



HOLDINGS LIMITED

CBZ HOLDINGS LTD
RESULTS PRESENTATION
for the year ended 31 December 2013

Wednesday 26 February 2014

STRATEGIC REVIEW

FINANCIAL REVIEW

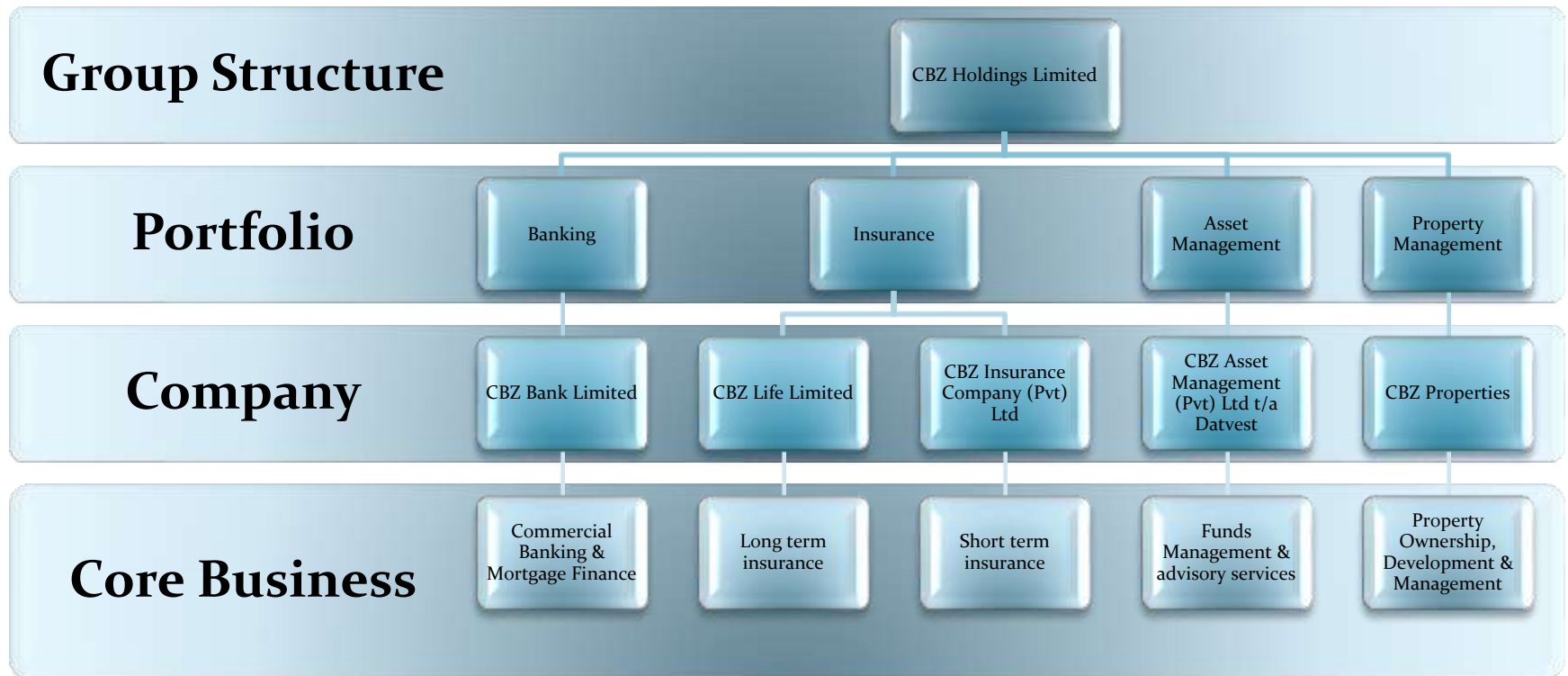
EARNINGS GUIDANCE

STRATEGIC REVIEW

Our Long Term Commitment

- To be a progressive strong financial services group geared to serve personal and corporate clients locally and globally from our home base
- To satisfy the diverse needs of our clients by offering a wide range of innovative financial services solutions
- Our driving force is to be the preferred financial services Group where expertise is a virtue. This will be achieved through innovative service delivery, strong competencies and flexibility whilst adhering to principles of integrity, excellence, passion, innovation, transparency and fairness.

Our Group Structure



Key Strategic Focus Areas

Banking

- Liquidity Management
- Growth in long term deposits
- Promotion of technology based products
- Growth in Investment Banking
- Expansion of the Mortgage Finance products

Insurance

- Penetration of new Products
- Enhanced risk management

Asset Management

- Global presence through products.
- Alternative investment products

Building a diversified portfolio

Innovative products & services

Regional Presence

Group Synergies

Innovative Product Development



Cash Plus
Savings
Products

- A range of savings products offering competitive rates ranging from 4 to 8%
- Cashplus housing, where one can save and borrow for housing at twice the saved amount.
- Cashplus Business for small enterprises
- Teen Saver and Junior saver for the young to develop a savings culture as they grow



Church Saver
Accounts

- Unique account for religious organisations at competitive interest rates transactional costs with a personal banker available.



School Saver
Accounts

- Designed specifically for schools, with competitive savings rates

Innovative Product Development



CBZ Educational Plan

- A life assurance linked savings product where you save for your child's education in periodic installments for a predetermined period. CBZ life will take over installments payments in the event of death



Holiday Accident Cover

- A first of its kind festive season insurance package. Clients are covered for accidents that may occur during the festive season at affordable rates.

Delivery Channel Initiatives

Mobile Banking

- Mobile banking transactions using a mobile phone e.g. bill payments , balance inquiry, etc

In Store ATMs

- ATMs available in selected stores for CBZ and ZIMSWITCH account holders to transact at any time and where the cash is needed.

Our record on delivering on our core strategy

INTERNATIONALISATION INITIATIVES

CBZ ENTERED INTO THE BOND MARKETS WITH THE SUCCESSFUL US\$68 MILLION ZERB BOND. PLANS UNDERWAY TO INCREASE TENURE AND VALUE OF THE BOND TO \$200 MILLION

A LONG TERM OFFSHORE US\$10 MILLION DEBENTURE WAS RAISED IN 2013

SUCCESSFULLY SOUGHT AND SECURED A STRATEGIC PARTNER SAFARI QUANTUM INVESTMENTS (10%)

Internationalization Initiatives



CBZ GLOBAL FUND

- AN OFFSHORE INVESTMENT FUND TO BE LAUNCHED IN MAURITIUS.
- TO INVEST IN THE LOCAL MONEY & CAPITAL MARKETS
- TO DRIVE INCOME GOING FORWARD AND TO ENHANCE FOREIGN DIRECT INVESTMENT

