

# ANALYST BRIEFING

26 February 2013



# PRESENTATION OUTLINE



- Capitalisation
- Key Strategic Developments
- 2012 Financial Results
- 2013 Financial Forecasts
- Dividend Declaration
- Q & A



# GROUP CAPITALISATION



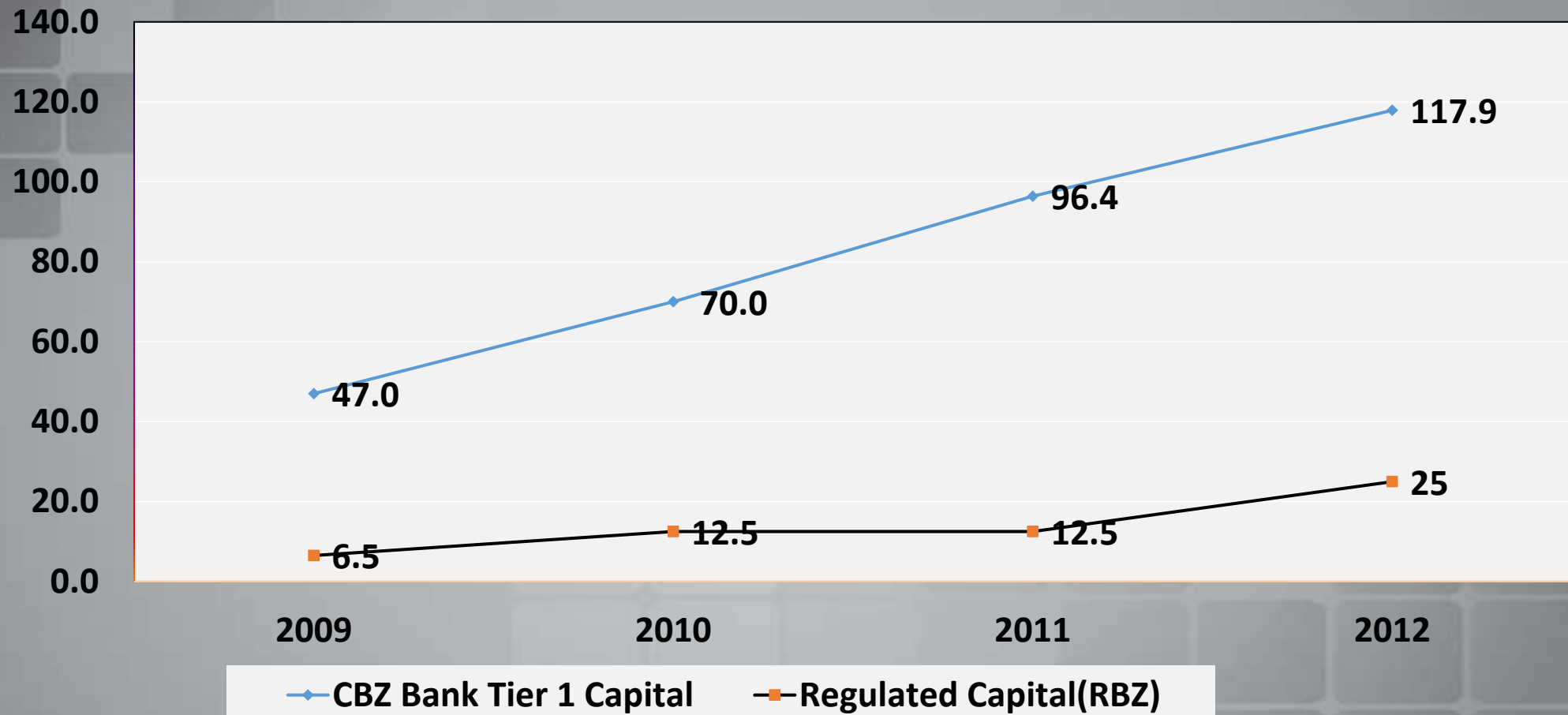
	Core Capital 31 December 2012	REQUIRED BY RBZ/ COMMISSIONER	BUFFER	Total Capital 31 December 2012
Group	\$122.9m	\$27.5m	\$95.4m	\$160.2m
CBZ Bank	\$117.9m	\$25m	\$92.9m	\$142.6m
CBZ Asset Management	\$1.1m	\$0.5m	\$0.6m	\$1.1m
CBZ Life	2.7m	\$1m	\$1.7m	\$2.7m
CBZ Insurance	\$1.2m	\$1m	\$0.2m	\$1.2m



