



CBZH ANALYST BRIEFING

2019 HALF YEAR FINANCIAL RESULTS



- 1 CBZH's Group Overview**

- 2 Financial Review & Dividend**

- 3 Corporate Social Responsibility**

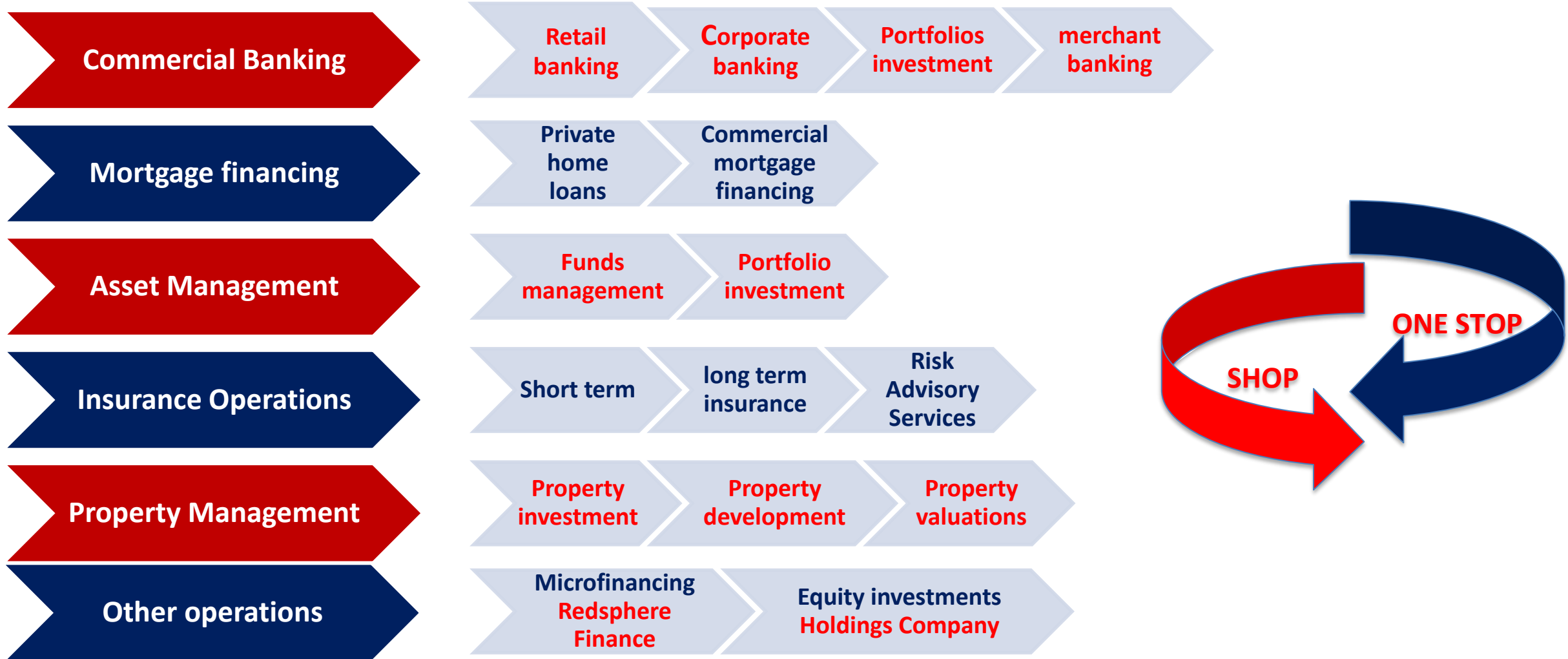
- 4 CBZH Strategic Choices (2019-2025)**

- 5 Questions & Answer Session**



1. CBZH's Group Overview

1.1 CBZH Operating Units



1.2 Subsidiary External Credit Ratings

Subsidiary	Credit Rating		
	2019	2018	2017
CBZ Bank	A+	A	A
CBZ Life	A-	A-	BBB+
CBZ Insurance	BBB+	BBB+	BBB+
CBZ Asset Management	A	A	A

1.3 Major Awards & Nominations

1

ZIMBABWE NATIONAL CHAMBER OF COMMERCE

- Best Financial Institution supporting MSMEs - Mashonaland Region
- Runner Up - Sustainable Development Goals (SDGs) award
- 1st Runner Up-Best Bank supporting MSMEs (National level).

2

Euro money - London, United Kingdom Award.