Our record on delivering on our core strategy

MAXIMISING ON GROUP SYNERGIES

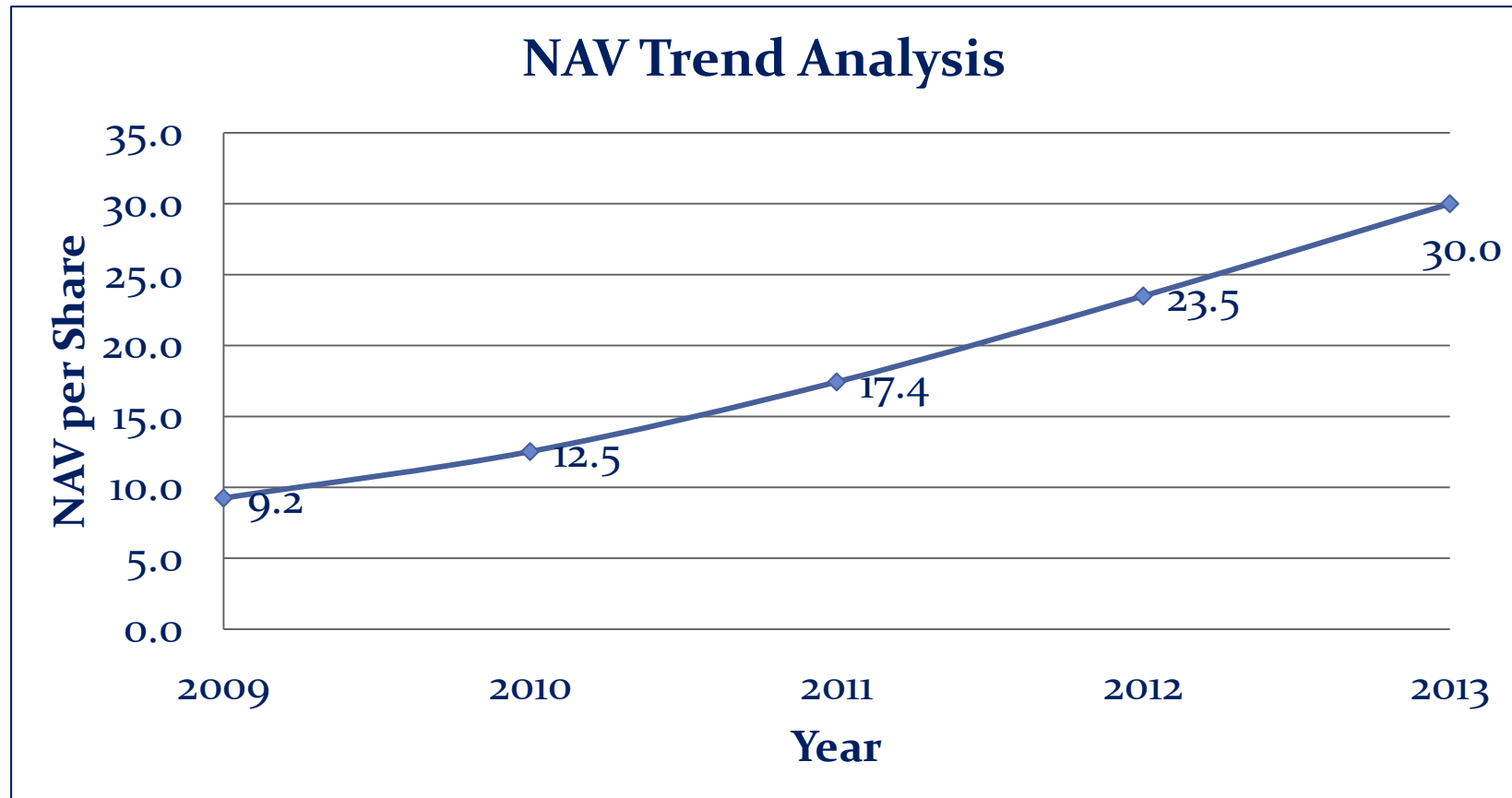
COMMON SERVICES CONSOLIDATED AT GROUP LEVEL IN AREAS SUCH AS FINANCE, RISK, IT, AND MARKETING. MANAGEMENT, COMPLIANCE & TRAINING

RESULTED IN ELIMINATION OF DUPLICATION AND OPERATIONAL EFFICIENCY.

COST SAVINGS ACHIEVED WITH OPERATING COSTS GROWTH REDUCED TO 6.6% IN 2013 FROM 19.8% IN 2012. 20% POSITIVE IMPACT WHEN FULLY IMPLEMENTED.

