



# National Railways of Zimbabwe Contributory Pension Fund

Mezzanine Floor, Parkade Centre, Corner 9<sup>th</sup> Ave / Fife Street

P.O. Box 1887, Bulawayo, Zimbabwe

TEL: 263 – 29 - 2271076, 2274512, 2888023, 2888209, 2888278, Econet Toll-Free Number: 08080621, **NetOne Toll-Free Number:** 08010444. **E-MAIL:** [nrzpension@nrzcpf.co.zw](mailto:nrzpension@nrzcpf.co.zw).

**WEBSITE:** [www.nrzcpf.co.zw](http://www.nrzcpf.co.zw) **WHATSAPP:** +263 784 066 461

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## CHAIRMAN'S STATEMENT

### REVIEW OF OPERATING ENVIRONMENT

It is my privilege to present to you the Annual Report for the year ended 31 December 2025, a year characterised by gradual economic stabilisation efforts and continued structural adjustments within Zimbabwe's financial ecosystem.

The operating environment in 2025 remained challenging but showed signs of improved resilience following the introduction of the Zimbabwe Gold (ZWG) currency in 2024. Monetary authorities continued to pursue tight monetary and fiscal policies to curb inflation and restore confidence in the local currency. Although currency volatility persisted, the pace of depreciation moderated compared with the prior year, contributing to a more predictable planning environment for market participants. Inflationary pressures, while still present, were relatively contained compared with the hyperinflationary conditions experienced in previous periods. The continued use of dual-currency transactions across the economy, particularly the dominance of United States Dollar (USD)-denominated transactions, remained a defining feature, requiring institutions such as the Fund to continuously adapt their benefit structures and investment strategies.

Capital markets performance normalised relative to the exceptionally high nominal returns recorded in 2024. Investment valuations continued to be influenced by exchange-rate movements and inflation adjustments. Against this backdrop, the Fund recorded total income of ZWG1.16 billion (USD44.7 million) in 2025, compared with ZWG1.05 billion (USD40.4 million) in 2024, supported by direct income streams and revaluation gains on investments. The property market remained a cornerstone of the Fund's portfolio, with investment properties continuing to deliver stable rental income, largely supported by USD-denominated leases. Net

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**Board Members:** Mr. T. Madanha (Board Chairman), Mr. J. Manyere (Vice Board Chairman), Mr. D. Chikwaya, Mr. L. Ndlovu, Mr. T. Manyimo, Mr. L. J. Hove, Mr. S. Mlambo, Mr. H. Mudzete, Mrs. C. G. Hlabangana (CEO)



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rental income increased to ZWG290.3 million (USD11.2 million) in 2025 from ZWG227.7 million (USD8.8 million) in 2024, reflecting improved occupancy and rental collections.

Despite a persistently complex operating environment, the Fund remained committed to meeting its obligations to members in a timely manner. Pension payments were consistently honoured, with a strategic emphasis on prioritising the USD component to preserve value for beneficiaries.

## REVIEW OF OPERATIONS

### Pension Benefits

Total pension benefits paid during the year amounted to ZWG460.3 million (USD15.7 million), a significant increase from ZWG287.2 million (USD11.1 million) in 2024. This growth reflects the Fund's ongoing efforts to cushion pensioners against economic pressures while ensuring timely disbursement of benefits. Externally based pensioners continued to receive their benefits in USD on a bi-annual basis, in line with established procedures, while local pensioners benefited from a blended payout system designed to balance liquidity constraints with member needs.

### Pension Contributions

Contribution income increased to ZWG53.0 million (USD2.0 million) in 2025, up from ZWG29.6 million (USD1.1million) in 2024. This growth was driven by continued engagement with participating employers and adjustments to contribution structures; however, employer indebtedness remains a concern, rising significantly to ZWG64.9 million (USD2.5 million) from ZWG12.6 million (USD0.5 million) in the prior year. The Fund continues to engage contributing employers to address arrears and improve contribution compliance.