- Zimbabwe's Best Bank in 2019 by Euro money - London, United Kingdom

3

Top Companies Survey Awards

- CBZ Life - Runner-up - Life Assurer Award - IPEC Categorization.
- CBZ Insurance - Runner-up - Short-term Insurance Category.
- CBZ Bank - Winner - Best Smart-Tech – Banking Award 2019

1.4 Navigating the Operating Environment

Our Strategic Intent

	Operating Environment Dynamics		Our Strategic Choices
1. Specific Constraints	<ul style="list-style-type: none"> - Foreign currency shortages - Constrained business growth - Inflationary pressure 	2. 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.
3. Intended Outcome	<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 	4. Overall Strategic Goals	<ul style="list-style-type: none"> - Preservation of Shareholder Value - CBZH aims to be in the top 5 market capitalisation on the ZSE - Each subsidiary aims to be profitable - Each subsidiary aims to be in top 5 of its industry

1.5 Update on Strategic Initiative

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:

- Selling a house, or land
- Looking for a house to buy
- Looking for an Agent to manage your property
- Looking for a property to rent
- Looking for some valuation services of immovable property for any purpose
- Requiring project management services

Get in touch with us at CBZ Properties: -

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

Service offered	Recommended commission	Commission on referred business
Property Management Commercial properties Residential properties	10% of rental 15% of rental	10% of agreed initial monthly 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.

1.5 Update on Strategic Initiative(cont....

Product Innovation

...we innovate on our own...

...and we partner with others...