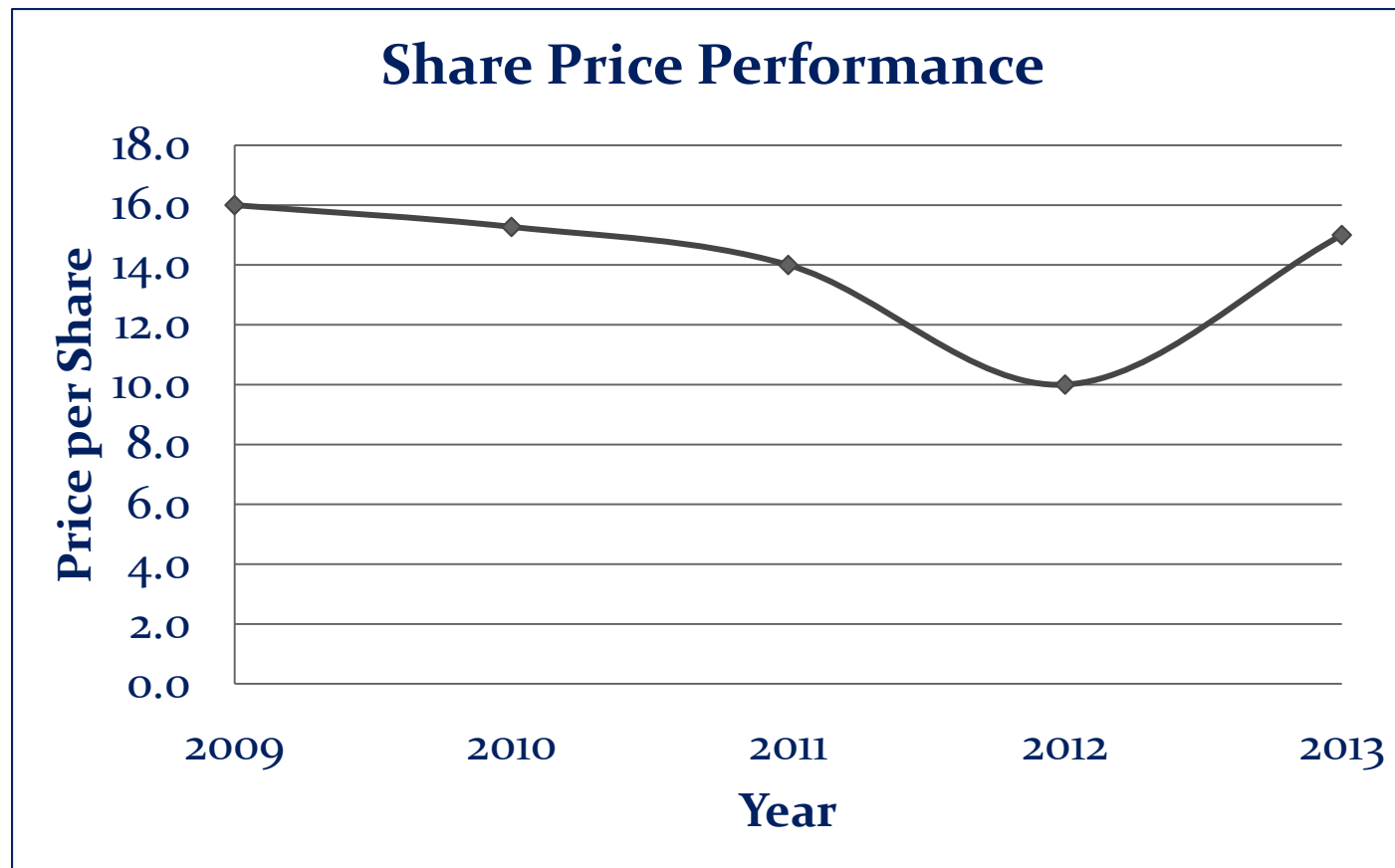
Shareholder value created

NAV TREND: DELIVERING VALUE THROUGH CONTINUOUS GROWTH IN NET ASSET VALUE



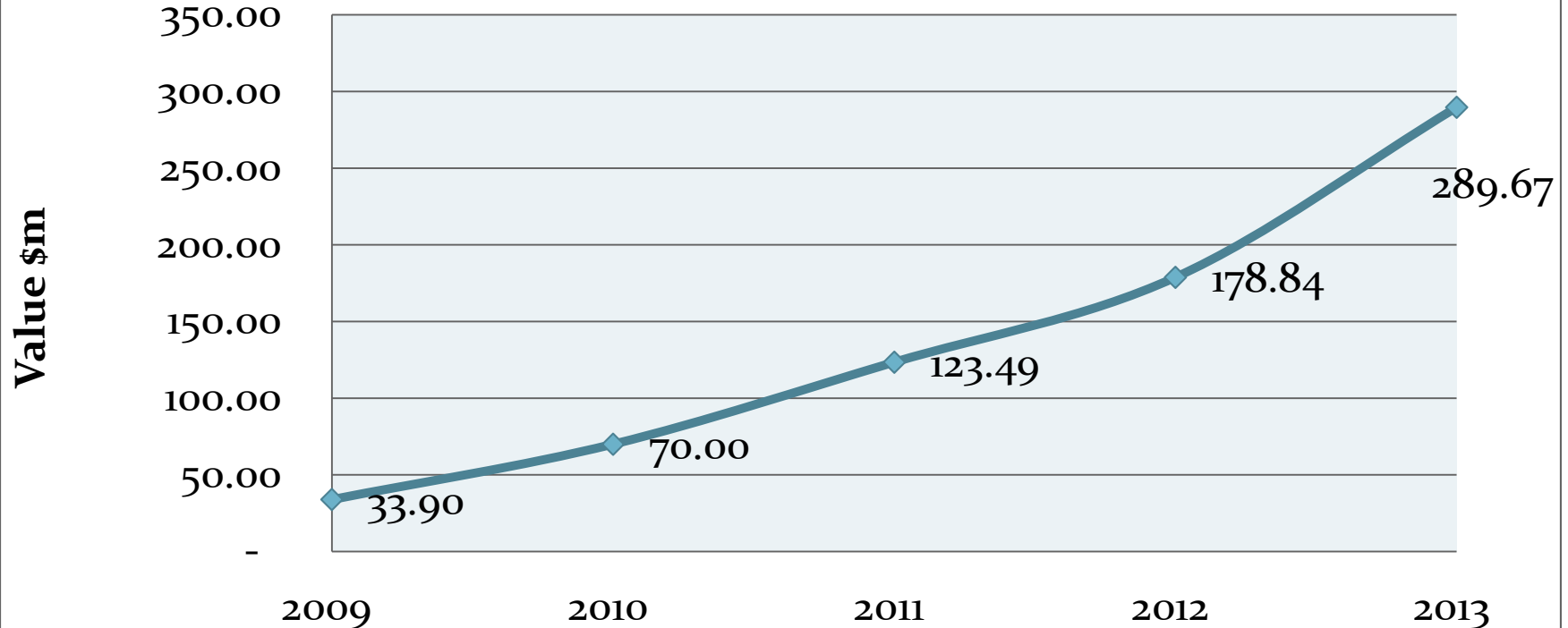
Shareholder value created

SHARE PRICE GROWTH: DELIVERING VALUE THROUGH 2013 GROWTH



Growth in strategic funding sources

LINES OF CREDIT



FINANCIAL REVIEW

2013 Financial Targets : Delivering on our promises.....








- DIVERSIFICATION OF INCOME
- INCREASED CREDIT LINES
- QUALITY OF EARNINGS
- COST CONTROL
- LIQUIDITY MANAGEMENT
- COMPLIANCE

Solid Performance achieved under a constrained environment

- MOU RESTRICTIONS ON BANK REVENUE INITIATIVES
- TIGHT MARKETWIDE LIQUIDITY CONDITIONS
- INVESTOR WAIT & SEE ATTITUDE OVER THE PRE AND POST ELECTION PERIOD
- SUBDUED PERFORMANCE ON THE STOCK MARKET

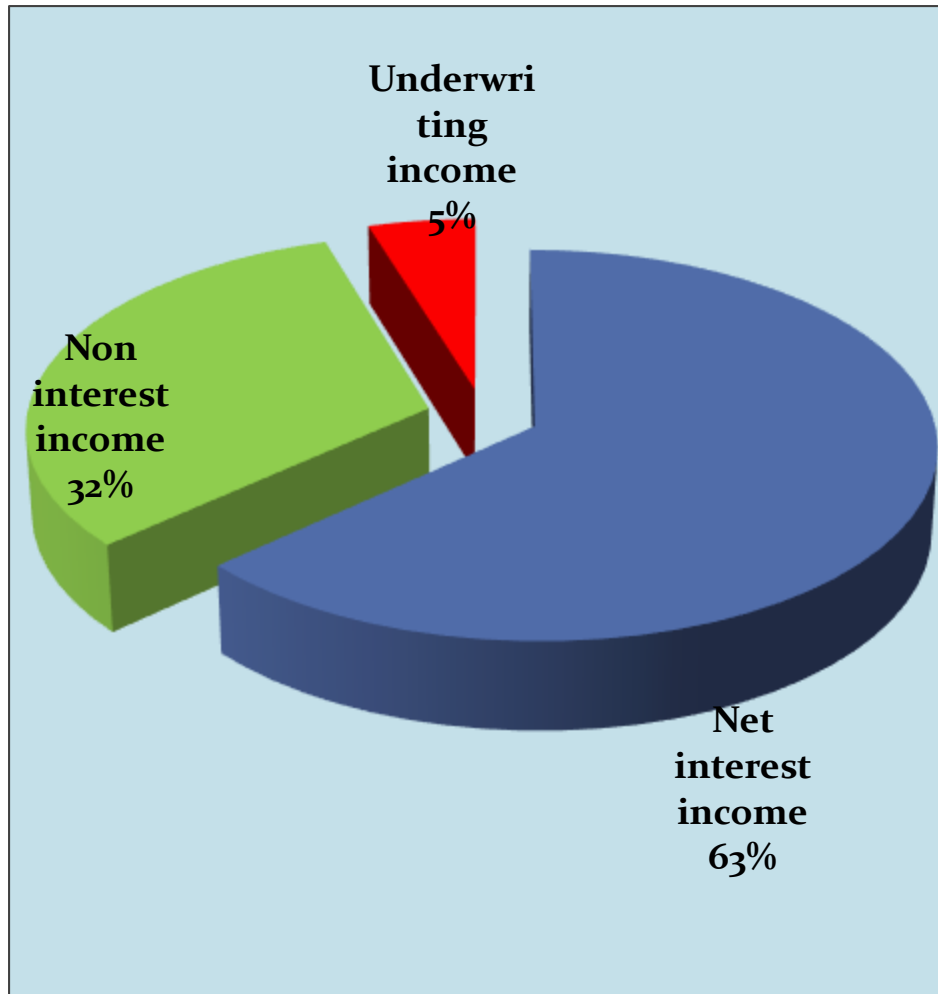
Group Performance Highlights

Consolidated Statement of Comprehensive Income

| | 31 Dec 2013 | 31 Dec 2012 | Y.O.Y Growth (%) |
|-----------------------|-------------|-------------|---|
| Total Income | \$150.5m | \$144.1m |  4.4 |
| Underwriting income | \$7.8m | \$4.7m |  51.8 |
| Total Expenditure | \$88.8m | \$83.3m |  6.6 |
| Charge for impairment | \$19.4m | \$4.6m |  321.8 |
| Profit After Tax | \$36.7m | \$45.0m |  18.4 |
| EPS (cents) | 6.3 | 7.39 |  14.75 |
| P/E | 2.38 | 1.35 |  76.3 |

Group Performance Highlights

Income Mix Dec 2013



| Non interest income composition | Dec 2013 % | Dec 2012 % |
|---|------------|------------|
| Commission & fee income | 66 | 68 |
| Gains from foreign currency trading & positions | 18 | 17 |
| Fair value adjustments | 4 | 6 |
| Other | 12 | 9 |

