



# TRADING UPDATE

FOR THE QUARTER ENDED  
31 MARCH 2023



## Introduction

I am pleased to present an update on the performance of CBZ Holdings Limited and its subsidiaries for the period ended 31 March 2023.

## Operating Environment

Global and regional inflationary pressures remained high during the period under review with most major central banks maintaining relatively tight monetary policies. In Zimbabwe, however, the central bank eased its monetary policy stance following some signs of dissipating inflationary pressures. It therefore, cumulatively reduced the Bank Rate from 200% to 140% and the Medium Term Bank Accommodation Facility Rate "MTBAF" from 100% to 70%, over the same period.

These developments, together with advancements in the technology spaces shaped the Group's corporate and business strategies, initiatives and tactics, as it sought to continuously meet and exceed the expectations of its stakeholders. Thus, in addition to complying with the various regulatory changes, some of the major interventions introduced by the Group include redemption of CBZ Remit remittances on ATMs – a first in the market, and enhancement of the customer value proposition for schools. In line with its financial inclusion thrust, the Group launched the Student Card – a multi-purpose card targeting both primary and secondary school pupils. Furthermore, as part of the Group's contributions towards affordable housing, the Bank's Gateway City Residential Development began selling ready for title and fully serviced stands during the period under review. Finally, following successful registration in 2022, the Group launched the CBZ Foundation in March 2023, under which it will commit a portion of its annual profits towards supporting impactful interventions in the education, health and vulnerable communities segments of the economy.

## Group Financial Highlights

The table below summarises the Group's financial performance for the quarter ended 31 March 2023.

	UNAUDITED		
	HISTORICAL	HISTORICAL	HISTORICAL
	31 Mar 23 ZWL \$m	31 Mar 22 ZWL \$m	31 Dec 22 ZWL \$m
<b>Key financial highlights</b>			
Total Revenue	98 683.0	14 323.0	235 797.7
Profit after taxation	50 185.4	4 736.7	80 960.6
Total assets	1 342 359.9	224 893.4	923 034.3
Total equity	209 922.2	37 896.1	143 419.5
Total deposits	970 781.2	150 923.4	680 399.5
Total advances	334 343.1	75 591.9	176 218.9
<b>Other statistics</b>			
Basic earnings per share (cents)	38 455.0	3 629.5	15 510.6
Cost to income ratio (%)	29.39	26.4	27.1
Return on assets (%)	23.0	18.4	17.9
Return on equity (%)	79.7	60.0	93.5
Growth in deposits (YTD %)	42.7	14.9	417.9
Growth in advances (YTD %)	89.7	35.2	215.2
Growth in PAT (YOY %)	959.5	89.9	400.9

The Group posted a commendable set of results during the period, a testament to the resilience of its business strategy. Driving such profitable performance, is a diversified income mix, and a fair split of funded and non-funded income. The Group's strong asset base continues to underline the business underwriting capacity as a leading player in the industry. Strategies aimed at maintaining asset quality and capital preservation will continue to be employed. As part of its market leadership, and commitment to customers, the Group enhanced technological advancements and digitalisation during the quarter for ease of transactional processes and sustainability.

## Subsidiaries capitalisation

All subsidiaries were adequately capitalised during the period under review.

## Outlook

The international Monetary Fund (IMF) has projected global growth to fall from 3.4% in 2022 to 2.3% in 2023, dragged lower by advanced economies. In developing countries, weakening currencies are likely to increase the risk of imported inflation for net importers, but partially dollarized economies like Zimbabwe may be partly insulated by the firming US dollar. On the other hand, however, the firming US dollar will affect import competitiveness for these partially dollarized economies. Meanwhile, the Group will continue to tap on its investments in manufactured, intellectual, human and financial capital to manage attendant risks and pursue emerging opportunities in the markets that it operates in. Additionally, the Group will also deliberately actively explore ways of leveraging on fast developing technologies such as artificial intelligence to better serve its customers.

## Issued by the Board.

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**Group Legal Corporate Secretary**

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