



ANALYSTS BRIEFING

2016 HALF YEAR FINANCIAL RESULTS

4 AUGUST 2016

DISCLAIMER

This presentation is based on the consolidated financial statements of CBZ Holdings Limited, a company incorporated in Zimbabwe, and its subsidiaries (hereinafter collectively referred to as “the Group”). The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures at the date of the financial statements. Although these estimates are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

OUTLINE

Operating Environment Overview

Presenter – Never Nyemudzo, GCEO



Strategic & Operational Review

Presenter – Never Nyemudzo, GCEO



Financial Review

Presenter – Colin Chimutsa, GCFO



Guidance & Outlook

Presenter – Never Nyemudzo, GCEO

OPERATING ENVIRONMENT OVERVIEW

MACROECONOMIC FUNDAMENTALS

ECONOMIC INDICATOR	H1 2014	H1 2015	H1 2016
Annual Inflation - % (Average)	-0.3	-2.0	-1.9
Money Supply Growth - %	9.9%	3.2%	5.0%
Deposits - US\$ bln	4.3	4.5	5.0
Gross Written Premium - US\$ mln	245.3	277.8	154.0*
Funds Under Management - US\$ bln	2.8	2.7	2.6
Rental Yields per sq.m (Average)	7.5%	7.1%	7.0%
Trade Balance – US\$ bln	-1.59	-1.68	-1.15
Government Revenue - US\$ bln	1.7	1.7	1.6
ZSE Market Capitalisation - US\$ bln	4.9	3.9	2.8
US Dollar Index	79.8	95.5	96.0

HIGHLIGHTS

👉 Global

- 👉 Renewed global uncertainties, hence downward revisions in global & domestic growth rates and subsequent rush for safe haven assets such as gold and the Yen.

👉 Local

- 👉 Falling imports and exports; narrowing trade gap.
- 👉 H1 revenue collections 9.1% below target.
- 👉 Buyers' market on the properties market.
- 👉 Pursuance of arrears clearance and reengagement strategy remains a key enabler to economic performance.

POLICY & REGULATORY DEVELOPMENTS

POLICY & REGULATORY CHANGES

- Cash withdrawal limits; reduction of e-banking charges.
- Upward review of minimum capital for insurers effective December 2016.

IMPLICATIONS

- Market distortions; settlement risks; commoditization of cash; pressure on margins; deepening of cashless society.
- Stronger, well capitalized insurers with ability to underwrite and retain more business.

NAVIGATING THE OPERATING ENVIRONMENT

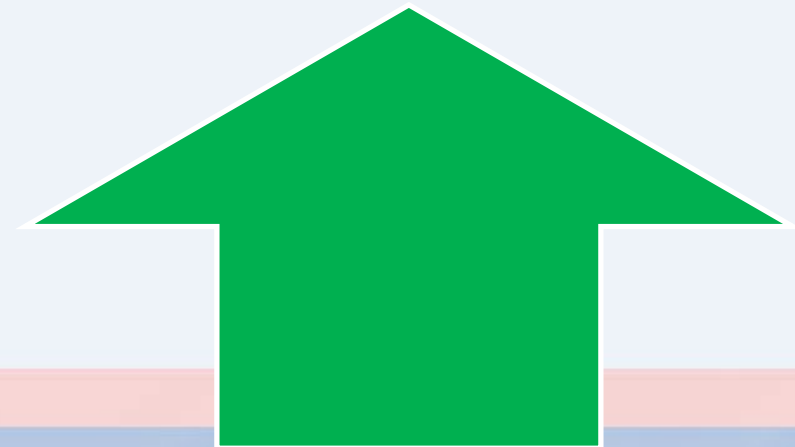
SPECIFIC CONSTRAINTS



Cash shortages.
Constrained credit expansion.
Balance sheet recession.
Informalisation of the economy.
Constrained ability to plan for the long term.

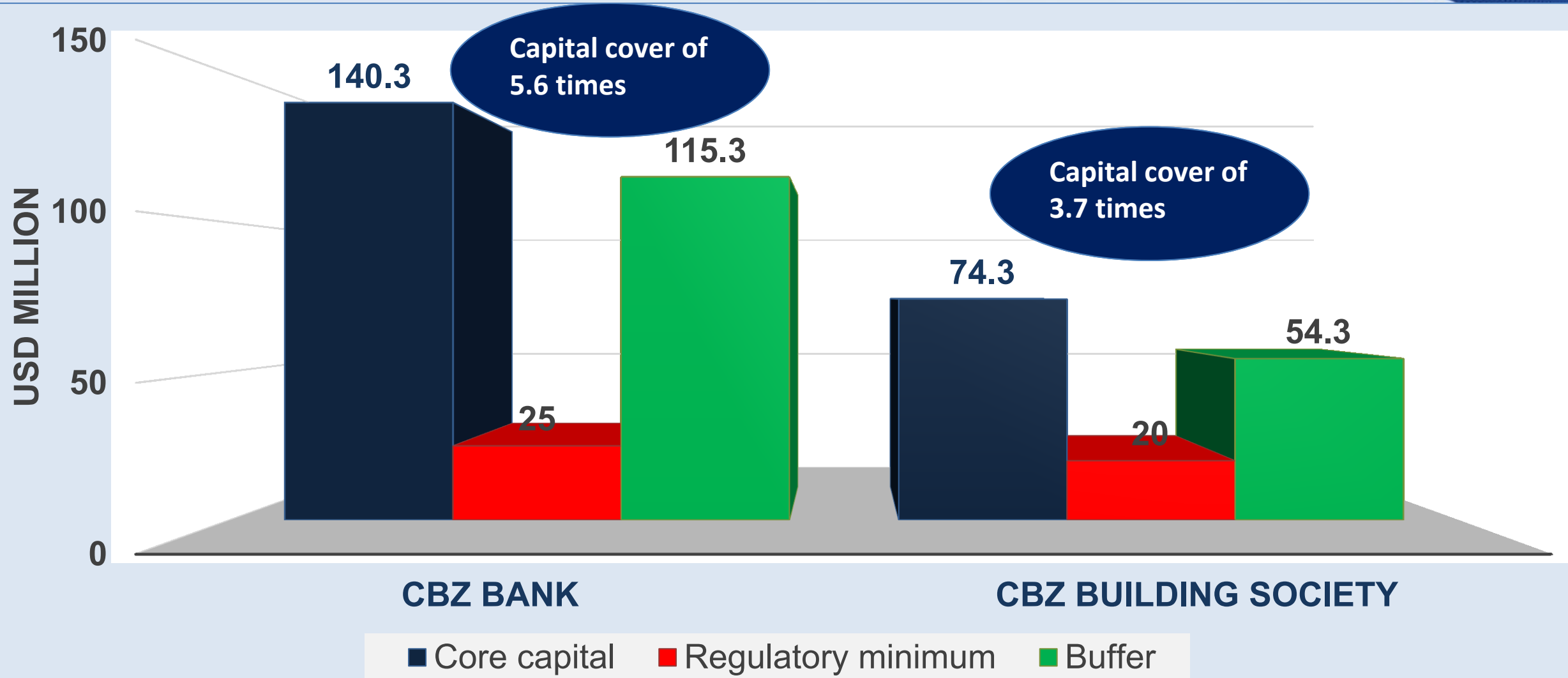
OUR RESPONSE

Strengthening market presence and synergistic benefits.
Aggressive collections of Bad Debts
Rehabilitation of clients with future potential.
Strict credit granting.
Closer monitoring of borrower performance.
Innovation to support business development.
Process reengineering to reduce, reorient & optimize costs.



