



ANALYSTS BRIEFING
2015 FULL YEAR FINANCIAL RESULTS
25 FEBRUARY 2016

OUTLINE

Operating Environment
Overview



Strategic and Operational
Review



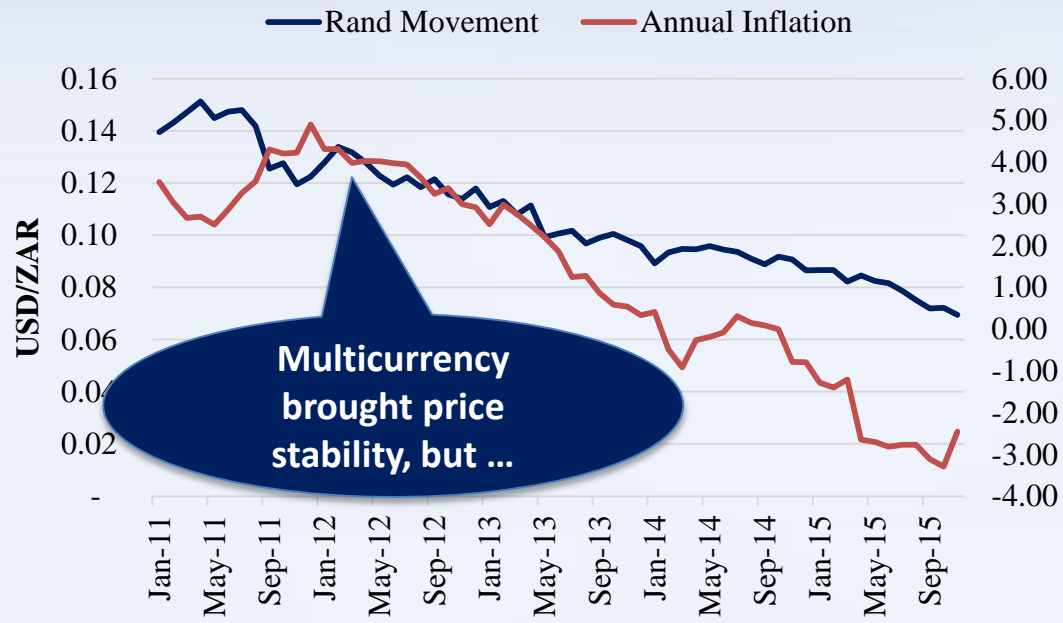
Financial Review



Guidance and Outlook

OPERATING ENVIRONMENT OVERVIEW

CONTRASTING FORTUNES FOR THE DOMESTIC ECONOMY

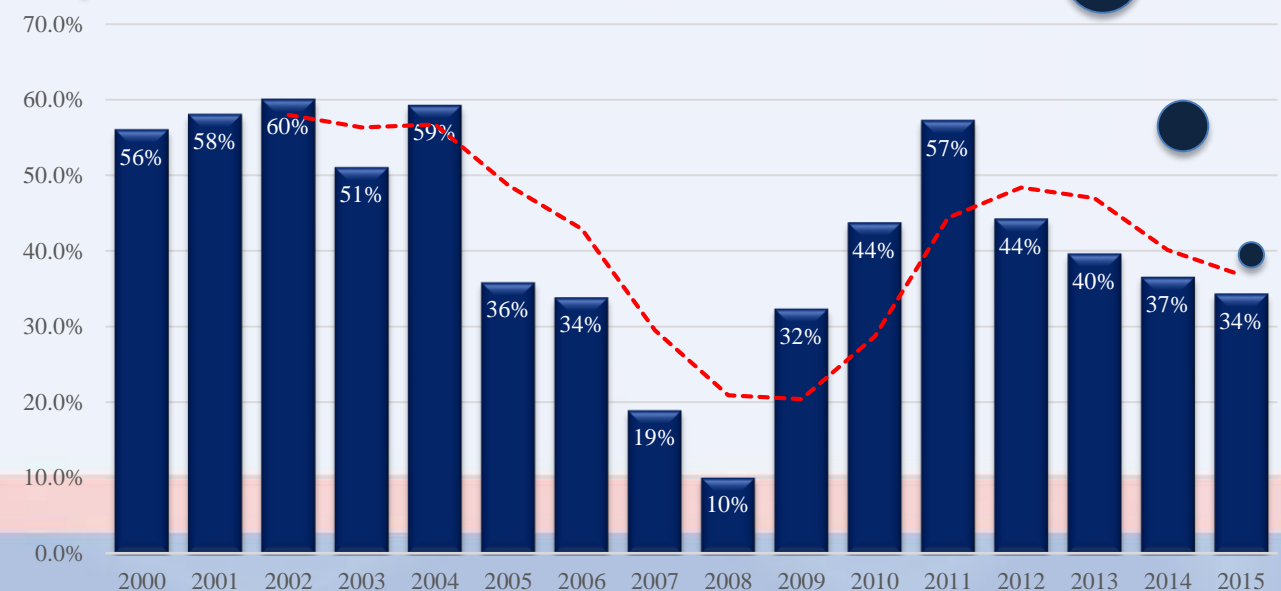


Multicurrency brought price stability, but ...

...further USD strength & weak demand led to deflation, thereby ...

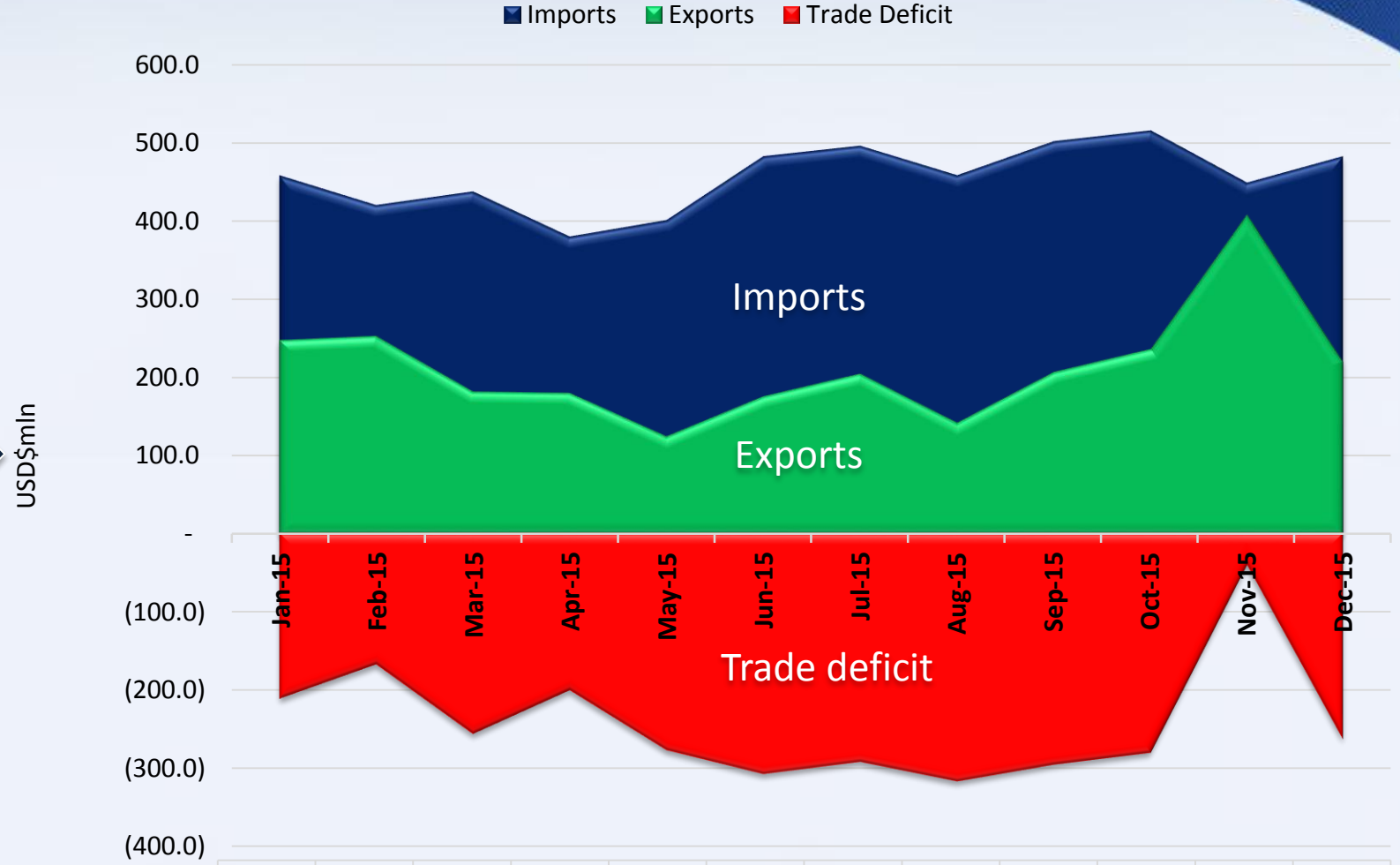
...reducing competitiveness and, compounded by funding bottlenecks, constraining capacity utilisation...

Capacity utilization (%)



CONTRASTING FORTUNES FOR THE DOMESTIC ECONOMY

...eventually, the combination of weak international commodity prices and low domestic output has perpetuated the trade deficit ...

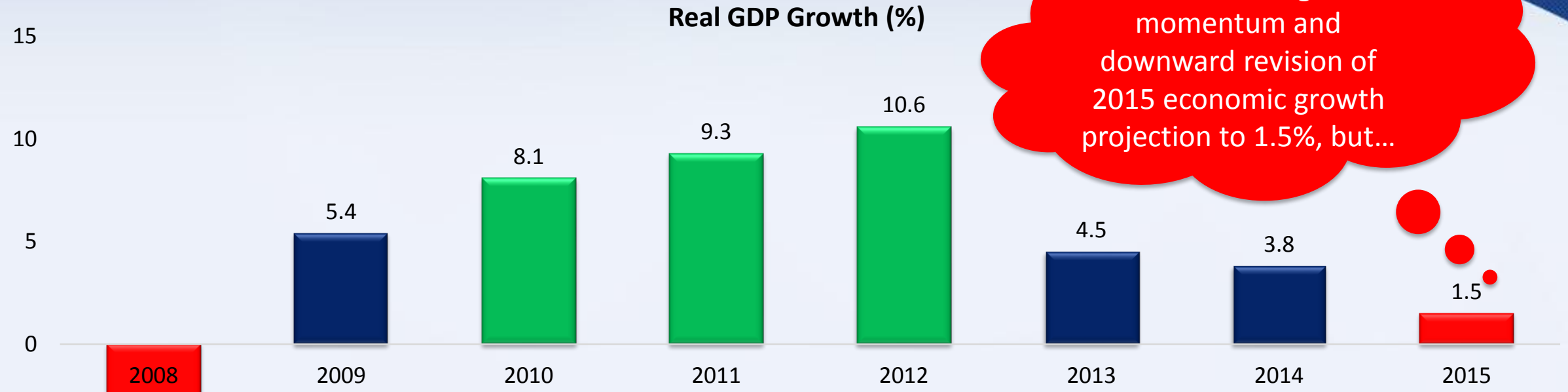


	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Imports	458.5	420.6	438.2	380.6	401.6	482.8	496.3	458.6	502.0	515.9	449.1	482.9
Exports	247.4	253.1	182.1	180.3	125.1	175.9	204.9	142.4	206.9	236.2	408.1	220.2
Trade Deficit	(211.1)	(167.5)	(256.2)	(200.3)	(276.5)	(306.9)	(291.4)	(316.2)	(295.1)	(279.7)	(41.0)	(262.7)

FINANCIAL MARKETS ALSO MIRRORED THE WEAK ECONOMIC ACTIVITY AS...

