**STANBIC REBOUNDS FROM LOSS POSITION, POSTS ZWL607.2M PROFIT**

Stanbic Bank Zimbabwe has rebounded from a ZWL624 million loss posted for the half year last year to post an impressive ZWL607.2 million inflation adjusted profit after tax for the half year ending June 2020.

The Bank, a subsidiary of Standard Bank Group of South Africa, attributed the performance to an improvement in its non-funded income which includes trading revenue, fee and commission income and fair value adjustments on investment properties.

In a statement accompanying the results Stanbic Bank Board Chairman, Gregory Sebborn said the bank ended the six-months to 30 June, 2020 with a qualifying core capital of ZWL2.1 billion surpassing the local currency equivalence of the required USD30 million regulatory minimum core capital which has been set for the end of 2020.

Sebborn said while the operating environment remained extremely challenging, the economy recorded notable development in 2020 such as increases in power generation to levels estimated at 1 050 MW  by the end of June 2020 from 660 MW  at the beginning of the year attributable to increase in water levels in Lake Kariba.

“Cereal production also significantly increased mainly on the back of a rise in small grains output. Lastly, the trade deficit during the first five months of 2020 narrowed to USD340 million compared to a deficit of USD million over the same period in 2019,” said Sebborn.

Despite the above, economic challenges prevailed as demonstrated by the downgrading of Zimbabwe’s growth prospects by the International Monetary Fund and World Bank from rates of around 3% initially to negative growth of 7.4% and 10% respectively.

The Bretton Woods institutions noted the major risk as COVID 19, low business confidence, rising inflationary pressures, foreign currency shortages, erratic rainfall patterns, low disposable incomes, unstable energy supply and slow progress in implementing Anti Money Laundering and Combating Financial Terrorism (AM/CFT) reforms.

Chief Executive Joshua Tapambgwa said net interest income for the period declined by 28% from ZWL540 million to ZWL389 million although the Bank’s lending book had grown by 11% from ZWL2.5 billion as at the end of December to ZWL 2.7 billion. The Bank’s lending rates remained stagnant on account of regulatory constraints, at a time when average monthly rates were around 18%.

“The Bank registered a 23% growth in its fee and commission income, growing fromZWL395 in the prior period to ZWL486 million largely  buttressed by the impact of the continued depreciation of our local currency against the USD on the foreign dominated commission income, which, in turn,  had increased substantially in local currency terms,” said Tapambgwa.

He said fair value adjustments which were recorded during the period on investment properties underpinned the uplift in the Bank’s inflation adjusted total income which grew by 108% from ZWL1.4 billion as at the end of June 2019 to ZWL 2.9 billion.

Tapambgwa said the acquisition of new lending and investment assets during the period saw the Bank’s credit impairments growing by 263 % from ZWL 115 million to ZWL 386 million.

“In addition, the Bank reassessed the quality of its lending book following the outbreak of COVID 19 and its impact on business operations in key industries such as agriculture, manufacturing and tourism with the latter being the hardest hit so far, resulting in additional impairments being recorded,” said Tapambgwa.

Commenting on the Bank’s Corporate Social Investment (CSI) drive, Tapambgwa noted that the year began on an unsettling note as the world woke up at war with COVID 19 pandemic.

He acknowledged that it has been a trying year for humanity adding that Stanbic Bank joined hands with government and many other well-wishers by providing equipment worth USD 200 000. “The equipment comprised five ventilators, personal protective equipment (‘PPEs” in the form of protective suits, goggles, N95 masks, surgical masks and face shields; 2 400 PCR tests, sanitisers and two boreholes),” he said.

The PPEs were handed over to St Anne’s Hospital, Wilkins Hospital, Thorngrove Hospital, Mutare Infectious Diseases Hospital, Gweru Provincial Hospital and Masvingo Provincial Hospital. The five ventilators were handed over to Thorngrove Hospital, Parirenyatwa Hospital, St Anne’s Hospital and United Bulawayo Hospital while the two boreholes were drilled in Cowdry Park – Bulawayo and Glen Norah C – Harare to help these communities with better access to clean and safe water.

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