



CBZH ANALYST BRIEFING

2018 FULL YEAR FINANCIAL RESULTS



1 CBZH's Group Overview

2 Operating Environment Overview

3 Strategy & Operations Review

4 Financial Review & Dividend

5 Guidance & Outlook

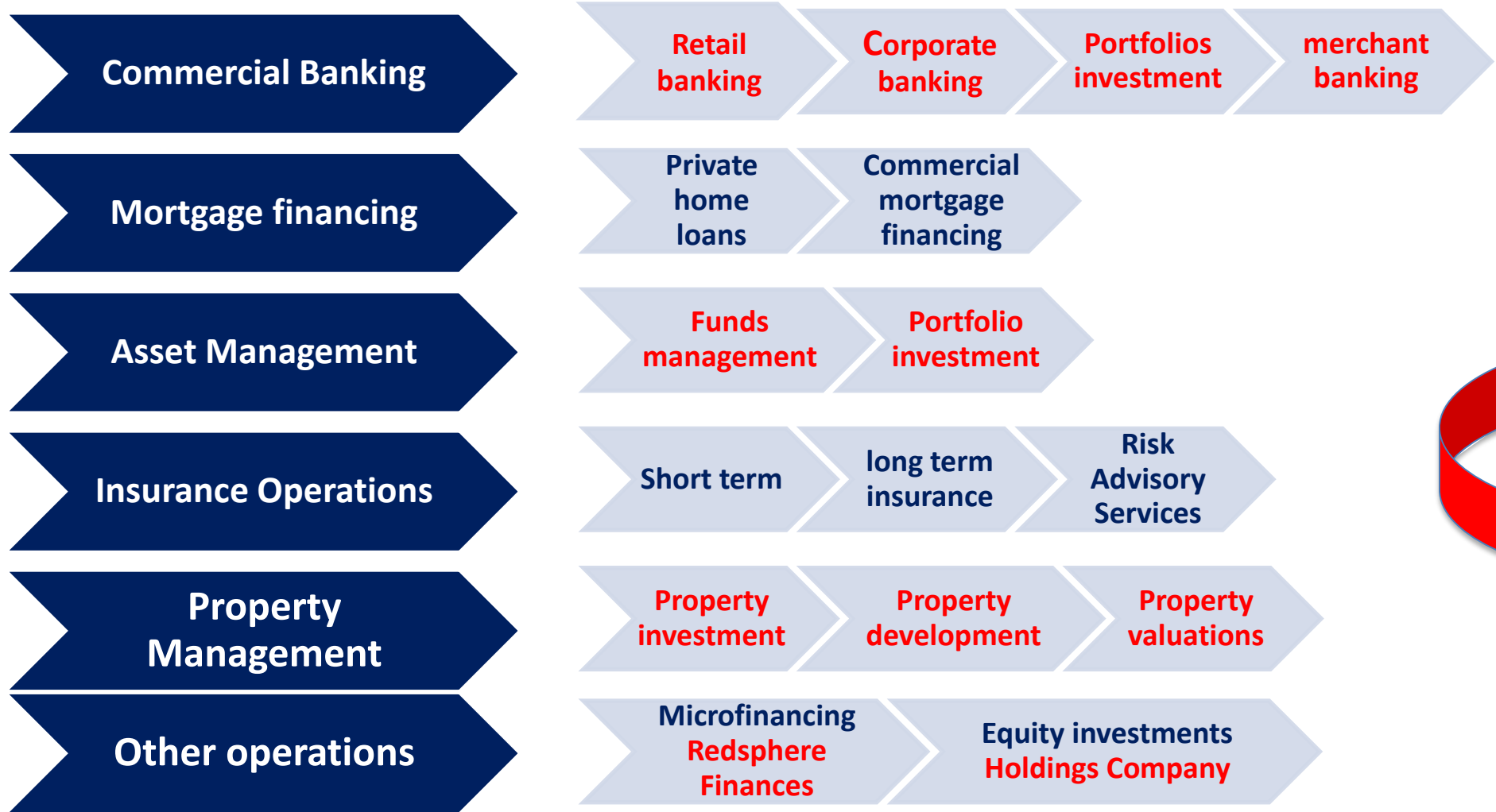
Questions & Answer Session

A pencil-style illustration of two young children running joyfully. The child in the foreground is holding a flag with horizontal stripes of green, yellow, and red, and a star in the upper left corner. The child behind is also running and has their hand on the first child's shoulder. The background is a simple sketch of a ground surface.

1. CBZH Group Overview

● ● ● ● ● “Creating Great Choices”

CBZH Operating Units



Subsidiary Credit Ratings

Subsidiary	Credit Rating		
	2018	2017	2016
CBZ Bank	A	A	A
CBZ Life	A-	BBB+	BBB+
CBZ Insurance	BBB+	BBB+	BBB
CBZ Asset Management	A	A	A



1

Excellence Excellence in Corporate Governance Awards 2018- ICSAZ Awards

- 1st Prize for Overall Best Banking Corporate Governance Disclosures
- Merit Award for Best Risk Management Disclosures
- 1st Prize for Best Banking Board Governance Disclosures

2

PROWEB CBZ Bank – Certificate of Appreciation for Best Supporter of Proweb in the year 2018.

- Professional Women Executives and Business Women's Forum (PROWEB)



1

3rd Prize for Excellence in Corporate Governance Awards 2018

- Institute of Certified Secretarial and Administrators in Zimbabwe (ICSAZ) Awards.

A pencil-style illustration of two young children running joyfully. The child on the left is holding a flag with horizontal stripes of green, yellow, red, and blue, and a yellow star in the center. The child on the right is also running and has their arm around the first child's shoulder. The background is a simple sketch of a ground surface.

2. Operating Environment Overview

● ● ● ● ● “Creating Great Choices”

Navigating the Operating Environment



Our Strategic Intent

	Operating Environment Dynamics		Our Strategic Choices
Specific Constraints	<ul style="list-style-type: none"> - Foreign currency shortages - Constrained business growth - Inflationary pressure 	Our Response	<ul style="list-style-type: none"> - Migrating customers to digital platforms. - Pursuing structured trade finance solutions - Creating & entering new markets - Innovation, e.g. to support business development in the informal and SMEs sectors.
Intended Outcomes	<ul style="list-style-type: none"> - Increase in our specialised advisory services - Trading income arising from balance sheet management activities - Product structuring and distribution - Transactional banking services 		

A pencil-style illustration of two young children running joyfully. The child on the left is holding a flag with horizontal stripes of green, yellow, red, and blue, and a yellow star in the center. The child on the right is also running and has their arm around the first child's shoulder. The background is a simple sketch of a ground surface.

3. Strategy & Operations Review

● ● ● ● ● “Creating Great Choices”



Portfolio Diversification

Unlocking value from the Group's land and properties portfolio through increasing our presence in the properties sector through CBZ Properties. Company focusing on:

- Property and Infrastructure Development,
- Property Management, and
- Valuations.

EARN YOURSELF SOME CASH!

Stand a chance of earning yourself some commission by referring a client to CBZ Properties in respect of any of the following areas:

- i. Selling a house, or land
- ii. Looking for a house to buy
- iii. Looking for an Agent to manage your property
- iv. Looking for a property to rent
- v. Looking for some valuation services of immovable property for any purpose
- vi. Requiring project management services



Get in touch with us at CBZ Properties: -

- Kudakwashe Chadambuka - 0773768657
- Rodney Toma - 0772484842
- Tapera Guvamombe - 0732 283 962
- Cynthia Chirimumimba - 0774462098
- Mathew Souza - 0732380824
- Tapiwa Chikumbo - 0732132371
- Tendai Wenyika - 0772211989
- Shadreck Keche - 0773001266 (Valuation Advisory Services)

Proposed commissions on referred business		
Service offered	Recommended commission	Commission on referred business
Property Management		
Commercial properties	10% of rental	10% of agreed initial monthly rental
Residential properties	15% of rental	10% of agreed initial monthly rental
Property sales		
Agency referrals	5% of transaction price 2.5% of transaction price	1% of transaction price for every successfully concluded sale 0.5% of transaction price for every successfully concluded sale
Property valuations	Scale of fees	10% of the valuation invoice excluding travel expenses and vat
Project Management services	Scale of fees	1% of 3% of project cost
Property Development	Scale of fees	1% on successful acquisition of property.

Update on Strategic Initiatives



Current Projects

Segment	Project/Area	Scope
Residential	Mazowe	A \$3m project for development of 169 low density stands. Off plan sales began in Q2.
Residential	Harare	Development of Cluster houses in Hogerty Hill.
Residential	Bulawayo	A \$7m project for development of 670 medium density stands.
Residential	Marondera	A \$15m project for development of 2 800 high density stands.
Office	Harare	Development of office park. Anchor tenants already identified.
Commercial – Agro plots	Harare	A \$3m project for development of 32 agro plots. Off plan sales began in Q2.
Commercial	Universities Infrastructure	Infrastructure development for tertiary institutions. Feasibility Study expected to be finalised in Q3.

Update on Strategic Initiatives



Status of Completed Projects

Project	Project Size / Type	Status
Gweru - Mtausi	368 stands.	Selling.
Gweru - Nehosho	1 095 stands & housing units.	Selling.
Kwekwe - Mbizo	415 stands.	Selling.
Harare - Westgate (Fairview)	Medium density stands	Selling.
Victoria Falls	1309 stands.	Sold out.
Mutare - Chikanga	276 stands.	Sold out.

50% from us to your home loan account
We are offering high interest savings to fulfil your dreams

Superbrand
Brand Of The Year 2012

Owning the house of your dreams starts by opening a great savings account. Enjoy high interest earning savings and flexible repayment options with the CBZ Bank CashPlus Housing Account. CBZ Bank will match your contribution with a loan giving you funds towards your dream home, so enjoy:

- 50% mortgage loan towards the purchase or construction of the house
- Competitive interest rates
- No bank service fees
- No maintenance fees
- No withdrawal fees

CASHPLUS
Housing Savings Account

CBZ BANK
Partners For Success

Head Office: 3rd Floor, Union House, 60 Kwame Nkrumah Avenue, P O Box 3313, Harare, Zimbabwe.
Tel: (04) 748050/79, 780880-4, 798915, 756233-5 Fax: (04) 758077. Email: info@cbz.co.zw, Website: www.cbz.co.zw

Update on Strategic Initiatives



Product Innovation

- Launched the mPOS (Kleva POS).
- Visa Infinite Card – for affluent clients
- Express Links MTA – to facilitate payment and receiving of inbound remittances
- Hospital Cash Plan
- Introduced Retirement Planning Products

KlevaPOS
BOOST YOUR BUSINESS!

For a flexible and smooth way of transacting choose **KlevaPOS**,
CBZ Bank's affordable Mobile Point Of Sale machine.

Get yours for **FREE** today at
your nearest CBZ Bank branch

Update on Strategic Initiatives



Product Innovation

...we innovate on our own...