Group Performance Highlights

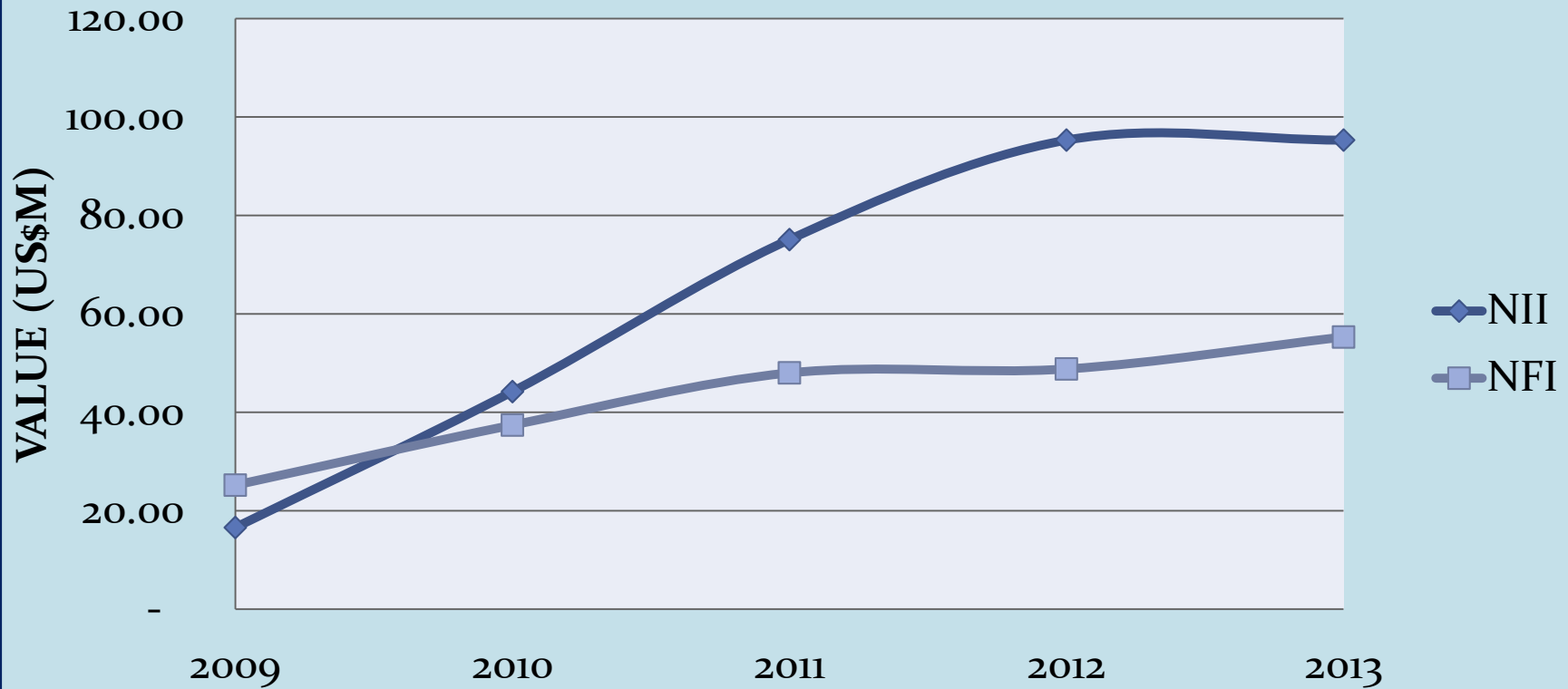
Income Statement Analysis



Group Performance Highlights

Income Statement Analysis

GROUP INCOME TREND ANALYSIS

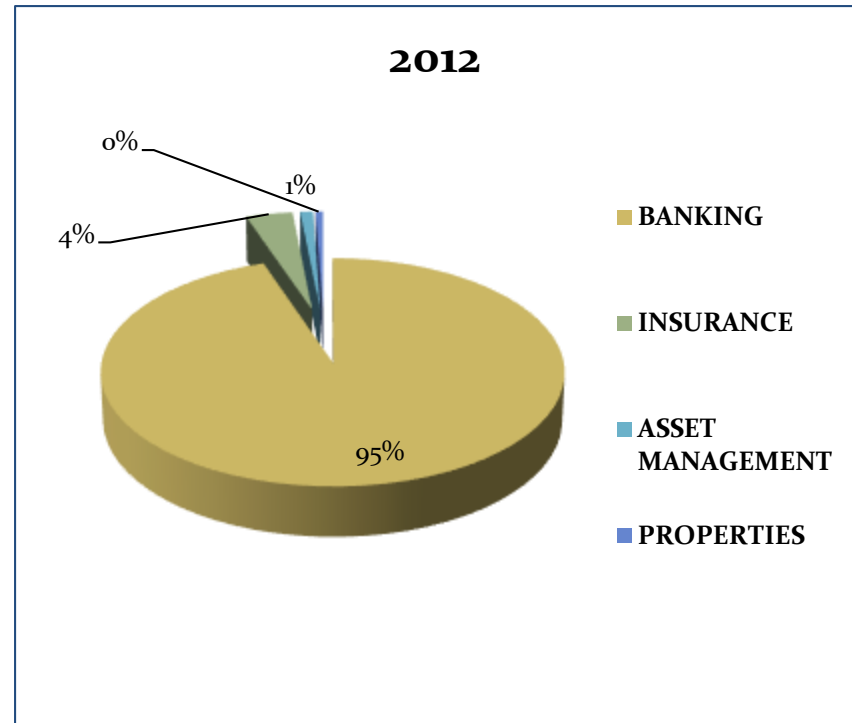
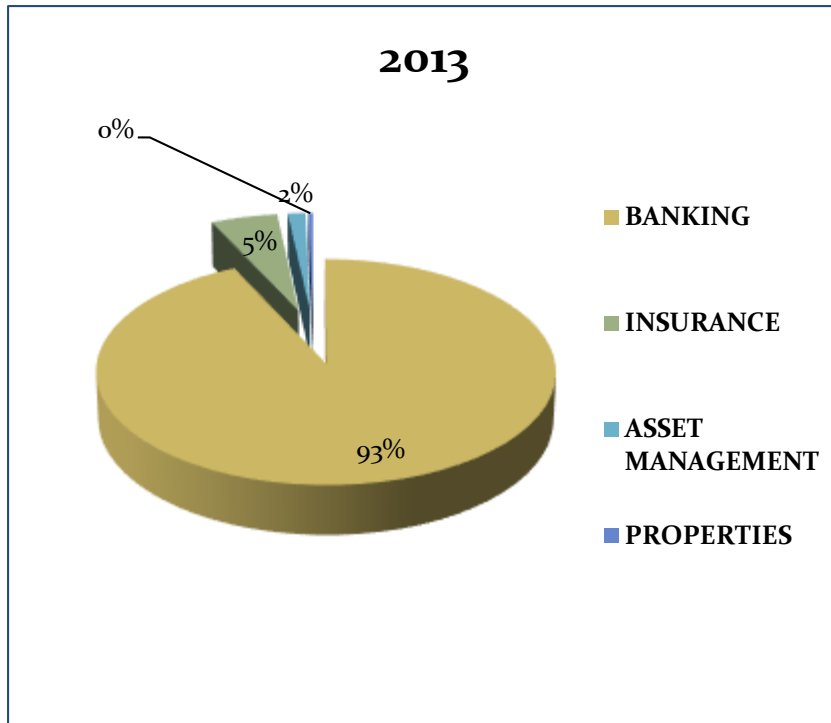


NON FUNDED INCOME (NFI) CONTRIBUTION ON THE RISE, FURTHER ENHANCING EARNINGS STABILTY AND INCOME DIVERSIFICATION

Group Performance Highlights

Income Statement Analysis

SEGMENTAL CONTRIBUTION TO GROUP INCOME

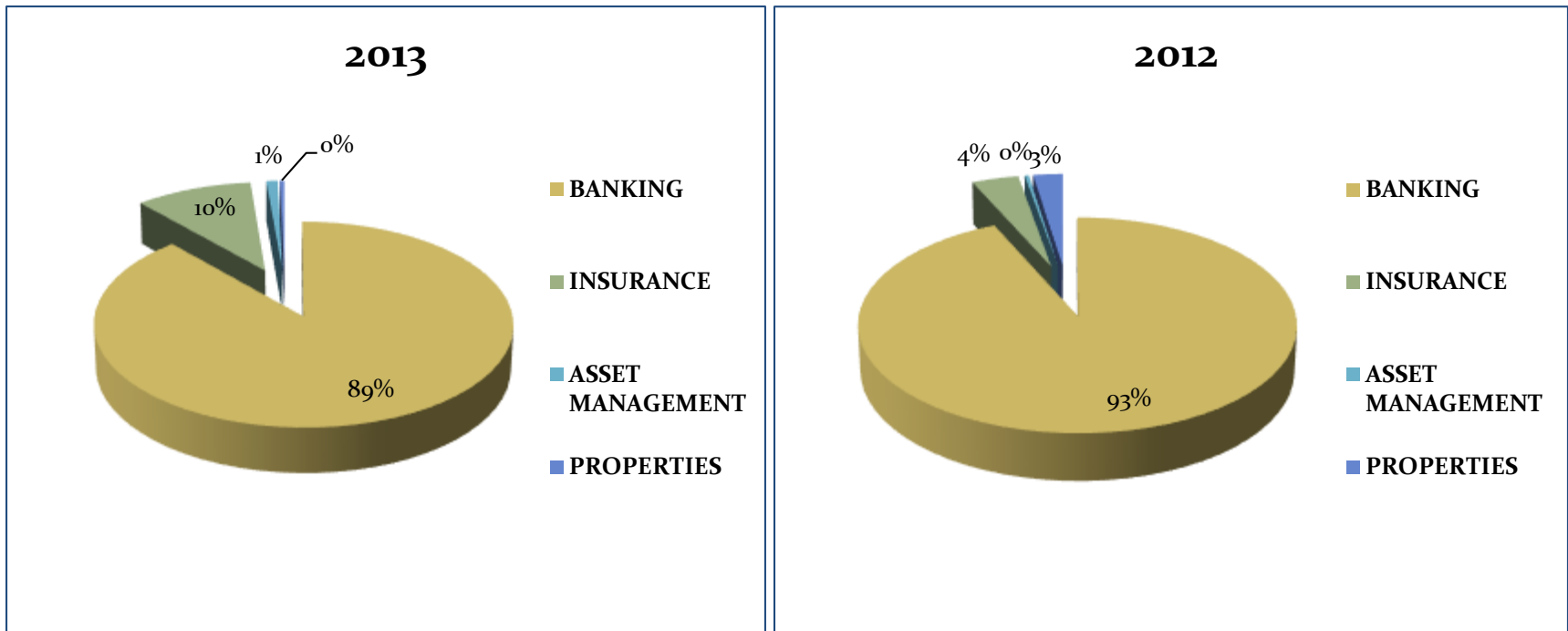


Contribution of non-banking business rises to 7.0% from 5.2% toward the targeted 20%.

