to what businesses actually pay
ZWG/USD official rate	-ZWG25-27	Held in a stable band through H1 2026
Parallel market premium	-15%	Compressed from historic highs above 100%, the market’s honest verdict on trust in the ZWG
Annual ZWG inflation	2.9% (August 2026)	Down from 3.2% in July; genuinely low by Zimbabwe’s recent standards
H1 2026 mineral export earnings	US\$6.21bn (gold +176%, PGMs +83%, lithium +230%)	A commodity windfall, with a use-by date
Usable FX reserves	US\$1.7bn, providing 1.7 months of import cover	Below the 3-month comfort zone; the buffer is thinner than the headlines suggest

Sources: RBZ June 2026 MPC statement, RBZ August 2026 Mid-Term Monetary Policy Statement, ZimStat. Full citations in Sources, below.

That is an economy stable enough to plan around, but not yet stable enough to stop planning for. That distinction is the entire job of modern Zimbabwean treasury.



PRESERVE, ACCUMULATE, GROW: THE THREE GEARS OF CAPITAL

Most local treasury functions are still stuck in first gear:

- **Preservation:** keep the cash from evaporating. That's necessary, but it's no longer sufficient. A lower policy rate and a genuine, if gradual, disinflation trend change the math on two further gears every board should now be engaging:
- **Accumulate.** With inflation at 2.9% and USD deposits genuinely stable, holding cash is no longer purely defensive it is the raw material for the next acquisition, capex round or debt paydown. Axia Corporation cut total borrowings 34%, to US\$10.6 million, in its last half-year while growing revenue 22% ([Axia HY2026 interim report](#)). Worth being precise here: the RBZ's policy rate is what the central bank charges banks, not what a corporate borrower actually pays, and Zimbabwean banks have been slow to pass the June cut through to their own lending rates ([The Standard](#)). Even so, retiring debt priced anywhere in the high 20s to 30s avoids an effective borrowing cost that few equity investments can match on a risk adjusted basis. For shareholders, this gear is the one that shows up fastest in a lower risk profile and a steadier dividend.
- **Grow.** This is the gear most firms have not shifted into. Growth oriented treasury means linking the cash forecast directly to the capital budget using real time working capital data, not last year's annual budget, to decide which expansion gets funded this quarter. Innscor Africa generated US\$87.4 million from operations in six months and deployed US\$55.1 million straight into capacity expansion, while still lifting its interim dividend 62% ([Innscor HY2026 interim report](#)). That is treasury functioning as a growth engine, not a guard dog.

The link to growth runs through working capital, not around it. Every day shaved off the cash conversion cycle faster collections, smarter supplier terms, tighter inventory is cash freed up for gear two or three, without touching an expensive credit line.

WHERE AI ACTUALLY EARNS ITS KEEP

Skip the AI hype and look at what's mechanically useful in a treasury this size:

- **Predictive cash forecasting.** Machine learning models trained on receivables history, seasonal patterns and even weather data can flag a liquidity gap weeks before a spreadsheet based forecast would notice it critical in an economy where the agricultural calendar still drives working capital cycles.
- **Automated FX and premium monitoring.** Algorithms tracking the gap between the official and parallel rates in real time give treasurers an early warning system for exactly the number that matters most: the trust premium.
- **Robotic reconciliation.** Bank statement matching, intercompany netting and covenant checks are exactly the repetitive, rules based tasks that RPA and AI copilots handle well, freeing scarce treasury staff for judgment calls.
- **Alternative data for commodity and agri risk.** Satellite rainfall imagery and soil moisture data are now cheap enough for a mid cap agribusiness to use as an early drought indicator, months ahead of an official Met Department forecast.
- **Dynamic pricing engines.** Retailers and manufacturers exposed to the ZWG/USD spread can now algorithmically adjust pricing in near real time to protect margin, instead of repricing manually every few weeks.

None of this needs a Silicon Valley budget. A spreadsheet with a forecasting layer bolted on already beats what most Zimbabwean treasuries run today the innovation gap here is basic automation nobody's gotten around to yet.