Loyalty Program - The CBZ Rewardz Amplified.

Agriculture Insurance - Introduced Livestock Insurance

...and we partner with others...



...enhanced transacting security for our valued Visa Card holders...

Update on Strategic Initiatives



Financial Inclusion

Econet Toll Free: 460

SmartCash
Kwakumberi!

Stay ahead of the curve with your **CBZ SmartCash** account now with **GREATER VALUE** and transact for up to **\$1 000 per day**.
Open your SmartCash account for just **\$5** and a copy of your ID only!

SmartCash
5412 7512 5412 3456

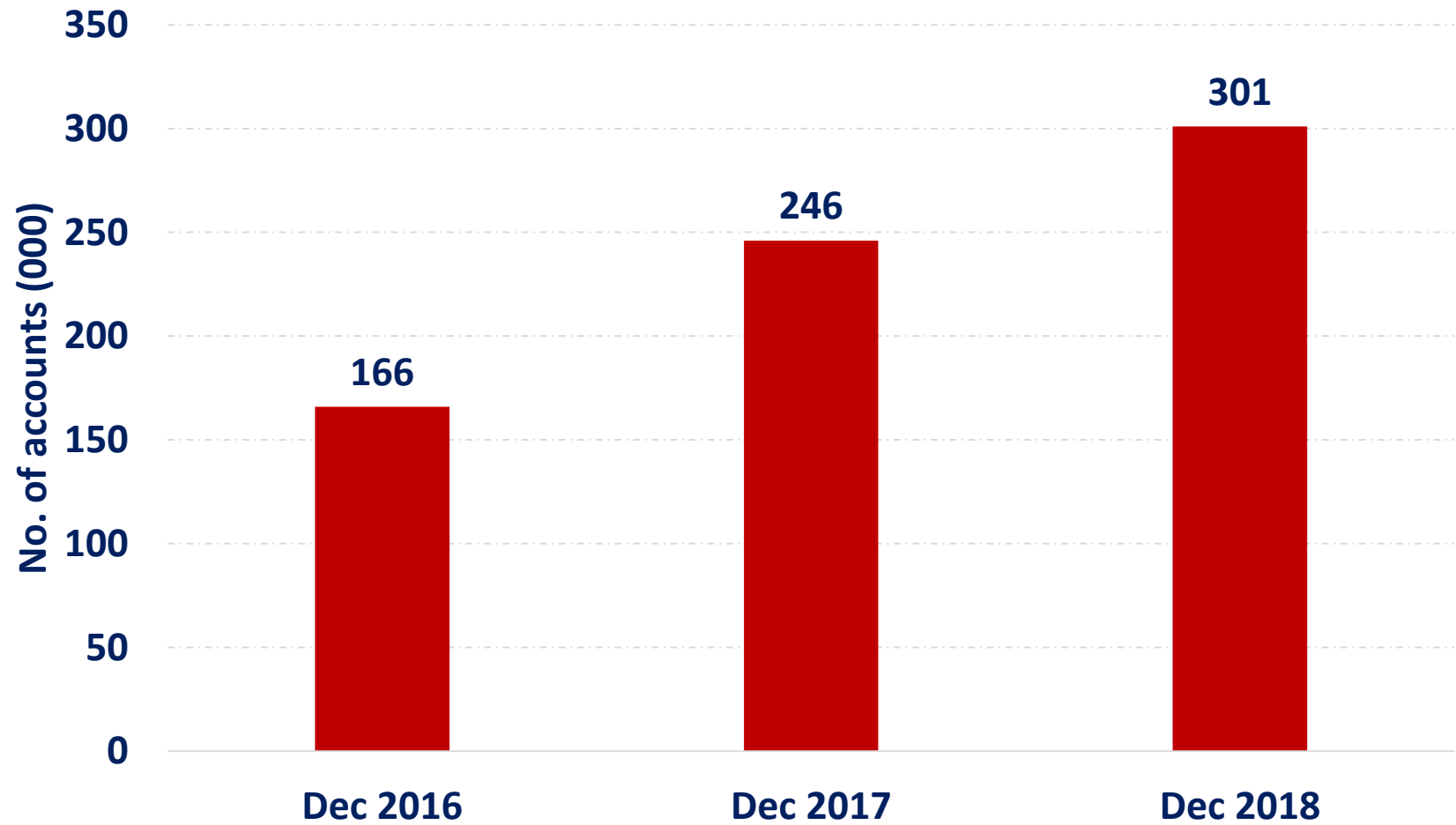
CBZ TOUCH

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@CBZHoldings
www.cbz.co.zw

CBZ BANK
Partners For Success

A member of the Deposit Protection Scheme

Contributing towards financial inclusion. Continue to grow KYC light account & smartcash



Update on Strategic Initiatives



The Business in Numbers...



Why Stress About Cash When You Can Simply e-Bank



+34%

CBZ Touch
Subscribers
2017: 340k
2018: 456k

+14%

No. of Merchants,
Alliances & Agents
2017: 5 748
2018: 6 539

+32%

No. of POS
2017: 7 650
2018: 10 061

+19%

No. of Accounts
2017: 458K
2018: 547K

17%

Self Service
Centres
2017: 6
2018: 7

-5.3%

No. of Policies
2017: 131k
2018: 124k

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4. Financial Review & Dividend

 "Creating Great Choices"