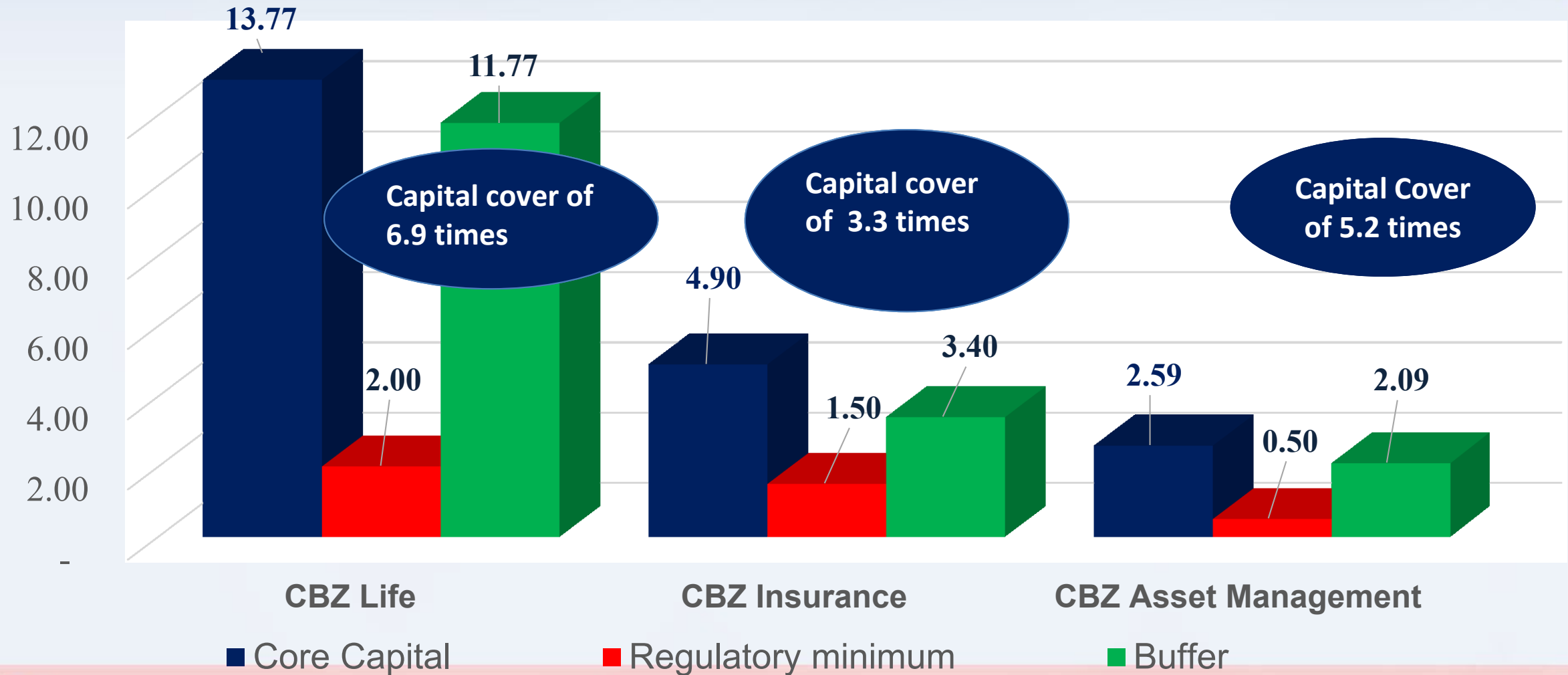
STRATEGIC & OPERATIONAL REVIEW

CAPITALISATION OF SUBSIDIARIES



CAPITALISATION OF SUBSIDIARIES

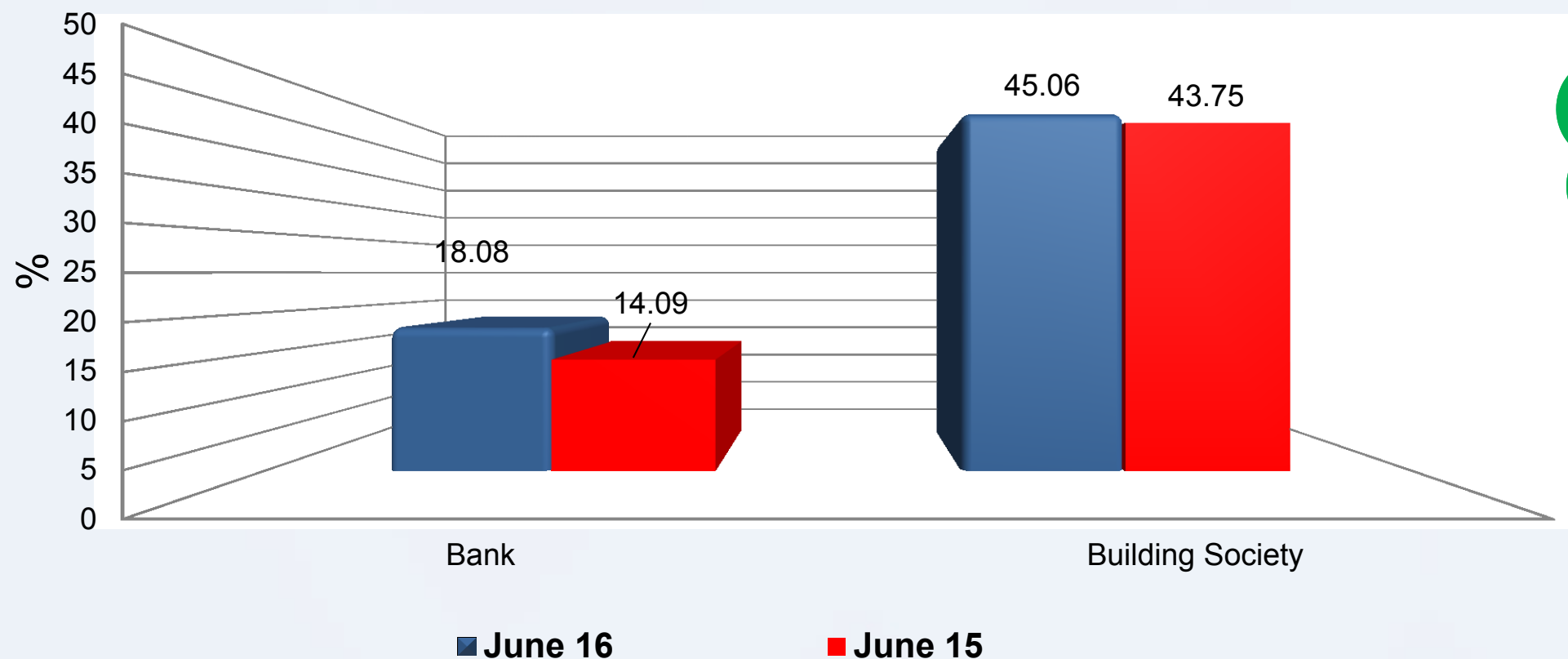
NON BANKING SUBSIDIARIES' CAPITALISATION LEVELS - USD MILLION



GROUP FINANCIAL PERFORMANCE REVIEW

Capital Adequacy

CBZ Bank & CBZ Building Society



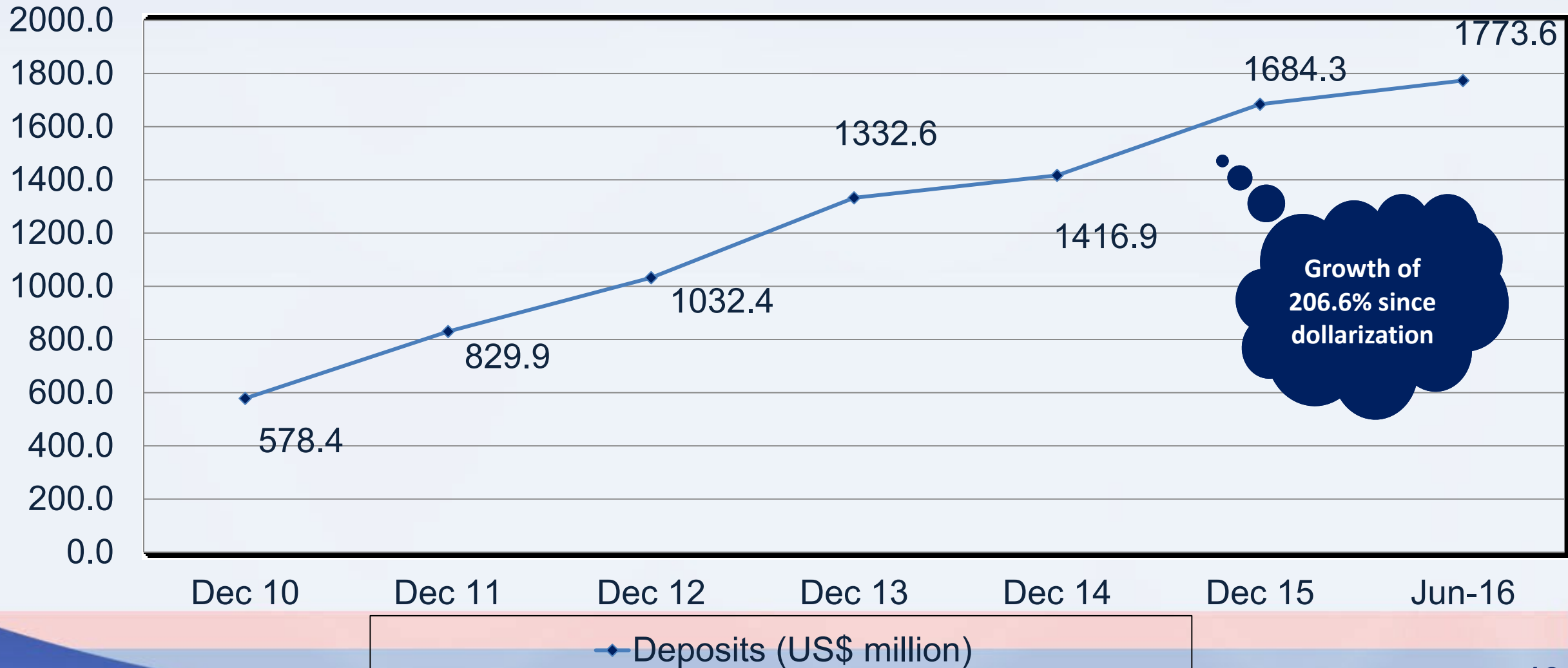
- Minimum regulated 12.0%
- Adequate buffer

MARKET SHARE

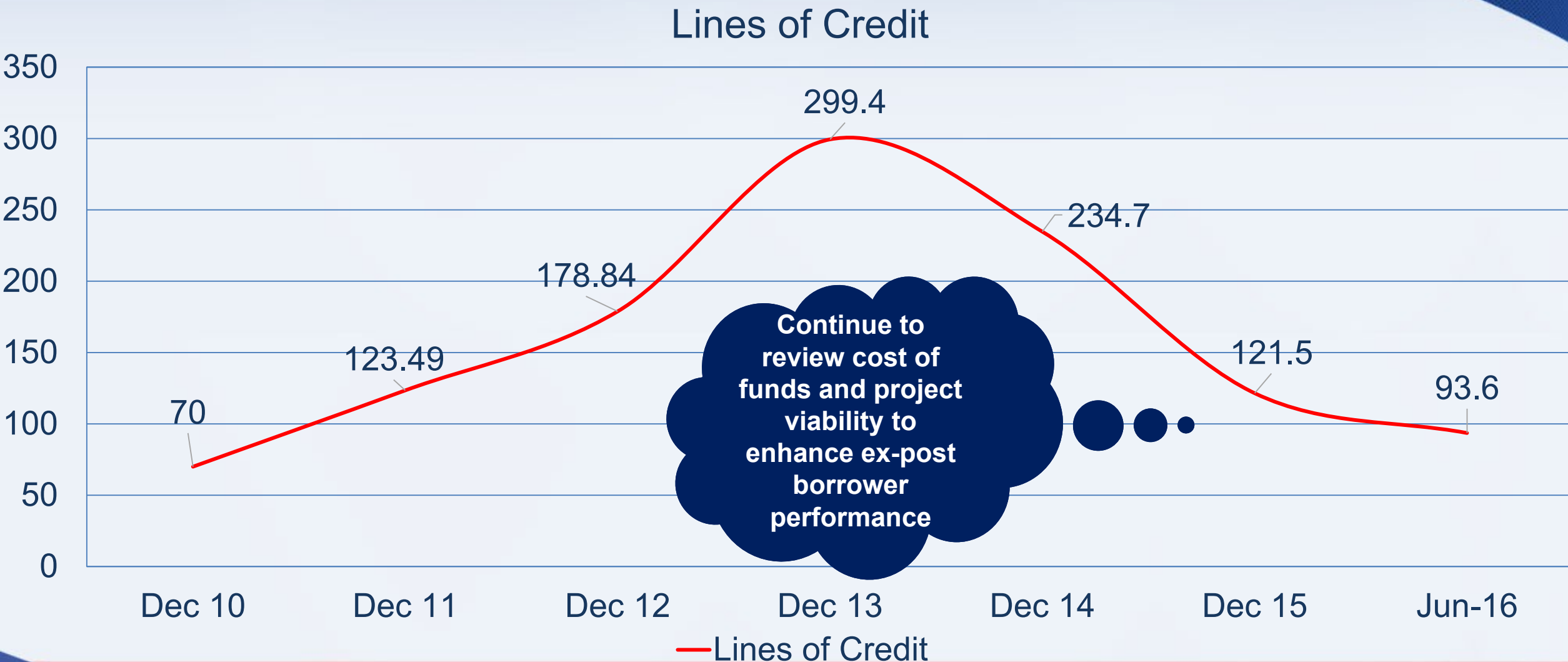
Unit	Position	Market share (%)	Target market share (%)
CBZ Bank (Deposits)	1	31.1	20-30
CBZ Asset Management (Funds Under Management)	3	5.0	5-8
CBZ Life (Gross Written Premium)	6	3.0	15.0
CBZ Insurance (Gross Written Premium)	7	7.0	10.0