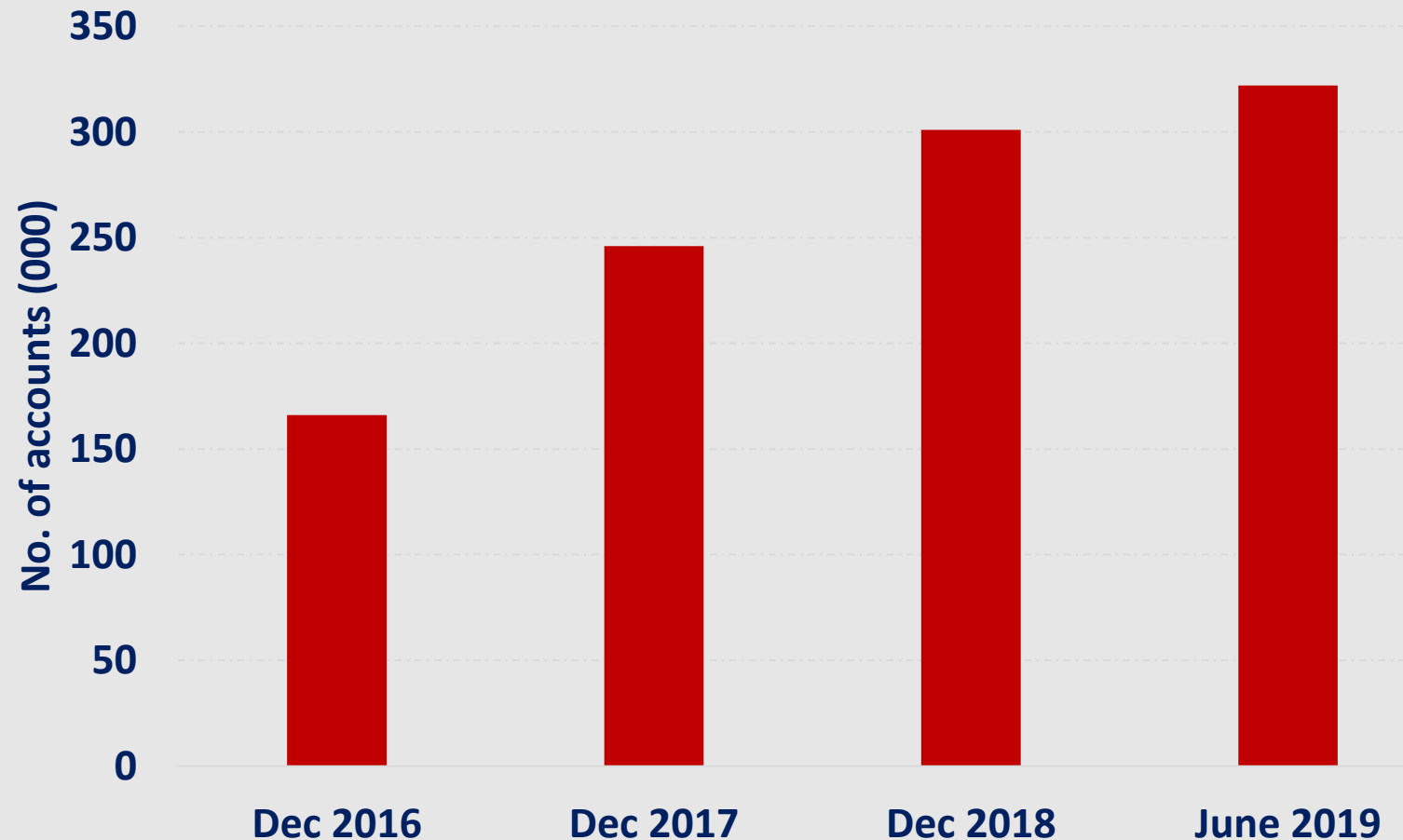


1.5 Update on Strategic Initiative(cont....

Financial Inclusion



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



1.5 Update on Strategic Initiative(Cont....

The Business in Numbers...