1 Capitalization, Balance Sheet Size & Structure

2 Asset Quality - Advances

3 Profitability

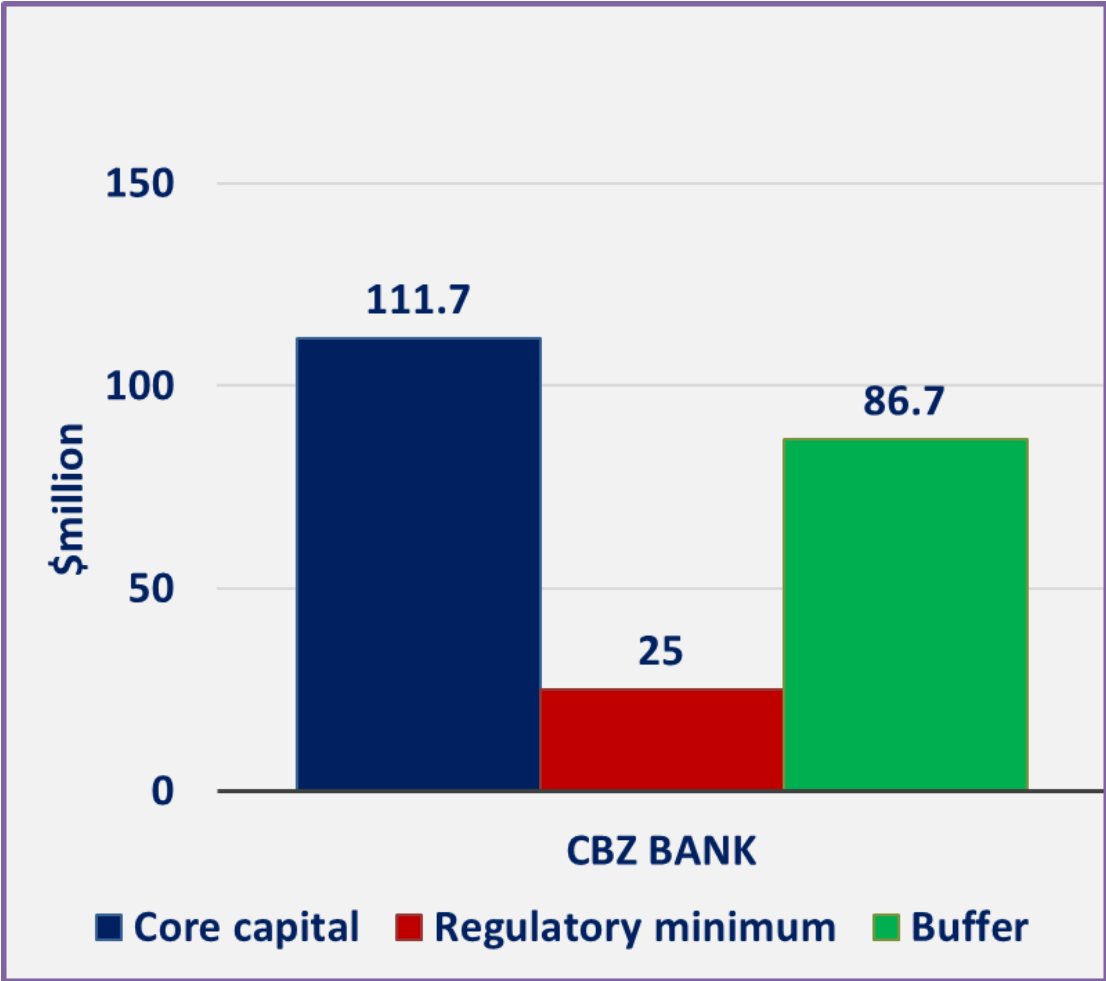
4 Subsidiaries' Performance

5 Dividend

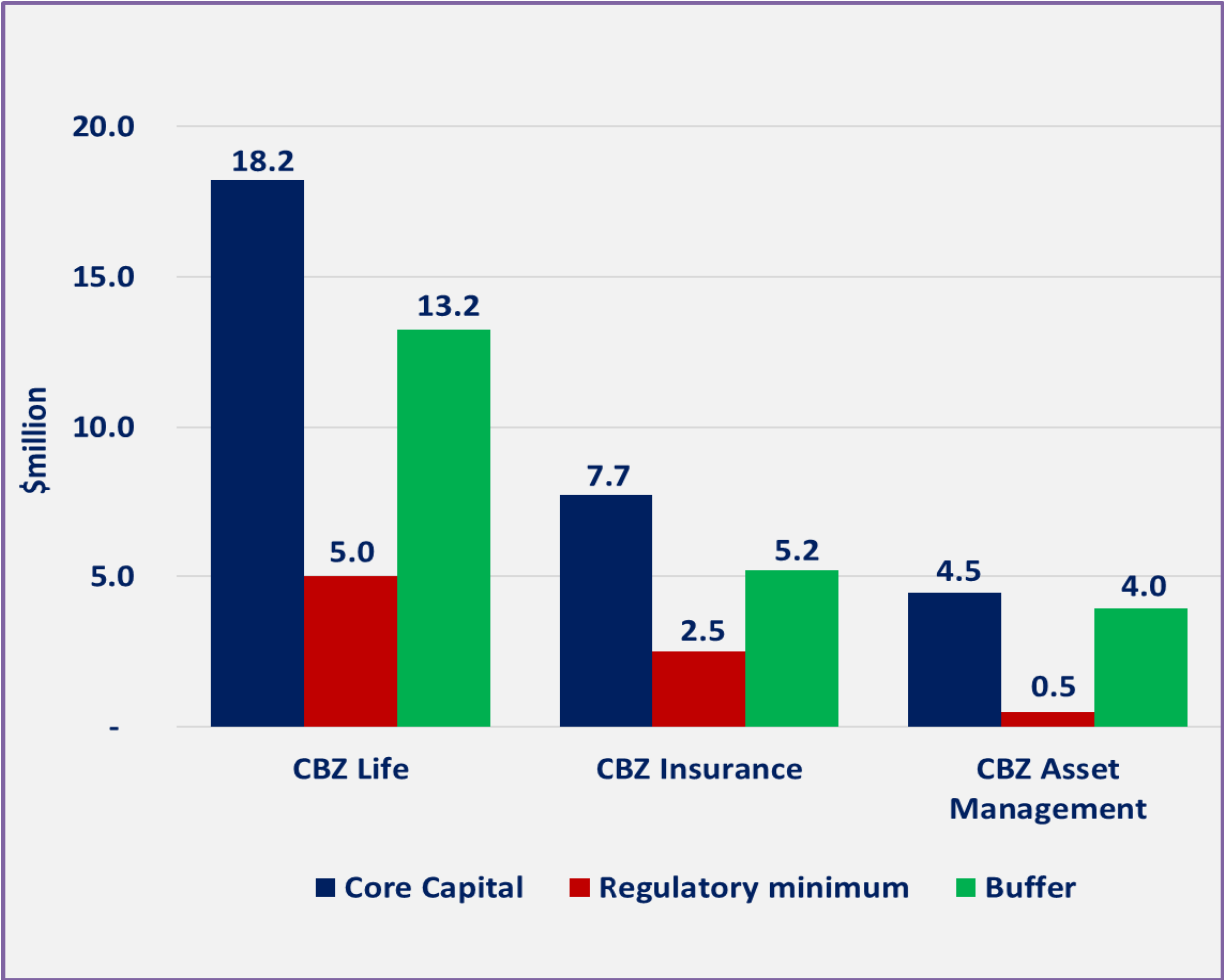
Capitalisation of Subsidiaries



CBZ Bank Capitalisation



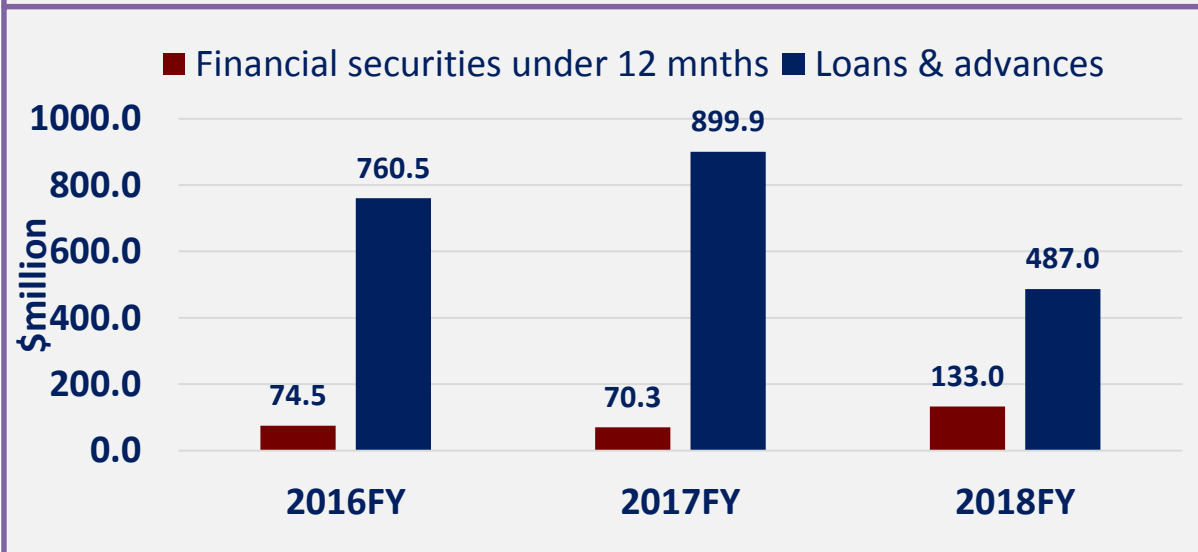
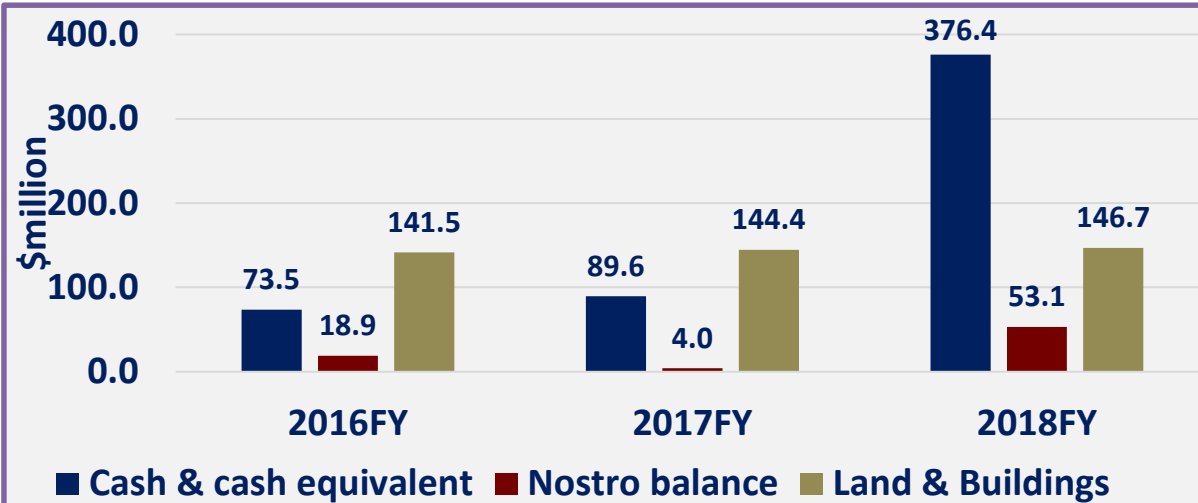
Non Banking Subsidiaries Capitalisation



Consolidated Statement of Financial Position



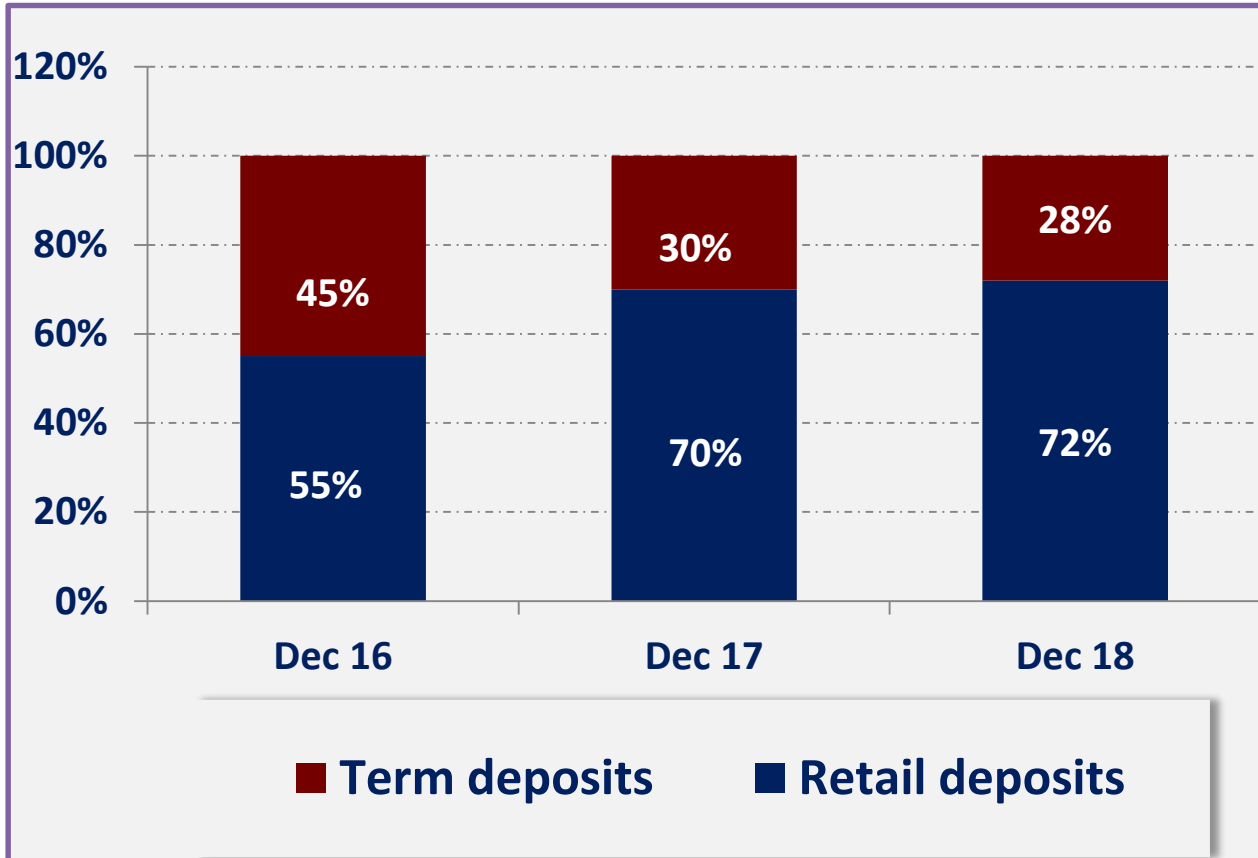
Strong liquid reserve & value preservation