DEPOSITS TREND

Deposits Trend

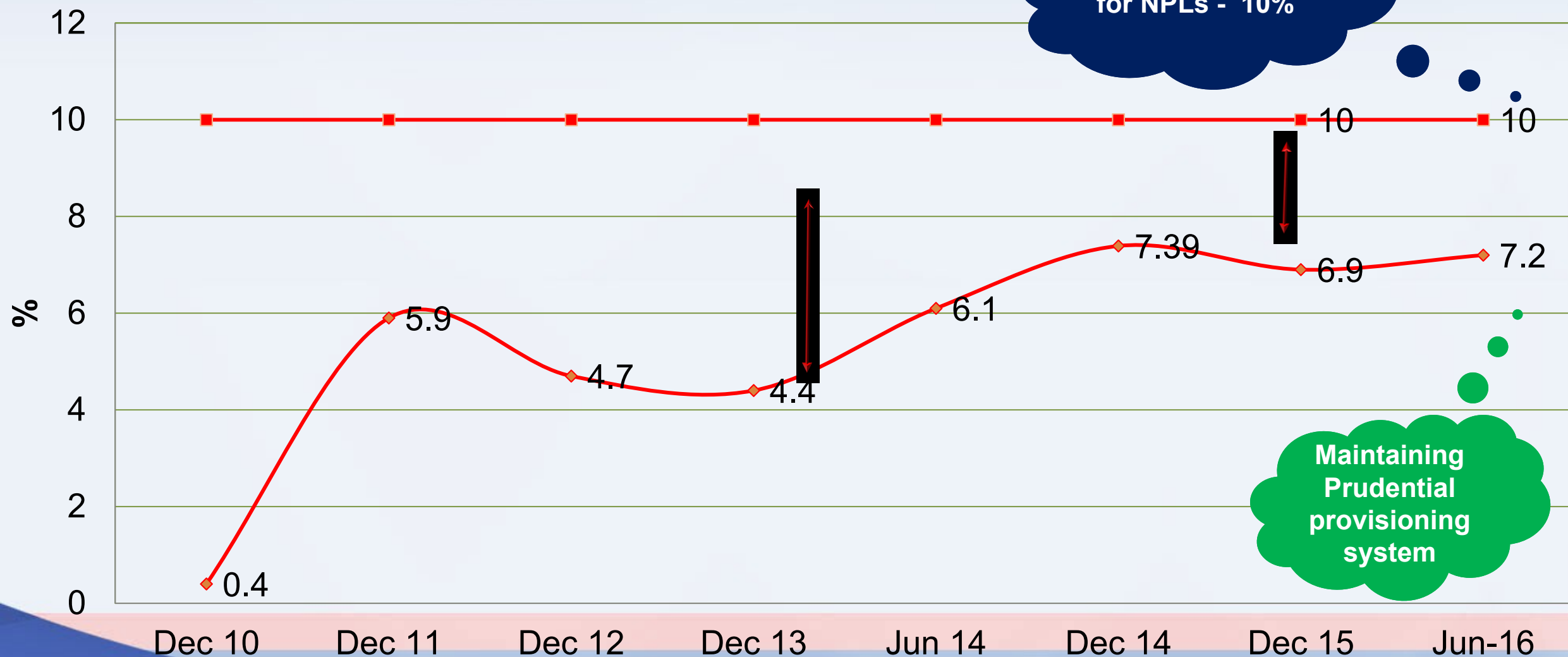


LINES OF CREDIT



Quality of Earnings

NPLs Ratio – Managing Credit Quality



Quality of Advances

	June 2016	Dec 2015
Total net advances (US\$m)	1 022.1	1 021.0
Security value (US\$m)	1 665.6	1 848.4
Security cover (times)	1.6	1.8
Provisions (US\$m)	77.3	74.9
Non performing loans (US\$m)	78.9	76.1
Coverage ratio (times)	0.98	0.98

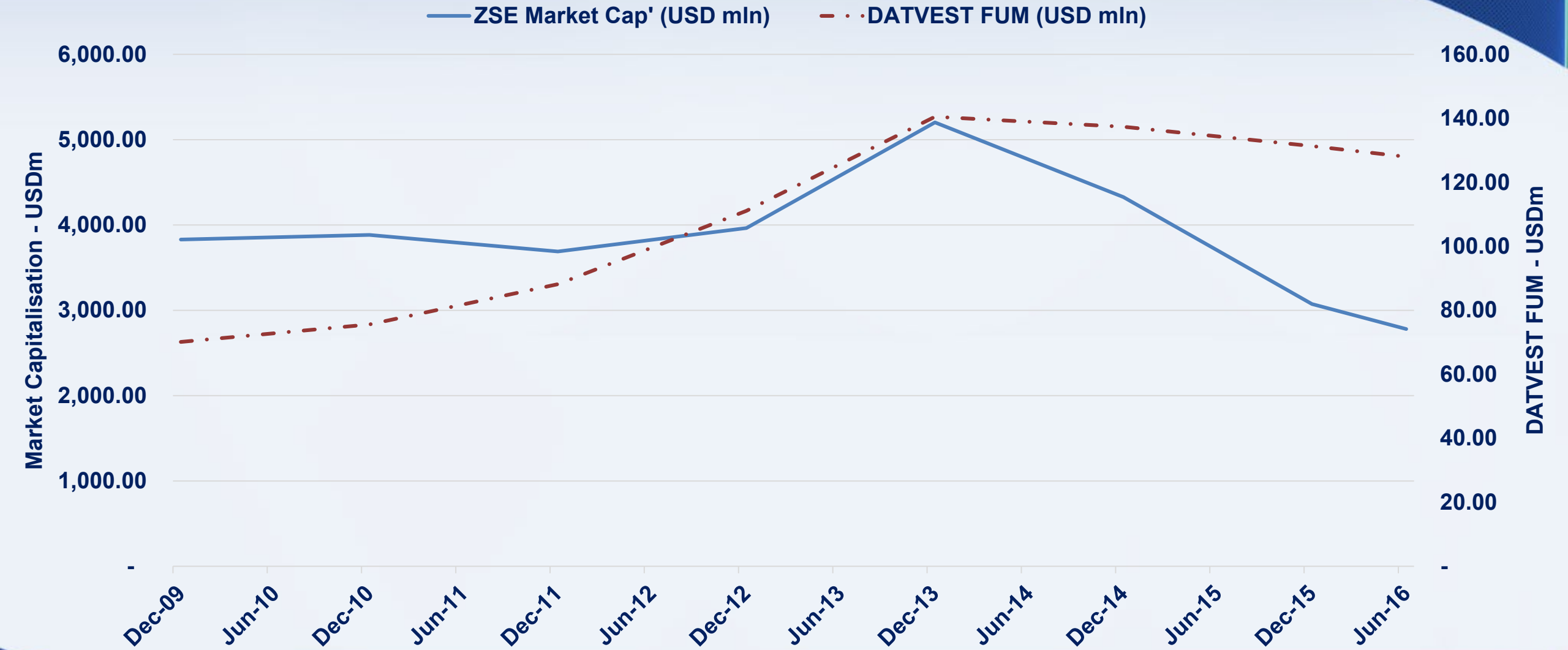
**Growth of % -9.9
Security value**

**Target 100%
coverage ratio
on NPL**

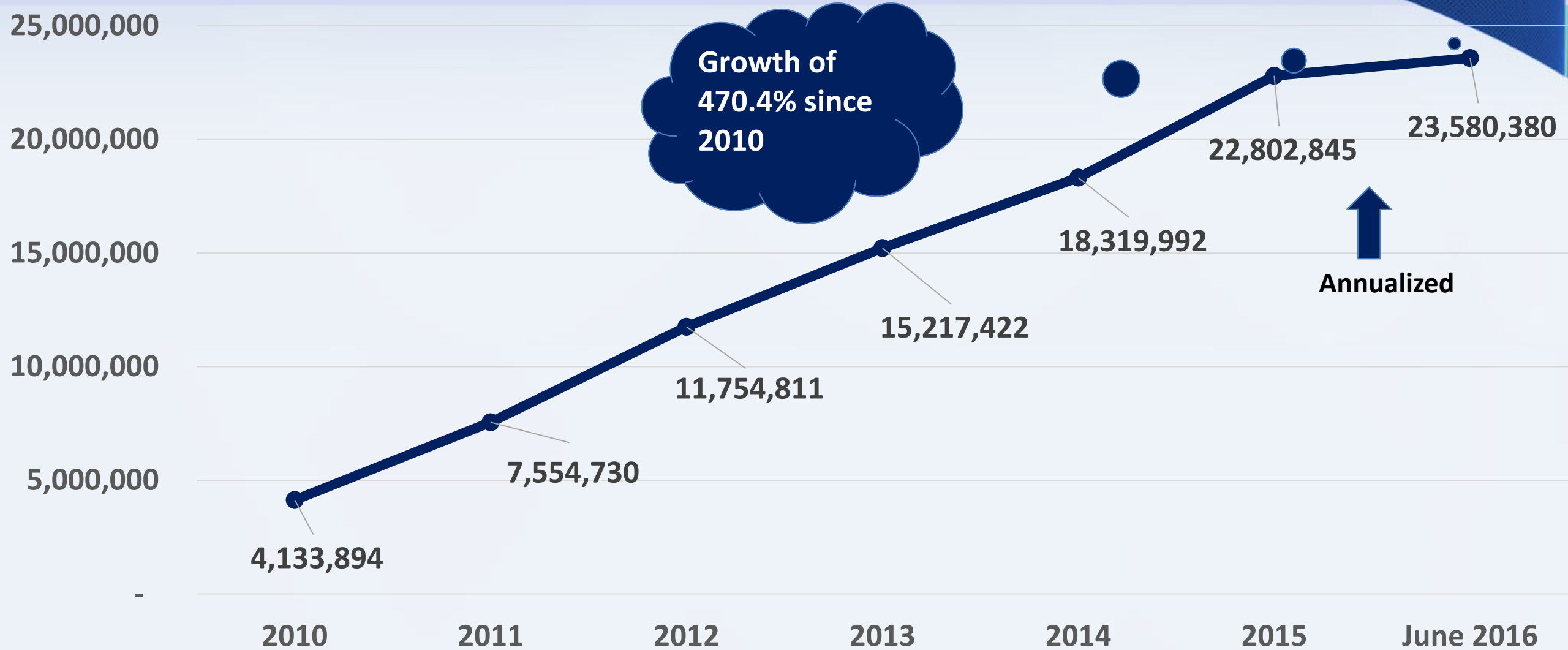
Quality of Advances - Security

	June 2016	Dec 2015
Total security value (US\$ m)	1 665.6	1 848.4
Comprised of:		
Cash cover (US\$ m)	27.2	203.6
Collateral (mortgage security) (US\$ m)	905.0	856.6
Other forms of security including Notarial General Covering Bonds (NGCBs), cessions, etc. (US\$ m)	733.3	788.3