**Why Stress About
Cash When You Can
Simply e-Bank**



No. of Policies
2018: 124k
2019: 115k

Self Service
Centres
2018: 7
2019: 8

No. of Accounts
2018: 547K
2019: 593.7K

No. of POS
2018: 10 061
2019: 11 477

No. of Merchants,
Alliances & Agents
2018: 6 539
2019: 6 758

Value of
transactions
2018: 18.8bn
2019: 28.9bn



2. Financial Review & Dividend

2.1 Capitalization, Balance Sheet Size & Structure

2.2 Asset Quality - Advances

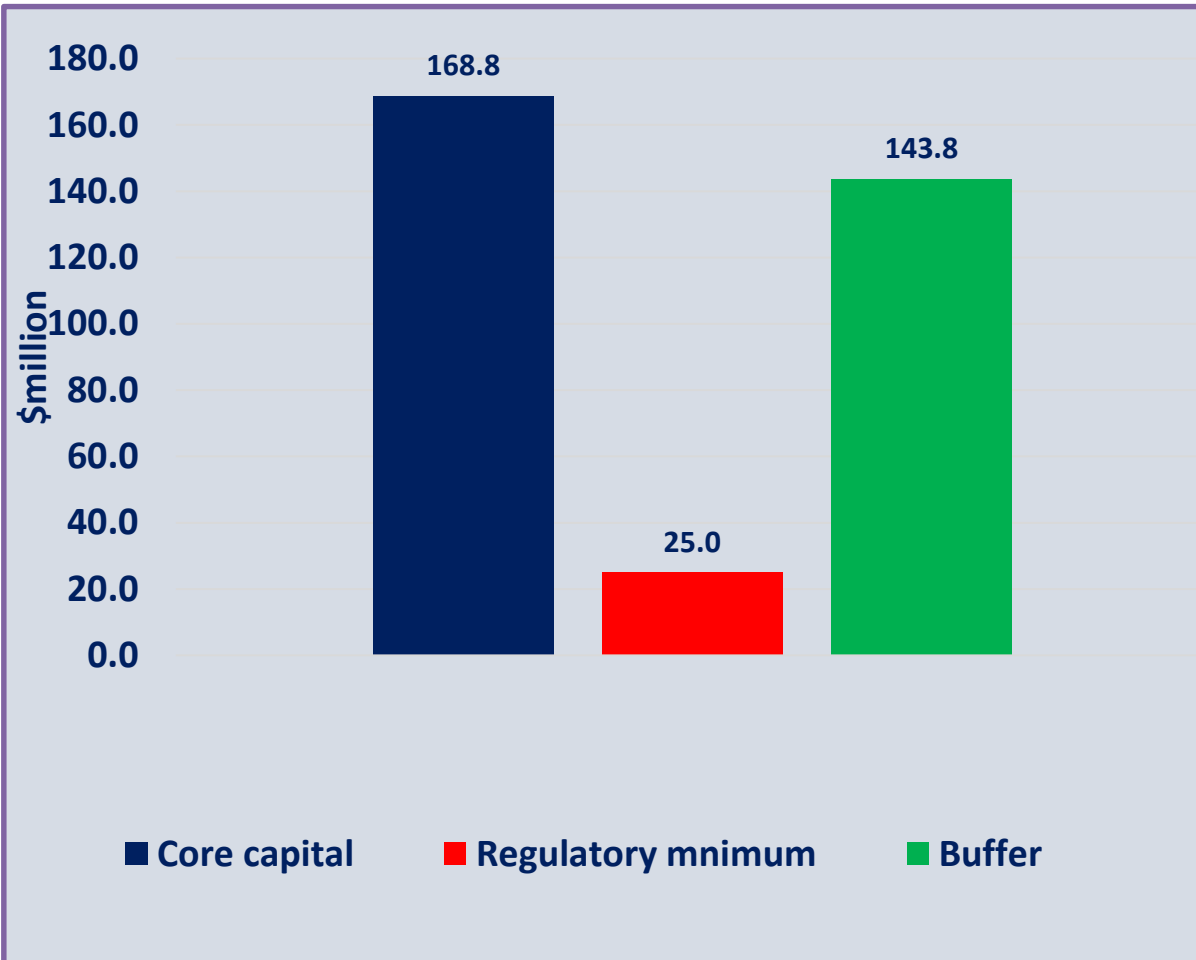
2.3 Profitability