Group Performance Highlights

Income Statement Analysis

- **SEGMENTAL CONTRIBUTION TO GROUP PROFITABILITY..... ALL OPERATING UNITS NOW PROFITABLE**




Contribution of non-banking business rises to 11.5% from 6.0% (Earnings sustainability enhanced)

Group Performance Highlights






Income Statement Analysis

TOP GROUP EXPENDITURE LINES GROWTH

| | 31 Dec 2013 | 31 Dec 2012 | Y.O.Y Growth (%) |
|-------------------------|-------------|-------------|---|
| Staff Costs | \$48.9m | \$44.8m | 9.1  |
| Administration Expenses | \$32.3m | \$32.4m | 0.4  |

Group Performance Highlights

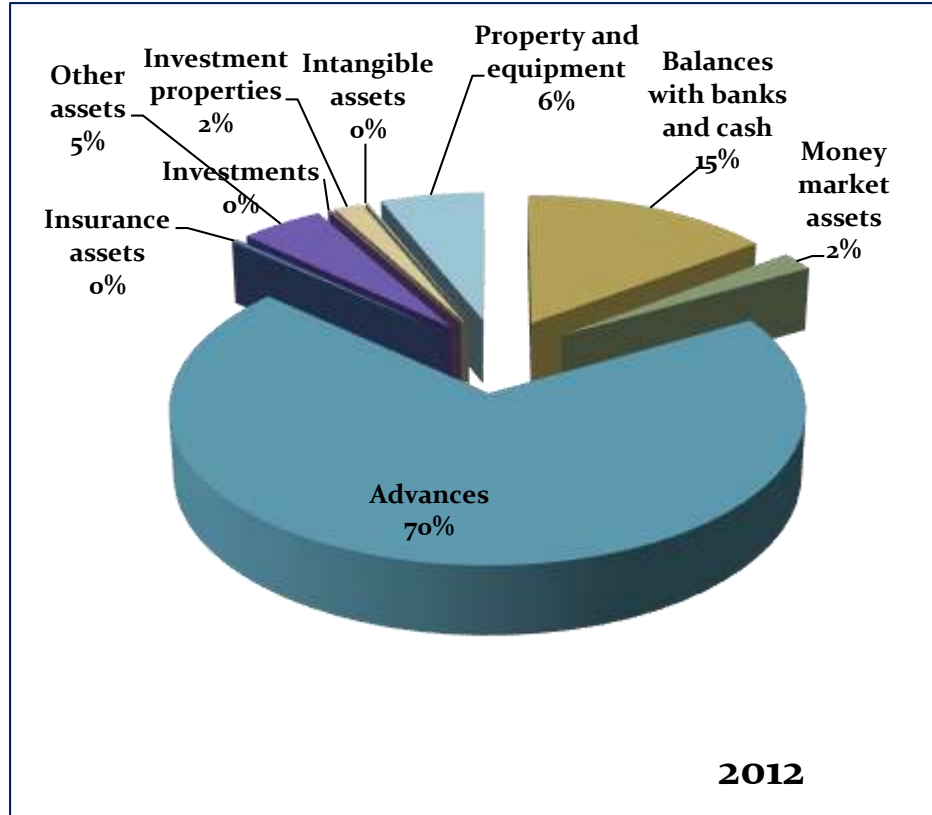
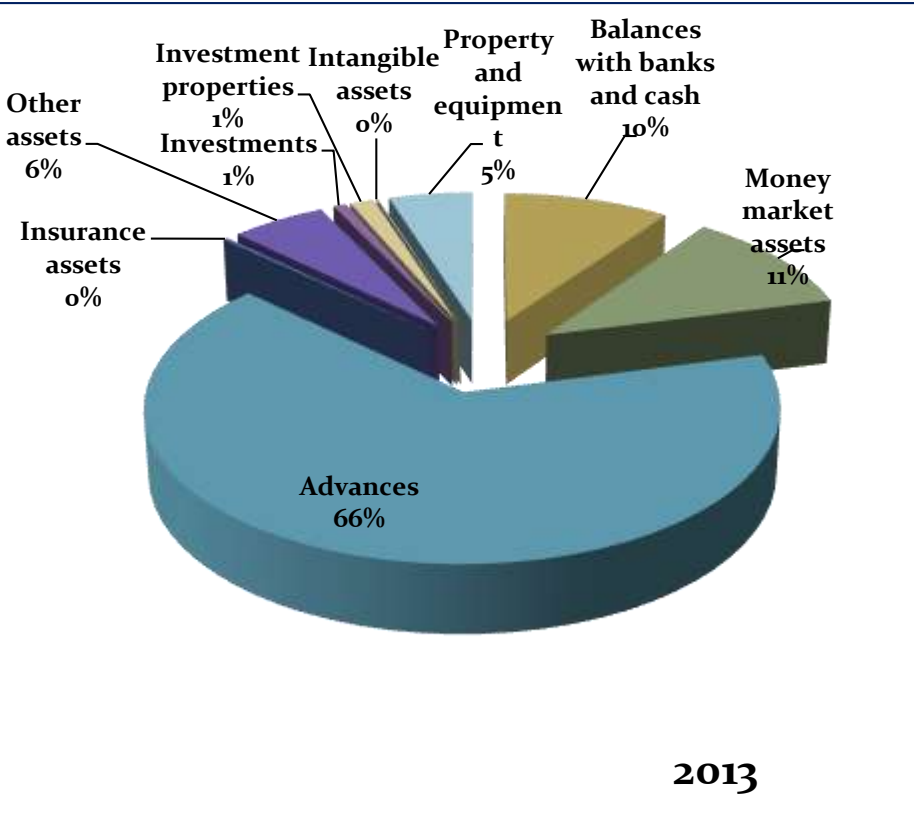
Consolidated Statement of Financial Position

| | 31 Dec 2013 (m) | 31 Dec 2012 (m) | Y.T.D Growth (%) | |
|------------------------|--------------------|--------------------|---------------------|---|
| Total assets | \$1 558.7 | \$1 223.1 | 27.4 |  |
| Total advances | \$1 028.1 | \$854.7 | 20.3 |  |
| Total deposits | \$1 332.6 | \$1 032.4 | 29.3 |  |
| Funds Under Management | \$140.2 | \$111.1 | 26.2 |  |
| Insurance assets | \$4.0 | \$4.7 | 15.4 |  |

Group Performance Highlights

Analysis of Statement of Financial Position

Asset Composition Analysis



Group Performance Highlights

Analysis of Statement of Financial Position

ADVANCES SECTORAL ANALYSIS

| Sector | DEC 2013 % | Dec 2012 % |
|-------------------------|---------------|---------------|
| Consumer finance | 10 | 11 |
| Agriculture | 27 | 30 |
| Mining | 2 | 2 |
| Manufacturing | 9 | 17 |
| Distribution | 23 | 23 |
| Construction | 1 | 1 |
| Transport | 2 | 2 |
| Communication | 1 | 1 |
| Services | 23 | 13 |
| Financial Organisations | 2 | 0 |
| Total | 100 | 100 |

Group Performance Highlights

Analysis of Statement of Financial Position

| | Dec 2013 | Dec 2012 |
|------------------------------|----------|----------|
| Total net advances (US\$m) | 1 028.1 | 854.7 |
| Security value (US\$m) | 1 426.5 | 1 150.8 |
| Security cover (times) | 1.39 | 1.35 |
| Provisions (US\$m) | 35.9 | 35.5 |
| Non performing loans (US\$m) | 47.0 | 41.9 |
| Coverage ratio (times) | 0.76 | 0.84 |
| Offshore funded advances | 28.0 | 20.0 |