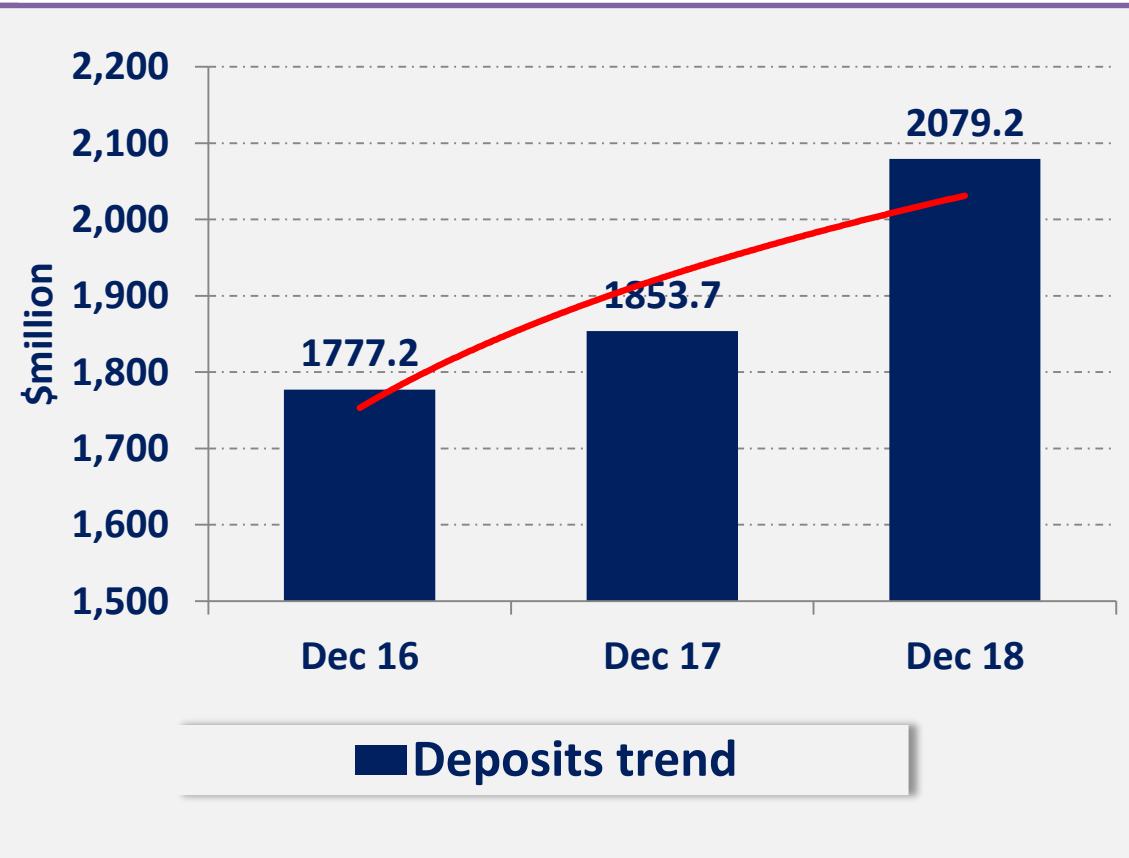
Summarised statement of financial position

	31 Dec 18 (\$m)	31 Dec 17 (\$m)	Growth (%)
Total Assets	2 449.9	2 192.7	11.7
Total Deposits	2 079.2	1 853.7	12.2
Total Advances	487.0	941.4	(48.3)
Financial Securities	1 244.9	899.9	38.3
Cash & cash equivalent	376.3	89.6	320.0
Other	314.7	261.8	20.2
Funds Under Management	379.3	250.5	51.4
Total Shareholders' Funds	315.8	309.7	2.0

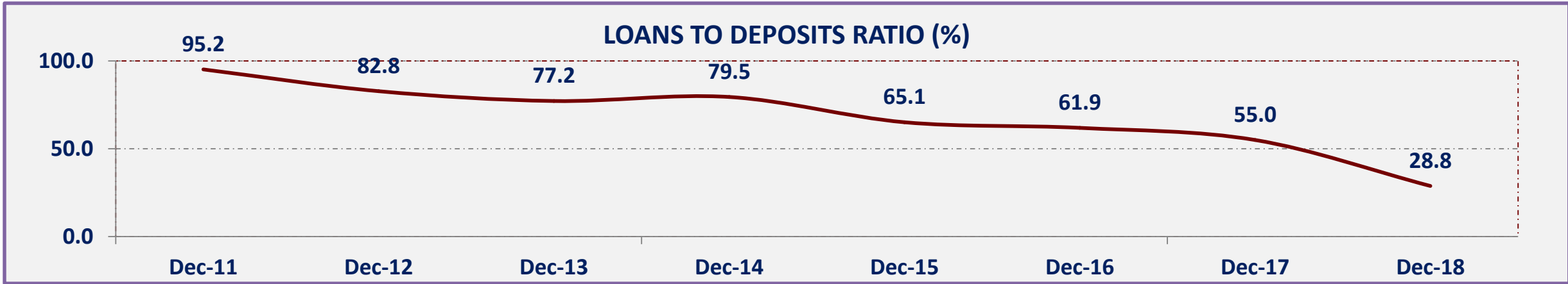
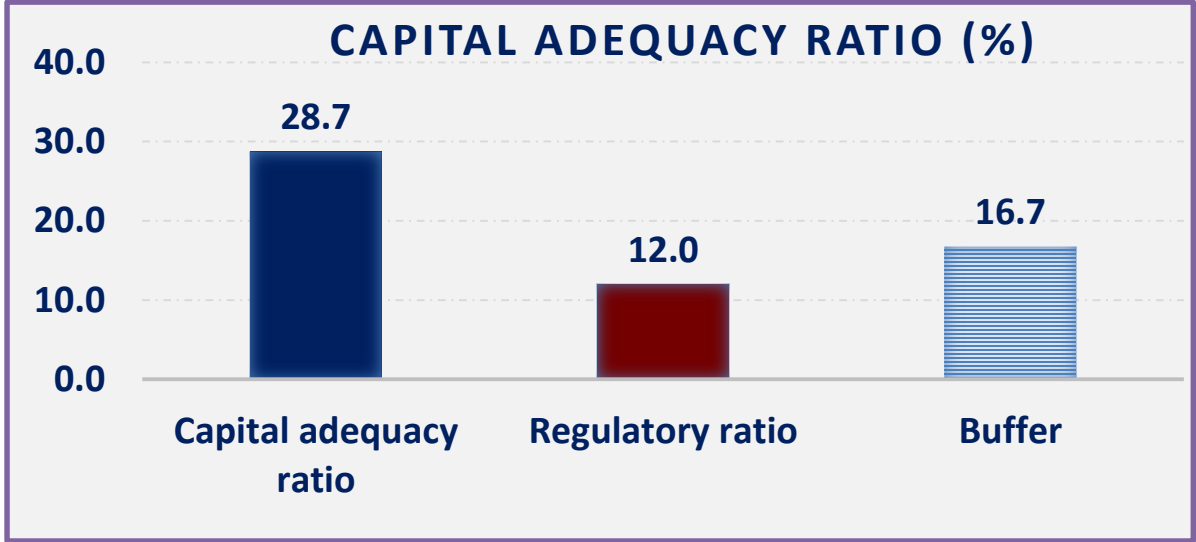
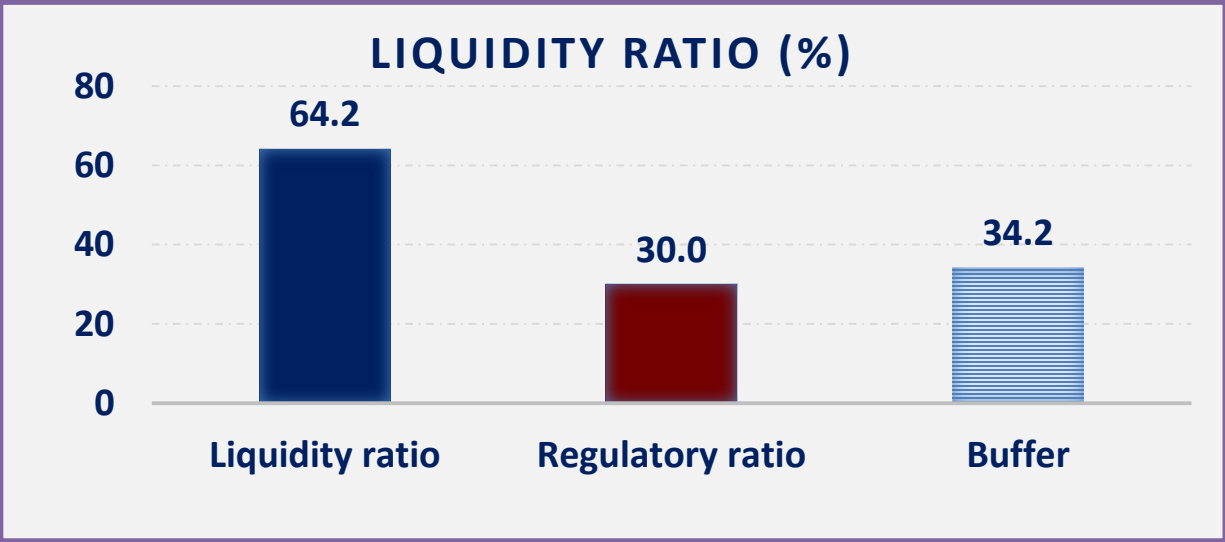
Deposit Mix



Deposit Growth



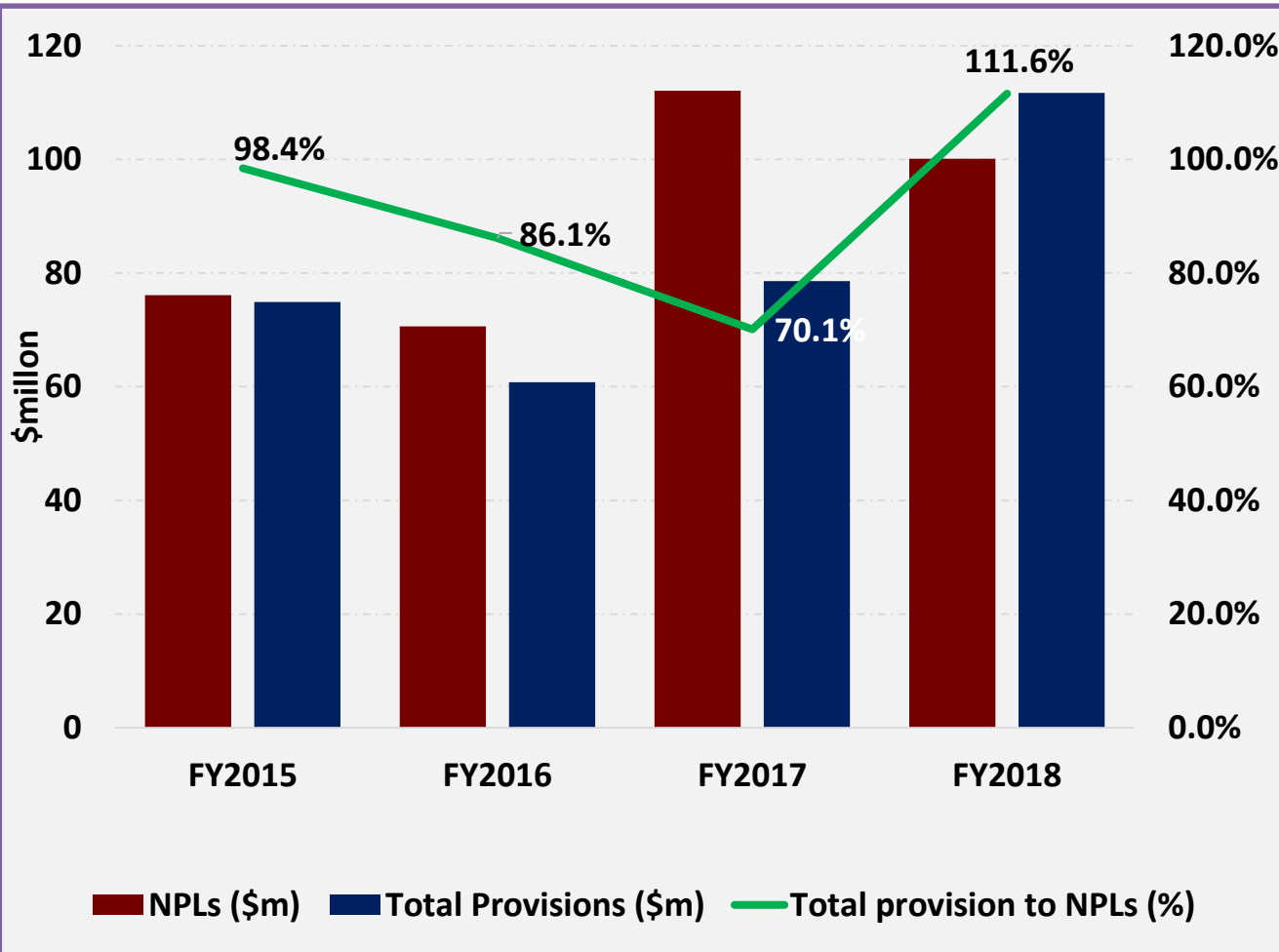
Liquidity & capital adequacy ratios – CBZ Bank