FUNDS UNDER MANAGEMENT



GROSS WRITTEN PREMIUMS



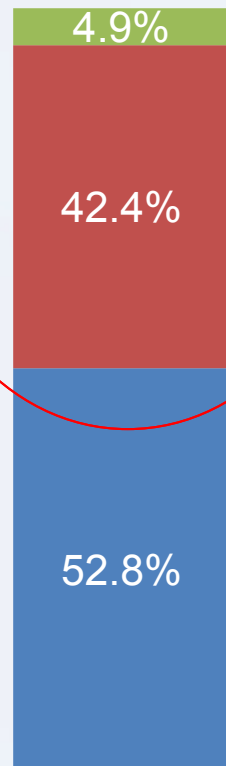
SEGMENT REPORTING

	Commercial Banking	Mortgage Finance	Insurance Operations	Asset Management	Property Management	Other Operations
Total Income (US\$ m)	52.6	15.8	4.1	1.0	0.03	(0.2)
Profit after tax (US\$ m)	7.4	3.3	2.2	0.03	0.02	(1.1)
Total assets (US\$ m)	1 896.4	201.0	32.2	3.1	10.5	58.1

UPDATE ON STRATEGIC INITIATIVES

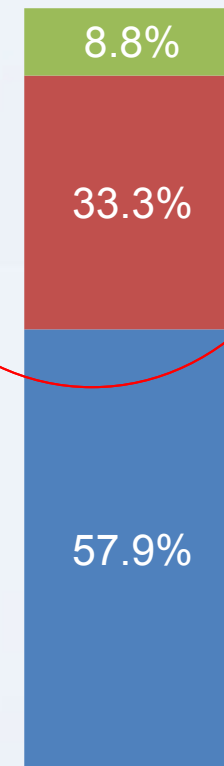
DIVERSIFICATION: INCOME

Non funded income growth minimising the impact of reduction in interest rates.



JUN-16

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.

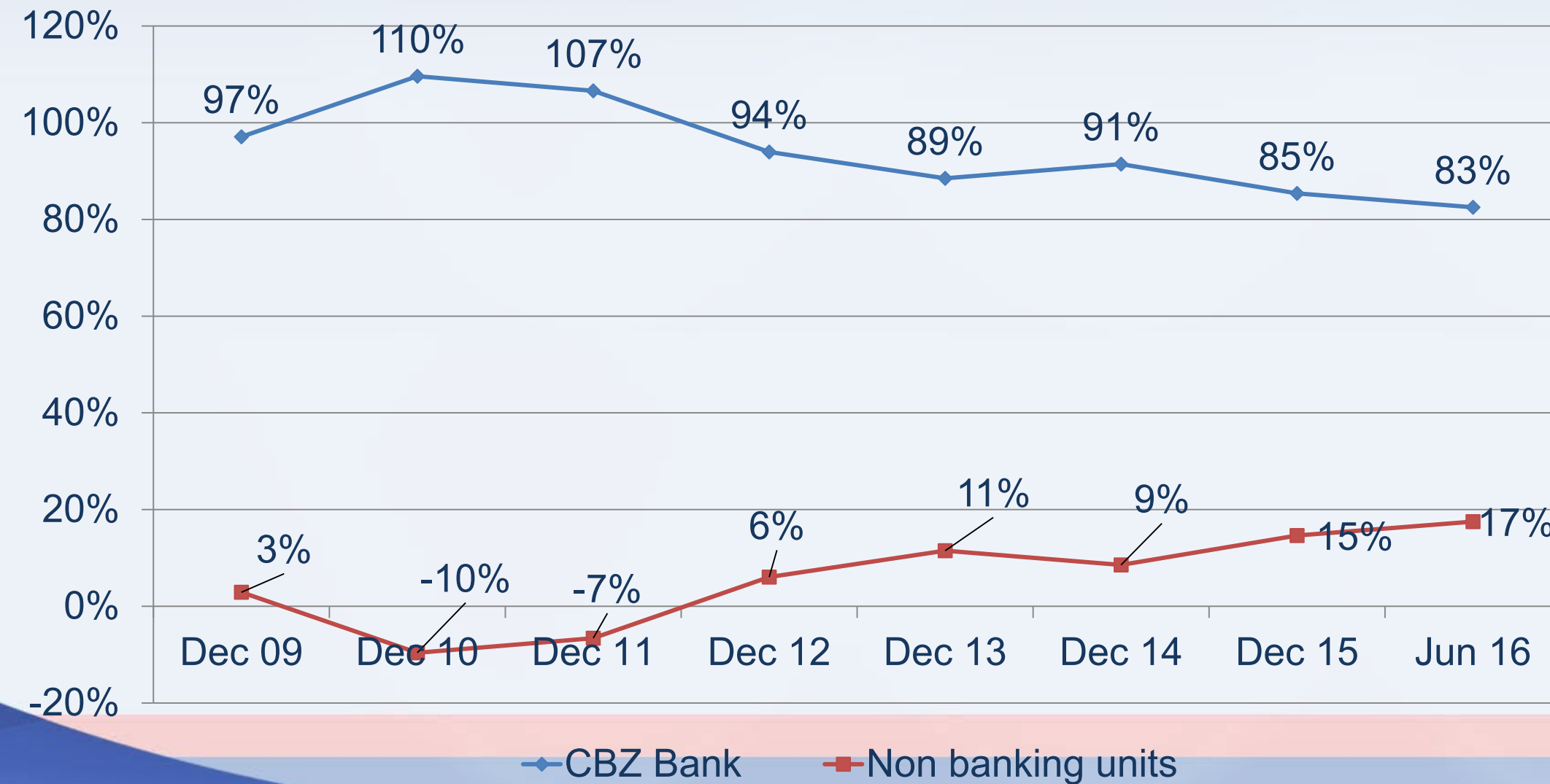


JUN-15

■ Underwriting income
■ Non interest income
■ Net interest income

UPDATE ON STRATEGIC INITIATIVES

DIVERSIFICATION: PROFITABILITY



Target 20% from Non banking SBUs

MILESTONES ON STRATEGIC INITIATIVES

UPDATE ON STRATEGIC INITIATIVES



We can fund your dream business

CBZ Business Banking offers financial support designed to grow small businesses and meet the diversified financial needs of informal traders and registered SMEs.

 A member of the Deposit Protection Scheme

For more information call our Econet Toll Free Number 460 or Landline: 08677004050,
WhatsApp Number: 0774460460 ; 0774461461, Email: contactcentre@cbz.co.zw



➡ MARKET PRESENCE

- ➡ Transformative Partnerships through SME financing.
 - ➡ A growing SME book of US\$40m.
 - ➡ Awarded the Best Bank Supporting SMEs (2016) by the ZNCC.

UPDATE ON STRATEGIC INITIATIVES

👉 MARKET PRESENCE

- 👉 Strengthening our **infrastructure market presence**, whilst ensuring that our stakeholders get a decent roof above their heads.
- 👉 Launched Kwekwe & Victoria Falls housing projects in H1 2016.



Build your New house here!

Fully Serviced Stands NOW selling.

 Toll Free: 460

Call on
0772 428 412
0773 288 685
0772 998 839

OR visit any CBZ branch



Partners For Success

 A member of the Deposit Protection Scheme

UPDATE ON STRATEGIC INITIATIVES


➡ INNOVATION

- ➡ Transforming financial services into a lifestyle through innovative digital solutions.
- ➡ Launched CBZ Touch, our integrated mobile app (digital bank) in April 2016.
 - ➡ About 15k subscribers or 8% penetration as at June 2016.
 - ➡ About 53.7k transactions, worth US\$7.2m, done as at June 2016.



The advertisement features three smartphones displaying the CBZ Touch mobile app interface. The first phone shows the login screen with fields for Mobile Banking ID and Password, and a 'Log in' button. The second phone shows the main menu with options: Accounts, Services, Settings, Contact Us, and ATM and Branch Locator. The third phone shows a transaction summary screen with a starting balance of US\$10,000, a money out of US\$12,000, and a resulting balance of US\$100.00. Above the phones, the word 'e-Volve' is written in large, metallic, 3D letters. Below the phones, the text reads: 'So You Want To Transact 24/7, Do You? Simply Download CBZ Touch!'. At the bottom, there are logos for Google Play, Microsoft, and the App Store, along with contact information: 0774461461 / 0774460460, Econet Toll-Free 460 | 08677004050, and the CBZ Bank logo with the tagline 'Partners For Success'.


UPDATE ON STRATEGIC INITIATIVES








Contact us anytime, anyhow

Get in touch with the CBZ Holdings Contact Centre on
 08677004050, Econet Toll-Free 460, or
 Whatsapp 0774 460 460, 0774 461 461

#SwitchToTheBEST



Partners For Success






www.cbz.co.zw

➡ INNOVATION

- ➡ Redefining customer experience and interaction through innovative digital solutions.
- ➡ Launched the 24/7 Experience Center and Social banking platforms in H1 2016.
- ➡ Share your experiences with us and other CBZH followers on our:



1.7k followers



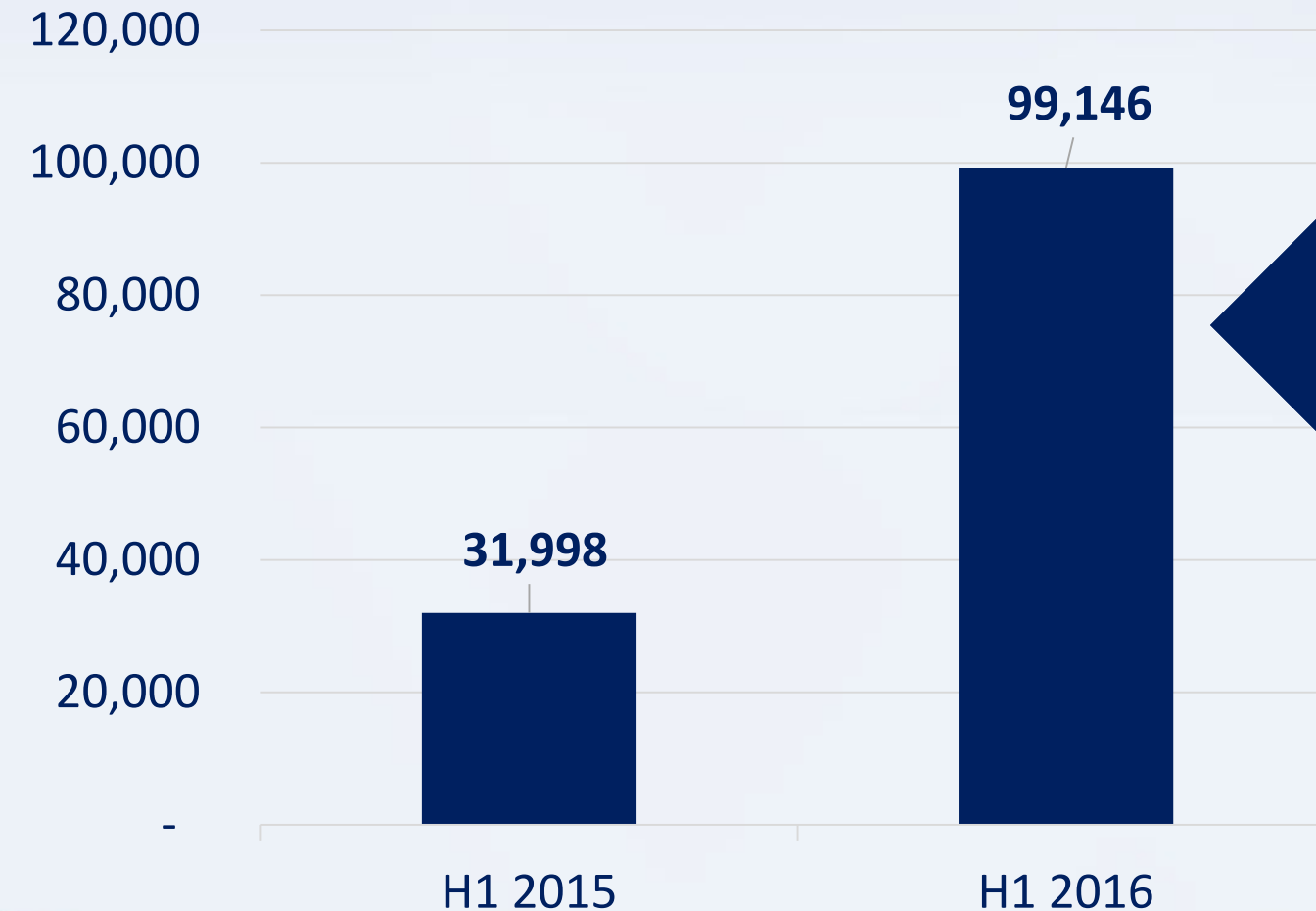
8.1k viewers



14k followers

MILESTONES ON STRATEGIC INITIATIVES

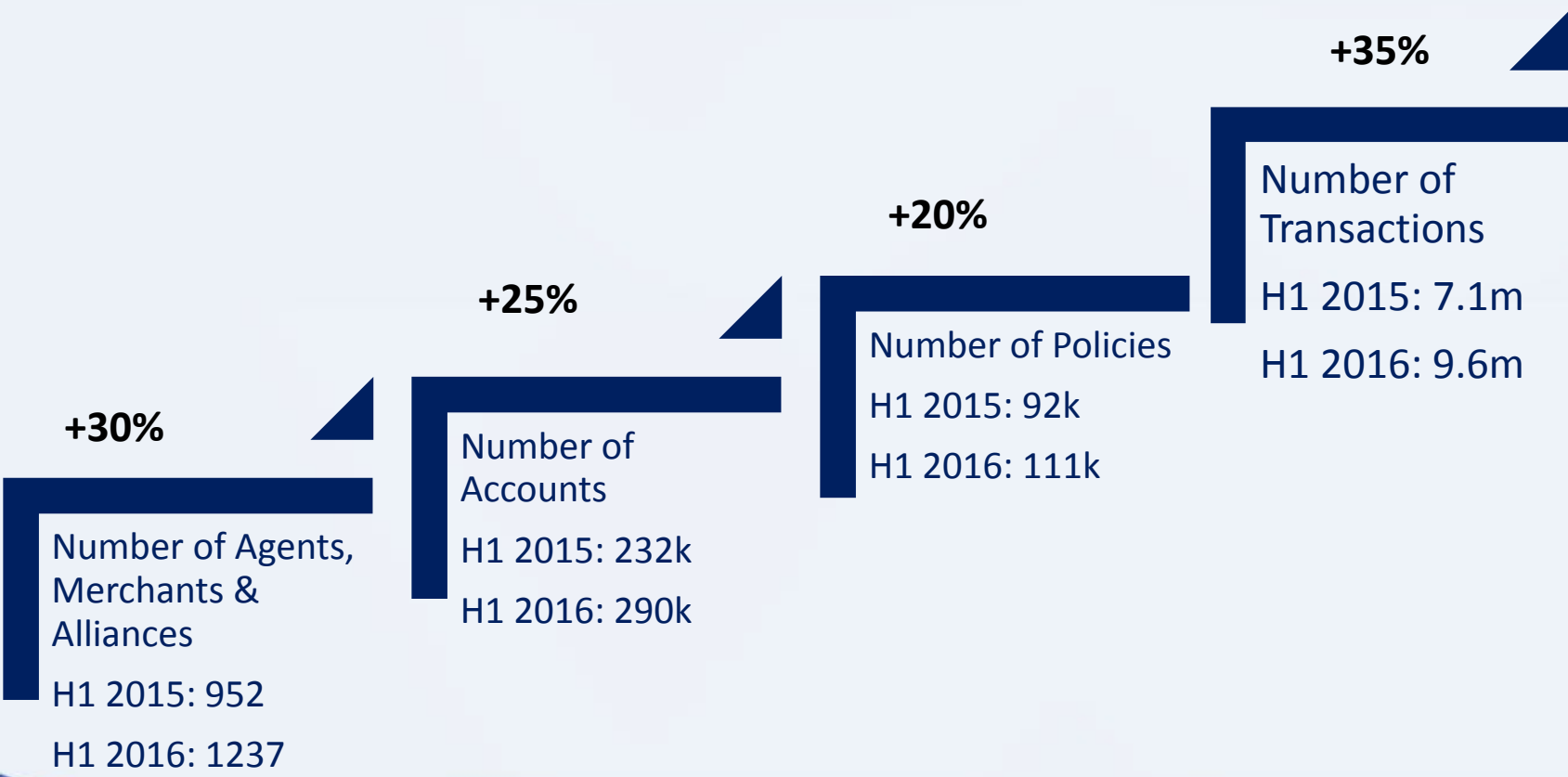
Financial Inclusion: SmartCash Accounts



Successful financial inclusion drive, as reflected by the 210% growth recorded in our KYC light account, the SmartCash Account.

MILESTONES ON STRATEGIC INITIATIVES

GROWTH IN THE NUMBERS...







VIKELA KONKE KA1

iCBZ Touch Mobile App luhlelo olutsha eliluphathelwa ngabe CBZ. Ususenelisa ukuthola usizo inqe ukuyiphi indawo njalo isebenza zikhathi zonke.

#SwitchToTheBEST

DOWNLOAD THE CBZ TOUCH MOBILE APP FOR FREE TODAY

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0774461461 / 0774460460Econet Toll-Free 460 | 08677004050



Partners For Success

FINANCIAL REVIEW

FINANCIAL MILESTONES

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

FINANCIAL PERFORMANCE REVIEW

Interest Income Analysis

	June 2016	June 2015	June 2014	June 2013
Net interest margin (%)	3.02	6.38	4.30	5.59
Interest in suspense (US\$ m)	25.0	27.8	20.6	13.0
Impairments(P&L) (US\$ m)	9.2	14.1	7.57	6.6
Write offs	4.2	14.2	1.1	-
Provisions (excl. interest in suspense)(US\$m)	52.3	43.7	24	27.6
Non performing loans (US\$ m)	78.9	84.7	66.8	40.7
Non performing loans (%)	7.2	7.1	6.1	4.2

Reduction due to compliance with regulatory framework

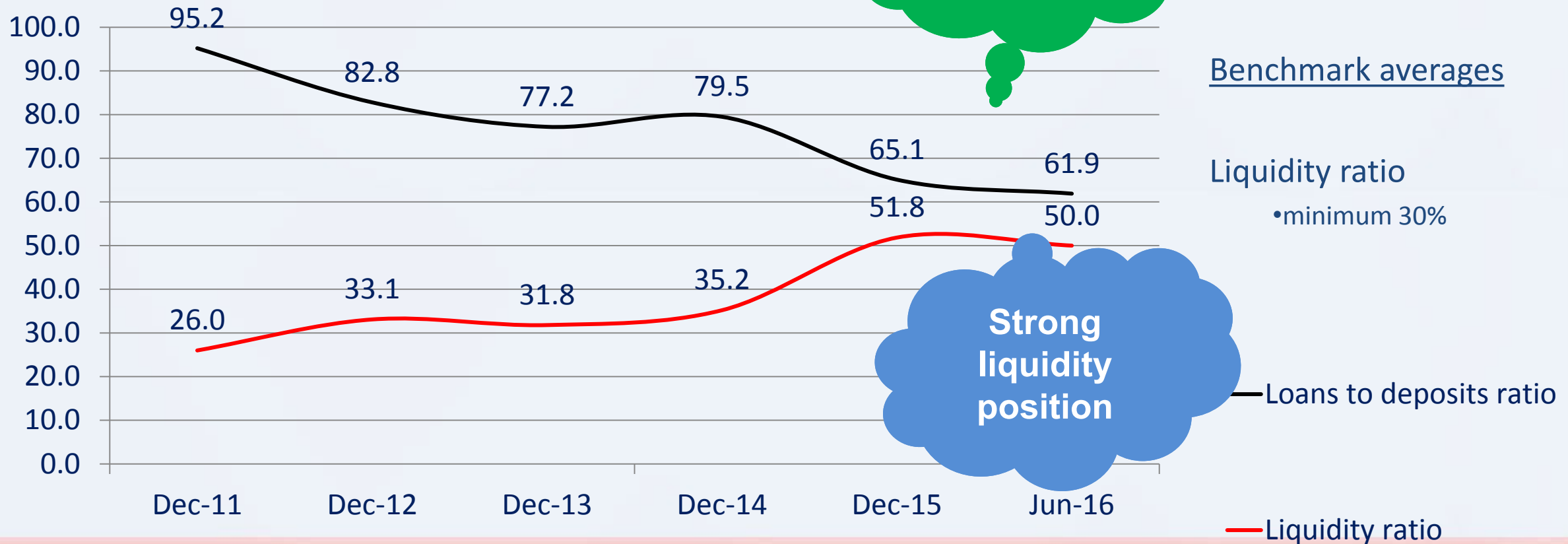
Internal Benchmark
5%

Impairments & write offs minimised by sale of \$40m NPLs to ZAMCO.