2.4 Subsidiaries' Performance

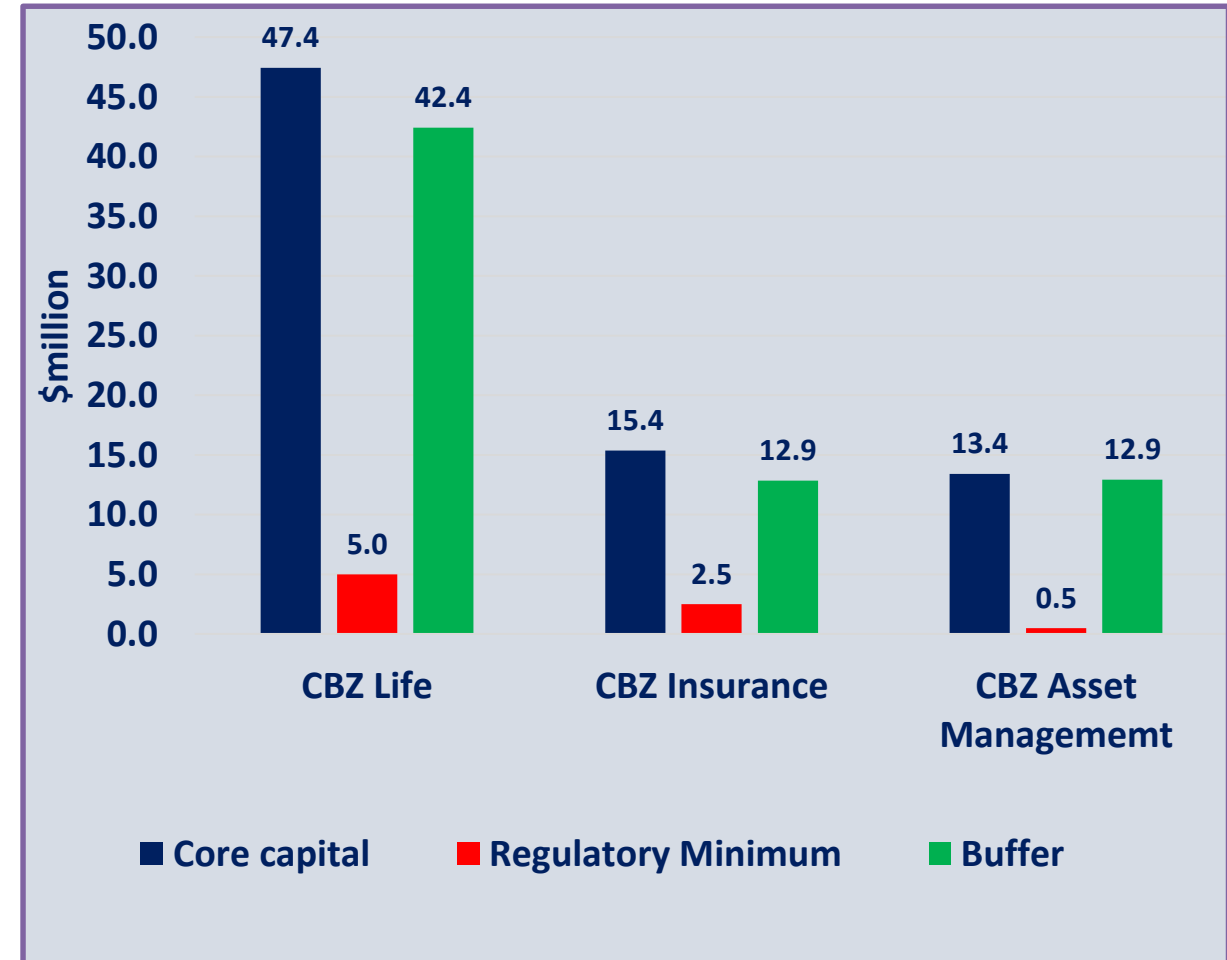
2.5 Dividend

2.1 Capitalization, Balance Sheet Size & Structure

CBZ Bank Capitalisation

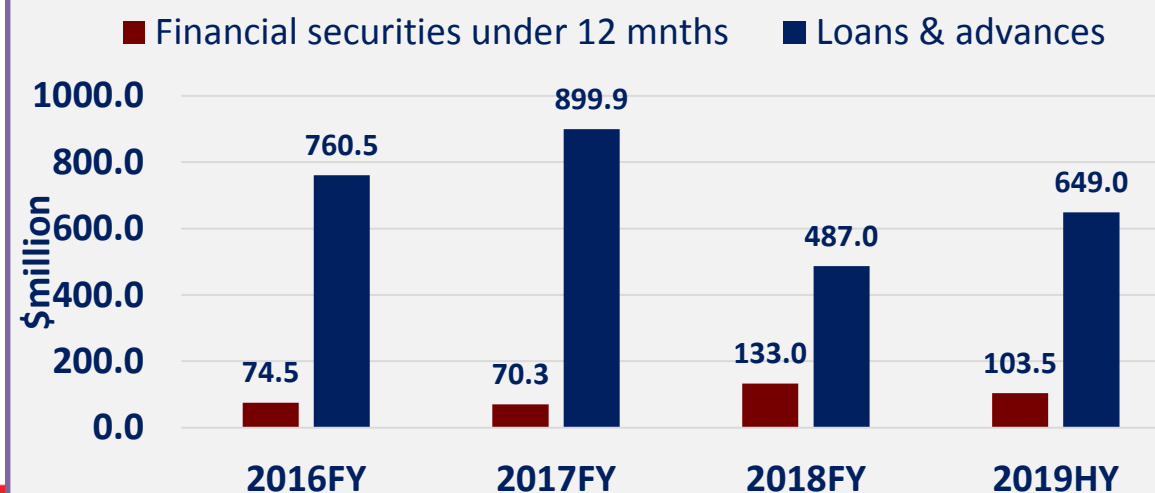
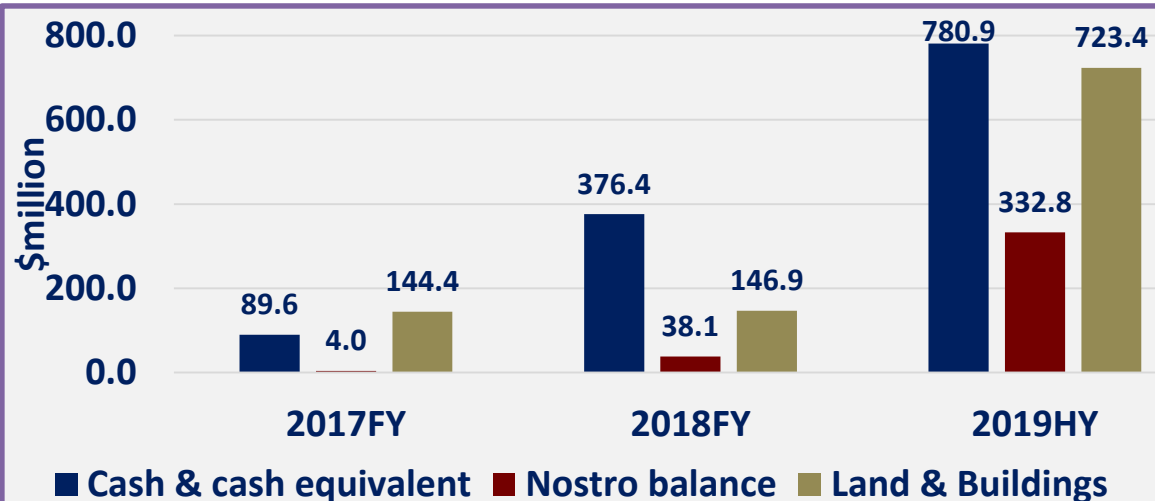


