

# TRADING UPDATE

## Third quarter ended 30 September 2021

I am pleased to present to you the trading update for the period ended 30 September 2021.

### Operating Environment

The third quarter of 2021 brought about optimism of a strong economic rebound primarily premised on the positive impact of worldwide COVID-19 vaccination programmes. In spite of the relaxation on lockdown restrictions to level 2, the Group has continued to observe Covid-19 protocols and guidelines to curtail the spread of the virus whilst stepping up integral business functions.

Economic recovery post lockdowns has improved demand for commodities in most export markets whilst concurrently increasing funding pressure for the provision of industrial raw material imports. Meanwhile, parallel market rate escalations have continued to threaten the local currency's stability despite the recently availed IMF Special Drawings Rights of US\$961 million. This however, is expected to provide the much needed fiscal and monetary support to buttress economic performance. The rebound in economic activity has seen Group business performance improve with most strategic business units achieving their respective financial targets.

### Business Update

The Group's flagship business, FBC Bank is celebrating its 25th year anniversary next year, a major milestone of our journey, growth and business resilience through innovation.

As part of the Group's digitalisation drive, FBC mobile applications attained a Zero-rating status. This development and the launch of a new contact number for the Digital assistant "NOKU" has led to the streamlining of the queries process to give customers the best and most efficient user experience on all our digital platforms.

In line with our refreshed philosophy, "#You Matter Most", FBC Health Insurance launched competitively priced local, regional and international insurance packages. These packages are cross cutting and will benefit customers from all walks of life who are part of the FBC Health family.

Meanwhile phased construction activities by FBC Building Society are in progress at the Fontaine Ridge-Kuwadzana project, with road formation works currently underway at Phase 1B. Phase 1A construction works were completed for 150 units and 119 units for Phase 1B are planned to be substantially completed by the end of the fourth quarter.

### Key Financial Highlights

	Group Total Income	Group Profit Before Tax	Group Profit After Tax	Basic Earnings Per Share	NAV Per Share
Inflation adjusted	ZWL 9.1bln	ZWL2.9bln	ZWL2.04bln	ZWL(c)323.12	ZWL4.8
Historical	ZWL8.97bln	ZWL4.3bln	ZWL3.56bln	ZWL(c)563.24	ZWL7.00

### Financial Performance Review – Inflation adjusted

For the period ended 30 September 2021, FBC Holdings recorded total income of ZWL9.1 billion in inflation adjusted terms and ZWL8.97 billion in historical terms. Underlying this revenue performance was a marked growth in the following revenue streams; net fee and commission income, net interest and related income and investment income. Net earned insurance premiums growth was however, curtailed by macro-economic imbalances.

The Group recorded an inflation adjusted profit before tax of ZWL 2.99 billion and an after tax profit of ZWL2.04 billion for the 9 months ended 30 September 2021.

Group total assets as at 30 September 2021 stood at ZWL52.2 billion representing a growth of 19% on the 31st December 2020 position. Total equity attributable to shareholders of the parent company was ZWL 9.7 billion representing a 41% growth on the 31 December 2020 inflation adjusted comparative.

### Business Outlook

The Group's business outlook is optimistic, finding confidence in investments made towards the realisation of key national targets as well as the monetary policy stance being pursued by the Reserve Bank of Zimbabwe. In the midst of growing assertions of yet another wave in Covid-19 infections, management remains acutely aware of the need to maintain a fine balance in managing profitability, liquidity, and safety.

For and behalf of FBC Holdings Limited

Tichaona Mabeza  
Company Secretary

Date of Issue: 15 November 2021.

### Directors

H. Nkala (Chairman), C. Mtasa (Deputy Chairperson), J. Mushayavanhu (Group Chief Executive), K. Chiketsani (Executive), A. C. Chuma, G.S. Collins, F. Kennedy, T. Kufazvinei (Executive), D. Makwara, C. Malunga, R. Moyo, C. Msipa, S. Ndlovu, V. Nyemba, W. Rusere (Executive)