# CBZ BANK CAPITALISATION



\$m



# Key strategic developments



# Key strategic developments

1. Share buy back
2. Product development and expansion
3. Regulatory amendments
  - Implementation of Basel II
  - RBZ MOU
  - Tax and Banking Acts
4. Focus on attraction of offshore lines of credit and investments
5. Improved consolidated/shared services

# 2012 Financial Results

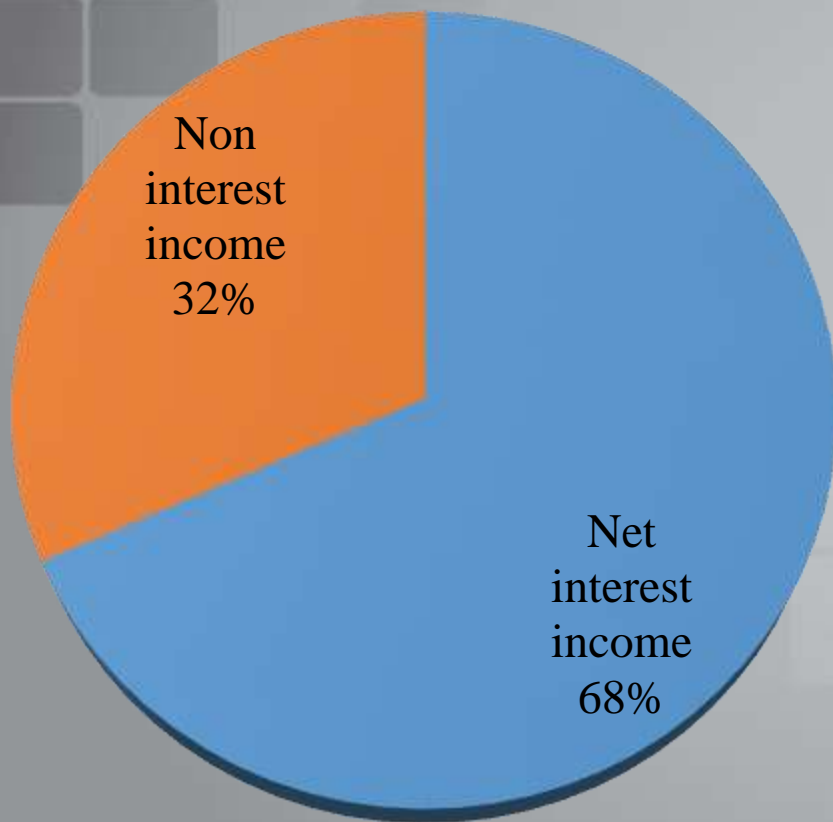


# Consolidated Statement of Comprehensive Income

	31 Dec 2012	31 Dec 2011	Y.O.Y Growth (%)	
Total Income	\$144.1m	\$123.1m	17.1	↑
Underwriting income (net)	\$4.7m	\$3.2m	48.8	↑
Total Expenditure	\$83.3m	\$69.6m	19.8	↑
Profit After Tax	\$45.0m	\$30.3m	48.4	↑



# Consolidated Income Mix



	Contribution to Non interest income	Dec 2012 %	Dec 2011 %
1	Net income from foreign currency dealings	10	14
2	Commission & fee income	21	19
3	Transaction charges	53	46
4	Other	16	21
	Total	100	100