Non Banking Subsidiaries Capitalisation



2.1 Capitalization, Balance Sheet Size & Structure(Cont..

Strong liquid reserve & value preservation

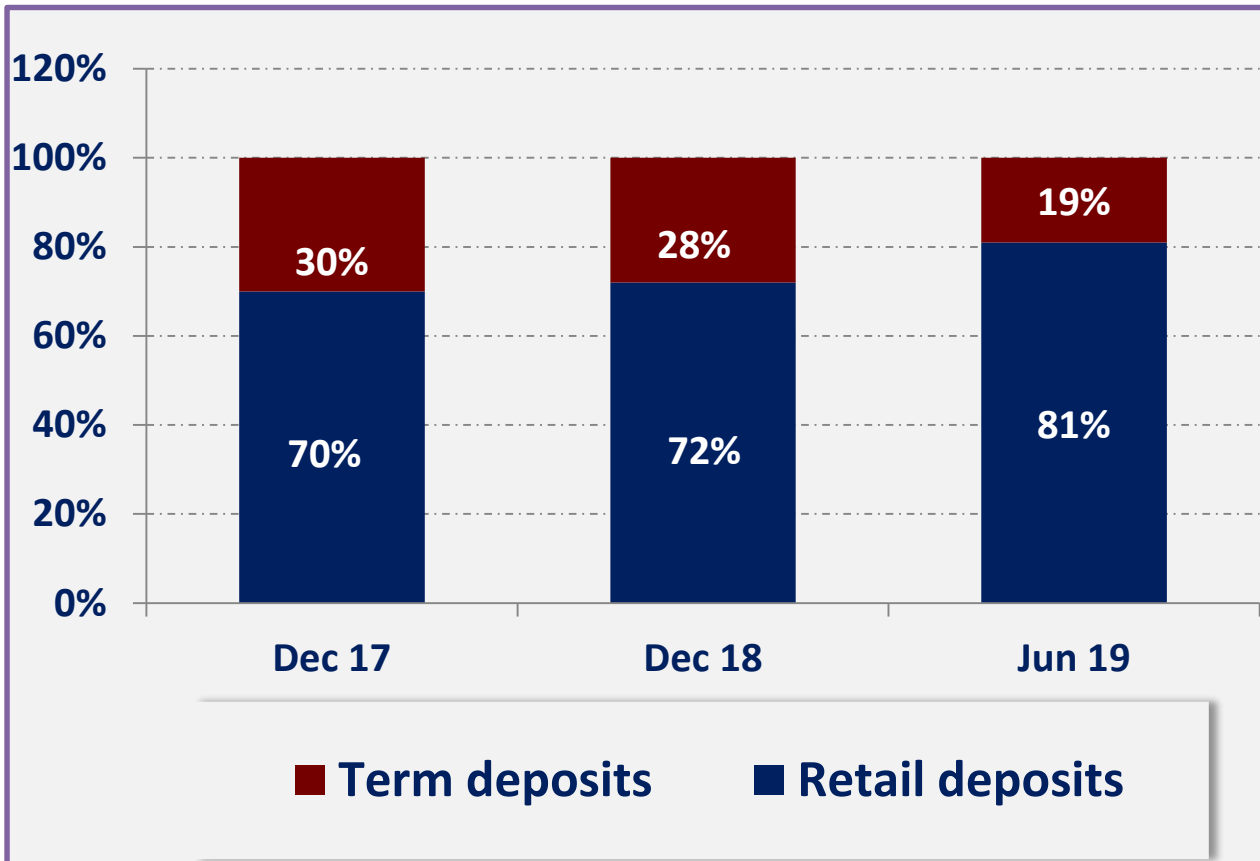


Summarised Statement of Financial Position

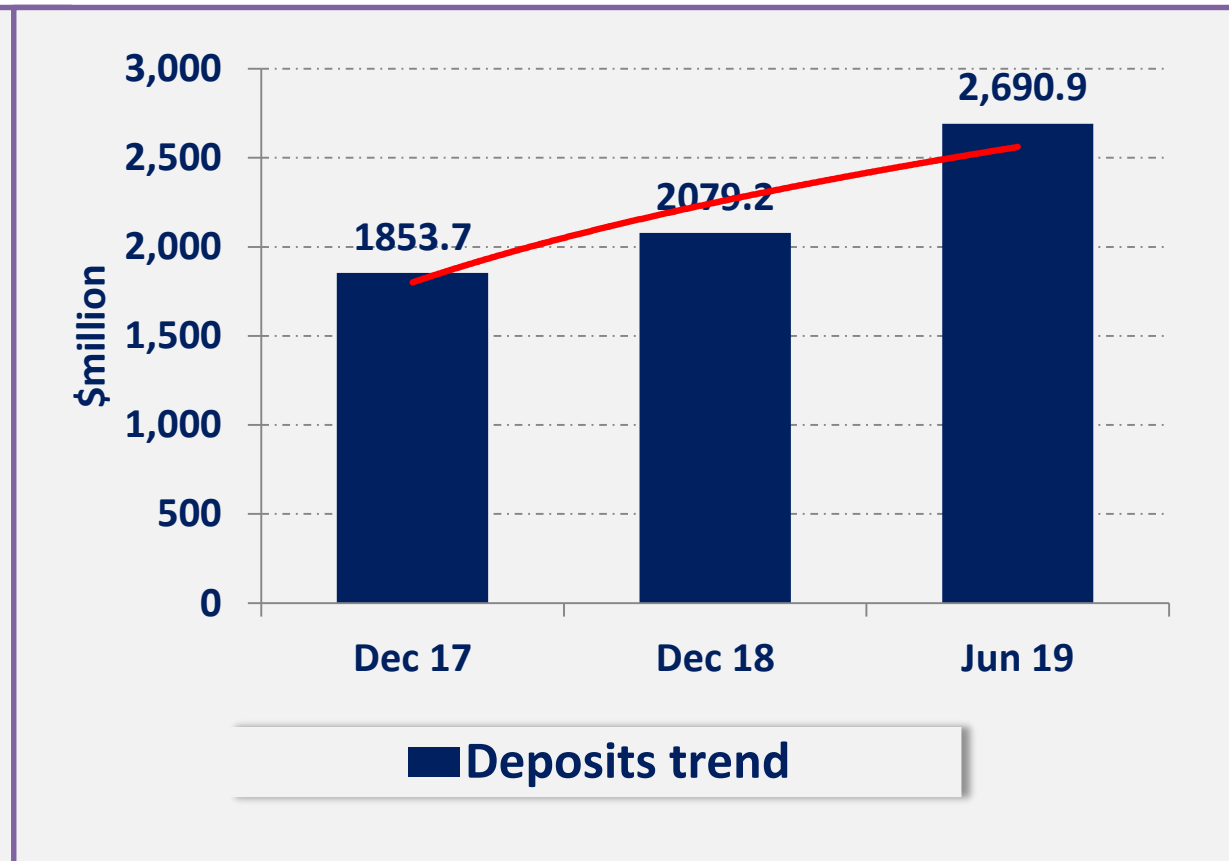
	30 Jun 19 (\$m)	31 Dec 18 (\$m)	Growth (%)
Total Assets	3 714.0	2 449.9	51.6
Total Deposits	2 690.9	2 079.2	29.4
Total Advances	649.0	487.0	33.3
Financial Securities	1 172.5	1 244.9	(5.8)
Cash & cash equivalent	780.9	376.3	107.5
Property and equipment	381.3	77.4	392.6
Funds Under Management	782.3	379.3	106.2
Total Shareholders' Funds	896.3	315.8	183.8