Regulatory benchmark
10%

GROUP FINANCIAL PERFORMANCE REVIEW

Liquidity Management



GROUP FINANCIAL PERFORMANCE REVIEW

Consolidated Statement of Financial Position

		30 June 2016 (\$m)	31 Dec 2015 (\$m)	Growth (%)
Total assets	Positive growth	2 069.1	1 974.4	4.8
Total advances		1 022.1	1 021.0	0.1
Total deposits	Positive growth	1 773.6	1 684.3	5.3
Funds Under Management		129.7	131.3	1.2
Total shareholders' Funds	Positive growth	272.8	261.9	4.2

**Compared to
12.0% stock
market
decline**

GROUP FINANCIAL PERFORMANCE REVIEW

Consolidated Statement of Profit or Loss and other Comprehensive Income

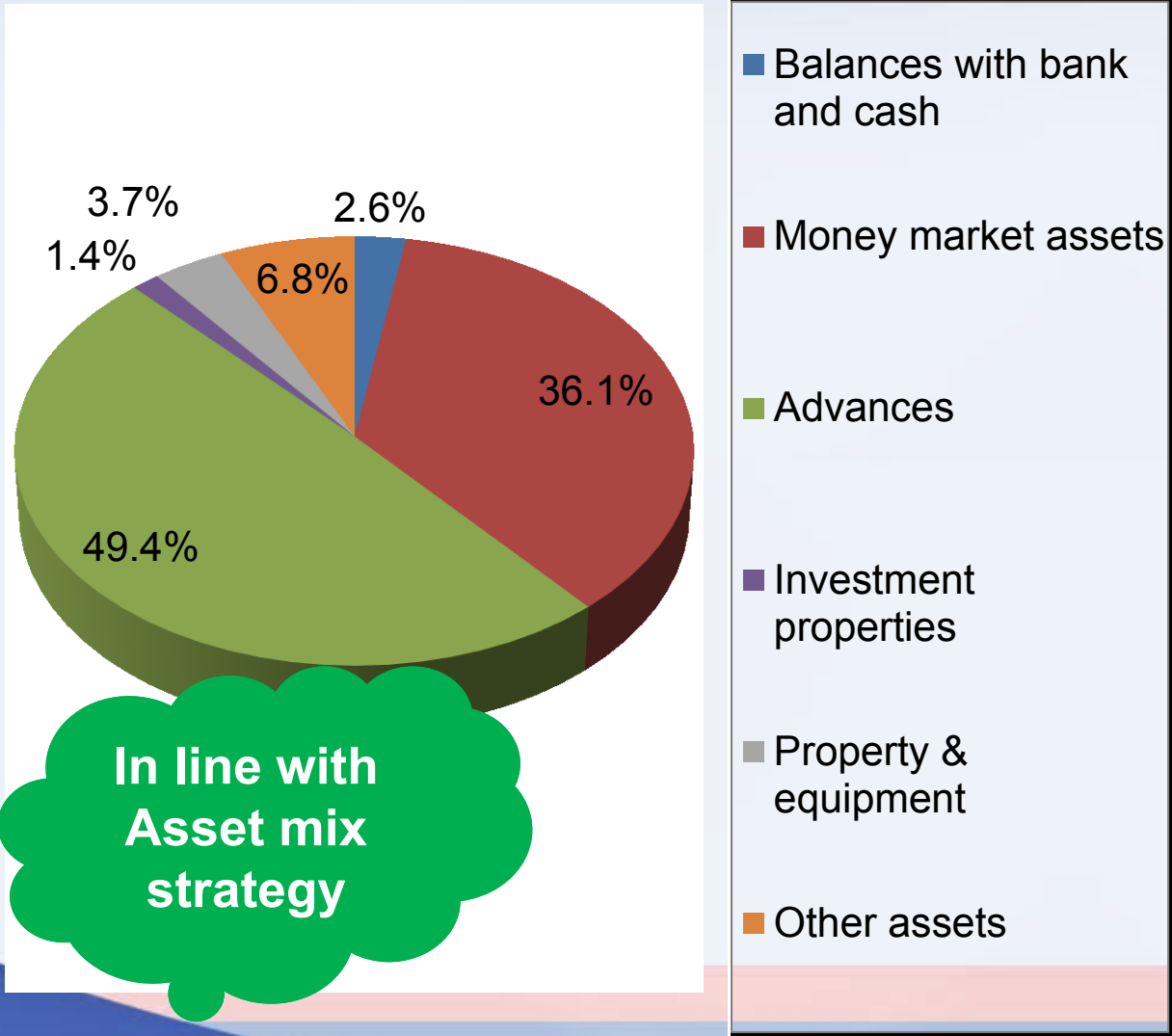
	30 June 2016 \$m	30 June 2015 \$m	Growth (%)
Total Income	73.2	82.3	(11.1) ↓
Total Expenditure	52.9	51.9	(1.9) ↑
Charge for impairment	9.1	14.4	36.8 ↓
Profit After Tax	11.9	13.7	(13.1) ↓
EPS (cents)	4.5	5.0	↓

Compliance with
regulator's position
on interest &
charges

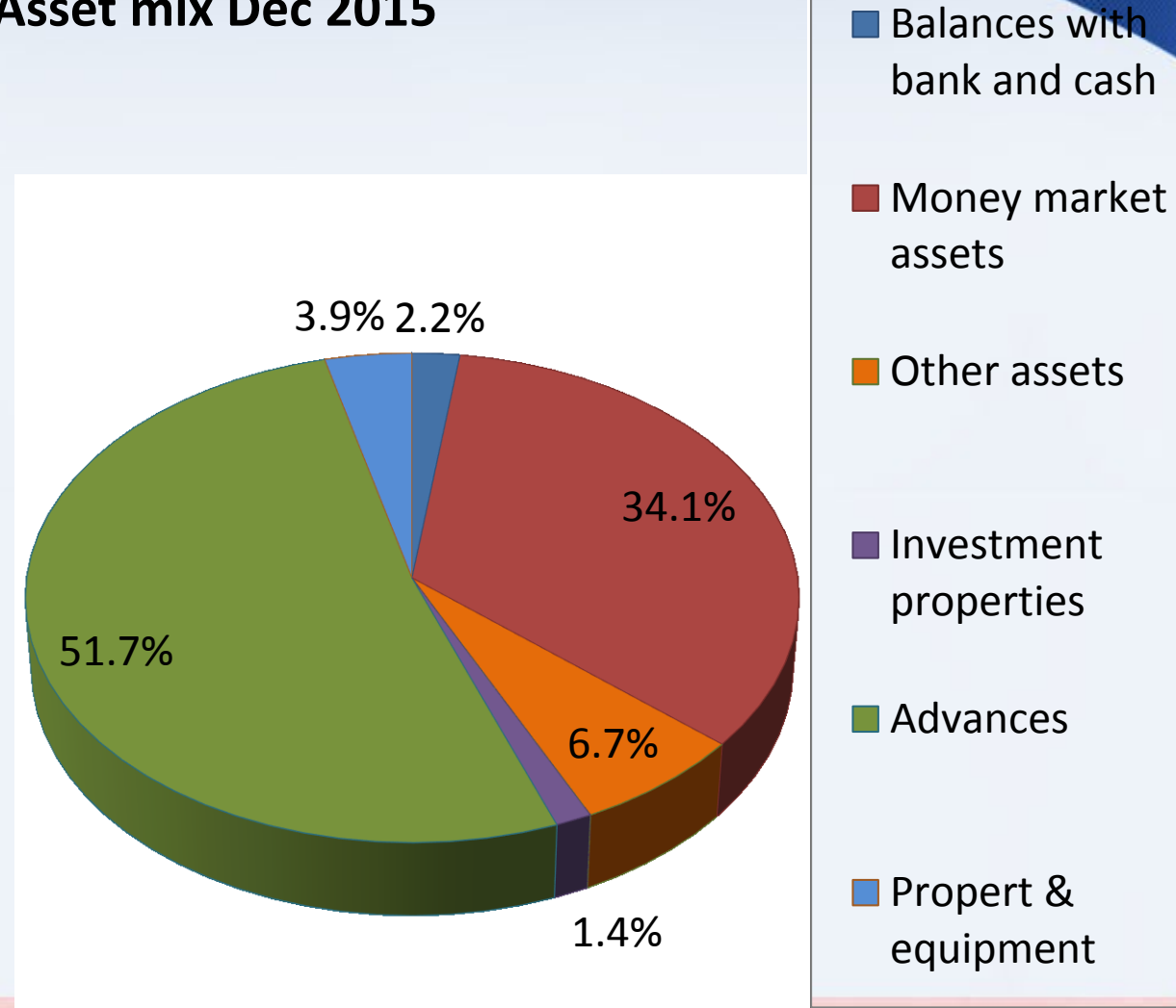
Acceptable increase
given focus on
transactional
volumes growth.

GROUP FINANCIAL PERFORMANCE REVIEW

Asset mix June 2016



Asset mix Dec 2015



GROUP FINANCIAL PERFORMANCE REVIEW

Advances Sectoral Analysis

Sector	June 2016 %	Dec 2015 %
Private	18	15
Agriculture	32	29
Mining	1	1
Manufacturing	13	14
Distribution	13	20
Construction	1	-
Transport	1	1
Services	19	18
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

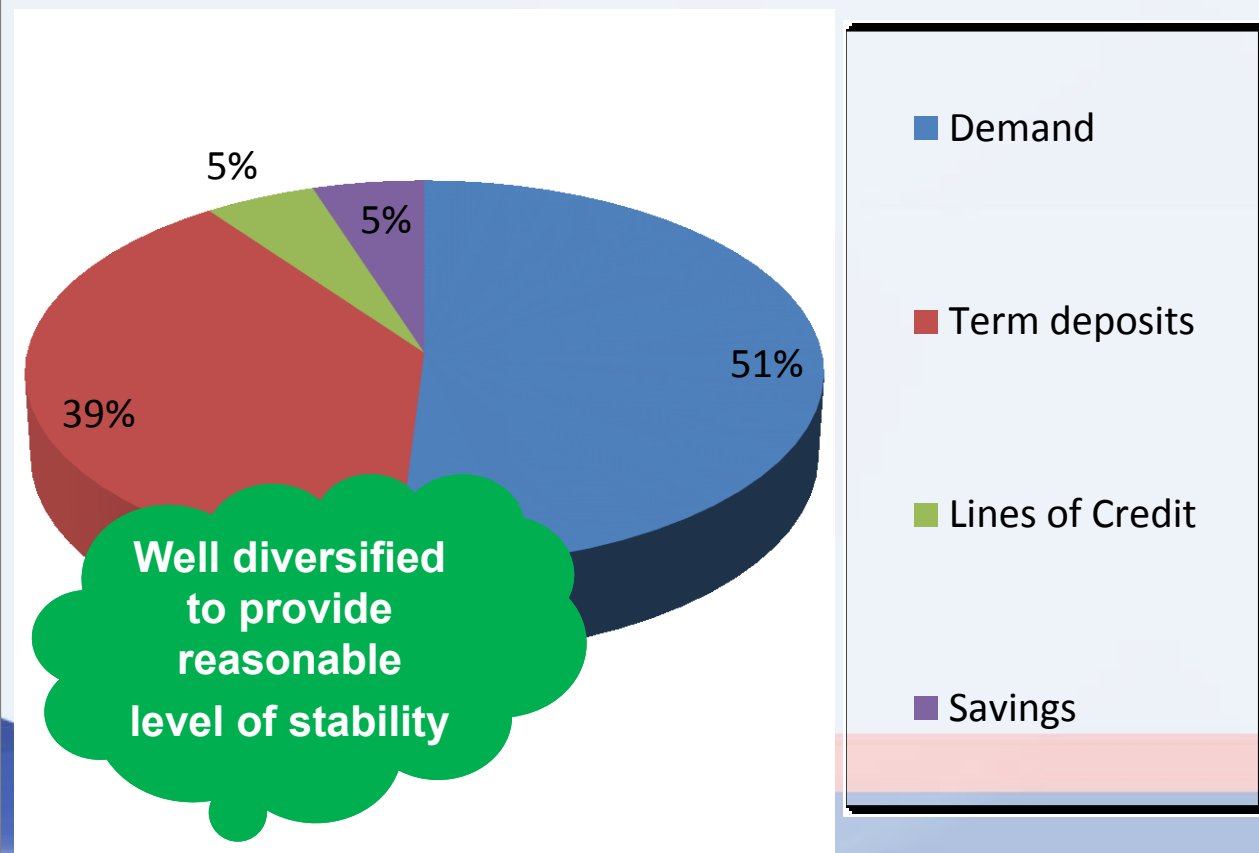
Sector	June 2016	%	Dec 2015	%
Private		5		5
Agriculture		3		3
Mining		1		1
Manufacturing		7		7
Distribution		17		18
Construction		2		2
Transport		1		1
Communication		2		2
Services		30		31
Financial Organisations		30		29
Financial and investments		2		1
Total		100		100
				38