Group Performance Highlights

Analysis of Statement of Financial Position

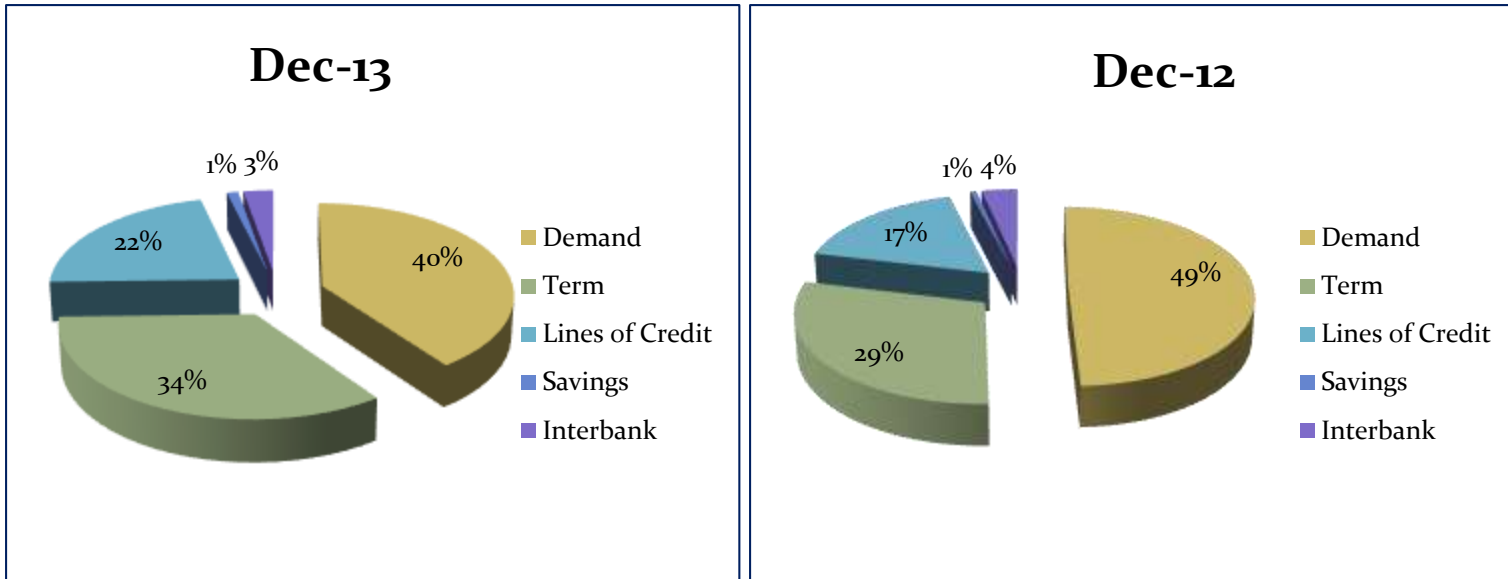
DEPOSITS SECTORAL ANALYSIS

| Sector | DEC 2013 % | Dec 2012 % |
|---------------------------|---------------|---------------|
| Services | 24 | 19 |
| Individuals | 5 | 12 |
| Manufacturing | 9 | 12 |
| Financial Organisations | 36 | 27 |
| Communication | 5 | 6 |
| Agriculture | 3 | 3 |
| Distribution | 10 | 13 |
| Transport | 1 | 2 |
| Financial and investments | 4 | 3 |
| Construction | 2 | 2 |
| Mining | 1 | 1 |
| Total | 100 | 100 |
| Government | 2 | 10 |

Group Performance Highlights

Analysis of Statement of Financial Position

DEPOSITS & FUNDING – DEPOSIT COMPOSITION

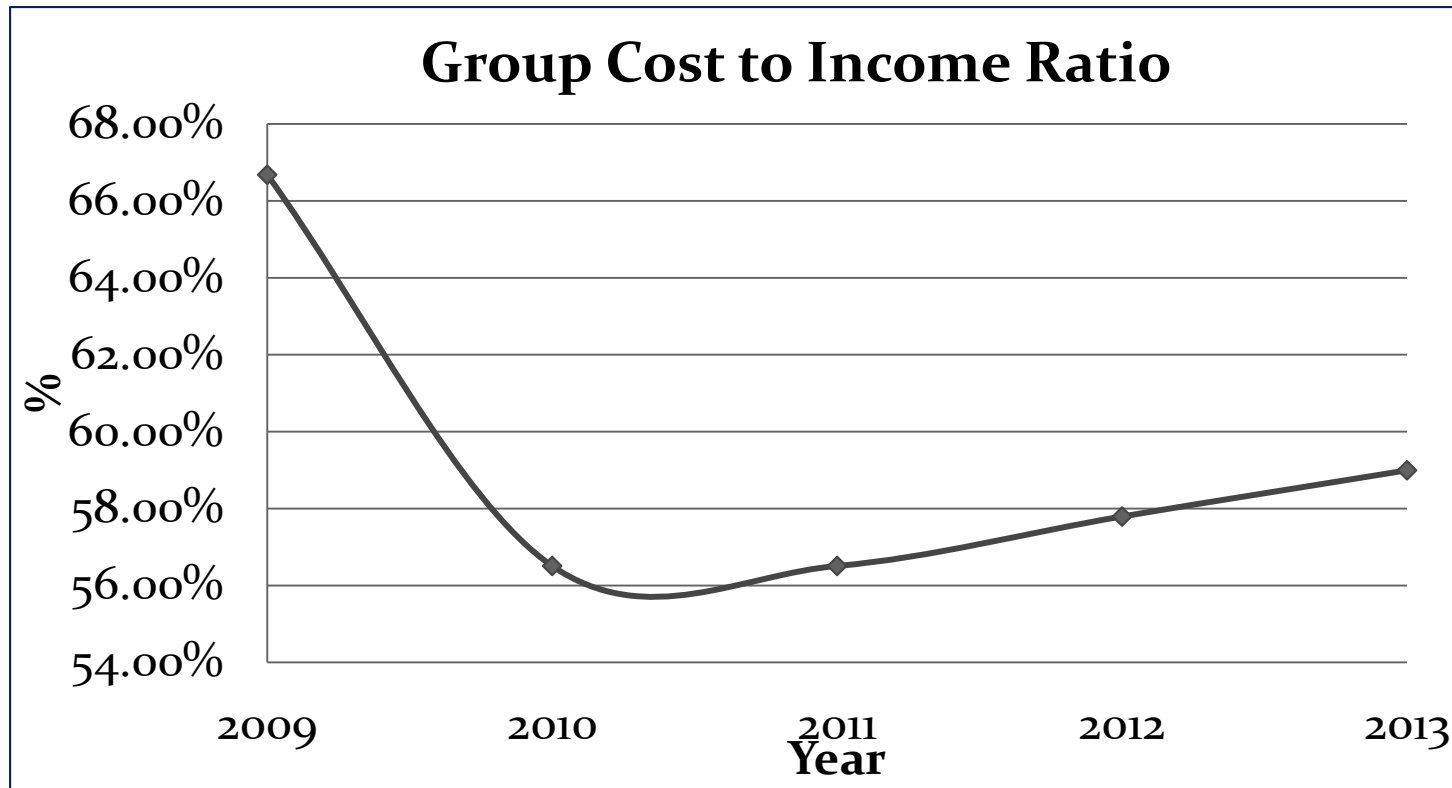


Movement towards deposit stability – Demand Deposits contribution reduced; Credit Lines increased.

Group Performance Highlights

Consolidated Ratio Analysis

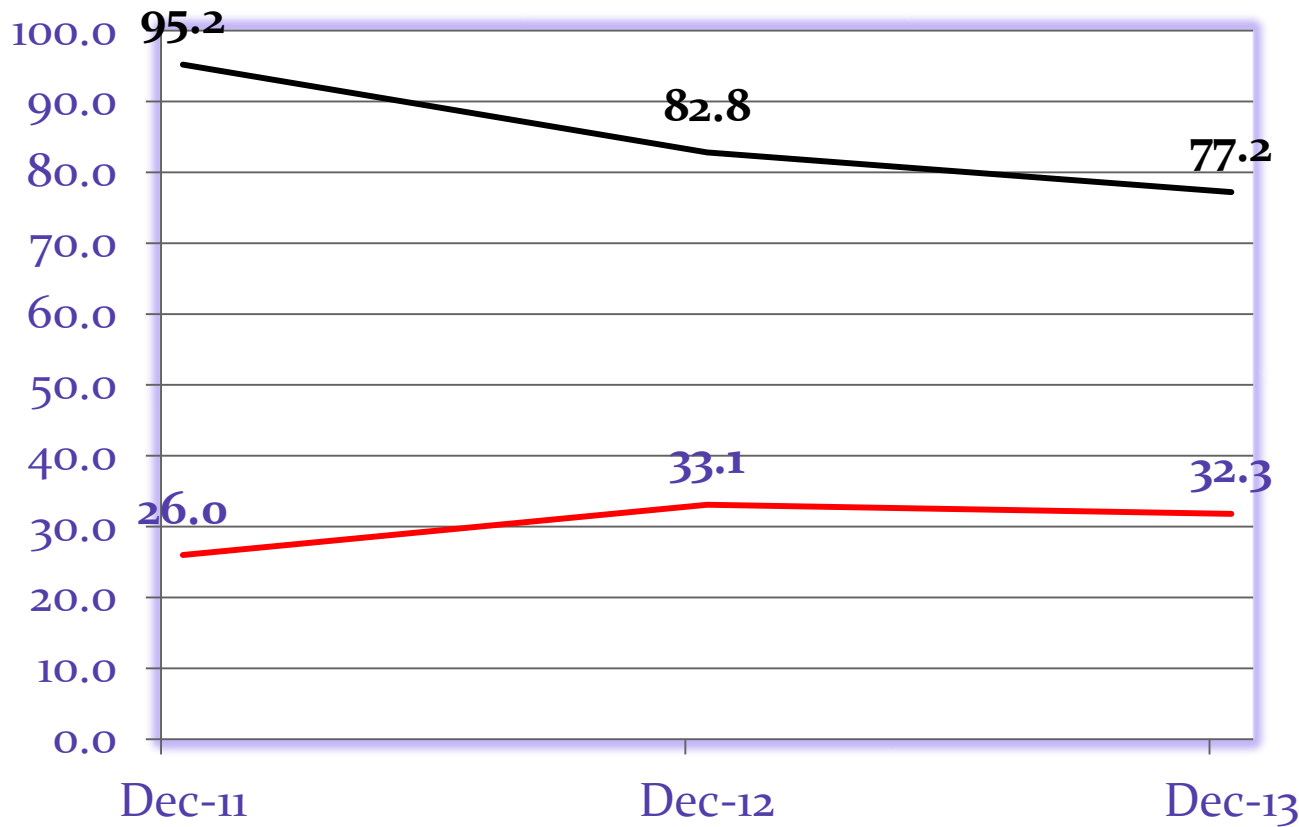
EXPENSE ANALYSIS (COST CONTROL)