Group Financial Performance



Asset quality - Advances



Key Statistics	31 Dec 18	31 Dec 17
Total net advances (\$m)	487.0	941.4
Security value (\$m)	769.8	1 711.5
Security cover (times)	1.7	1.8
Expected credit loss allowance	111.7	78.6
Non performing loans (\$m)	100.1	112.1
Coverage ratio (times) (ECL/NPL)	1.1	0.7
NPL ratio (%)	16.4	10.9

Loan quality - Advances

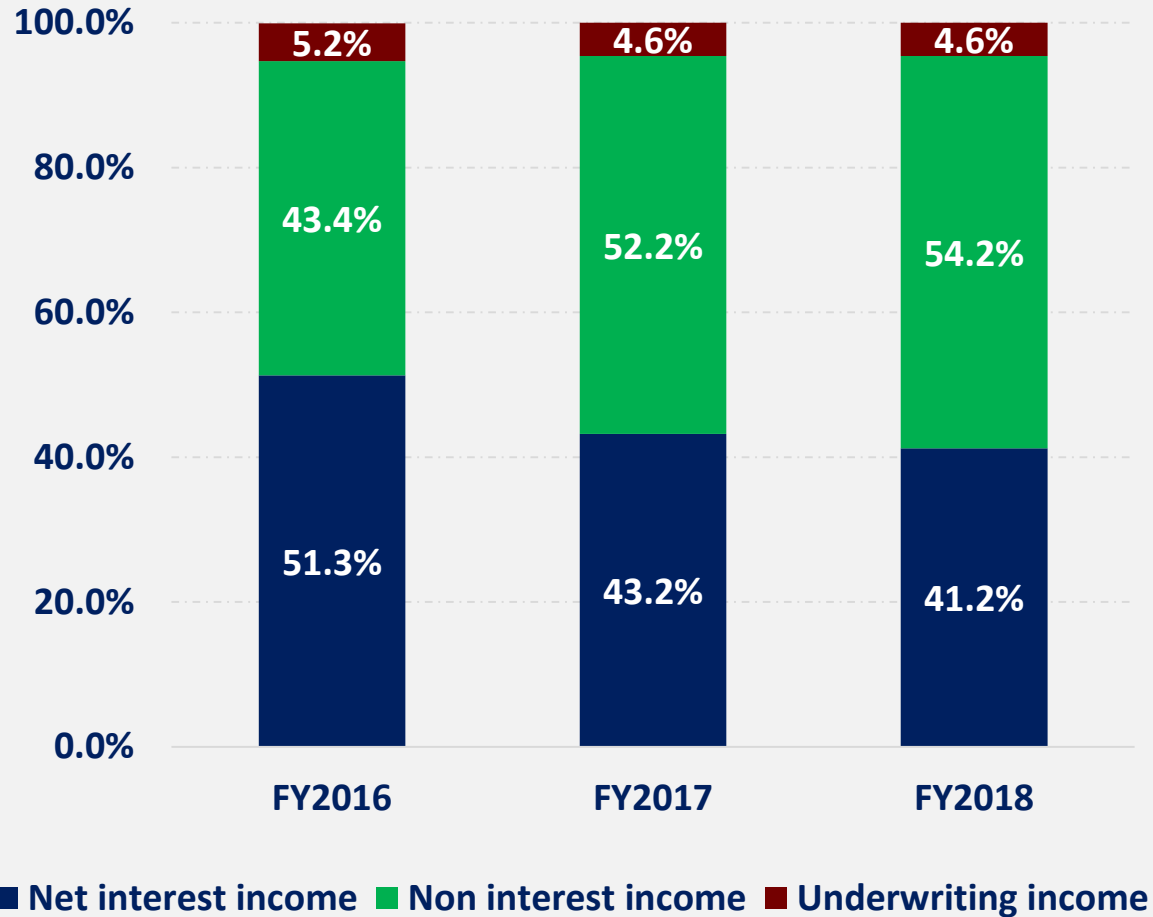
2018 GROSS ADVANCES VS NON-PERFORMING LOANS			
	Gross advances \$m	NPL \$m	%
Agriculture	145.2	49.7	34.2%
Manufacturing	48.0	3.3	6.8%
Private	171.9	27.1	15.8%
Distribution	98.7	8.1	8.2%
Mining	19.5	0.8	4.3%
Construction	9.3	0.4	4.6%
Transport	7.4	1.4	19.0%
Communication	1.5	-	0.0%
Fin Services	97.4	9.3	9.5%
TOTAL NPLs	598.7	100.1	16.4%

2018 GROSS ADVANCES VS IFRS 9 PROVISIONS			
	Gross advances \$m	ECL \$m	%
Agriculture	145.2	62.31	42.9%
Manufacturing	48.0	7.22	15.1%
Private	171.9	10.47	6.1%
Distribution	98.7	8.96	9.1%
Mining	19.5	0.37	1.9%
Construction	9.3	3.68	39.7%
Transport	7.4	1.11	15.1%
Communication	1.5	-	0.0%
Fin. Organisations	97.4	17.58	18.1%
Total (ECL)	598.7	111.7	18.7%

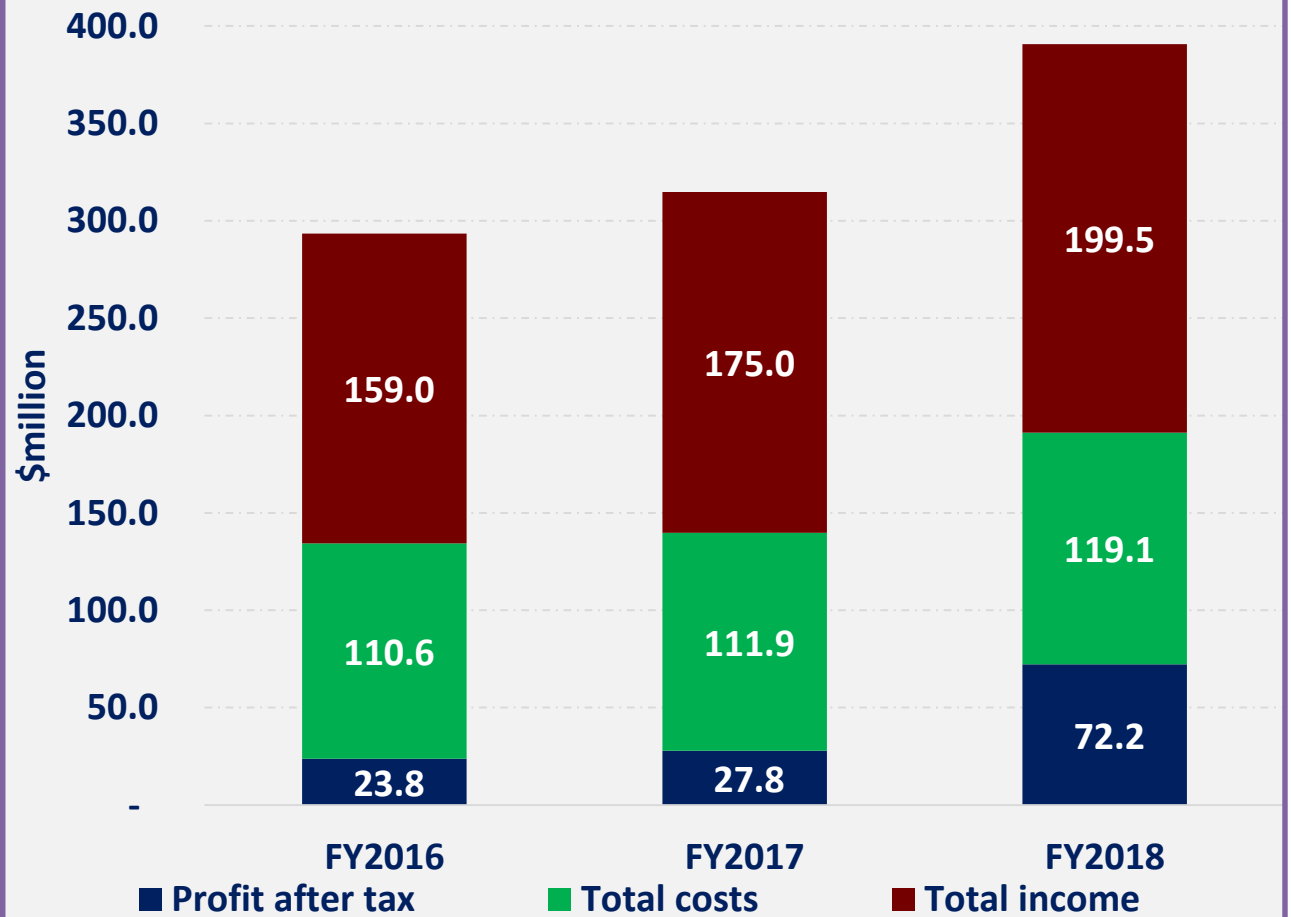
Group Financial Performance - Profitability