WIRING TREASURY INTO THE CAPITAL STRATEGY NOT BESIDE IT

The single biggest structural fix available to boards right now: stop treating treasury as a back office cash function and start treating it as an input into every capital allocation decision. That means a written capital allocation policy that explicitly weighs, side by side: debt paydown (avoiding an effective borrowing cost still in the high 20s to 30s), reinvestment in capacity (Innsco's playbook), dividends (the shareholder loyalty play), and acquisitions (the option most boards have not seriously modeled yet). Done properly, this is the discipline that turns a treasury desk into a capital allocation committee with the CFO chairing it and the board signing off.

THE BRAGG PLAYBOOK: INFRASTRUCTURE EVEN BLUE CHIPS SKIP

Steven M. Bragg's Treasury Management: The Practitioner's Guide reads like a checklist most Zimbabwean corporates have not finished and boards do not need to reinvent it, just adopt it:

- Rolling 13 week cash forecasts, refreshed weekly rather than quarterly, catch a liquidity squeeze months before an annual budget variance report would. It's the single highest value habit on this list, and the cheapest to install.
- Cash concentration and pooling. Multi-division groups often let surplus cash sit scattered across subsidiary accounts instead of sweeping it into one pool nightly money that could be earning a return or paying down high cost debt instead.
- A written board approved investment policy statement, specifying permissible counterparties, tenors and instruments replacing ad hoc judgment calls with a governed process shareholders can actually audit.
- Debt and equity managed as a deliberate architecture, not a default: when to term out debt, when to raise equity, when to simply retain earnings and reinvest.
- Documented FX and interest rate risk policies, with clear hedging triggers and accounting treatment not "the CFO calls the bank when it feels risky."
- Active counterparty and bank relationship monitoring. With a handful of banks handling most corporate forex, tracking their health and spreading deposits is basic hygiene, not paranoia.
- A structured treasury system, even a modest one. Bragg's chapters on clearing, settlement and treasury technology describe infrastructure that beats the manual, email driven cash tracking still common in mid cap Zimbabwean firms.

For CFOs and treasury managers, this is the operating manual. For boards and shareholders, it's the audit trail that makes the whole strategy verifiable rather than anecdotal.

THE DROUGHT BEHIND THE GOOD NEWS

Here is the catch nobody is pricing in loudly enough: forecasters are increasingly uneasy about the 2026/27 rainy season. The UK Met Office said in August 2026 that the coming El Niño could be an "unprecedented event," and other international forecasters have flagged it as potentially the strongest since 1950 though, as with any seasonal outlook this far out, the range of outcomes is wide and nothing is locked in ([Zimbabwe Situation / Sunday Mail](#)). The scale of the risk isn't abstract: Zimbabwe lost an estimated 44,766 cattle in the 2023/24 drought, against more than one million lost in the far more severe 1991/92 El Niño, a reminder of how wide the range between a bad season and a catastrophic one actually is. The exposure isn't abstract for listed firms either Seed Co Limited, whose profit for the year to March 2026 already fell 54% to US\$8.0 million as regional seed demand normalised,



sits directly in the path ([Seed Co FY2026 results; Newsday on Seed Co's El Niño exposure](#)); so do maize and wheat dependent processors like National Foods and brewers reliant on local barley and sorghum like Delta. Treasurers at these firms should be stress testing working capital funding costs still elevated even after June's rate cut against a range of rainfall scenarios now, not after the rains fail.



THE COMMODITY WINDOW IS OPEN , BUT IT WILL NOT STAY OPEN



The other side of the ledger is the mining windfall: gold export earnings surged 176% in H1 2026 to US\$3.82 billion, platinum group metals rose 82.8% to US\$1.46 billion, and lithium earnings more than tripled up 229.8%, to US\$782 million on a mix of recovering prices and new processing capacity ([RBZ Mid-Term MPS](#); [Ministry of Finance Mid-Term Fiscal Policy Review](#), via [Rio Times](#)). Padenga's dual crocodile and gold structure the group now owns 100% of both its crocodile farms and its Dallaglio gold mines, Pickstone Peerless and Eureka is a natural hedge riding exactly this wave ([Padenga corporate profile](#)). But analysts are already flagging gold prices retreating from recent highs, and Zimbabwe's usable reserves cover just 1.7 months of imports against the conventional 3 month comfort threshold. The lesson from the tobacco boom and bust of the 1990s applies directly: lock in diversification financing at the commodity peak, not after it turns. Treasurers with commodity linked revenue should be hedging forward and reinvesting windfall cash into capacity now, while the window is open.



