

TRADING UPDATE

FOR THE QUARTER ENDED
31 MARCH 2025



KEY FINANCIAL HIGHLIGHTS (ZWG)



Total income
1,413,223,010



Profit after taxation
537,530,088



Total advances
8,373,135,625



Total assets
38,754,763,351



Total deposits
26,789,128,093



Total equity
8,719,707,271

Introduction

Dear Stakeholder, I am pleased to present an update on the performance of CBZ Holdings Limited and its subsidiaries for the quarter ended 31 March 2025.

Operating Environment

During the quarter under review, the global economy witnessed significant economic and financial uncertainty, emanating from rising geo-political tensions and the termination of most foreign aid grants and contracts by the United States. The escalation of trade wars raised global recessionary risk fears, since the announcement by the United States, of elevated trade tariffs in February 2025. Financial markets experienced a sharp sell-off in global assets, which led to a decline in household wealth and a marked tightening of financial conditions.

Despite the negative global economic sentiments, Zimbabwe's operating environment was less volatile, with relative stability in the goods and foreign exchange markets, supported by a disciplined monetary policy environment. In the foreign exchange markets, the local currency marginally lost 3.75% year-to-date against the US dollar to close March 2025 at a rate of ZWG26.77 to the Dollar.

The Reserve Bank of Zimbabwe's Monetary Policy Statement released on 6 February 2025 maintained its tight policy stance. Notable policy measures included the upward review of interest rates paid on deposits, the introduction of a targeted finance facility (TFF) to support productive sector lending, increased surrender requirements on export proceeds from 25% to 30%, the introduction of a USD-denominated deposit facility for exporters, and removal of margins on foreign currency trading.

On the capital markets, investor participation remained subdued, courtesy of market liquidity constraints. The Zimbabwe Stock Exchange (ZSE) recorded a 5.7% quarterly decline in its All Share Index to close at 205.25. CBZ Holdings' share price declined by 18.0% to ZWG7.00, translating to a market capitalisation of ZWG3.7 billion. On the US dollar-denominated bourse, Victoria Falls Stock Exchange "VFEX", the All-Share Index gained 6.0% to close the quarter at 110.32, supported by increased demand for foreign currency-denominated stocks. Resultantly, the VFEX market capitalisation firmed by 0.9% to US\$1.29 billion, over the same period.

Financial Performance

During the period under review, the Group delivered strong financial results, reflected in a profit after tax of ZWG537.53 million, from a total income of ZWG1.41 billion, a testament to its financial position strength & capitalisation, reinforced by a substantial market presence in deposit mobilisation and transactional volumes. The Group's top-line performance was underpinned by a solid contribution from funded income at ZWG486.24 million, while non-funded income at ZWG938.03 million delivered particularly strong results for the quarter.

Non-funded income was anchored on the ongoing investments in service delivery channel ecosystem, particularly digital channels. Our sustained success reflects our commitment to building enduring partnerships with clients and delivering exceptional banking and financial solutions tailored to their evolving needs.

The Group's asset base closed the quarter at ZWG38.75 billion, supported by a deposit base of ZWG26.79 billion. This performance provides a foundation and sets the tone for the remainder of the financial year, highlighting our commitment to delivering sustainable value to all stakeholders.

The solid deposit base continues to buttress the Group's liquidity position and enhances its capacity to extend credit in a responsible and sustainable manner. Leveraging this funding strength and other key market metrics, the Group remains focused on providing financial solutions that meet the dynamic needs of individuals, SMEs, and large corporates alike.

Going Concern and Capitalisation

The Board has reviewed the Group's financial position and is satisfied that CBZ Holdings and its subsidiaries will continue to operate as a going concern. All business units remain adequately capitalised to support both their operational activities and strategic growth mandates.

Entities subject to regulatory capital thresholds are compliant, demonstrating the Group's commitment to sound financial stewardship and regulatory integrity. The Board also reaffirms the parent company's commitment to ongoing capital support for all subsidiaries, recognising this as critical to the effective delivery of strategic priorities and the long-term sustainability of the Group.

Outlook

Looking ahead, global economic prospects remain clouded by uncertainty, with trade disputes and fiscal policy adjustments expected to shape the macroeconomic outlook. Locally, monetary policy tightening is expected to persist as authorities continue to prioritise inflation control and exchange rate stability. Against this backdrop, the Group is well-positioned to pursue growth opportunities both locally and regionally through continued innovation, cost discipline, and efficient capital allocation. Strategic investments in operating assets, technology, people, and governance systems, will remain central to our value-creation agenda.

By order of the Board.


Rumbidzayi Angeline Jakanani
Group Chief Governance Officer

25 April 2025

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