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## Investment Performance

Investment performance remained positive in nominal terms, with total income reaching ZWG1.16 billion (USD44.7 million). The Fund recorded revaluation and exchange gains of ZWG743.3 million (USD28.6 million), underscoring the ongoing influence of macroeconomic factors on asset valuations. Real estate continued to dominate the asset allocation, with total real estate holdings valued at approximately ZWG5.04 billion (USD193.9 million), making it the largest component of the Fund's portfolio. External investments remained a key contributor to liquidity and portfolio diversification, closing at ZWG2.22 billion (USD85.5 million).

## Financial Performance

The Fund recorded a surplus of income over expenditure of ZWG597.8 million (USD 23.0 million) in 2025, compared with a deficit of ZWG6.72 billion (USD 258.7 million) in 2024. This marks a substantial recovery, driven primarily by improved investment income and the absence of significant monetary losses that affected the previous year. Net assets available for benefits increased to ZWG8.43 billion (USD 324.5 million) from ZWG7.83 billion (USD301.5 million) in 2024. The Fund maintained a strong actuarial position, with total actuarial liabilities of ZWG8.35 billion (USD321.2 million) and a surplus of ZWG83.8 million (USD3.2 million), indicating a healthy funding level. Administration and governance expenses remained elevated at ZWG107.2 million (USD4.1 million), broadly in line with prior-year levels, reflecting continued cost pressures in a high-inflation environment.

## Audit Opinion

I am pleased to report that the Fund's financial statements for the year ended 31 December 2025 received an **unmodified audit opinion** from the independent auditors, PKF Chartered Accountants (Zimbabwe). The auditors confirmed that the financial statements were, in all material respects, prepared in accordance with the International Financial Reporting Standards (IFRS). The audit highlighted key areas of focus, including:

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- The **change in functional currency** from ZWG to USD required careful assessment of translation methodologies and disclosures.
- The **valuation of investment properties**, given their significant contribution to the Fund's asset base and the judgement required to determine fair values.

An emphasis of matter was, however, raised regarding the Fund's non-compliance with prescribed asset thresholds, although this did not affect the audit opinion. The Trustees continue to pursue strategies to improve compliance. The unmodified opinion affirms the reliability and integrity of the Fund's financial reporting for the year under review.

## Regulatory Compliance

Prescribed asset holdings increased to ZWG883.9 million (USD34.0 million), yielding a compliance ratio of approximately 10.3% of total assets, up from 6.8% in 2024 but still below the 20% regulatory requirement. This progress was largely driven by continued investment in the Chisipite development project and the performance of the Revitus REIT. The Fund continues to pursue compliance through strategic investments, including the Chisipite development and other qualifying projects, such as the Fund's Solar Project.

## Actuarial Position

The Fund remained financially sound from an actuarial perspective. Total actuarial liabilities amounted to ZWG8.35 billion (USD321.2 million), compared with net assets of ZWG8.43 billion (USD324.5 million), resulting in a surplus of ZWG83.8 million (USD3.2 million) and a funding level of 101.0%.

## Outlook

Looking ahead, the Fund remains cautiously optimistic about the economic trajectory. Continued monetary discipline and the gradual stabilisation of the ZWG are expected to create



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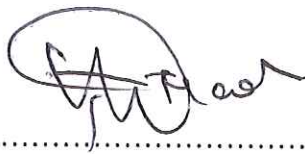
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a more predictable operating environment. Liquidity management will remain a strategic priority, given ongoing dollarisation trends and the need to sustain USD-denominated benefit payments. The Fund will also continue to pursue initiatives to enhance prescribed asset compliance and diversify its investment portfolio. Member-focused initiatives, including housing support mechanisms, remain under consideration as part of the Fund's long-term value proposition to its members. The Fund will also continue to integrate Environmental, Social, and Governance (ESG) considerations into its investment strategy to ensure long-term sustainability.

## Appreciation

I would like to express my sincere appreciation to our members, stakeholders, and partners for their continued trust and support. I also wish to commend my fellow Trustees, Management, and Staff for their unwavering commitment and resilience in navigating a complex and evolving environment while safeguarding our members' interests.

 29/05/26

Mr T. Madanha

BOARD CHAIRMAN

