



TRADING UPDATE

FOR THE QUARTER
ENDED 31 MARCH 2021



Introduction

I am pleased to present an update on the performance of CBZ Holdings Limited and its subsidiaries for the quarter ended 31 March 2021.

Operating Environment

The operating environment was largely stable during the period under review, as the authorities maintained the contractionary monetary and fiscal policies that they embarked on from the second half of 2020. The official exchange rate remained largely stable around ZWL\$83 against the US dollar in the first quarter. Arising from the stability on the foreign currency markets - a key component in the pricing of domestic goods & services - inflationary pressures also receded over the same period. The month-on-month inflation fell marginally from an average of 3.9% in Q4 2020 to an average of 3.7% in Q1 2021, whilst the year-on-year inflation rate fell notably from an average of 407% to an average of 308%.

On the Zimbabwe Stock Exchange, a major barometer for investor confidence, activity also remained fairly active with all the indices recording gains, led by the small cap. Prospects for improved agricultural output as well as enhanced hydro-power generation were largely boosted by the normal to above normal rains as most dams filled to near full capacity levels.

These positive developments, together with the rollout of Covid-19 vaccines, generally outweighed the negative impact of renewed Covid-19 infections and reintroduction of restrictive measures by health authorities during the first quarter of the year. The Group continued to prioritise the health and safety of its staff, clients and all stakeholders, whilst ensuring uninterrupted service delivery.

Group Financial Highlights

The table below summarises the Group's financial performance for the first quarter of the year.

	INFLATION ADJUSTED		HISTORICAL	
	UNAUDITED MAR 2021 ZWL \$m	UNAUDITED MAR 2020 ZWL \$m	UNAUDITED MAR 2021 ZWL \$m	UNAUDITED MAR 2020 ZWL \$m
Key Financial Highlights				
Total Revenue	4 935.0	3 996.6	5 273.3	1 386.2
Profit after taxation	1 656.3	1 064.8	2 493.8	678.1
Total assets	115 799.8	89 969.7	108 081.2	25 029.2
Total equity	21 071.8	15 041.6	13 700.9	3 143.9
Total deposits	77 126.6	67 668.8	77 126.6	19 870.4
Total advances	40 432.2	17 358.3	40 432.2	5 097.1
Other statistics				
Basic earnings per share (cents)	1 276.46	821.77	1 921.86	130.64
Cost to income ratio (%)	31.9	30.8	29.6	23.3
Return on assets (%)	10.4	19.0	14.0	12.8
Return on equity (%)	32.5	30.6	80.6	52.4
Growth in deposits (YTD %)	6.1	3.5	18.3	52.1
Growth in advances (YTD %)	23.1	15.1	37.3	69.1
Growth in PAT (YOY %)	55.6	(51.2)	267.8	3 801.0

Subsidiaries capitalisation

All the Group's regulated subsidiaries are well capitalised and Directors expect their banking subsidiaries to be compliant with the minimum revised requirements which deadline has been moved to 31 December 2021.

COVID-19 & Business Impact.

The Group is responding to the needs presented by COVID-19, particularly the accelerated need for digitisation across all business units. Serving customers through digital channels has become the Group's preferred way of doing business whilst observing WHO approved COVID-19 guidelines. In addition, the Group is encouraging all its employees to be vaccinated under the on-going government vaccination programme.

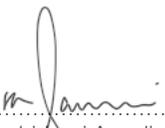
Going Concern and Solvency

The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern in light of the COVID 19 pandemic. Despite the negative impact of the virus, the Group has assessed that the pandemic will not have an inhibiting impact on its ability to continue operating as a going concern. The Group will continue leveraging on its strong capital and balance sheet positions, deep understanding of the local markets, extensive investment in digital platforms to ensure sustainable growth of the business.

Outlook

The country's economic prospects continue to improve with key fundamentals pointing towards sustained recovery. The Group will continue to increase visibility in its financial intermediation role within the economy while enhancing shareholder value in the process.

Issued for and on behalf of the Board.


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Group Legal Corporate Secretary

17 June 2021

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