- ❑ ZSE market capitalization also fell from US\$4.3 billion at the end of 2014 to US\$3.1 billion at the end of 2015.
- ❑ However, interbank market was active, thereby supporting the flow of liquidity.

OVERALL EFFECT WAS ...



...further loss of growth momentum and downward revision of 2015 economic growth projection to 1.5%, but...

Government's continuation with the IMF Staff Monitored Program is quite encouraging and it remains a key element for attainment of the 2016 projections.

NAVIGATING THE OPERATING ENVIRONMENT

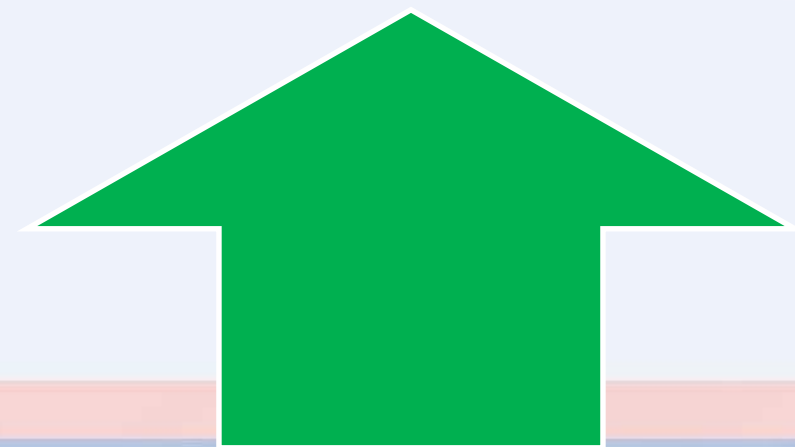
SPECIFIC CONSTRAINTS



Liquidity shortages
High credit risk
Growing informalisation of the economy.

OUR RESPONSE

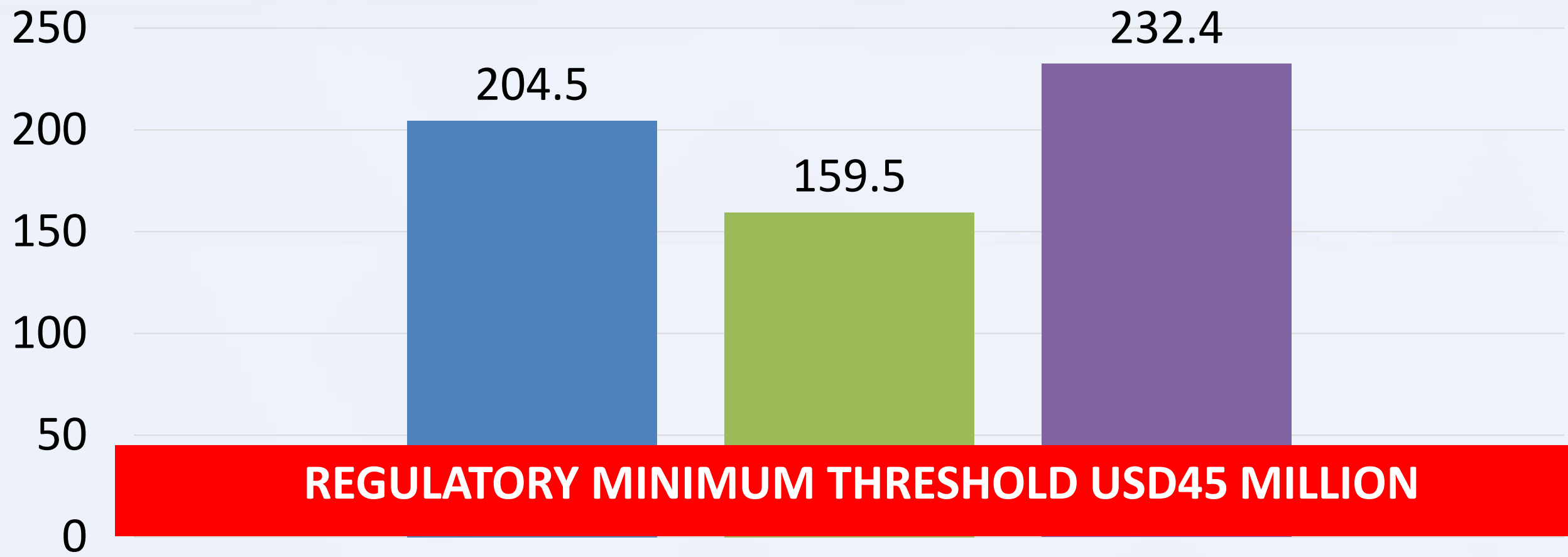
- Market creation to take advantage of transitional opportunities in the SMEs sector.
- Aggressive collections of Bad Debts.
- Strict credit granting and closer monitoring of borrower performance.
- Innovation to support customer retention and acquisition as well as creation of new business and income lines