Operating costs consistently kept below 60% of total income

Group Performance Highlights

Consolidated Ratio Analysis



Benchmark averages

Liquidity ratio

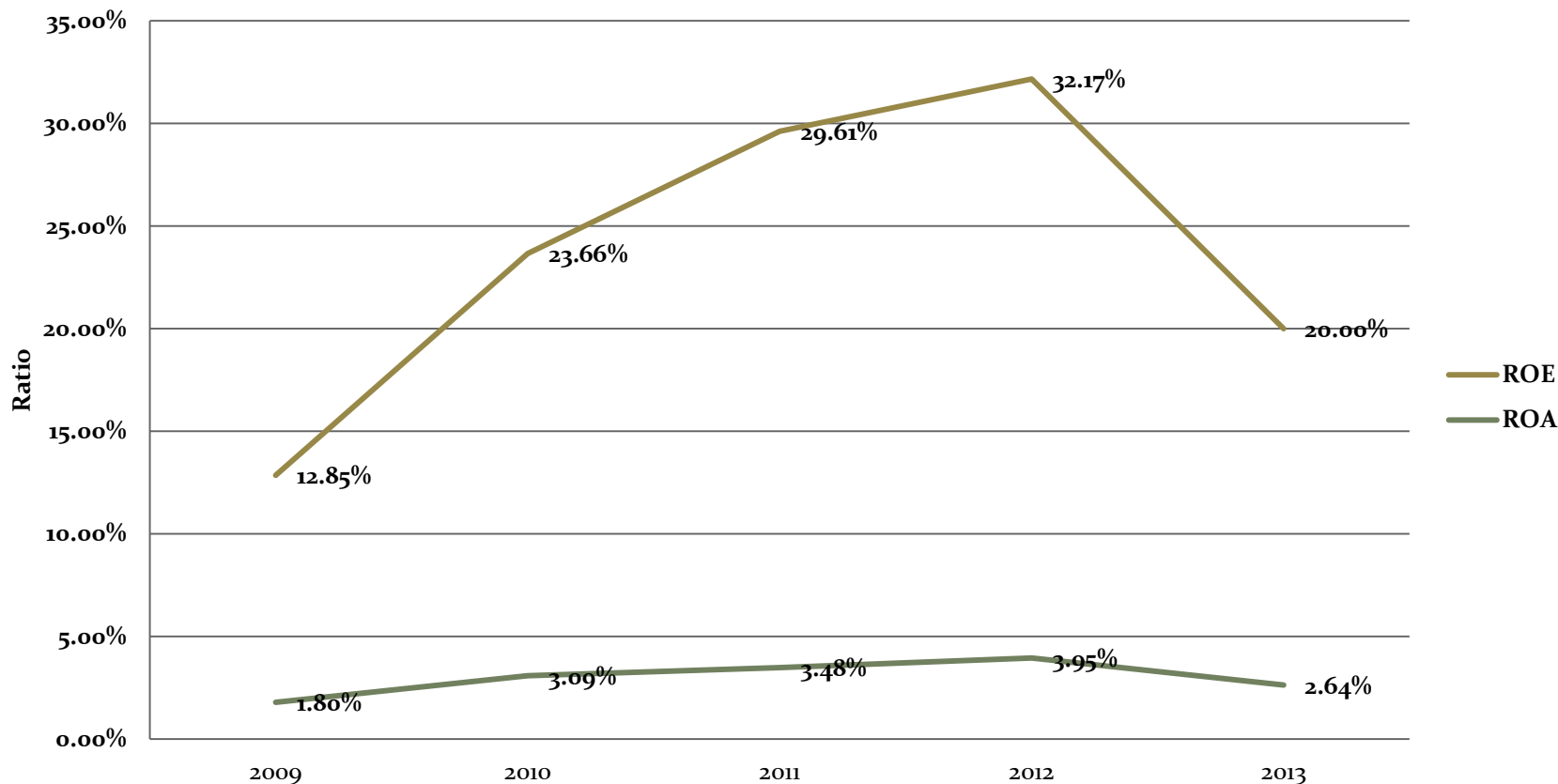
- Local minimum 30%

— Loans to deposits ratio
 — Liquidity ratio

Group Performance Highlights

Consolidated Ratio Analysis

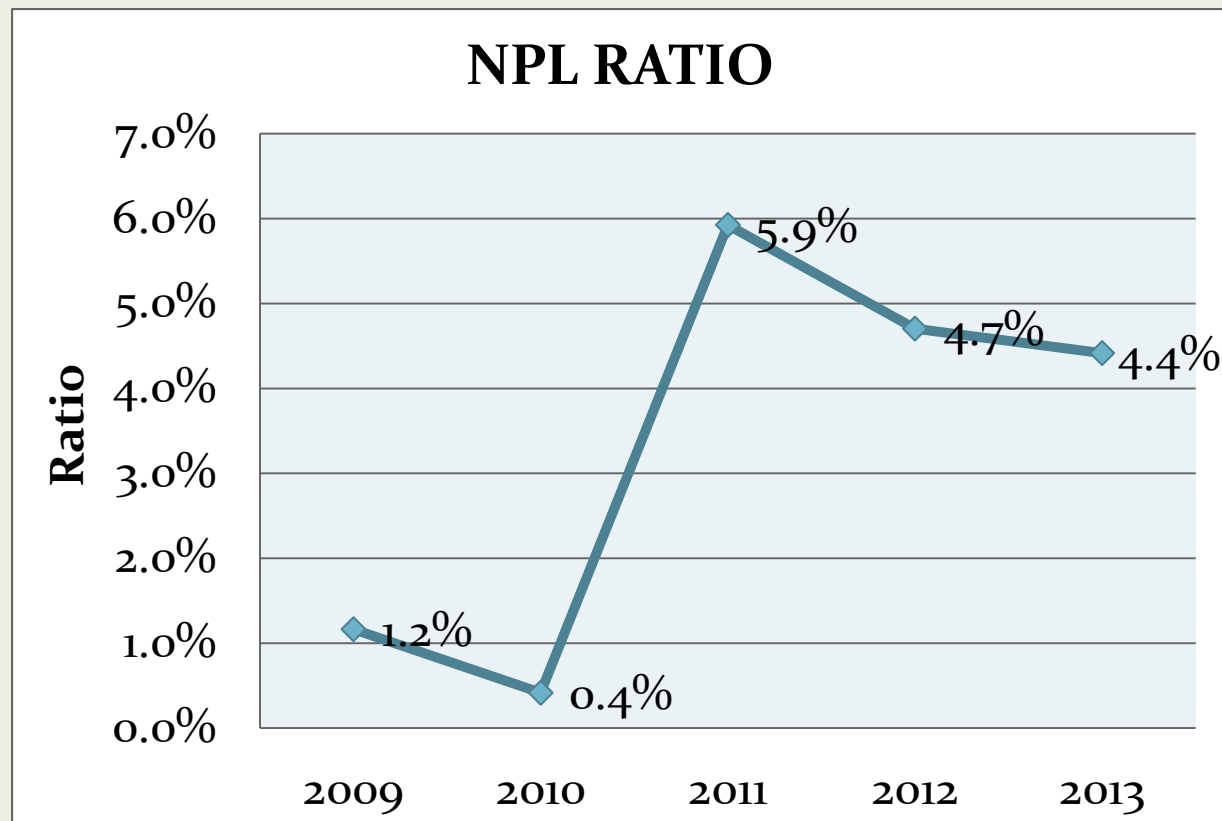
RETURN ON EQUITY & RETURN ON ASSETS



Group Performance Highlights

Consolidated Ratio Analysis

NPL RATIOS – MANAGING CREDIT QUALITY

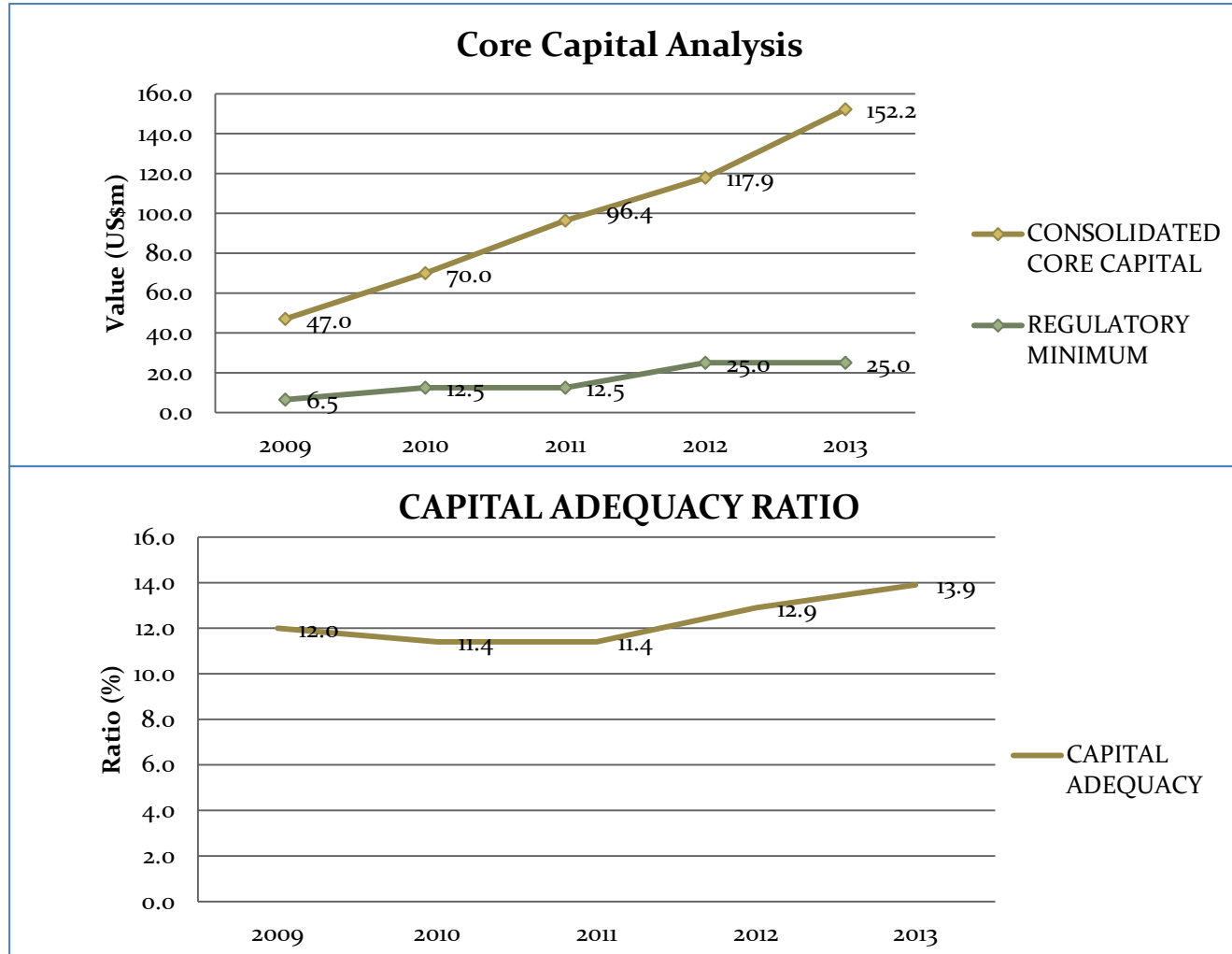


- Write offs totaling \$3 2 m done during the year to improve credit quality of held assets.
- Continuous review of asset quality.
- Prudential provision system maintained.










Group Performance Highlights

Consolidated Ratio Analysis







CAPITAL ADEQUACY










CBZ BANK SUMMARISED RESULTS

| | Dec 2013 US \$m | Dec 2012 US \$m | % change | |
|-----------------------|--------------------|--------------------|----------|---|
| Total income | 140.1 | 136.7 | 2.5 |  |
| Operating expenditure | 82.7 | 78.4 | 5.5 |  |
| Profit before tax | 38.2 | 53.6 | 28.7 |  |
| Charge for impairment | 19.4 | 4.6 | 321.8 |  |
| Profit after tax | 32.4 | 42.3 | 23.4 |  |
| Total assets | 1 531.3 | 1 248.9 | 22.6 |  |
| Shareholders' funds | 176.7 | 142.6 | 23.9 |  |
| Total advances | 1 028.1 | 854.4 | 20.3 |  |
| Total deposits | 1 342.2 | 1 042.0 | 28.8 |  |








CBZ LIFE SUMMARISED RESULTS

| | Dec 2013 US \$m | Dec 2012 US \$m | % change |
|---------------------|-----------------------|-----------------------|---|
| Underwriting income | 4.9 | 3.0 | 63.3  |
| Profit before tax | 3.3 | 1.6 | 106.3  |
| Profit after tax | 3.3 | 1.5 | 120.0  |
| Total assets | 8.4 | 4.9 | 71.4  |
| Shareholders' funds | 6.0 | 2.7 | 122.2  |
| Life Fund | 1.6 | 1.5 | 6.7  |

CBZ INSURANCE SUMMARISED RESULTS

