

TRADING UPDATE

For the first quarter ended 31 March 2022

It is my pleasure to present to you the FBC Holdings Limited trading update for the period ended 31 March 2022.

Operating Environment

The first quarter was characterised by a significant decline in Covid-19 fatalities as an increasing number of the population continued to be vaccinated. The highly infectious Omicron variant which resulted in the 4th wave of the pandemic was also much less virulent compared to previous variants. In response to the declining fatalities, Government implemented less restrictive measures to the operating environment, encouraging the extension of working hours and transition to the return of “business as usual”.

No sooner had the world started to recover from the Covid 19 pandemic did a new global anxiety emerge in the form of a geopolitical armed conflict involving Russia and Ukraine. In the global context, the conflict touches on the economic, ideological, military and strategic interests of most superpowers. Consequently, there has been punitive disruptions to the availability and pricing stability of various global supply chains spanning from energy, agriculture, mining, banking systems and cybersecurity sectors of the global economy.

Locally, the ripple effects of the aforementioned conflict continue to be felt in the economy, particularly in the form of pass-on increases in basic commodity prices, such as fuel, cooking oil and wheat, which has negatively affected consumption at household level at a time our own country is dealing with addressing the structural weaknesses in the economy and the vagaries of climate change. On a positive note, the global economy witnessed a steady rise in metal prices, which could potentially translate into improved export receipts for the country's mining sector.

Aside from the aforementioned global disruptions, the Group is conscious of the persistent local macroeconomic vulnerabilities, including but not limited to run-away inflation, unstable foreign exchange markets and speculative arbitrage activities as well as increased climate change vulnerabilities affecting both access to energy and nutrition in our communities.

In an effort to address the global pass through as well as local challenges, fiscal and monetary authorities have introduced a raft of measures to contain money supply growth as well as deal with speculative arbitrage activities that have eroded disposable incomes in most households and communities.

Overall Group Financial Performance

Despite the challenges in the operating environment, the Group's overall financial performance was commendable. The

table below gives a snap shot of what the Group achieved;

Key Financial Highlights -Quarter Ended 31 March 2022

	Group Total Income	Group Profit Before Tax	Group Profit After Tax	Basic Earnings Per Share	NAV Per Share
Inflation Adjusted	ZWL9,29bln	ZWL3,84bln	ZWL3,09bln	ZWL (c) 485.14	ZWL31.31
Historical	ZWL9,22bln	ZWL5,07bln	ZWL4,45bln	ZWL (c) 697.83	ZWL28.96

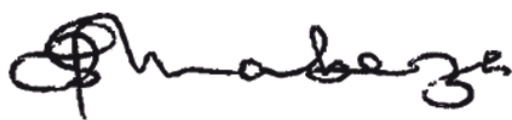
The Group surpassed performance expectations, largely benefiting from the relaxation of Covid-19 restrictions, which restored business-operating hours. For the period ended 31 March 2022, the Group recorded a total income growth of 157% on the prior year comparative period to ZWL9.29 billion in inflation adjusted terms. Net interest and related income was 110% higher than prior year whilst net fee and commission income improved by 64%. Other Income comprising mainly of trading profit on exchange and fair value gains was recorded at 274% above prior year, reflecting the local currency depreciation.

The Group achieved a commendable profit before tax position of ZWL3.84 billion and an after tax position of ZWL3.09 billion, being an improvement of 160% and 165% respectively. Total Group Assets as at the 31st of March 2022 stood at ZWL83.3 billion, up 10% from prior year's inflation adjusted figure of ZWL75.8 billion. Total Equity attributable to shareholders of the parent company was recorded at ZWL20.2 billion representing a growth of 17% on the comparative period last year.

Business Outlook

In light of recent market developments aimed at restoring market confidence, it is the Group's strategic intent to be guided by the Central Bank's guidelines and ensure compliance. The Group's risk profile continues to evolve due to emerging and changing traditional risks. The Group will continue to leverage on its risk management capabilities to support the overall business strategy and provide a base to ensure business growth and sustainability. FBC Holdings will continue to develop new distribution strategies that will optimise the Group's digital capabilities and enhance digital client interactions.

For and on behalf of FBC Holdings Limited



Tichaona Mabeza
Group Company Secretary
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