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

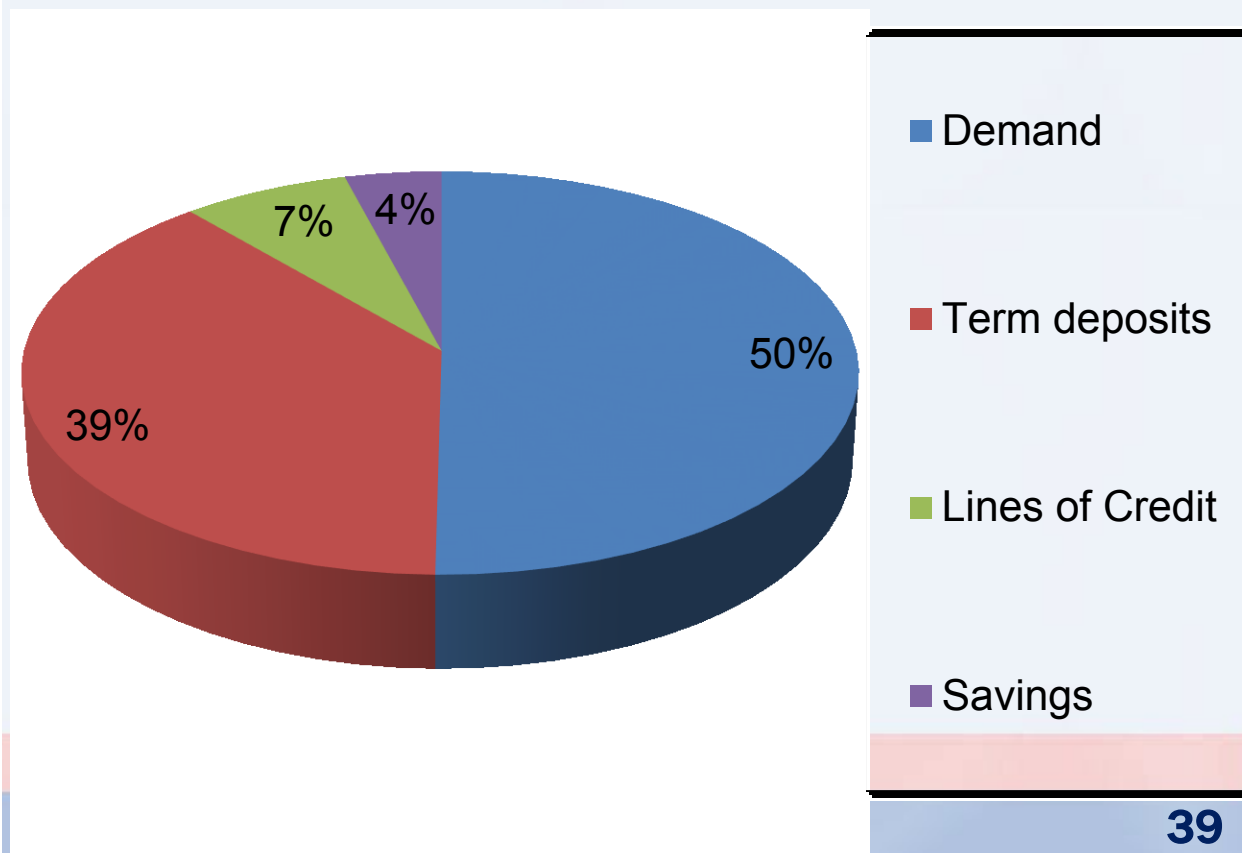
GROUP FINANCIAL PERFORMANCE REVIEW

Deposits Mix

June 2016

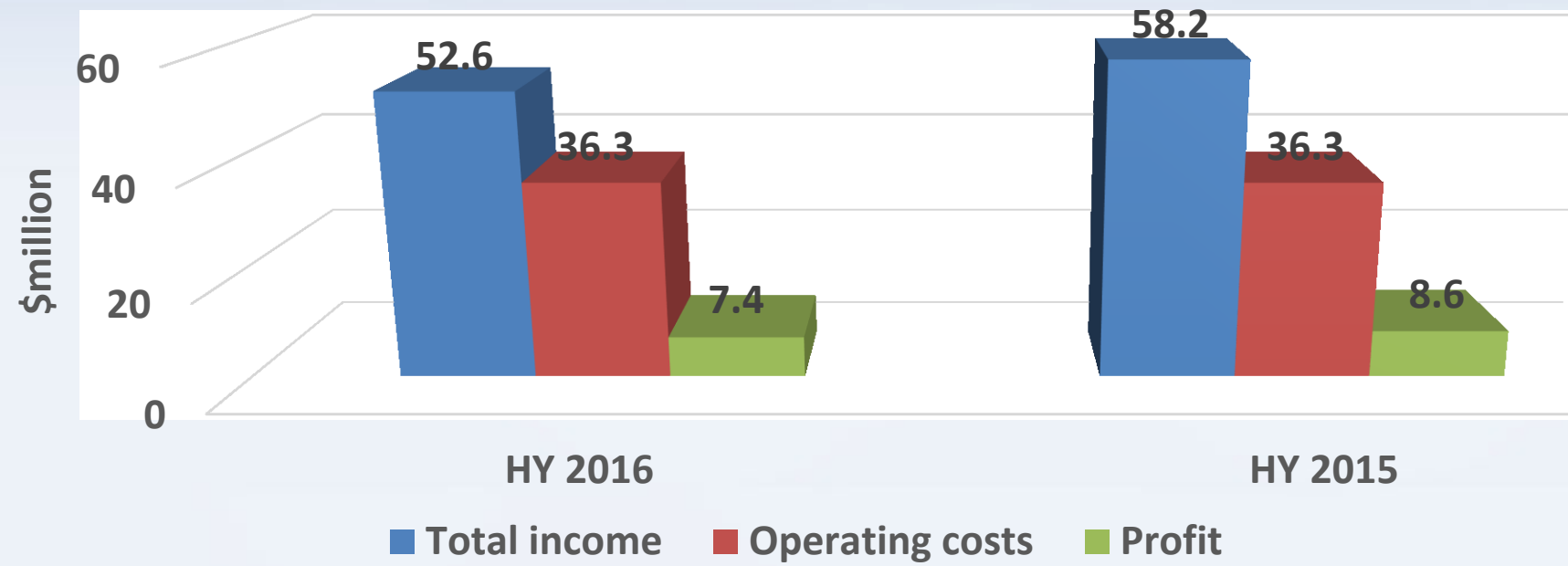


December 2015



SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Bank Summarised results

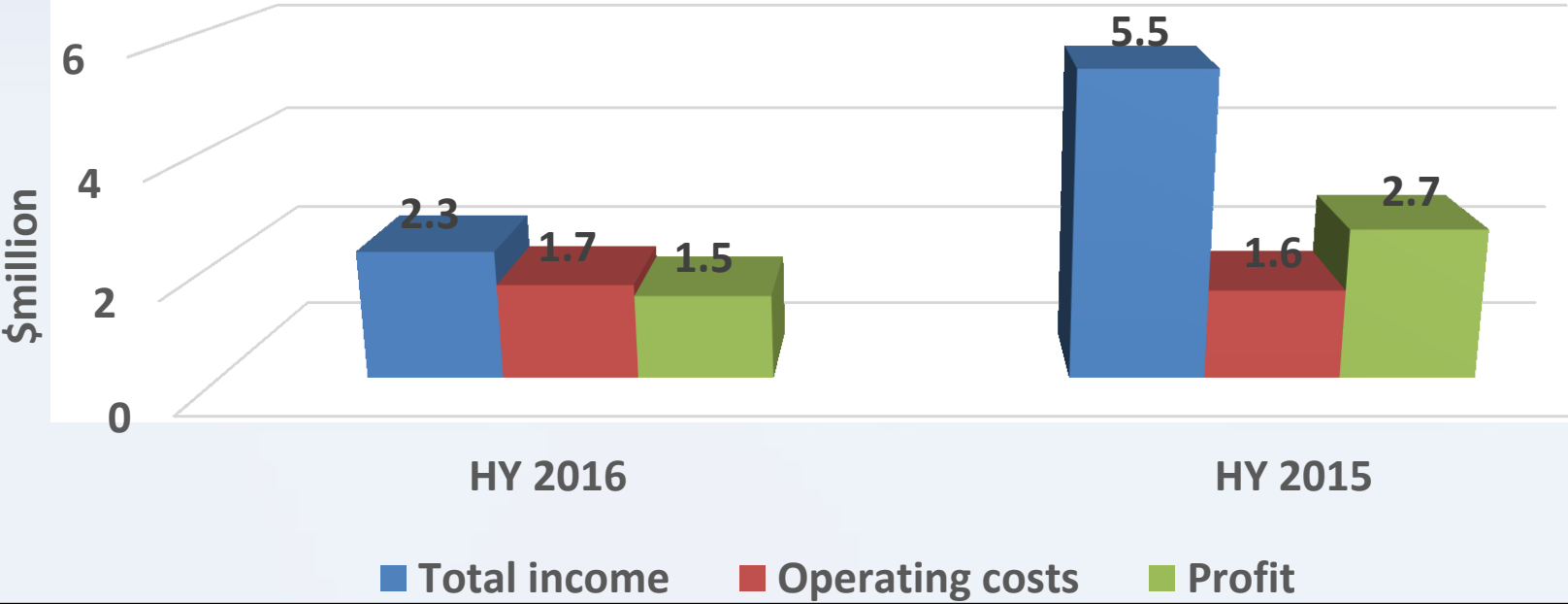


Reasonable level of profitability notwithstanding pressure on interest income.