| | Dec 2013 US \$m | Dec 2012 US \$m | % change | |
|-----------------------|-----------------------|-----------------------|----------|---|
| Underwriting income | 2.3 | 1.8 | 27.8 |  |
| Profit before tax | 0.6 | 0.3 | 100.0 |  |
| Profit after tax | 0.4 | 0.2 | 100.0 |  |
| Total assets | 5.6 | 6.8 | 17.6 |  |
| Shareholders' funds | 1.6 | 1.2 | 33.3 |  |
| Insurance assets | 3.6 | 4.6 | 21.7 |  |
| Insurance liabilities | 3.6 | 5.1 | 29.4 |  |

CBZ ASSET MANAGEMENT SUMMARISED RESULTS

| | Dec 2013 US \$m | Dec 2012 US \$m | % change |
|------------------------|-----------------------|-----------------------|--|
| Total income | 2.1 | 1.4 | 50.0  |
| Operating expenditure | 1.6 | 1.7 | 5.9  |
| Profit before tax | 0.5 | (0.2) | 350.0  |
| Profit after tax | 0.4 | (0.2) | 300.0  |
| Total assets | 2.6 | 2.3 | 13.0  |
| Shareholders' funds | 2.1 | 1.1 | 90.9  |
| Funds under management | 140.2 | 111.1 | 26.2  |

In line with the Group's dividend growth policy, and considering the need for capital preservation, the Board has proposed the declaration of a final dividend of \$1 262 708. Having paid an interim dividend of \$1 026 829, this translates into a total annual dividend of \$2 289 537, a 10% growth from the prior year.

EARNINGS GUIDANCE

Mortgage Financing – Unlocking long term value in land inventory

- ❑ Development of the \$US66.7m land bank.
- ❑ Secured long term funding for the mortgage business.
- ❑ Raising US\$200 million CBZ Bond.

Other areas

- ❑ Mobilizing long term funding – Increasing the deposit tenure
- ❑ Enhanced credit quality
- ❑ Continued income diversification
- ❑ Enhanced risk management to minimise claims
- ❑ Continued new product development

Key Forecasts

| | % Growth |
|------------------------|----------|
| Total Assets | 15 |
| Advances | 10 |
| Deposits | 15 |
| Funds under management | 20 |
| Profit after tax | 5 |