Income Diversification



Profitability Performance

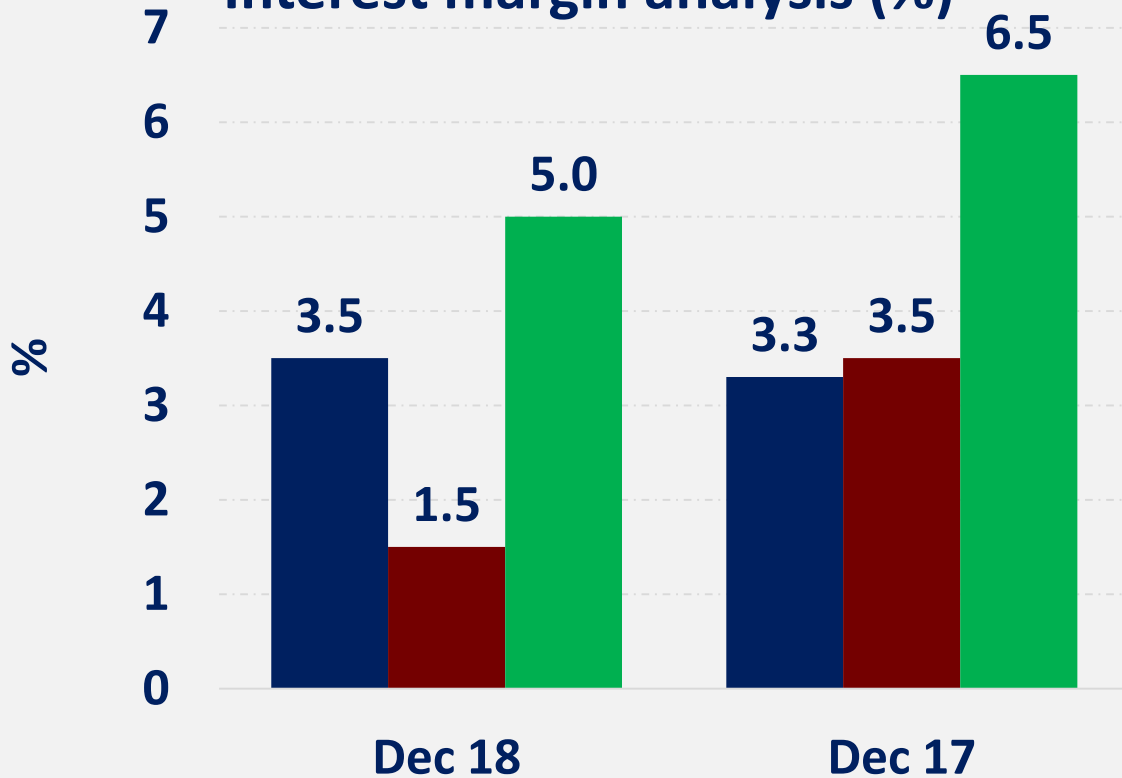


Group Financial Performance - Profitability



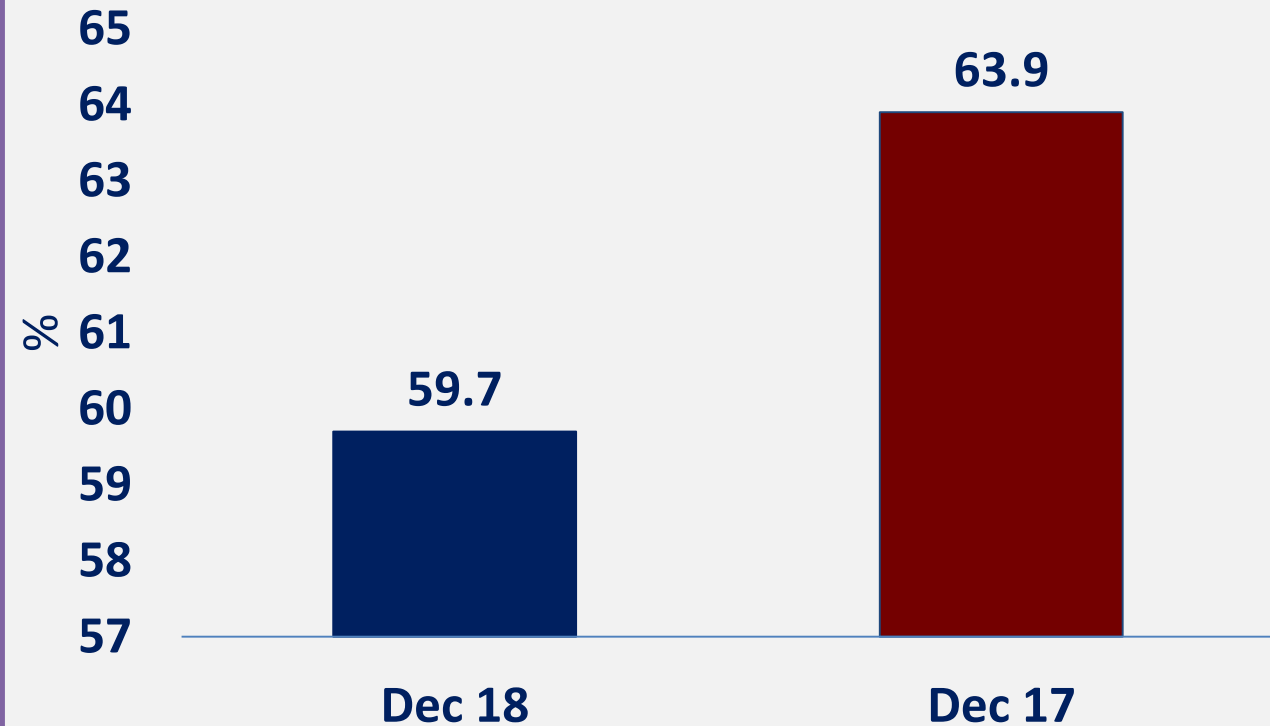
Profitability Ratios

Interest margin analysis (%)



■ Interest margin ■ Cost of funds ■ Yield

Cost to Income Ratio (%)

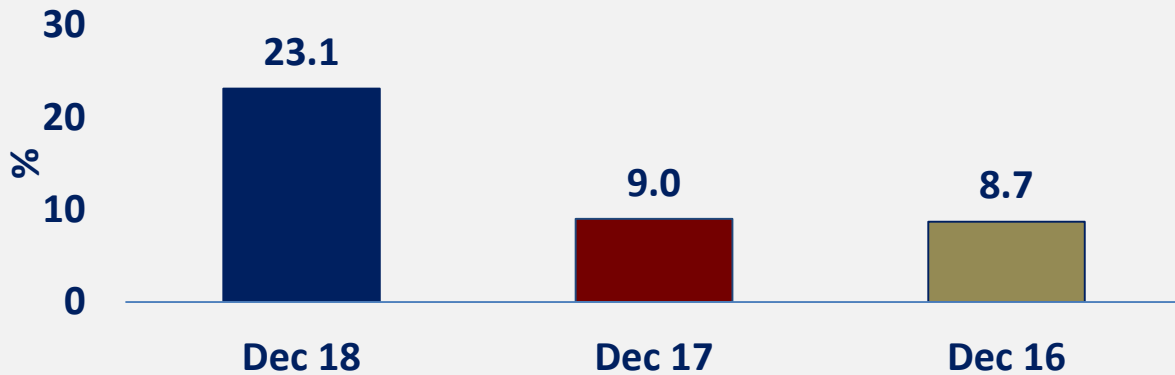


Group Financial Performance - Profitability

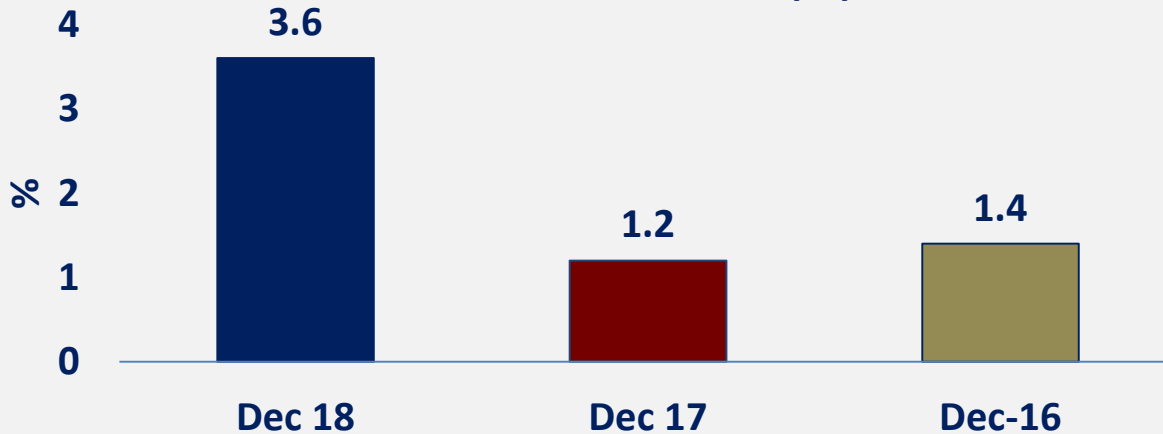


Summarised consolidated statement of profit/loss

Return on equity Ratio (%)



Return on assets Ratio (%)



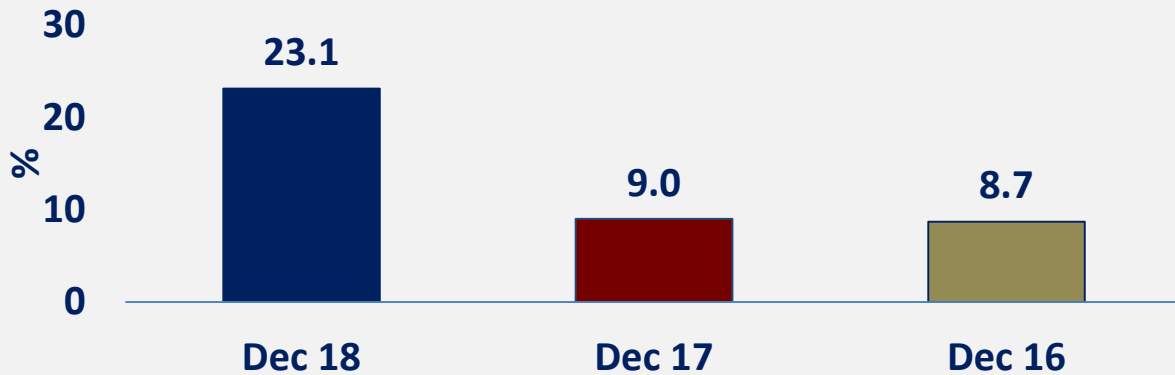
	31 Dec 18 \$m	31 Dec 17 \$m	Growth (%)
Net Interest Income	82.1	75.6	8.6 ↑
Non interest Income	108.1	91.4	18.3 ↑
Underwriting Income	9.2	8.1	1.1 ↑
Total Income	199.5	175.0	14.0 ↑
Total Expenditure	(119.1)	(111.9)	6.4 ↑
Profit After Tax	72.2	27.8	159.7 ↑
EPS (cents)	13.9	5.4	157.4 ↑