STRATEGIC & OPERATIONAL REVIEW

CAPITALISATION OF SUBSIDIARIES

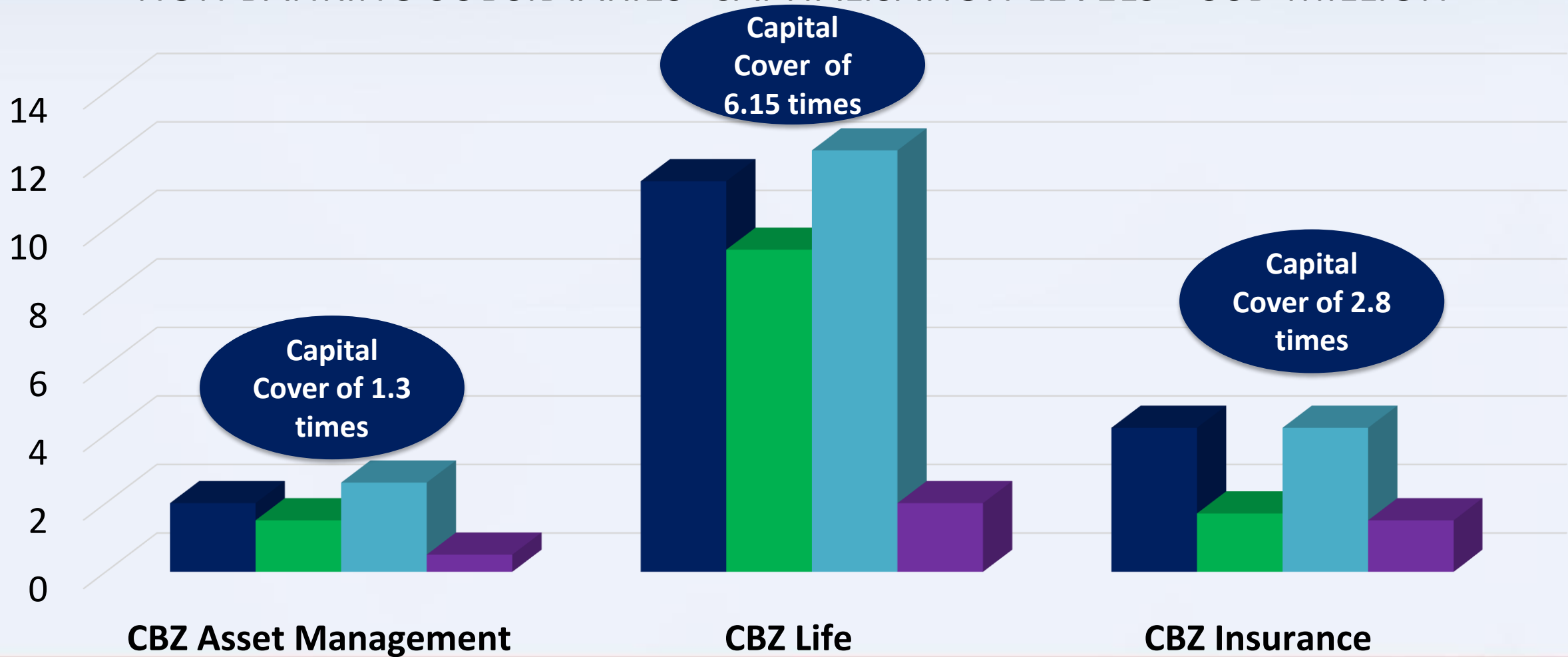
BANKING UNIT CAPITALISATION



REGULATORY MINIMUM THRESHOLD USD45 MILLION

CAPITALISATION OF SUBSIDIARIES

NON BANKING SUBSIDIARIES' CAPITALISATION LEVELS - USD MILLION

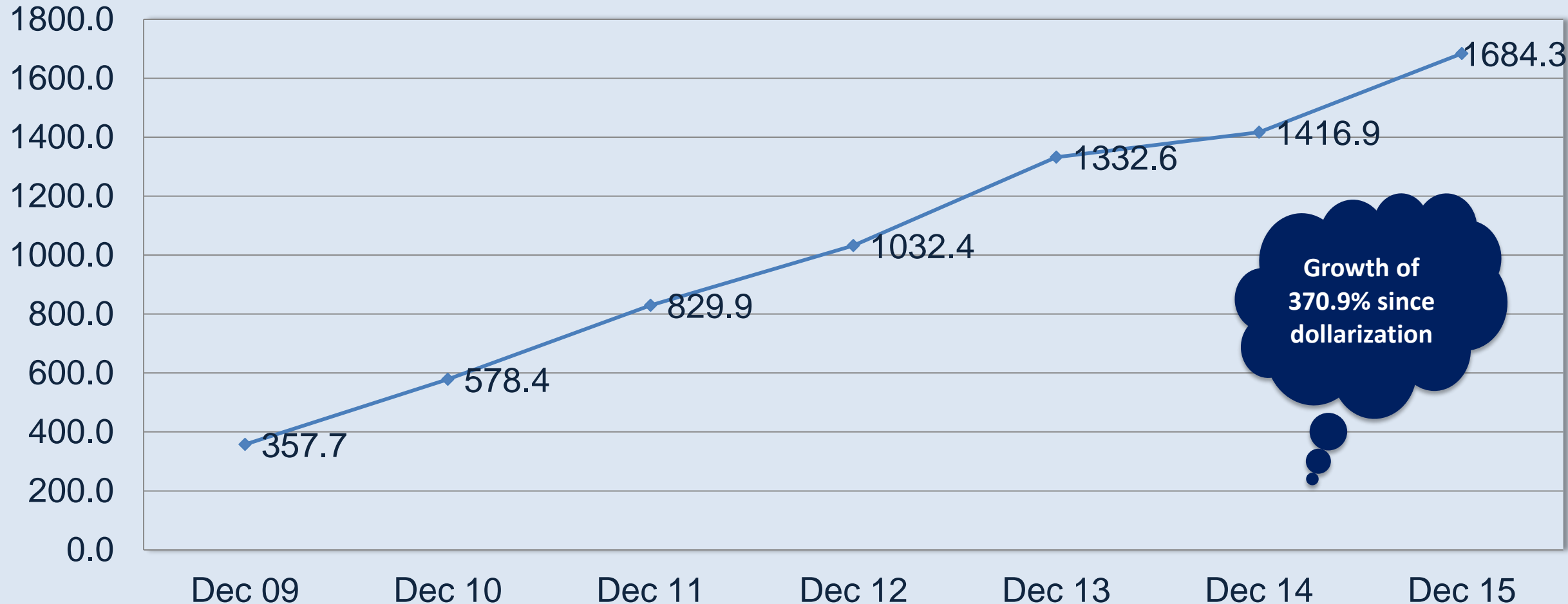


MARKET SHARE

Unit	Position	Market share (%)	Target market share (%)
CBZ Bank (Deposits)	1	29.9	20-30
CBZ Asset Management (Funds Under Management)	3	6.0	5-8
CBZ Life(Gross Written Premium)	7	4.8	15.0
CBZ Insurance(Gross Written Premium)	7	5.0	10.0

DEPOSITS TREND

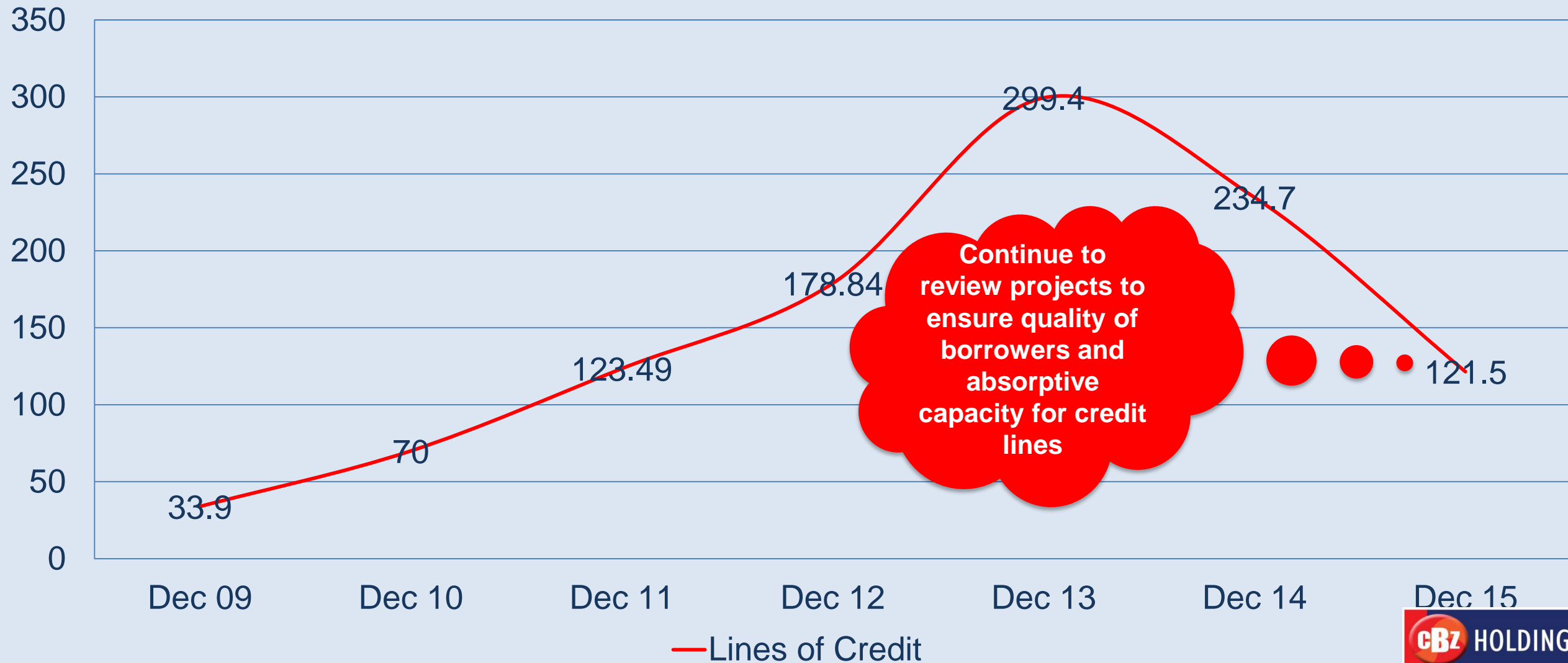
Deposits Trend



◆ Deposits (US\$ million)

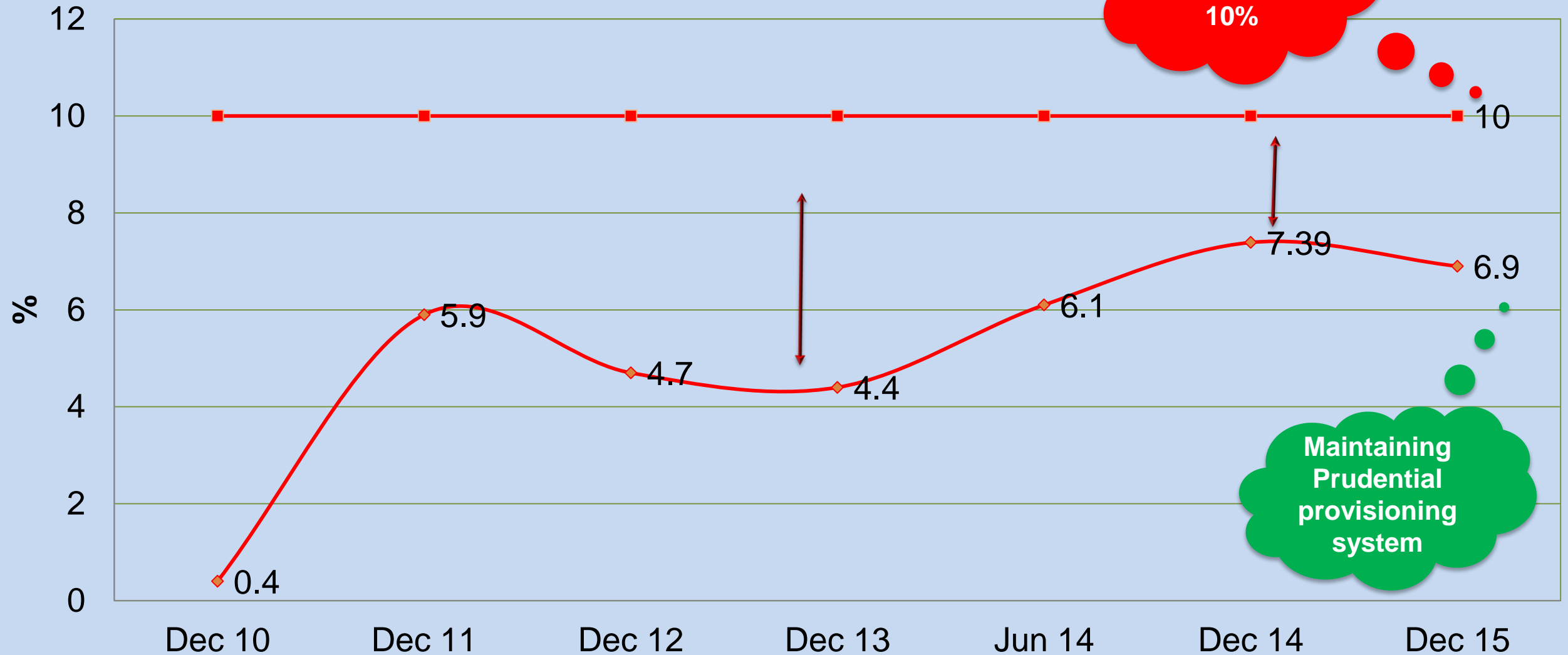
LINES OF CREDIT

Lines of Credit



Quality of Earnings

NPLs Ratio – Managing Credit Quality



Quality of Advances

	Dec 2015	Dec 2014
Total net advances (US\$m)	1 020.0	1 125.9
Security value (US\$m)	1 848.4	1 763.5
Security cover (times)	1.8	1.6
Provisions (US\$m)	74.9	65.8
Non performing loans (US\$m)	76.1	87.1
Coverage ratio (times)	0.98	0.76