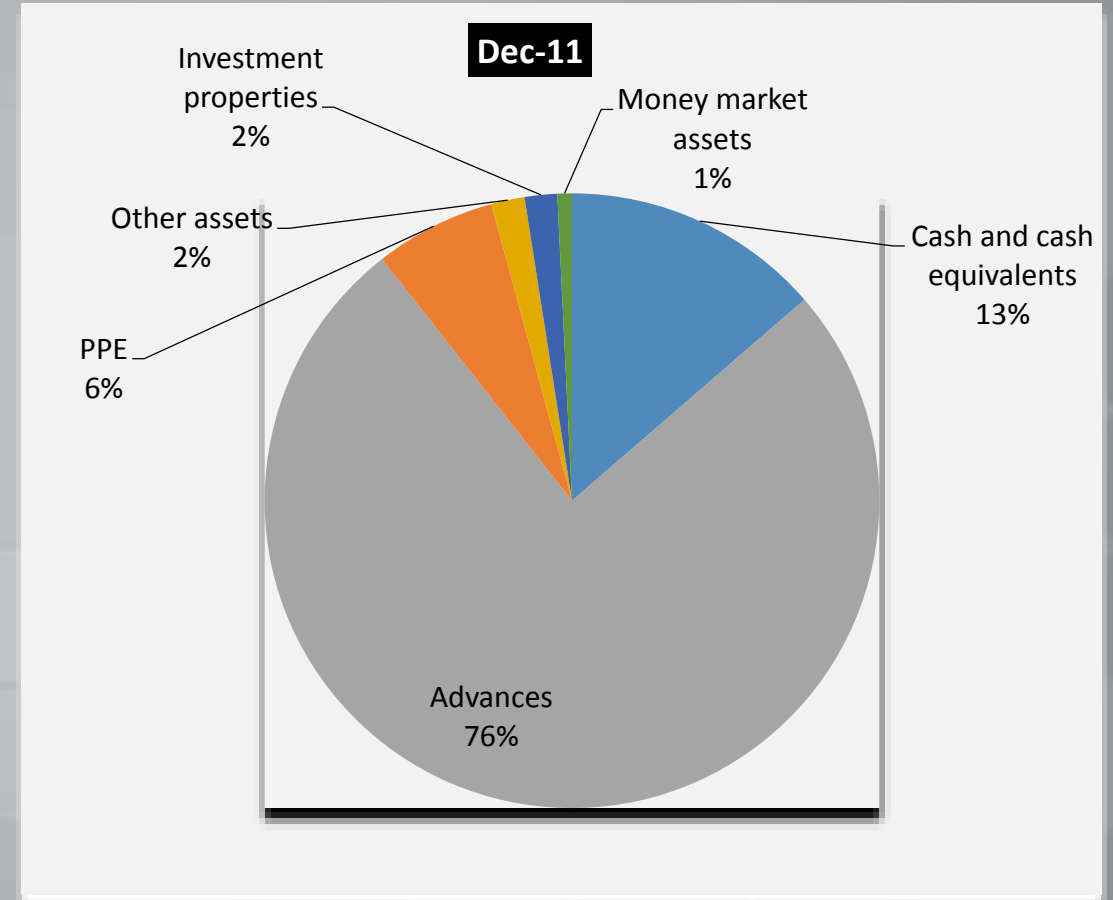
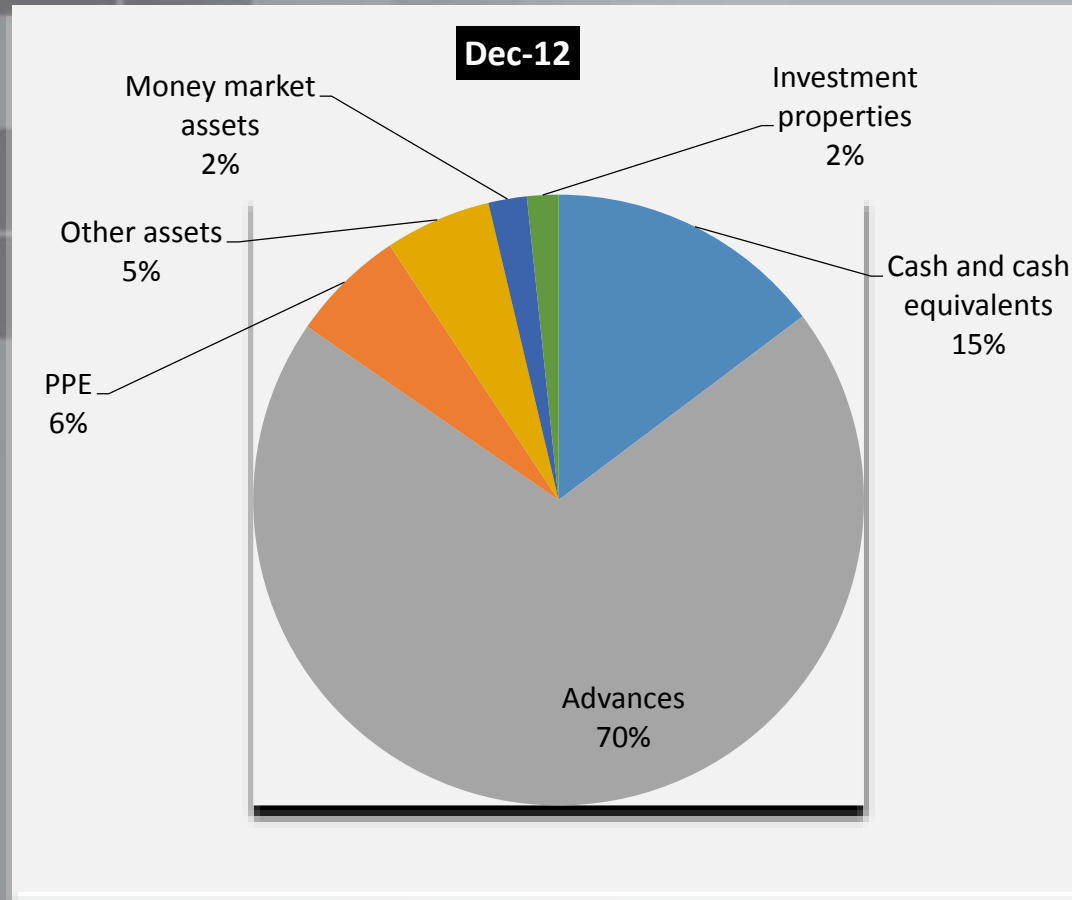
# Consolidated Statement of Financial Position