Group Financial Performance - Profitability

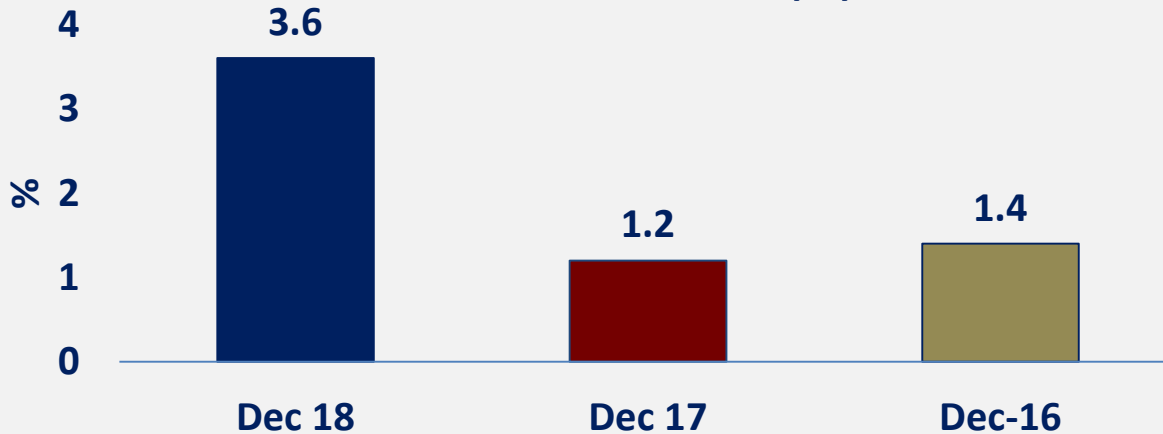


Summarised consolidated statement of profit/loss

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Return on assets Ratio (%)



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CBZH subsidiary performance

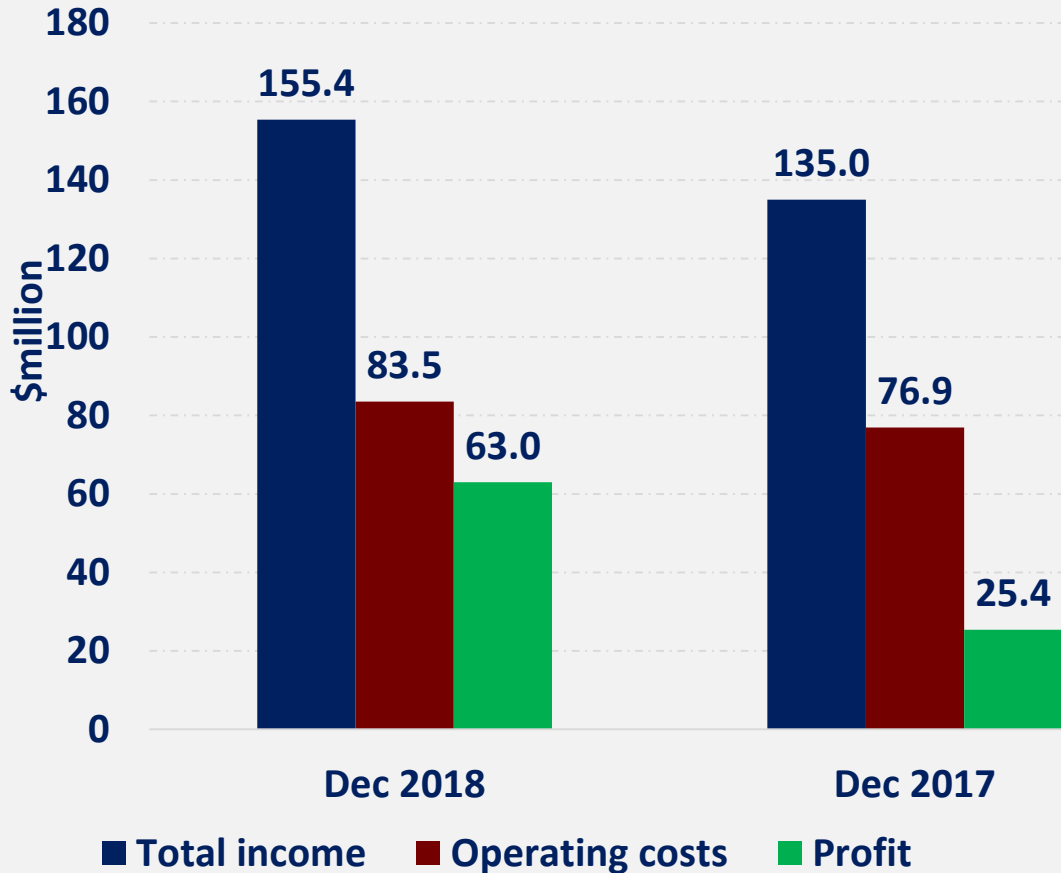
“Creating Great Choices”



Subsidiary View: CBZ Bank 2018 Financial Summary



Profitability



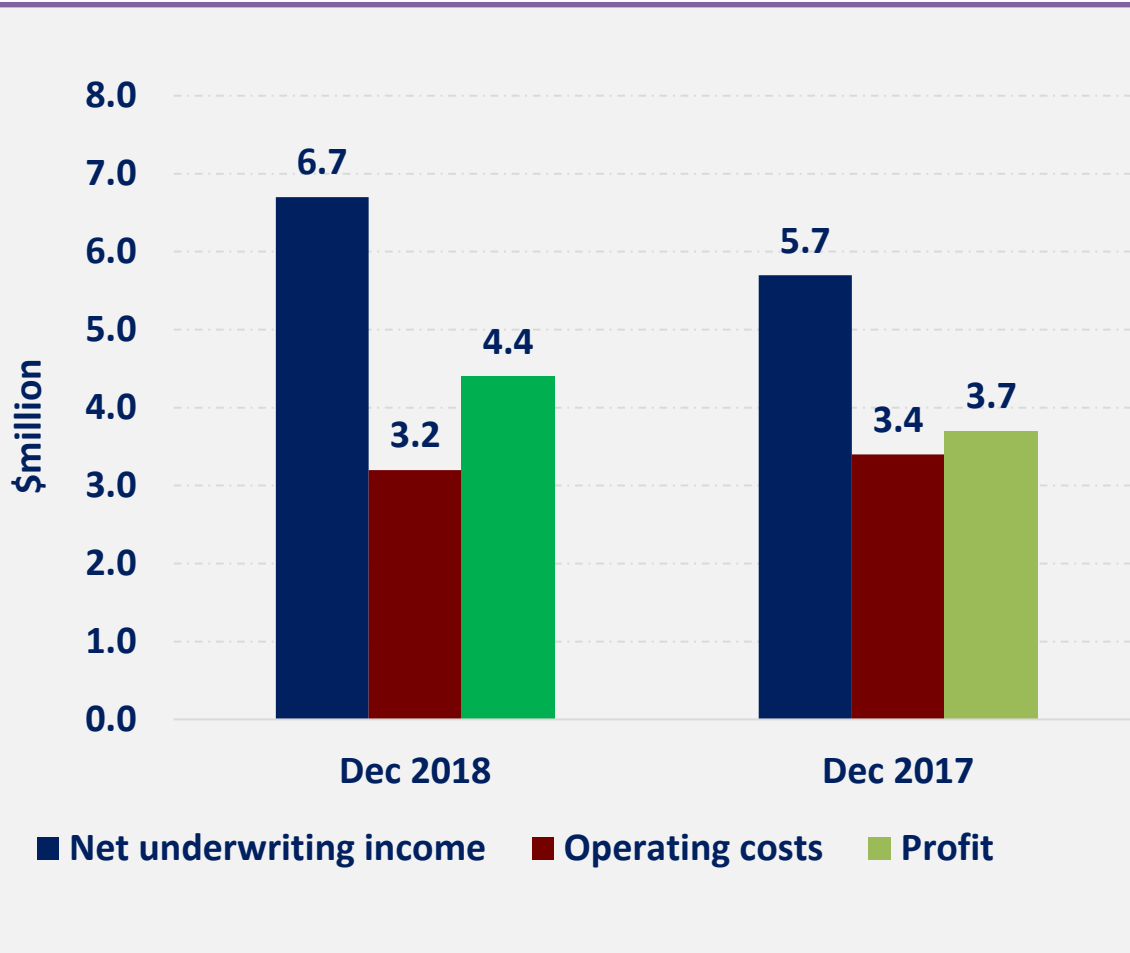
Summarised statement of financial position

	31 Dec 2018 \$m	31 Dec 2017 \$m	YTD% Growth
Total assets	2 207.9	1 991.5	10.9
Shareholders' funds	191.7	188.1	1.9
Total advances	369.1	808.6	(54.4)
Total deposits	1 988.9	1 791.4	11.0

Subsidiary View: CBZ Life 2018 Financial Summary



Profitability



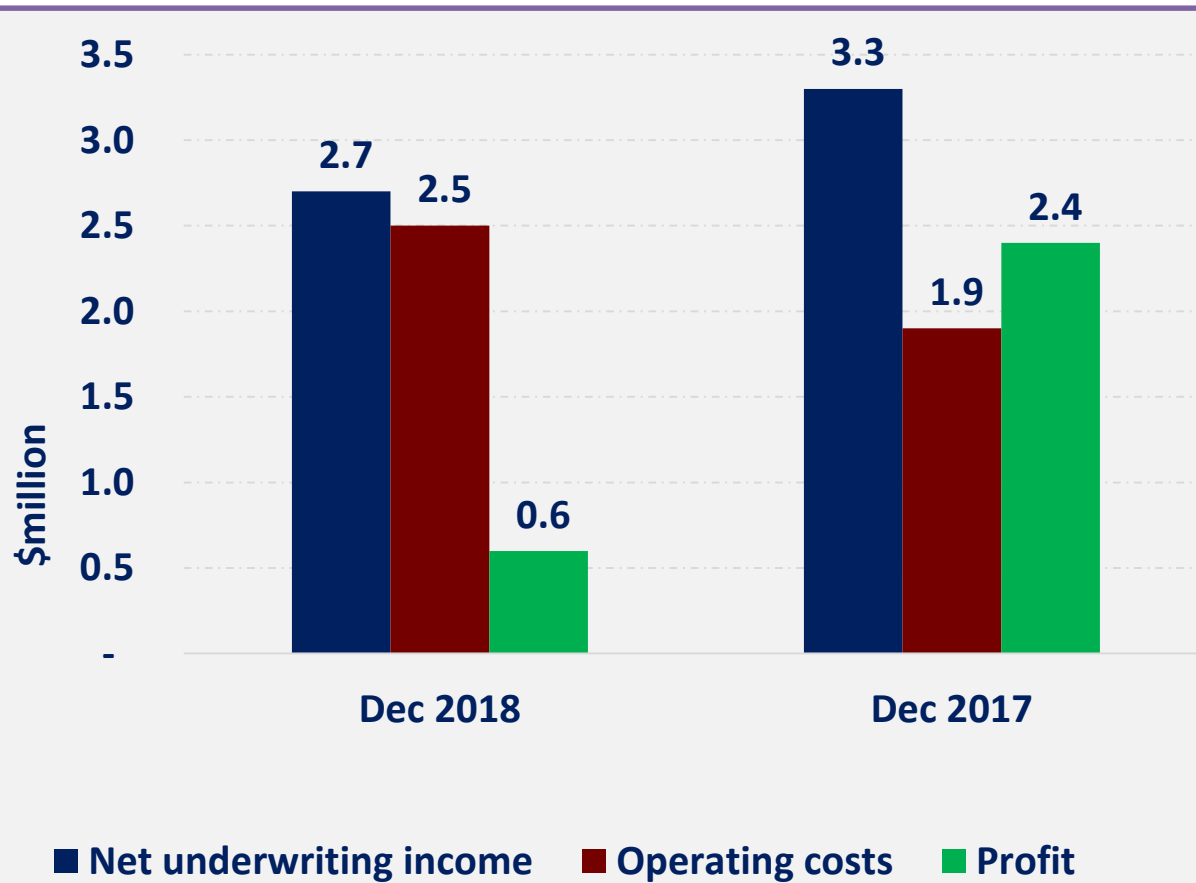
Summarised statement of financial position