POSITIONING FOR THE CONSOLIDATION WAVE

Zimbabwe's listed market is going through real structural change call it a consolidation wave rather than an M&A wave, because what's actually on record so far is restructuring and re-listing, not a documented run of acquisitions. Econet Wireless's minority shareholders voted in February 2026, with over 95% support, to delist the telecom group from the ZSE and move minority trading to an OTC platform, spinning its infrastructure arm, Econet InfraCo, onto the VFEX instead ([Newsday](#)). Old Mutual completed its own migration from the ZSE to the VFEX in August 2026, ending a six year suspension ([Newsday](#)). TSL Limited made the same move in July 2026, and Edgars has signalled a VFEX delisting of its own. Companies are choosing currencies, exchanges and capital structures deliberately. That reshuffling does not by itself prove a wave of acquisitions is coming no comparable run of completed M&A deals is yet on record but it does reward firms positioned to move fast if one arrives. A clean, low-leverage balance sheet (Axia's model), a transparent FX policy, and a rolling cash forecast are still the difference between executing a transaction a restructuring, a listing migration, or eventually an acquisition in weeks rather than months. Treasury readiness is transaction readiness: due diligence moves fastest for firms that already have working capital, debt covenants and hedging positions documented and current.

BEYOND BUYBACKS: WHAT ELSE REWARDS SHAREHOLDERS

Thin trading volumes on the ZSE and VFEX make classic share buybacks a blunt tool here there is not always a liquid market to buy into without moving the price against yourself. Better suited alternatives include:

- **Special dividends:** a direct, one off cash return to shareholders, without needing market depth
- **Script dividends:** shares issued in lieu of cash, which preserve company liquidity while still rewarding shareholders, again without needing a liquid market for anyone to sell into
- **Accelerated debt reduction:** avoiding an effective borrowing cost that stays elevated even after the June rate cut
- **Bolt-on acquisitions:** deploying surplus cash into the consolidation already underway
- **Reinvestment in hard capacity:** Innscor's inflation resistant infrastructure play

MAXIMIZING THE ECOSYSTEM YOU ARE ACTUALLY IN

The firms winning this cycle are not importing a Western playbook wholesale they are using what Zimbabwe specifically offers: the RBZ's Targeted Finance Facility, cut to a capped 15% (from 20%) for productive sector lending; First Capital Bank's five country FMB capital network Botswana, Malawi, Mozambique, Zambia and Zimbabwe for regional cash pooling ([First Capital Bank corporate profile](#)); Seed Co International's pan-African footprint for natural currency diversification; and diaspora remittances the RBZ recorded at US\$2.45 billion in 2025 (projected at US\$2.8 billion for 2026), with the African Development Bank's broader estimate informal channels included running closer to US\$3.5 billion ([Newsday](#)). The ecosystem is the toolkit; treasury's job is to actually use it.

SYSTEMS THAT OUTLIVE THE SHOCK

The real test is not how any of this performs during a stable stretch it is whether it survives the next shock: a drought, a commodity reversal, a currency wobble, a global rate shift. Mono-currency remains years away regardless of the 2030 target. The firms that look smart in hindsight will be the ones building permanent infrastructure now, rather than treating this stability as the finish line. Build the system once; let it absorb the next surprise without a rebuild.



THE MASTERCLASS, IN SIX LINES

1. Preserve cash, then accumulate it, then deploy it for growth in that order, but do not stop at step one.
2. Link every cash forecast directly to the capital allocation decision, not to last year's budget.
3. Automate the boring parts with AI; save judgment for the decisions that need it.
4. Stress-test working capital against El Niño/drought risk and a commodity reversal this quarter.
5. Keep the balance sheet acquisition ready, clean, low-leverage, and well documented.
6. When buybacks do not fit the market, choose debt paydown, special or scrip dividends, or bolt on deals instead.

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