	31 Dec 2012	31 Dec 2011	Y.T.D Growth (%)
Total assets	\$1 223.1m	\$1 055.7m	15.9
Total deposits	\$1 032.4m	\$829.9m	24.4
Total advances	\$854.7m	\$790.3m	8.1
Funds Under Management	\$111.1m	\$88.2m	26.0
Insurance assets	\$4.7m	\$1.5m	209.4



# Consolidated Asset Mix



# Consolidated Sectoral Analysis of Deposits

Sector	Dec 2012 %	Dec 2011 %
Services	19	21
Individuals	12	14
Manufacturing	12	13
Financial Organisations	27	20
Communication	6	6
Agriculture	3	3
Distribution	13	14
Transport	2	2
Financial and investments	3	4
Construction	2	2
Mining	1	1
<b>Total</b>	<b>100</b>	<b>100</b>
Government related	10	7

# Consolidated Analysis of Advances



	Dec 2012		Dec 2011
Total net advances (US\$m)	854.7		790.3
Security value (US\$m)	1 150.8		867.0
Security cover (times)	1.35		1.10
Provisions (US\$m)	35.5		21.7
Non performing loans (US\$m)	41.9		48.0
Coverage ratio (times)	0.62		0.45
Offshore funded advances (%)	20		15



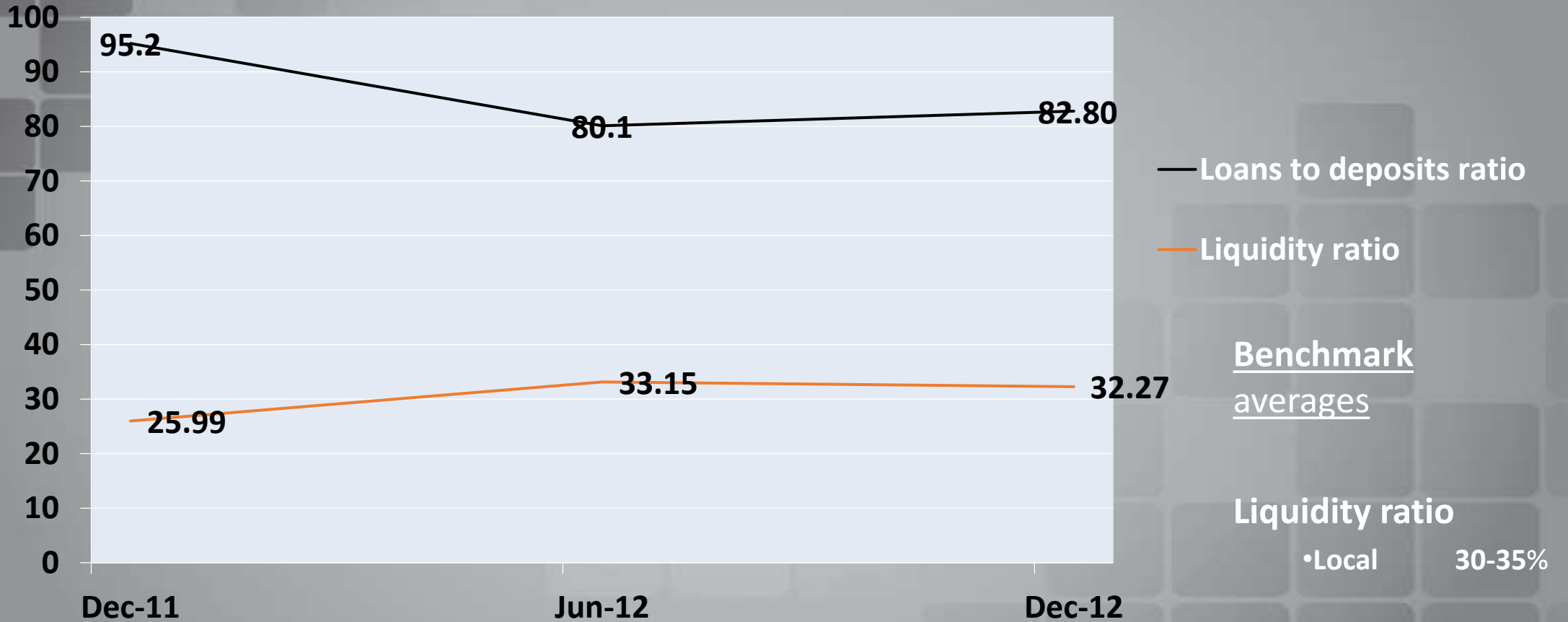
# Consolidated Sectoral Analysis of Advances



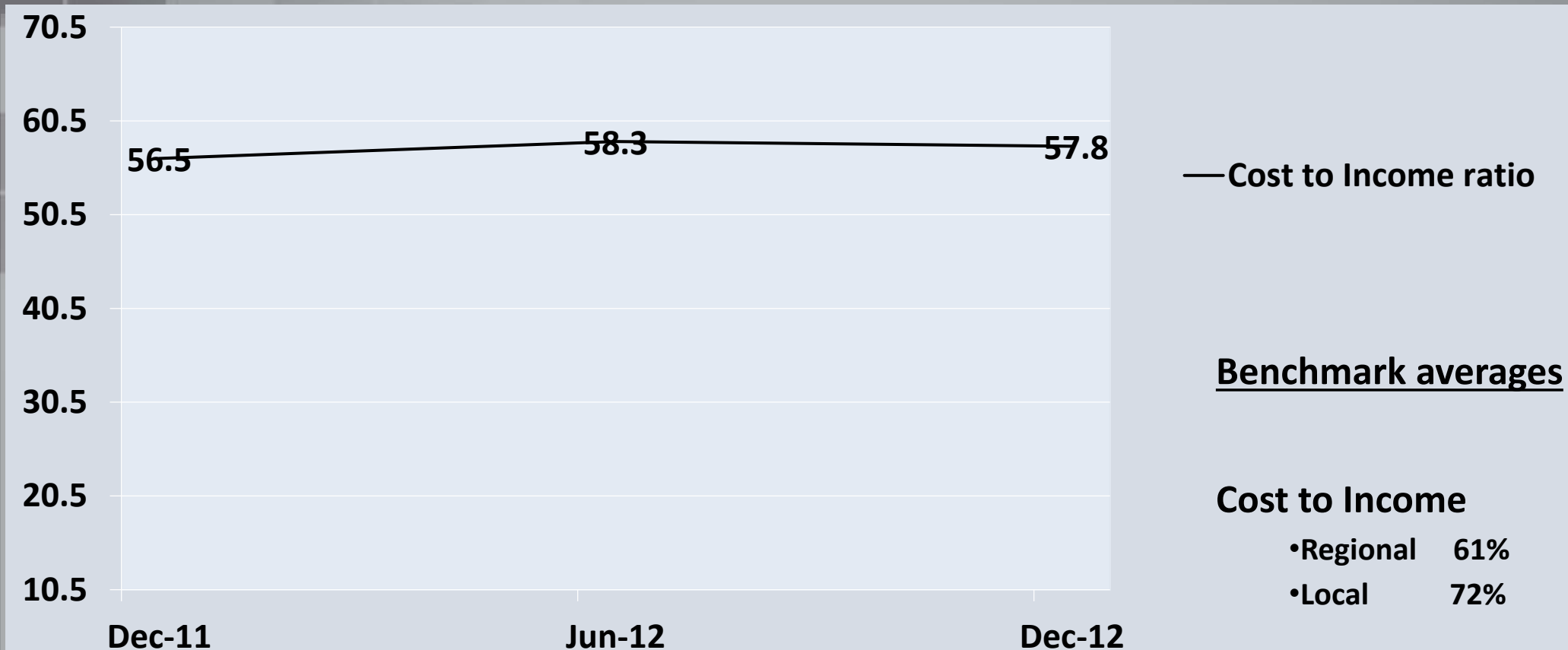
Sector	Dec 2012 %	Dec 2011 %
Consumer finance	11	11
Agriculture	30	29
Mining	2	1
Manufacturing	17	14
Distribution	24	23
Construction	1	3
Transport	2	5
Communication	1	1
Services	12	13
<b>Total</b>	<b>100</b>	<b>100</b>
<b>SME's &amp; Microfinance</b>	<b>5</b>	<b>2</b>
<b>Government related</b>	<b>-</b>	<b>0.2</b>