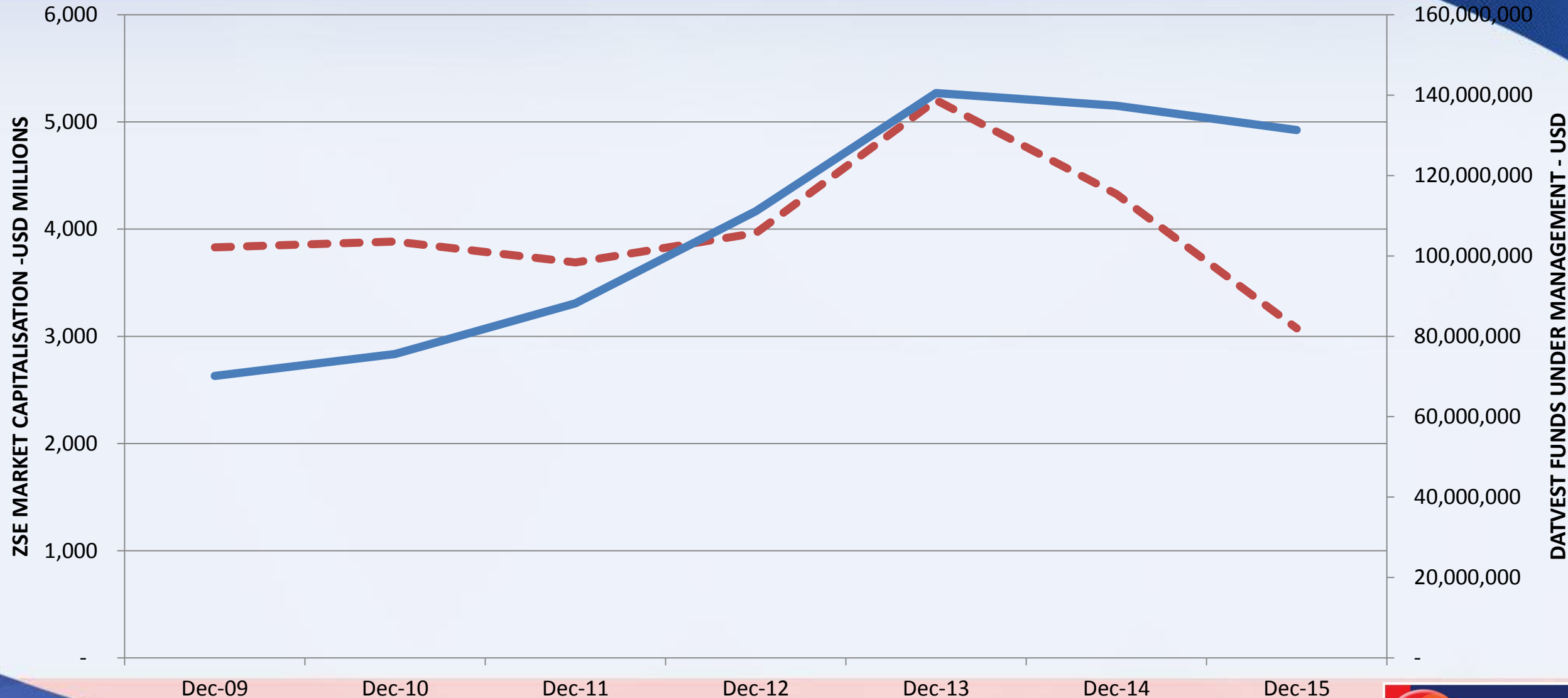
**Growth of 4.8%
- Security value**

**Target 100%
coverage ratio
on NPL**

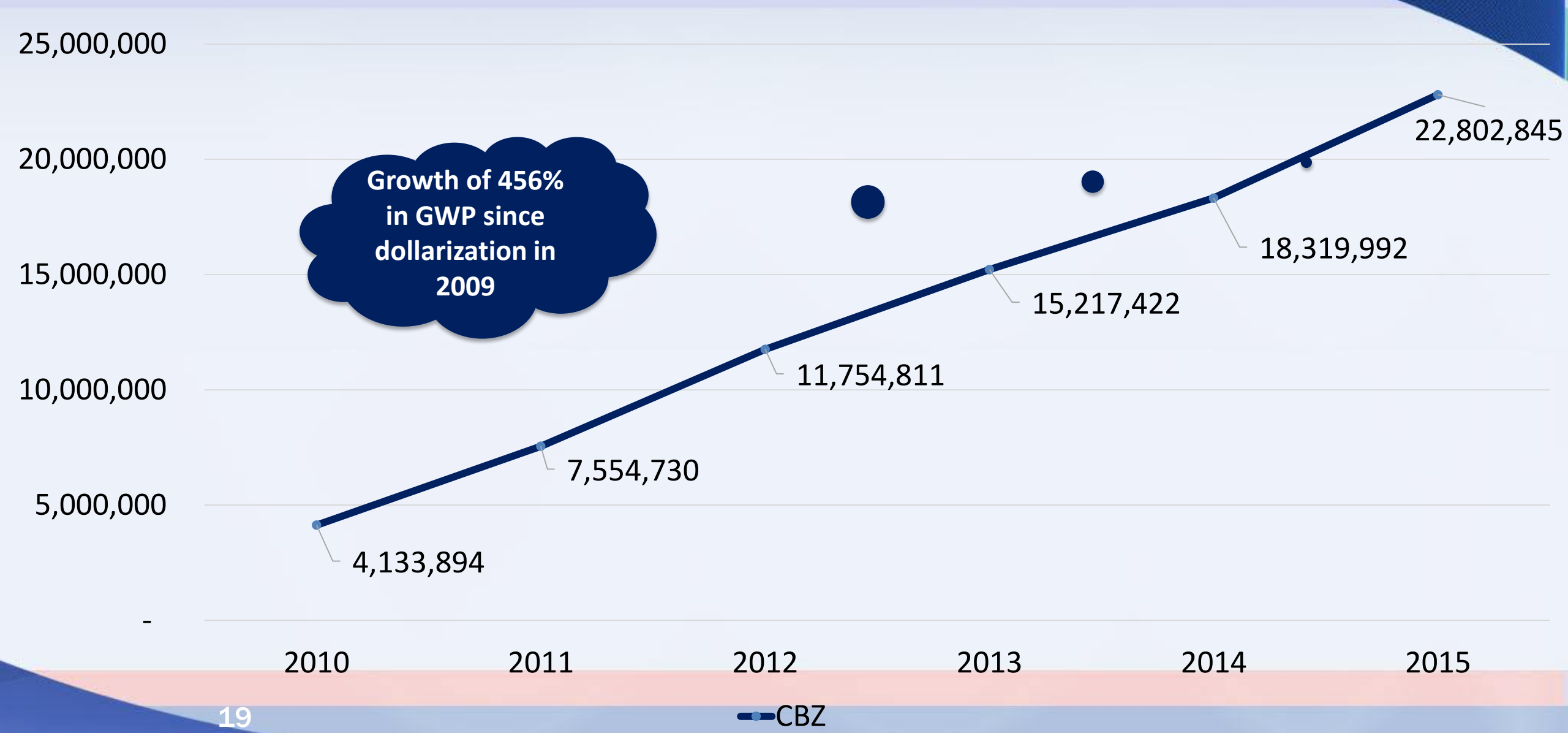
Quality of Advances - Security

	Dec 2015	Dec 2014
Total security value (US\$m)	1 848.4	1 763.5
Comprised of:		
Cash cover (US\$m)	203.6	152.0
Collateral (mortgage security) (US\$m)	856.6	857.5
Other forms of security including Notarial General Covering Bonds (NGCBs), cessions, etc. (US\$m)	788.3	754.1

FUNDS UNDER MANAGEMENT



GROSS WRITTEN PREMIUMS



MILESTONES ON STRATEGIC INITIATIVES

MILESTONES ON STRATEGIC INITIATIVES



1. Customer Experience

- Launched a 24/7 Contact Centre

2. Cross Border Retail Transactions

- Concluded and launched new remittances partnership with Moneygram.

MILESTONES ON STRATEGIC INITIATIVES



SME ATM Card

Secure and convenient access to cash for SMEs nationwide

Introducing the CBZ SME ATM Card which allows small businesses to enjoy the convenience of secure and easy access to cash at any CBZ Bank and ZimSwitch ATMs plus cash back at merchant Point Of Sale.



The Group Review 10/19

www.cbz.co.zw

Customer



Best Bank Experience Awards 2014

Bank



Top Bank Award 2014

Banks: Banking



Top 10 in Zimbabwe Independent Magazine Bank and Banking Service Awards 2014

Partners Review Authority Top Partner Awards 2014



Central Bank of Zimbabwe

Best Bank Award 2014



Partners For Success

Member of the Deposit Protection Corporation

3. Transformative Partnerships

- ❑ We launched in 2015 the CBZ Business Banking Center
- ❑ Capacity Building – Trained SMEs as part of enhancing their business resilience.
- ❑ Promoting Access to Finance by our SMEs
 - ✓ Arranged a US\$10m SMEs credit line
 - ✓ Administering a US\$5 million CREATE Fund credit facility as part of agriculture value chain financing

MILESTONES ON STRATEGIC INITIATIVES

4. Innovation



- ❑ The CBZ Mobile App - *Transforming banking into a lifestyle through technology, and giving our customers unprecedented control over their transactions.*
- ❑ Launched the CBZ Mi-Life Combo – a “combined” life assurance package.
- ❑ Introduced the CBZ Visa Chip & Pin Card to give our clients more transactional security

We've made your new CBZ Visa chip and PIN card more secure

Come and collect your new CBZ Visa chip and PIN card that allows you to make secure daily purchases at shops, restaurants and fuel stations without having to carry cash around. You can also shop online and pay your bills wherever you are.

Visit your nearest CBZ Bank branch to swap your old CBZ Visa card with the new and more secure CBZ Visa chip and PIN card before 28 February 2016. After this date the old magnetic strip card will no longer work. First time applicants are welcome.

Groceries Fuel Airtime Goods online Clothing Music Takeaways Appliances

CBZ BANK PARTNERS FOR SUCCESS

For more information, ask in-branch or visit www.cbz.co.zw

VISA

A member of the Standard Bank Group

MILESTONES ON STRATEGIC INITIATIVES



MY VERY OWN INSTANT ACCOUNT?

SmartCash STUDENT

Be one of the **FIRST 10 PEOPLE** to sign up and get a **FREE GIFT!**

ECONOMICS

The Smartest Decision you'll make today!

CBZ Bank has created the easiest way for you to be financially equipped. Get a SmartCash Student account today and you will walk away with an instantly activated account that has no maintenance and service fees, inbuilt security features, zero minimum balance and low transaction charges.

SmartCash Student Account opening requirements:

- Just your National ID or valid passport and at least US\$5 opening deposit.

SERVICES

• Balance inquiry and mini statement	• Intra-bank transfers to SmartCash accounts and CBZ accounts.
• Inter-bank transfers to banks on ZIPIT	• ATM withdrawals on CBZ and Zimswitch ATMs
• Purchase and Cash Back on CBZ & Zimswitch Point Of Sale machines	• POS cash withdrawals and deposits
• Access to CashPlus Student Account	• Airtime Purchase - self and third party
• Bill Payments	• Access to Life and Personal Accident Cover

Open your instant account on campus today and get an instant SmartCash debit card and instant access to CBZ Mobile Banking!

www.cbz.co.zw

Best Bank Superbrand Awards 2014
Big Zimbabwe Top Bank Award 2014
Top 5 in Zimbabwe Independent Newspaper Banks and Banking Survey Awards 2014
Zimbabwe Revenue Authority Tax Payers Appreciation Awards 2014
Contact Centre Association of Zimbabwe Service Excellence Awards 2014

CBZ BANK
Partners For Success

A member of the Deposit Protection Corporation
wanguzini.com/cbz-bank

5. Financial Inclusion

- ❑ SmartCash, our KYC light account achieved a 2657% growth in number of accounts opened in 2015.
- ❑ Grew the Agency Banking Network to 110 quality agencies performing integrated financial services.
- ❑ Grew and strengthened the distribution partnerships for insurance products, i.e. Edgars, Topics, Truworths, Total and Chicken Slice.