	30 June 2016 US \$m	31 Dec 2015 US \$m	YOY% change
Total assets	1 896.4	1 814.1	4.5
Shareholders' funds	155.2	147.8	5.0
Total advances	878.9	883.5	0.5
Total deposits	1 733.1	1 652.6	4.9

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Life Summarized Results

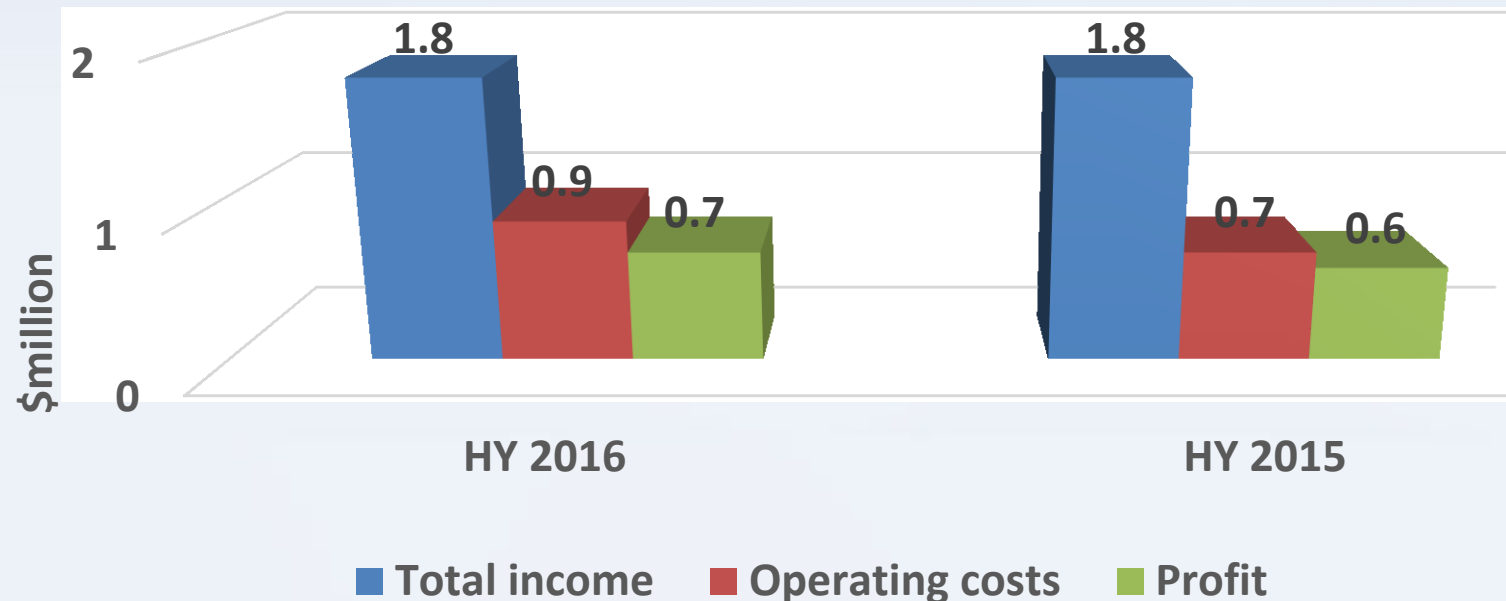


Cost increase to fund business growth & counter environmental impact on underwriting income

	30 June 2016 US \$m	30 June 2015 US \$m	Annual % Growth
Total assets	18.1	17.2	5.2
Shareholders' funds	13.8	12.3	12.2
Money market asset	14.2	14.3	(0.7)
Life Fund	3.9	4.7	(17.0)

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Insurance Summarized Results



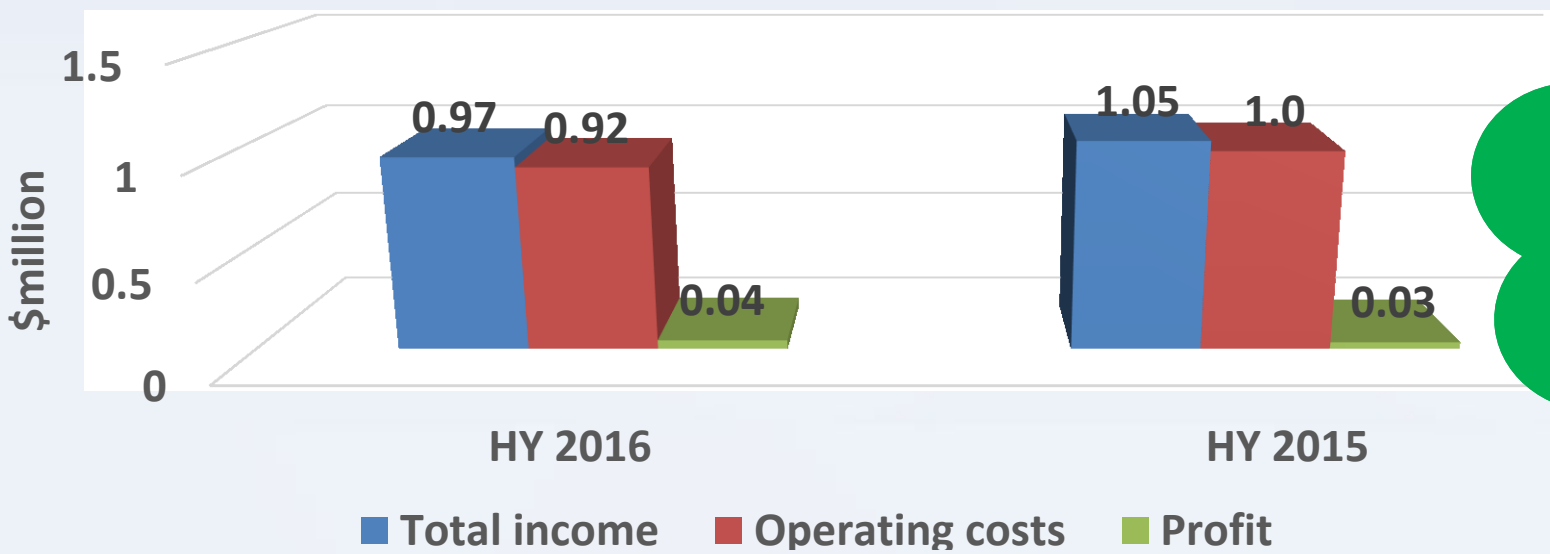
Balancing risk & rewards through maintaining an asset mix that is responsive to the obligation to settle liabilities as they fall due.

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

	30 June US \$m	30 June 2015 US \$m	% change
Total assets	14.0	9.9	41.4
Shareholders' funds	4.9	4.2	16.7
Insurance assets	7.0	4.1	70.7
Money market assets	4.1	4.1	-

SUBSIDIARIES FINANCIAL PERFORMANCE REVIEW

CBZ Asset Management Summarized Results



Depressed equities market impacted on the Company's performance.

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

	30 June 2016 US \$m	30 June 2015 US \$m	% change
Total assets	3.08	3.0	2.7
Shareholders' funds	2.6	2.6	-
Funds under management	129.7	131.3	(1.2)

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 an interim dividend of \$1 602 155.

Dividend per share = 0.23 US cents

Dividend cover = 7.4 times (June 2015: 9.4 times)

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	(15.8)

STRATEGIC ROADMAP

- 
-  Global reach
 -  Strategic alliances, partnerships and integration.
 -  Technology driven solutions.
 -  Innovation.
 -  Portfolio & earnings diversification.
 -  Liquidity management.
 -  Cost management.

AWARDS & NOMINATIONS

👉 ZNCC National Awards - Best Bank Supporting SMEs”.

👉 Nominated for the Best Mobile Banking App (2016) at the Zim Mobile Money & Digital Payments Conference.



CBZ Touch is not just a MOBILE BANKING APP. IT'S A FINANCIAL COMPANION!

How To Download The CBZ Touch Mobile App

1. "On Android device, tap the 'Get it on Google Play' button. On an iPhone or iPad, tap the 'GET IT ON THE APP STORE' button. On a Windows device, tap the 'GET IT ON MICROSOFT' button. Follow similar steps for other devices."
2. "Type 'CBZ Touch' in the search bar and select the app from the list of apps shown. Select 'CBZ Touch' and select 'Install'."
3. "Select 'Install' then 'Accept' and a bar will appear to indicate progress of your download."
4. "Once installation is complete, click 'Open' and you will be taken to the CBZ Touch home page where you are required to sign-up before you can access the services."

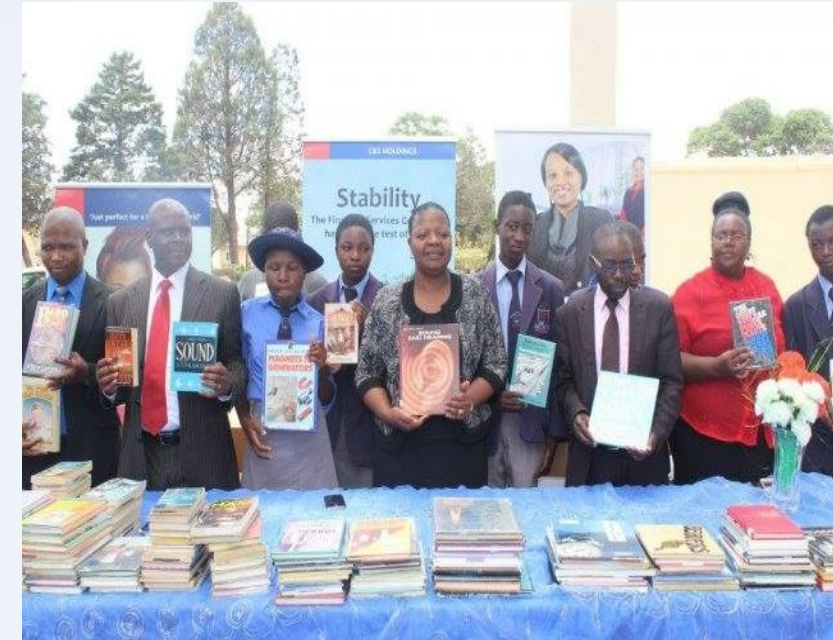
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CBZ HOLDINGS
 Partners For Success

IN THE COMMUNITY

CSR INITIATIVES



Follow up meetings on 12 August 2016 @ 15:00hrs