	31 Dec 2018 \$m	31 Dec 2017 \$m	YTD% Growth
Total assets	27.2	23.2	17.2
Shareholders' funds	21.2	17.7	19.8
Money market assets	10.4	11.2	(7.0)
Life Fund	1.6	1.5	6.7

Subsidiary View: CBZ Insurance 2018 Financial Summary



Profitability



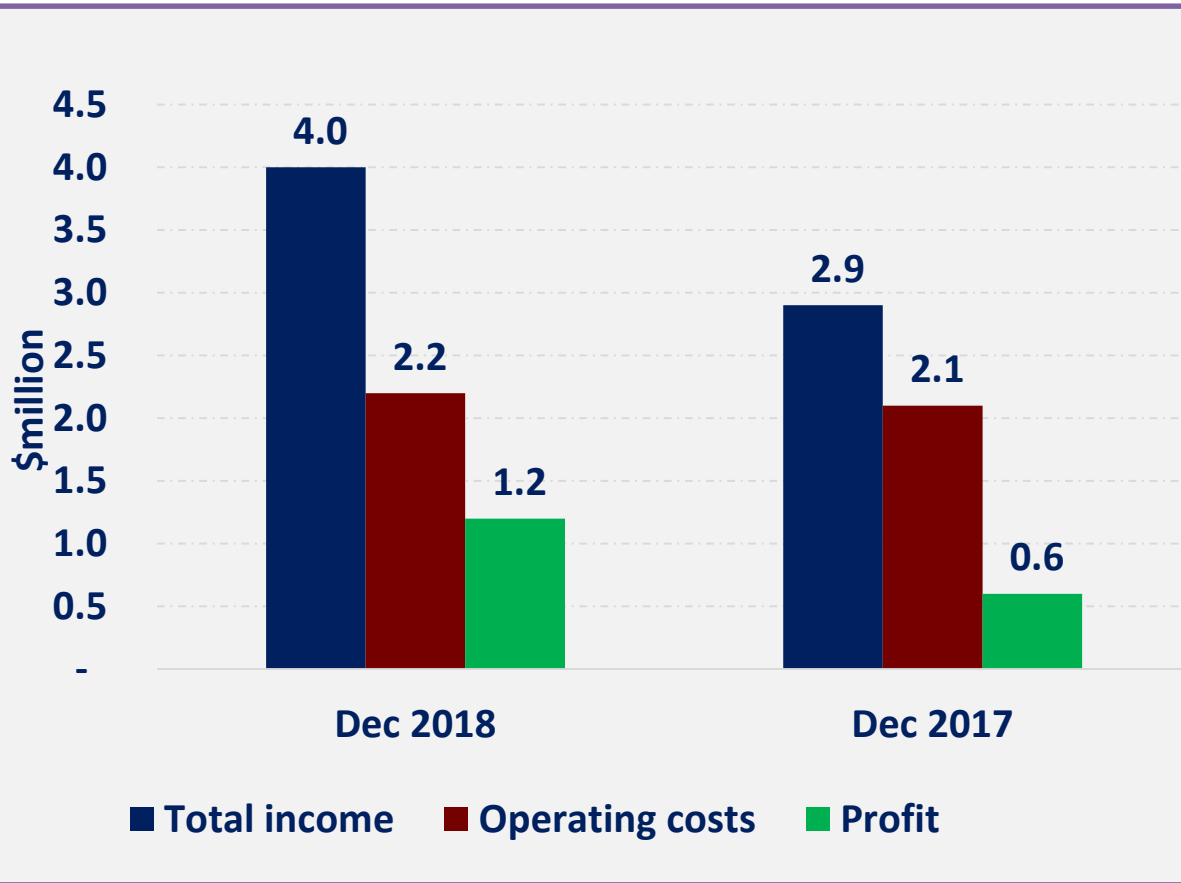
Summarised statement of financial position

	31 Dec 2018 \$m	31 Dec 2017 \$m	YTD% Growth
Total assets	17.2	13.2	30.3
Shareholders' funds	7.7	7.3	5.5
Insurance assets	8.0	4.2	90.5
Money market assets	2.4	4.7	48.9

Subsidiary View: CBZ Asset Mgmt 2018 Financial Summary



Profitability



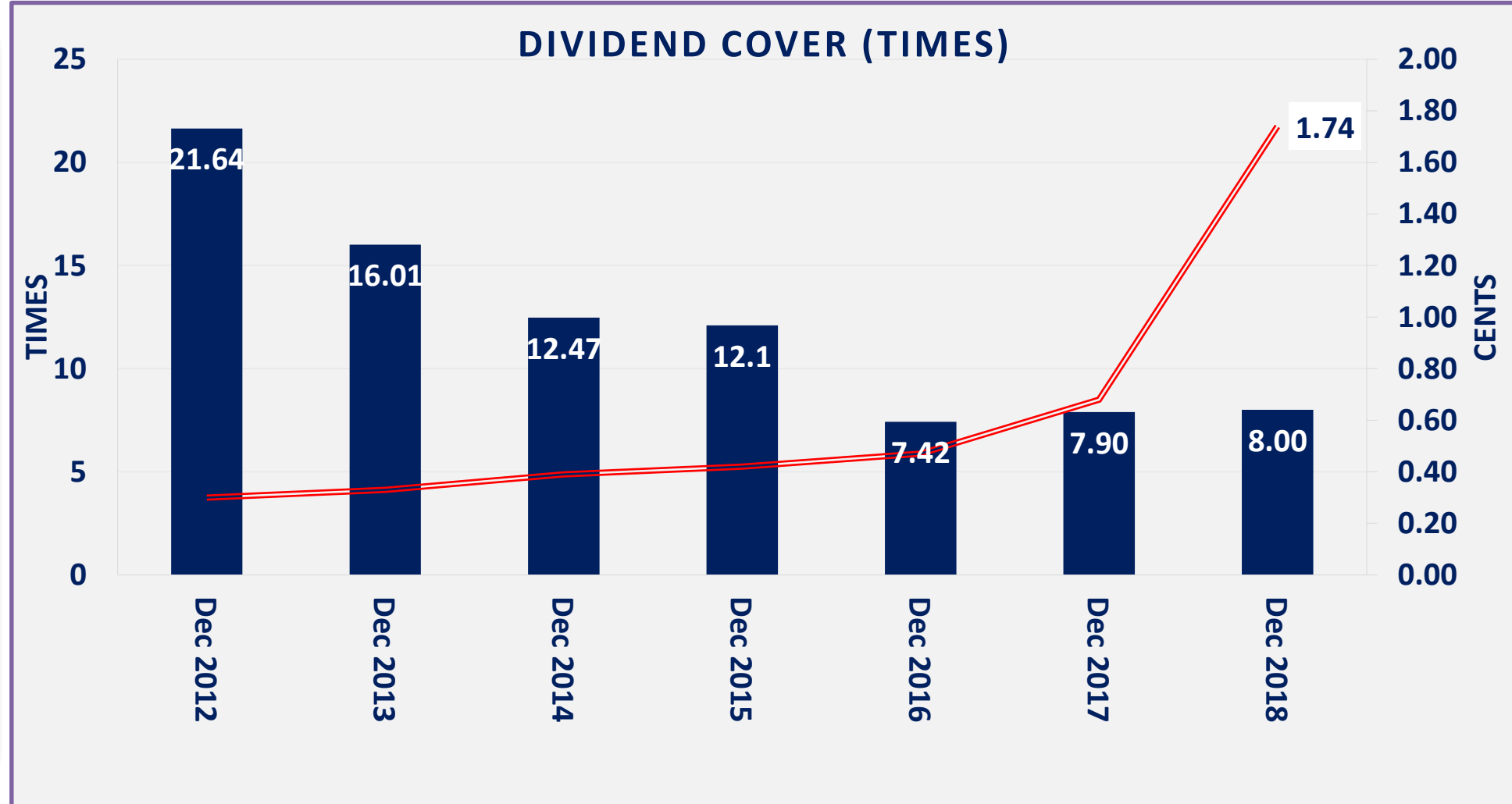
Summarised statement of financial position

	31 Dec 18 \$m	31 Dec 17 \$m	YTD% Growth
Total assets	5.0	3.7	35.1
Shareholders' funds	4.4	3.3	33.3
Funds under management	379.3	250.5	51.4

Dividend Proposal



Final dividend of US\$6.4m was proposed, translating to a total dividend of US\$9.0m, an annual growth of 155.9%.



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5. Guidance & Outlook

A sequence of five colored circles: a dark blue circle, a red circle, a light blue circle, a grey circle, and a red circle.

“Creating Great Choices”



Projected Impact

STRATEGIC FOCUS

- Innovation- key for business development.
- Agriculture financing- value chain financing.
- Mining infrastructure financing—chrome, lithium and gold.
- Manufacturing capacitation - including entities in export ventures.
- Property development- including housing, student accommodation & renewable energy.
- Leveraging on technology- loan origination system
- Advisory services.

	Forecast Growth Dec 2019 (%)	Actual Growth Dec 2018 (%)
Total Assets	15.0	11.7
Advances	35.0	(48.3)
Deposits	13.9	12.2
FUM	10.0	51.4
Total Income	32.2	13.9

SME Indaba second edition



Donated to St Giles Medical Rehabilitation Center.



Constructed a Classroom block Manyiri Primary School in Chiredzi,



Donated a highway patrol ambulance to MoHCC (Ngundu Clinic).



Youth Empowerment Program – YEP.



Donated to Tariro Trust in support of the Girl Child



Following Up Meeting on Friday 3 May @ 1500hrs



Thank You – Creating Great Choices



Lets Dream, Believe
& Do

Discussion!!