# Consolidated Ratio Analysis

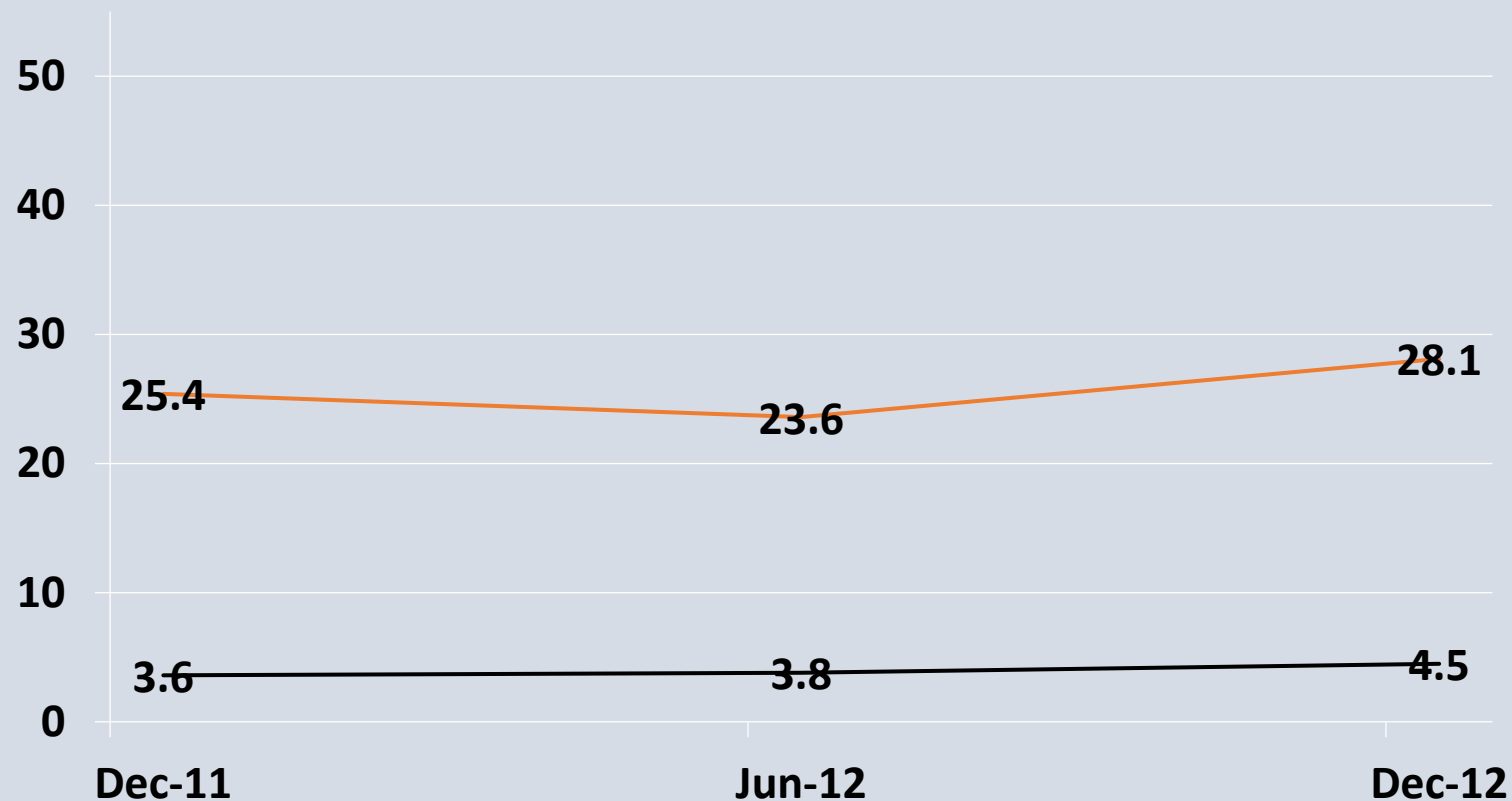


# Consolidated Ratio Analysis





# Consolidated Ratio Analysis



— Return on Assets  
— Return on Equity

## Benchmark averages

### Return on Assets

- Regional 1.3%
- Local 2.9%

### Return on Equity

- Regional 15.8%
- Local 14.1%

# CBZ Bank - summarised results



	Dec 2012 US \$m	Dec 2011 US \$m	% change	
Total income	136.7	120.2	13.7	↑
Operating expenditure	78.4	64.7	21.2	↑
Profit before tax	53.6	41.1	30.6	↑
Profit after tax	42.3	32.3	30.8	↑
Total assets	1 248.9	1 090.5	14.5	↑
Shareholders' funds	142.6	112.3	27.0	↑
Total advances	854.4	790.1	8.1	↑
Total deposits	1 042.0	837.0	24.4	↑



# CBZ Life - summarised results



	Dec 2012 US \$m	Dec 2011 US \$m	% change
Underwriting income (net)	3.0	1.4	108.4 ↑
Profit before tax	1.6	0.1	942.8 ↑
Profit after tax	1.5	0.1	943.8 ↑
Total assets	4.9	2.6	90.2 ↑
Shareholders' funds	2.7	1.2	131.0 ↑
Life Fund	1.5	0.9	72.5 ↑



# CBZ Insurance – summarised results



	Dec 2012 US \$m	Dec 2011 US \$m	% change	
Underwriting income (net)	1.8	1.7	0.2	↑
Profit before tax	0.3	0.4	16.2	↓
Profit after tax	0.2	0.3	22.7	↓
Total assets	6.8	4.5	51.5	↑
Shareholders' funds	1.2	0.9	24.1	↑
