

## Microfinance Bank

GetBucks Microfinance Bank Limited,

Incorporated in Zimbabwe on 17 January 2012 and converted to a public company limited by shares on 4 November 2015  
(Registration number 322/2012)

### Trading update for the three months ended 30 September 2021

#### Financial highlights

↓ **Profit after tax**  
INFLATION ADJUSTED  
30 September 2021: ZWL16 777 202  
30 September 2020: ZWL28 956 078

↑ **Loan book**  
INFLATION ADJUSTED  
30 September 2021: ZWL202 025 37431  
30 September 2020: ZWL 68 522 267

↓ **Equity**  
INFLATION ADJUSTED  
30 September 2021: ZWL191 790 796  
30 September 2020: ZWL269 155 973

↑ **Total Income**  
INFLATION ADJUSTED  
30 September 2021: ZWL167 006 596  
30 September 2020: ZWL 74 492 076



**Hassle  
free  
banking**

#### Trading Environment

The effects of the COVID 19 pandemic began to weigh off during this quarter resulting in improved loan sales and transactional volumes of the institution. However, the easing of lock down measures increased business activity in the economy and with that, we began to see inflation going up because of the increased demand for foreign currency.

The ZWL lost ground against the USD in the informal market during this quarter triggering an increase in the month-on-month inflation figures rising from 2.6 at the beginning of the quarter and ending at 4.7% in September, bringing an end to relatively long periods of stability that had been enjoyed thus far.

#### Financial Performance

During the quarter under review, the institution attained ZWL167 million in total income, representing a 123% increase on the ZWL75 million total income attained in the same period in prior year. Profit after tax for the three-month period was ZWL17 million, which was lower compared to the ZWL29 million for the comparative period as a result of the increase in the rate of inflation as the quarter progressed. The loan book closed off at ZWL202 million compared to September 2020's ZWL69 million due to increased funding lines. All presented numbers are inflation adjusted.

#### Regulatory

The Reserve Bank of Zimbabwe set the minimum capital level for deposit taking microfinance banks at US\$5 million by end of December 2021. Getbucks Microfinance Bank's Limited inflation adjusted regulatory capital was ZWL192 million. Shareholders will pursue equity transactions to bridge the gap between the minimum capital requirement and the current regulatory requirement. However, given the limited amount of time to December 2021 it is unlikely that the regulatory capital will be met, and the regulator has been approached with a request to extend the deadline.

#### Outlook

Exchange rate stability is the key to economic stability, and it is proving a formidable challenge. Productivity must match money supply growth. With a forecast of another good agriculture season, hope is not lost.

The institution will strategically look to increase its portfolio of foreign currency generating business leveraging on the Authorised Dealer license.

#### By Order of the Board of Directors

**Wimbayi Chigumbu**  
Chief Finance Officer

15 November 2021