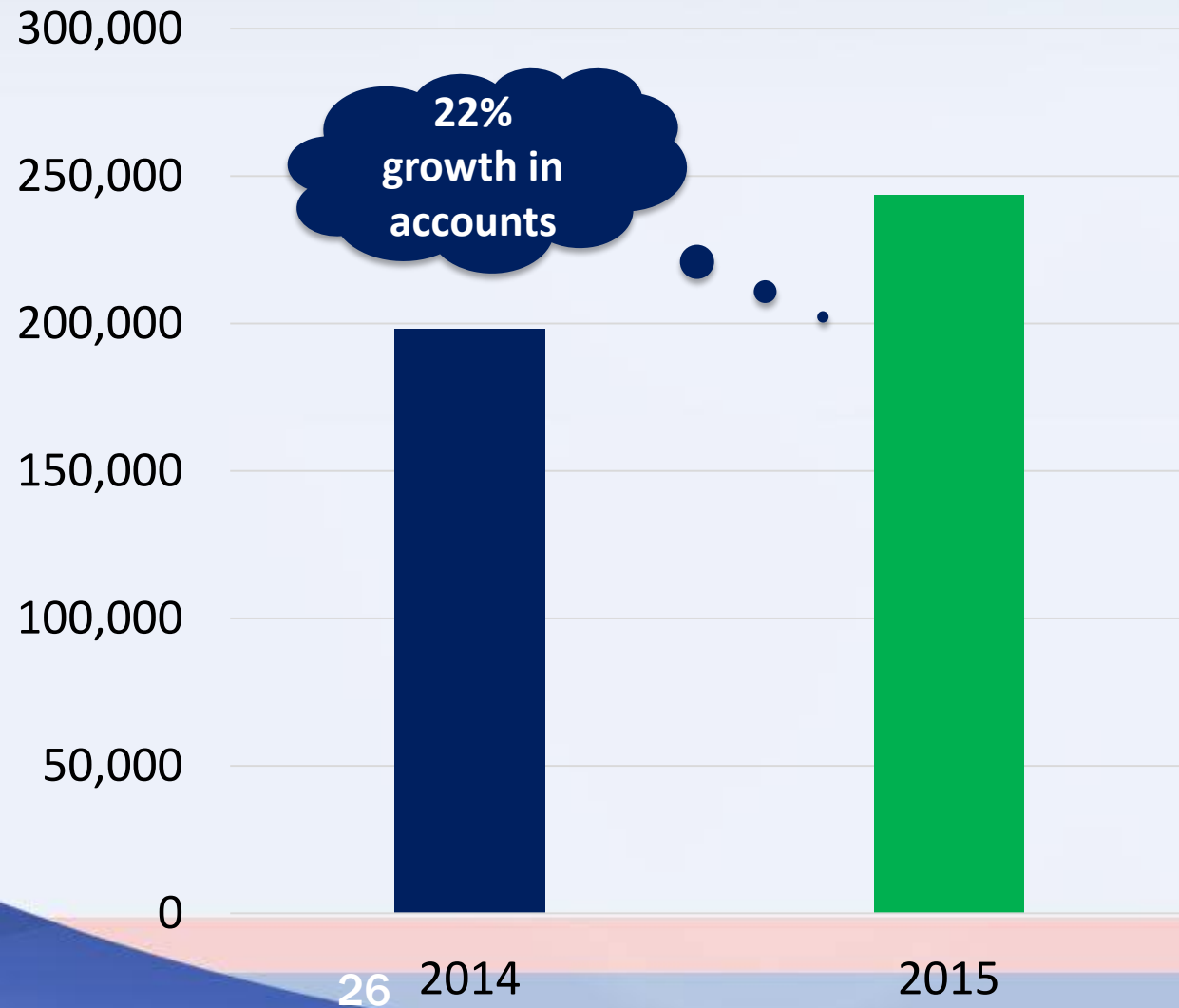
MILESTONES ON STRATEGIC INITIATIVES

6. Global Reach

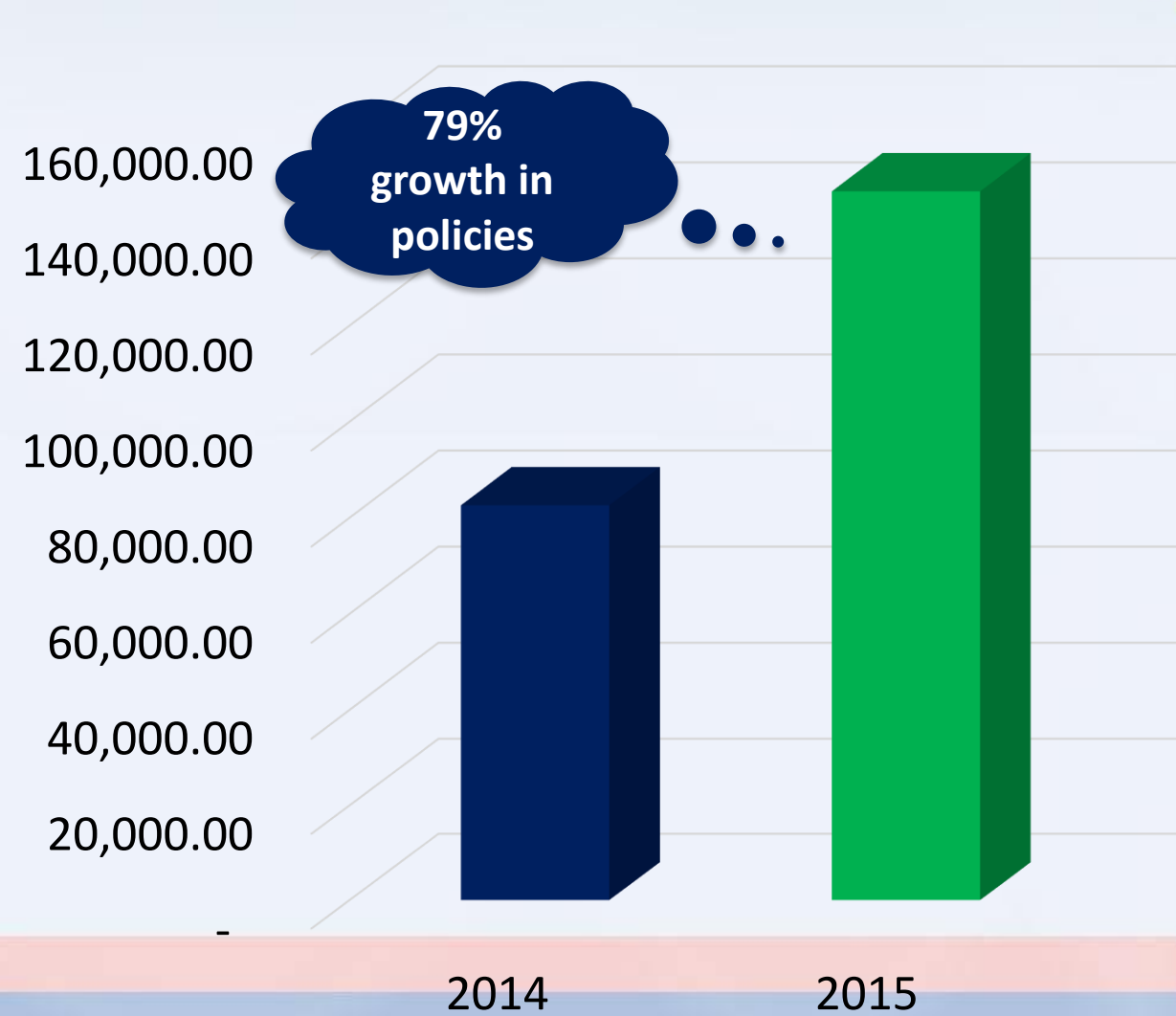
- By providing more financial solutions and options for Zimbabweans in the diaspora
 - Mortgages
 - Insurance
 - Transactional banking
 - Wealth management

NUMBER OF ACCOUNTS AND POLICIES

NUMBER OF ACCOUNTS



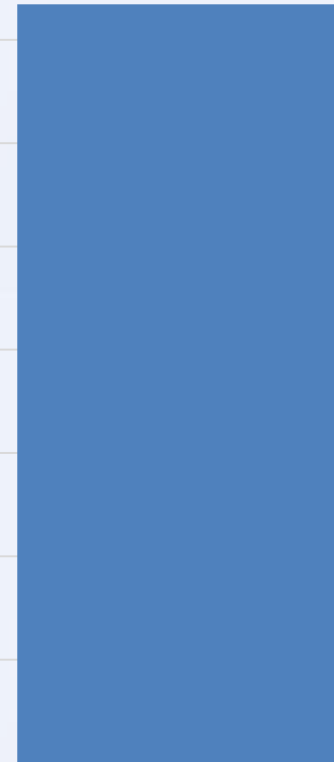
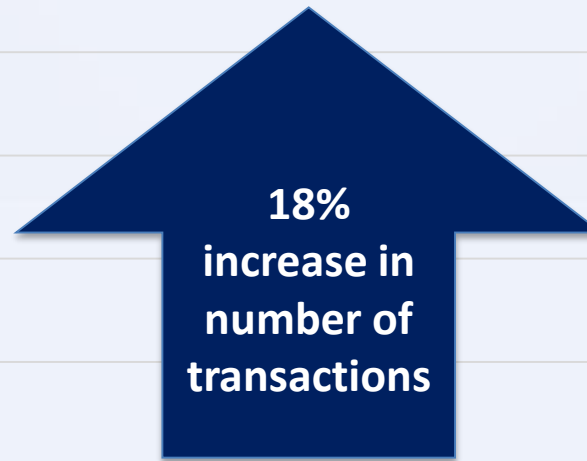
NUMBER OF POLICIES



NUMBER OF TRANSACTIONS

NUMBER OF TRANSACTIONS

15,500,000
15,000,000
14,500,000
14,000,000
13,500,000
13,000,000
12,500,000
12,000,000
11,500,000



2014

2015

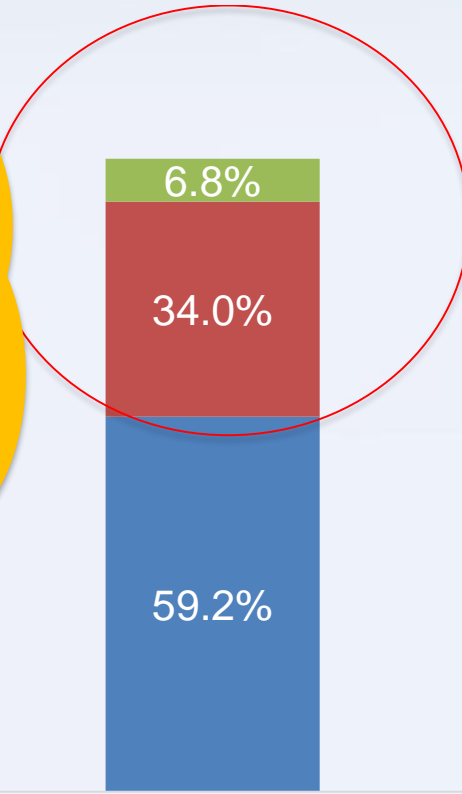
FINANCIAL REVIEW

2015 Financial Milestones

- Diversification of Income
- Quality of Earnings
- Liquidity Management
- Risk Management
- Profitability