Insurance assets	4.6	2.7	69.1	↑
Insurance liabilities	5.1	3.0	71.3	↑



# CBZ Asset Management - summarised results



	Dec 2012 US \$m	Dec 2011 US \$m	% change	
Total income	1.43	1.13	26.4	↑
Operating expenditure	1.65	1.32	20.4	↑
Profit before tax	(0.22)	(0.24)	9.5	↑
Profit after tax	(0.15)	(0.18)	12.1	↑
Total assets	2.3	2.1	9.9	↑
Shareholders' funds	1.1	0.9	25.5	↑
Funds under management	111.1	88.2	26.0	↑



# 2013 Financial Forecasts



# 2013 Financial Forecasts

	% Growth
Total Assets	19.5
Advances	8.3
Deposits	20
Technical assets	6
Funds under management	8.3
Profit before tax	10

# Earnings Guidance for 2013



- **Diversification of income**
  - Enhanced investment banking
  - Long term insurance
- **Increased credit lines – long term finance**
  - Micro-SMEs -
  - Increased tenor - mortgage lending  
(Multilateral Institutions)
- **Quality of earnings**
- **Cost control**
- **Liquidity management**
- **Compliance & effective tax planning**







# Key Dividend Information



The board declared an interim dividend of US\$903 071 during the year, a final dividend of US\$1 178 326 has been proposed for declaration to give a total annual dividend of US\$2 081 397.



# QUESTION & ANSWER SEGMENT

**Thank  
You**

