



TRADING UPDATE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021



Introduction

I am pleased to present an update on the performance of CBZ Holdings Limited and its subsidiaries for the period ended 30 September 2021.

Operating Environment

The quarter saw most Governments began loosening the COVID-19 lockdown induced restrictions, thanks to increased vaccine uptake and declining infection levels, particularly towards the end of the quarter. In Zimbabwe, the authorities relaxed the restrictions from level 4 to level 2, thereby enabling resumption of economic and business activity on a large scale. The Government's investment in infrastructure projects, among them road rehabilitation, further stimulated business activity in beneficiary sectors such as construction, manufacturing and transport. This, in turn, widened the business opportunities available to the Group.

Inflationary pressures, however, also returned with the resumption of business activity, as evidenced by the rise in the month-on-month inflation rate from an average of 2.7% during the second quarter to an average of 3.8% during the third quarter.

On the capital markets, the CBZH share price closed the third quarter at ZW8306.71 cents. The ZSE benchmark all share index rose by 225.46% in the period under review. CBZH, resultantly ended the period with a market capitalisation of ZW\$43.42 billion.

Group Financial Highlights

The table below summarises the Group's financial performance for the period ended 30 September 2021.

	INFLATION ADJUSTED		HISTORICAL	
	UNAUDITED 30 SEP 21 ZWL \$m	UNAUDITED 30 SEP 20 ZWL \$m	UNAUDITED 30 SEP 21 ZWL \$m	UNAUDITED 30 SEP 20 ZWL \$m
Key Financial Highlights				
Total revenue	17 328.3	15 901.8	16 733.7	10 714.5
Profit after taxation	3 199.4	3 705.5	4 465.9	5 610.6
Total assets	146 423.5	136 998.0	135 637.5	86 288.3
Total equity	24 696.6	20 921.4	14 434.1	10 317.2
Total deposits	104 824.3	97 581.9	104 824.3	64 389.7
Total advances	50 083.2	34 465.4	50 083.2	22 742.1
Other statistics				
Basic earnings per share (cents)	817.18	951.87	1 140.67	1 441.28
Cost to income ratio (%)	51.7	38.2	44.5	23.3
Return on assets (%)	4.5	5.8	6.6	18.3
Return on equity (%)	17.6	26.0	46.7	121.1
Growth in deposits (YTD %)	19.1	23.3	60.8	392.8
Growth in advances (YTD %)	26.0	88.8	70.1	654.6
Growth in PAT (YOY %)	(13.7)	(43.5)	(20.4)	788.9

The Group achieved strong results during the period and managed to strengthen its revenue generating capacity which resulted in a solid capital base.

Subsidiaries capitalisation

All the Group's regulated subsidiaries were in full compliance with their capital requirements. Directors expect their banking subsidiaries to be compliant with the minimum revised requirements which are effective 31 December 2021.

COVID-19 & Business Impact.

CBZ Holdings continues to prioritise employees' and stakeholders' health and safety amid the effects of COVID-19. The Group has responded well to the needs presented by the pandemic, in particular, the Group accelerated digitisation across all business units to enhance remote working and customer experience. In addition, the Group fully embraced the government vaccination programme and it encouraged all its employees to be vaccinated.


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 has put in place measures to counter the effects of the pandemic, leveraging on its robust capital and balance sheet positions, technological platforms and digital infrastructure.

Outlook

In the fourth quarter, economic activity is expected to strengthen, thereby enhancing financial performance of the business. Although COVID-19 risks continue to linger, the Group has built the necessary infrastructure and adopted an operating model that enables it to seamlessly respond to changes in the operating environment.

Issued for and on behalf of the Board.


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Group Legal Corporate Secretary

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