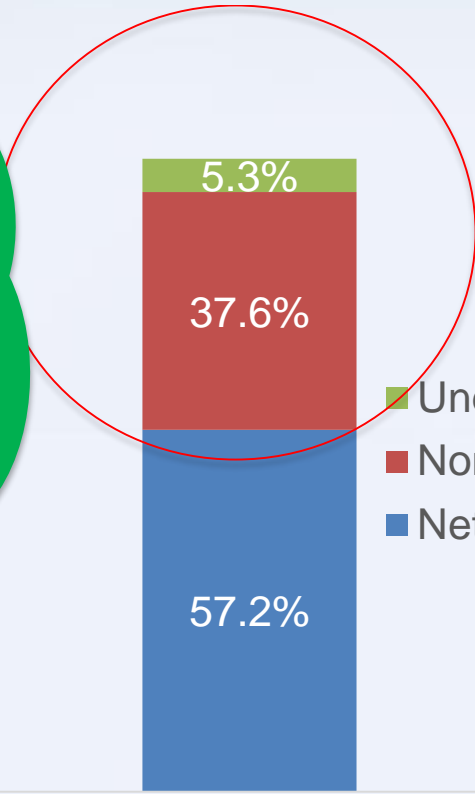
Income Diversification

Non funded income growth of 13.6%



DEC 2015

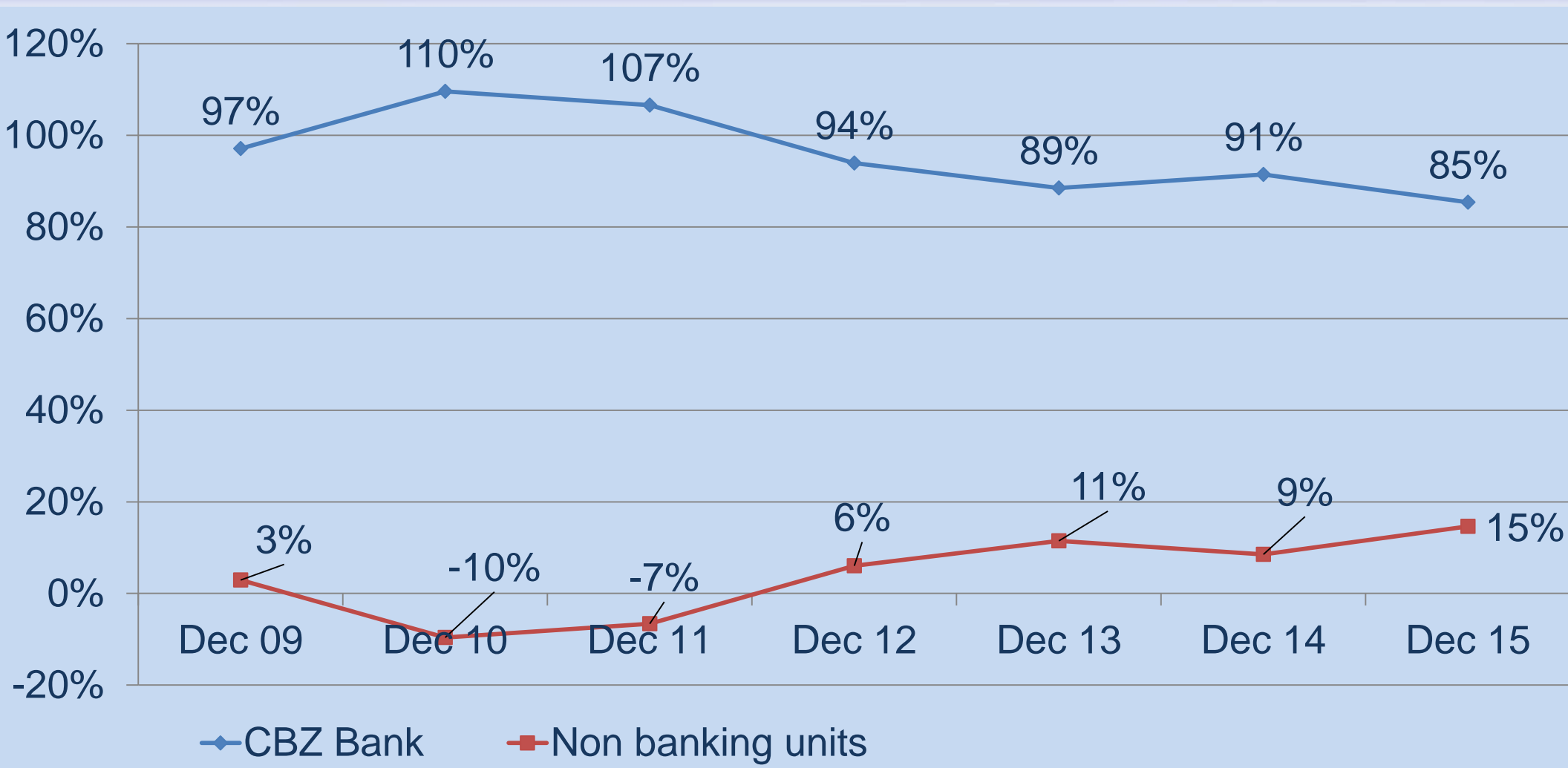
The short to medium term thrust is on revenue growth through non-funded income, whilst the long term thrust is to sustain an optimal mix.



DEC 2014

- Underwriting income
- Non interest income
- Net interest income

Profitability



Target 20% from Non banking SBUs

FINANCIAL PERFORMANCE REVIEW

Interest Income Analysis

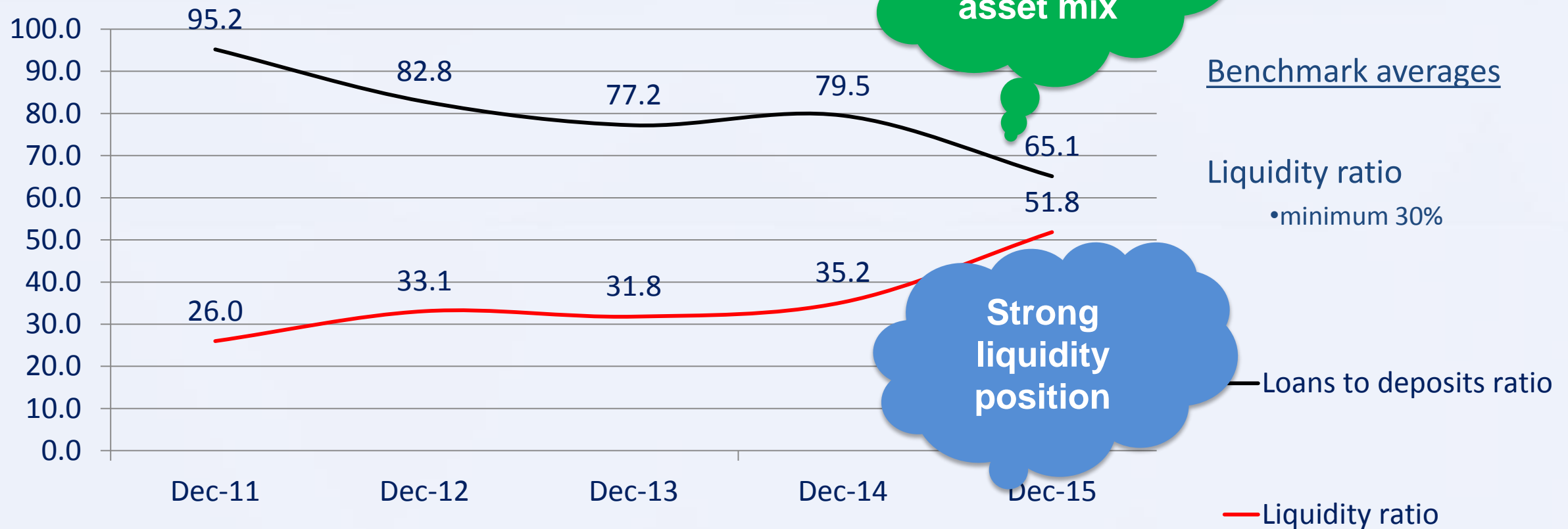
	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Net interest margin (%)	5.0	5.5	6.9	8.4
Interest in suspense (US\$m)	27.5	28.1	13.4	11.3
Impairments(P&L) (US\$m)	23.3	17.9	19.1	4.6
Write offs	24.3	4.5	32.4	-
Provisions (excl interest in suspense)(US\$m)	47.4	37.8	22.5	24.2
Non performing loans (US\$m)	76.1	87.1	47.0	41
Non performing loans (%)	6.9	7.3	4.4	4.7

Internal benchmark 5.0%

RBZ benchmark 10.0%

GROUP FINANCIAL PERFORMANCE REVIEW

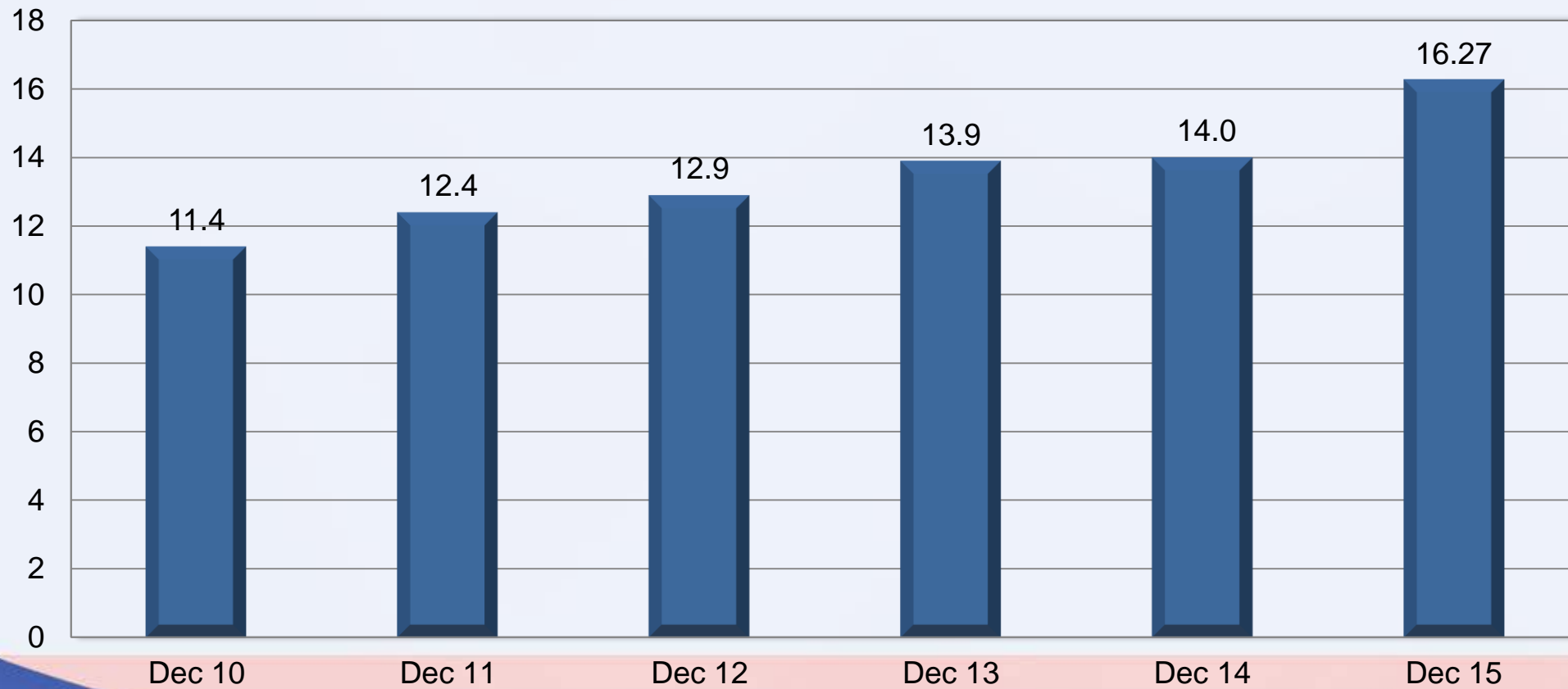
Liquidity Management



GROUP FINANCIAL PERFORMANCE REVIEW

Capital Adequacy

Capital Adequacy Ratio-CBZ Bank



- Minimum regulated 12.0%
- Adequate buffer

■ Capital adequacy

GROUP FINANCIAL PERFORMANCE REVIEW

Consolidated Statement of Financial Position

		31 Dec 2015 (m)	31 Dec 2014 (m)	Annual Growth (%)		
Total assets	Positive growth	\$1 974.4	\$1 670.4	18.2	↑	
Total advances		\$1 021.0	\$1 125.9	9.3	↓	Focus area
Total deposits	Positive growth	\$1 684.3	\$1 416.9	18.9	↑	
Funds Under Management		\$131.3	\$136.4	3.7	↓	Compared to 29.4% stock market decline
Insurance assets	Positive growth	\$5.2	\$4.2	23.8	↑	

GROUP FINANCIAL PERFORMANCE REVIEW

Consolidated Statement of Comprehensive Income

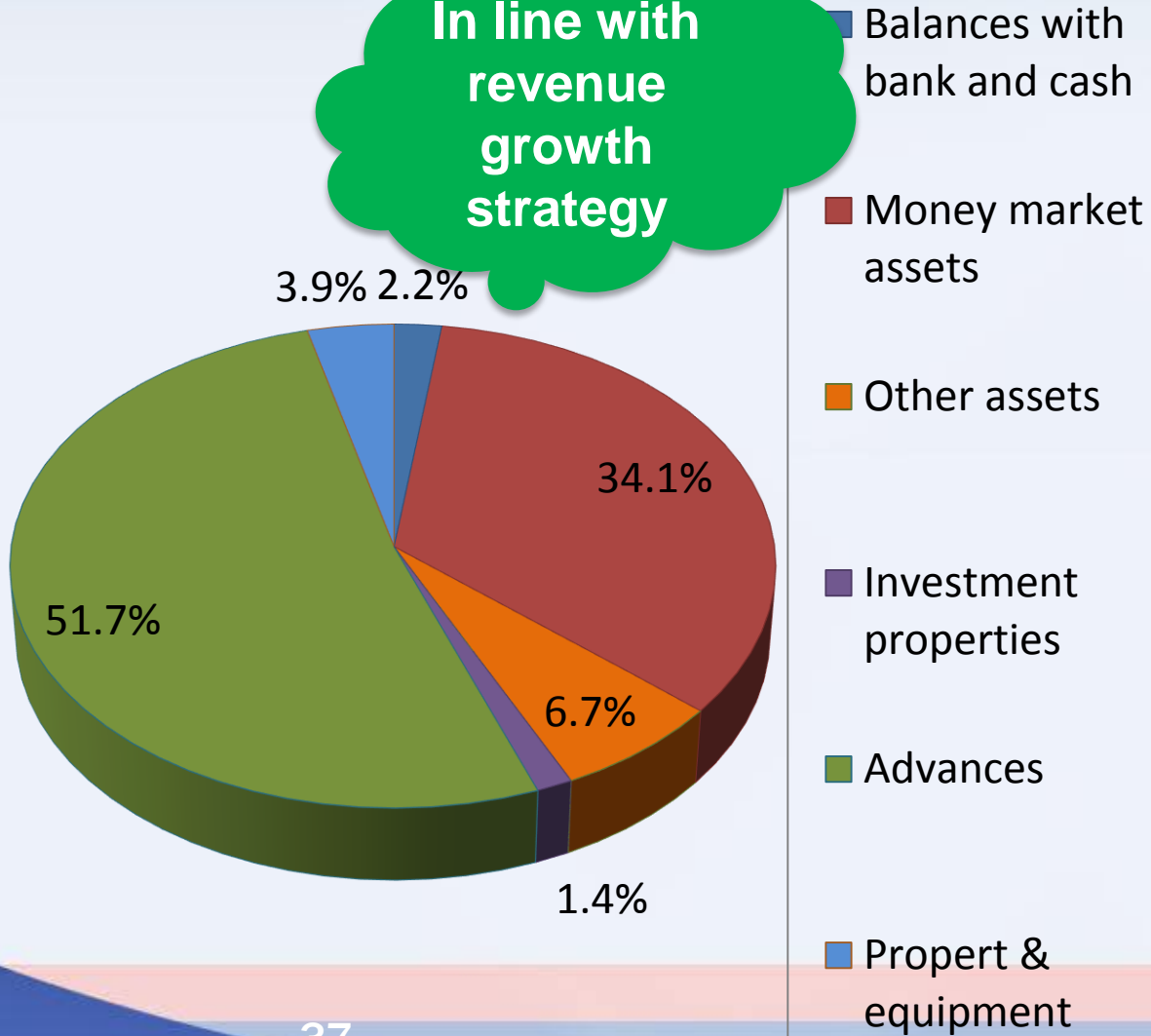
	31 Dec 2015 \$m	31 Dec 2014 \$m	Annual Growth (%)	
Total Income	184.2	154.6	19.1	↑
Underwriting income	12.5	8.1	54.3	↑
Total Expenditure	(117.9)	(98.7)	19.5	↑
Charge for impairment	23.5	18.0	30.6	↑
Profit After Tax	35.2	33.0	6.7	↑
EPS (cents)	6.52	5.59	16.6	↑

Profit growth through high transactional volumes, widened income streams

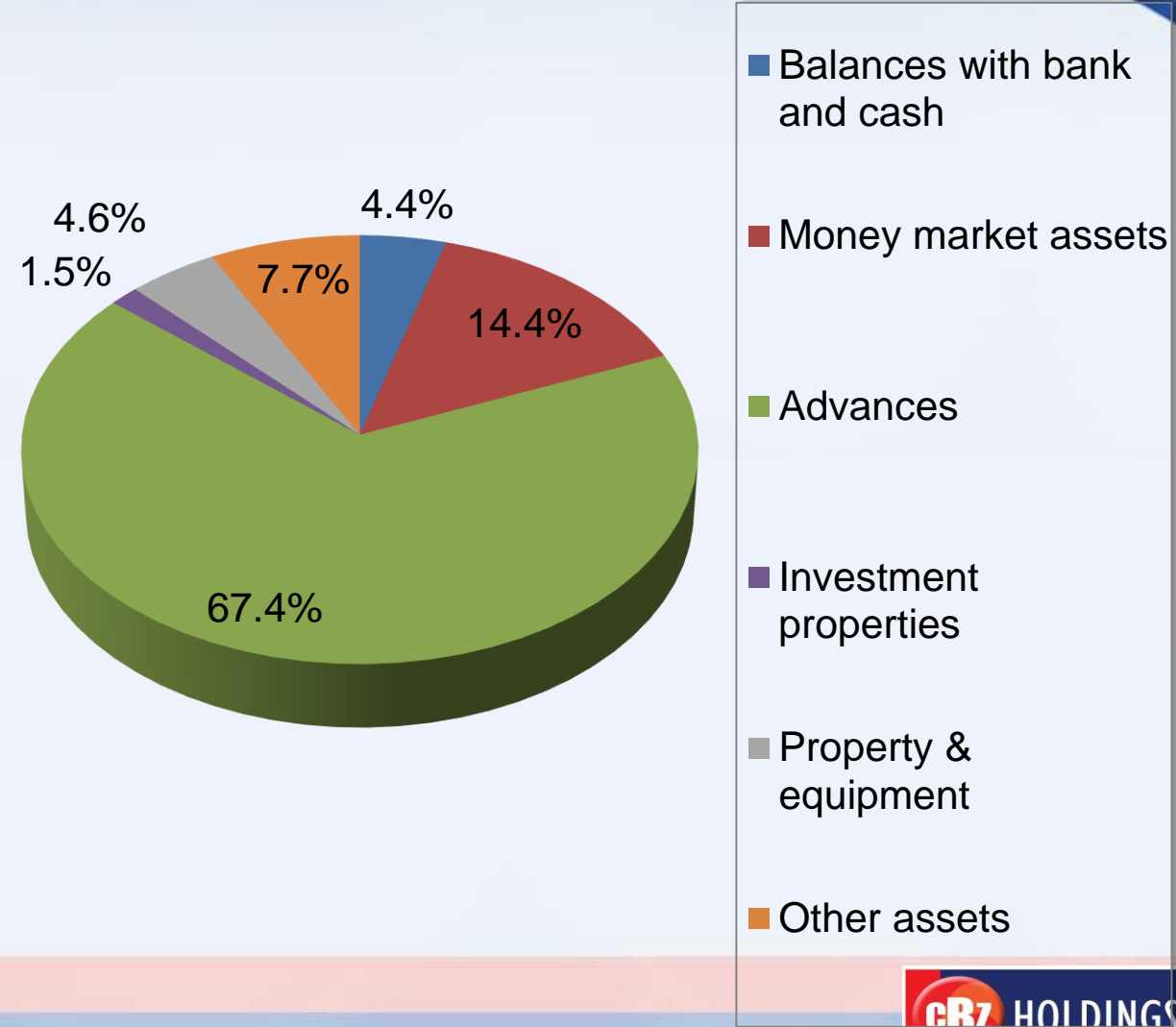
GROUP FINANCIAL PERFORMANCE REVIEW

Asset mix Dec 2015

In line with revenue growth strategy



Asset mix Dec 2014



GROUP FINANCIAL PERFORMANCE REVIEW

Advances Sectoral Analysis

Sector	Dec 2015 %	Dec 2014 %
Private	15	10
Agriculture	29	28
Mining	1	2
Manufacturing	14	8
Distribution	20	25
Transport	1	2
Services	18	23
Financial Organisations	2	2
Total	100	100

The Group remains committed to provide funding to all the critical sectors of the economy

GROUP FINANCIAL PERFORMANCE REVIEW

Deposits Sectoral Analysis

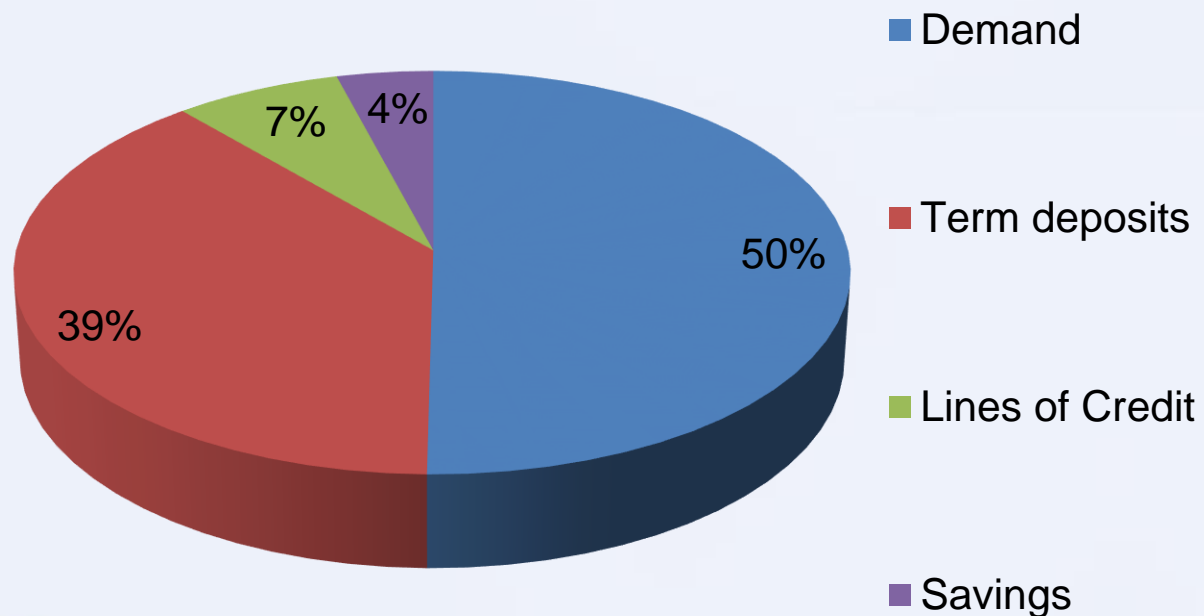
Sector	Dec 2015	%	Dec 2014	%
Private		5		6
Agriculture		3		2
Mining		1		1
Manufacturing		7		6
Distribution		18		10
Construction		2		2
Transport		1		1
Communication		2		2
Services		31		31
Financial Organisations		29		37
Financial and investments		1		2
Total		100		100
Government	39	0.4		0.5

The Group will continue to provide a diversified & innovative product range that caters for all clients across economic sectors

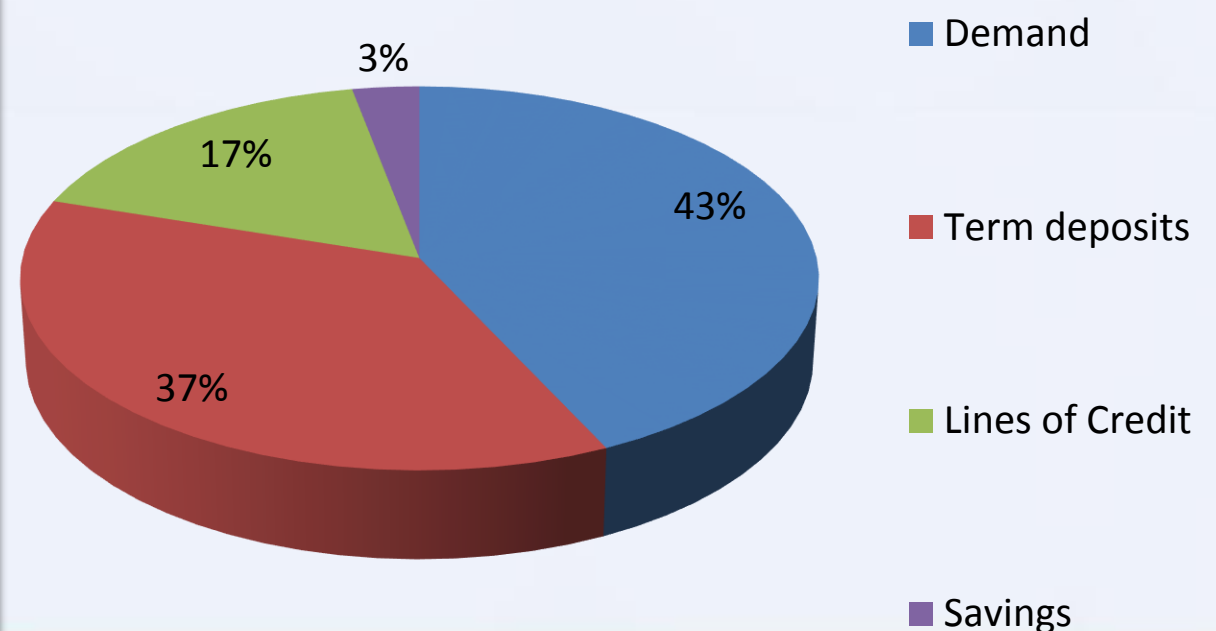
GROUP FINANCIAL PERFORMANCE REVIEW

Deposits Mix

December 2015



December 2014



SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Bank Summarised results

	31 Dec 2015 US \$m	31 Dec 2014 US \$m	YOY% change	
Total income	139.7	116.8	19.6	↑
Operating expenditure	(86.2)	(79.8)	8.0	↑
Profit before tax	31.4	20.2	55.4	↑
Charge for impairment	(22.1)	(16.9)	30.8	↑
Profit after tax	26.2	16.3	60.7	↑
Total assets	1 814.1	1 518.4	19.5	↑
Shareholders' funds	147.8	125.9	17.4	↑
Total advances	883.5	960.9	8.1	↓
Total deposits	1 652.6	1 417	19.0	↑

The Bank has strong asset and capital base bolstered by prudential provisioning and growth in profitability

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Life Summarized Results

	31 Dec 2015 US \$m	31 Dec 2014 US \$m	Annual % Growth
Underwriting income	8.6	5.2	65.3↑
Operating expenditure	(3.2)	(2.6)	23.1↑
Profit after tax	4.5	2.6	73.1↑
Total assets	17.2	11.4	50.9↑
Shareholders' funds	12.3	8.5	44.7↑
Money market asset	14.3	10.1	41.6↑
Life Fund	4.7	2.3	104.3↑

**Cost increase
to fund
business
growth**

**The Company
achieved a
tremendous
growth in
underwriting
income
supported by
innovative
product
packages.**

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Insurance Summarized Results

	31 Dec 2015 US \$m	31 Dec 2014 US \$m	YOY % change
Underwriting income	3.1	2.1	47.6 ↑
Operating expenditure	(1.6)	(1.8)	11.1 ↑
Profit after tax	1.1	0.5	120.0 ↑
Total assets	9.9	7.8	26.9 ↑
Shareholders' funds	4.2	2.1	100.0 ↑
Insurance assets	4.1	3.9	5.2 ↑
Money market assets	4.1	2.7	51.9 ↑

Cost increase to fund business growth

Balancing risk & rewards through maintaining an asset mix that is responsive to the obligation to settle liabilities as they fall due.

The company's asset mix is relatively spread towards liquid assets readily available to support claims.

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Asset Management Summarized Results

	Dec 2015 US \$m	Dec 2014 US \$m	YOY % change
Total income	2.1	2.3	8.7 ↓
Operating expenditure	(1.9)	(1.8)	5.6 ↑
Profit after tax	0.15	0.34	55.9 ↓
Total assets	2.98	2.84	4.9 ↑
Shareholders' funds	2.56	2.41	6.2 ↑
Funds under management	131.3	136.4	3.7 ↓

Depressed equities market impacted on the Company's bottom line performance.

The Company reduced the overall negative impact through diversifying its portfolio to less volatile investments.

DIVIDEND POLICY

In line with the Group's dividend growth policy, and considering the need for prudent capitalisation and liquidity management, the Board has proposed the declaration of a final gross dividend of \$1 456 504. Having declared an interim dividend of \$1 456 504, total dividend translates to \$2 913 008, a 10% growth from the prior year .

Dividend per share = 0.42 US cents

Dividend cover = 12.10 times (Dec 2014: 12.44 times)

DIVIDEND POLICY

Dividend Trend



Dividend growth of 70.2% since 2011. Minimum annual growth of 10%

◆ Dividend US\$million

AWARDS & RECOGNITIONS

CATEGORY	AWARD/ ACHIEVEMENT
Contact Centre Association of Zimbabwe Service Excellence.	1 st Place Service Excellence Award in the Banking Sector
Institute of Chartered Secretaries & Administrators in Zimbabwe (ICSAZ), 2 nd Annual Excellence in Corporate Governance Awards.	<ul style="list-style-type: none"> • 2nd Place - Best Banking Governance Practices • 2nd Place - Best Banking Corporate Governance Practices
ZSE Listed Companies Awards	1 st Place - Best Board Practices (CBZH) 1 st Place - Overall Best Corporate Governance Practices
Zimbabwe Revenue Authority (ZIMRA) Tax Payers Appreciation Awards	<ul style="list-style-type: none"> • Highest Compliant Growth (Domestic Taxes) - CBZ Bank • 2nd Place Compliant Contributors - Income Tax - CBZ Bank
VISA	Most Agile Acquiring Bank in Zimbabwe
ZNCC Manicaland Chapter	<ul style="list-style-type: none"> • Best Bank - Corporate Social Responsibility • Best Bank Supporting SMEs • 1st Runner Up-Best Bank Supporting farmers
ZNCC National Business Awards	Top Bank Supporting Private Sector Initiatives

SUBSIDIARIES CREDIT RATING

UNIT	2014 RATING	2015 RATING
UNIT	2014 RATING	2015 RATING
CBZ Bank – Short Term	A1	A1
CBZ Bank – Long Term	A+	A
Datvest	Not rated	A (Stable Outlook)
CBZ Life	Not rated	BBB+ (Stable Outlook)
CBZ Insurance	Not rated	BBB (Positive Outlook)

GUIDANCE AND OUTLOOK

	Actual Growth Dec 2015 (%)	Forecast Growth Dec 2016 (%)
Total Assets	18.2	12.5
Advances	9.3	5.0
Deposits	18.9	12.5
Funds under management	(3.7)	0.9
Total Income	19.2	(2.0)

STRATEGIC ROADMAP

CBZ Global reach

CBZ Strategic alliances, partnerships and integration

CBZ Technology driven solutions

CBZ Innovation

CBZ Portfolio and earnings diversification

CBZ Liquidity management

Follow up meetings Monday 29 February 2016 @ 1500hrs