2.1 Capitalization, Balance Sheet Size & Structure(Cont..

Deposit Mix

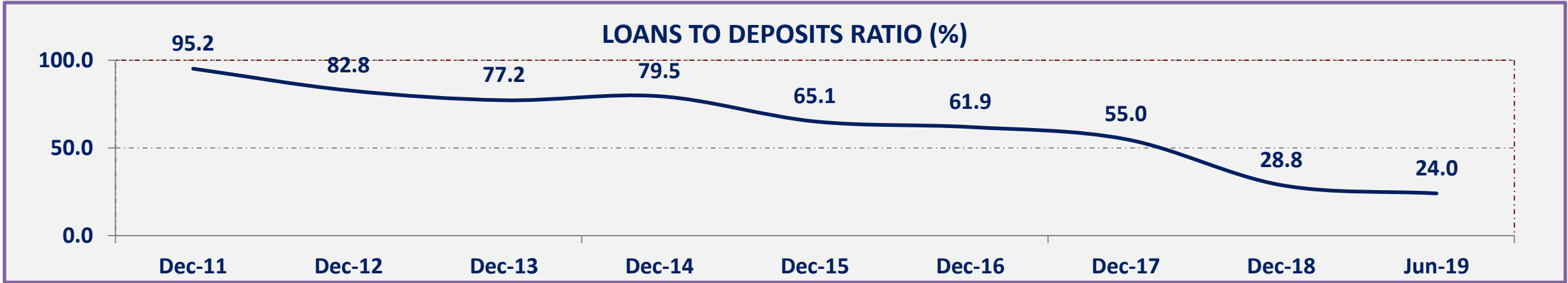
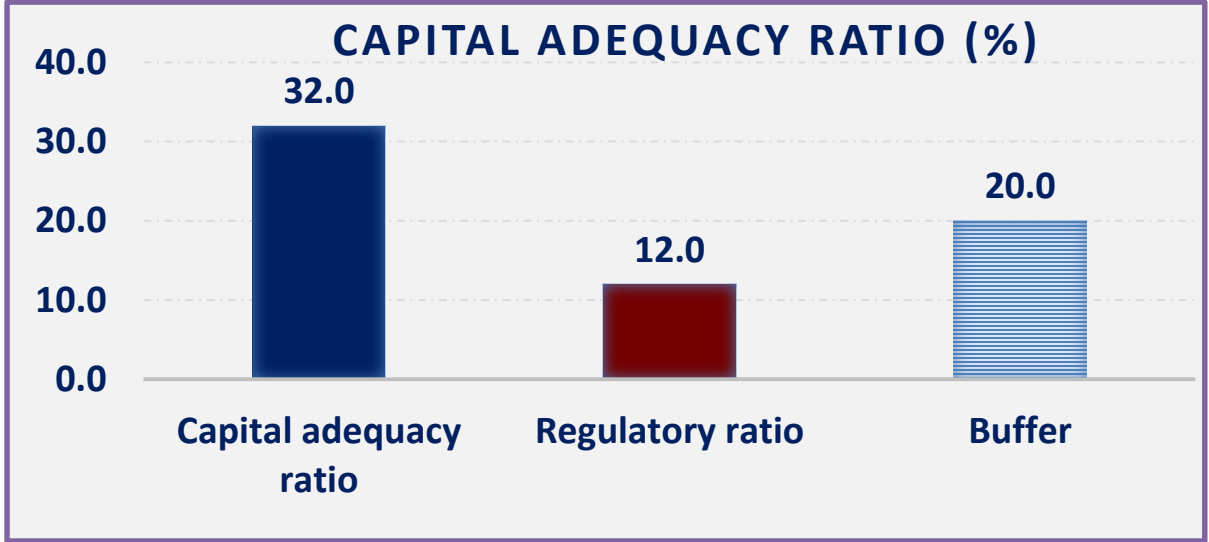
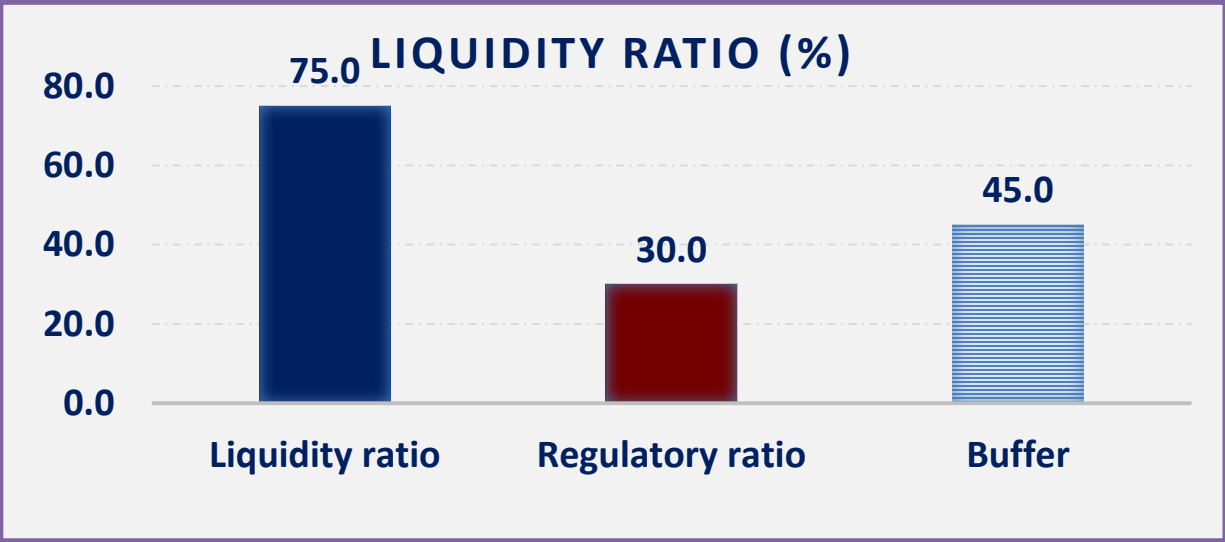


Deposit Growth



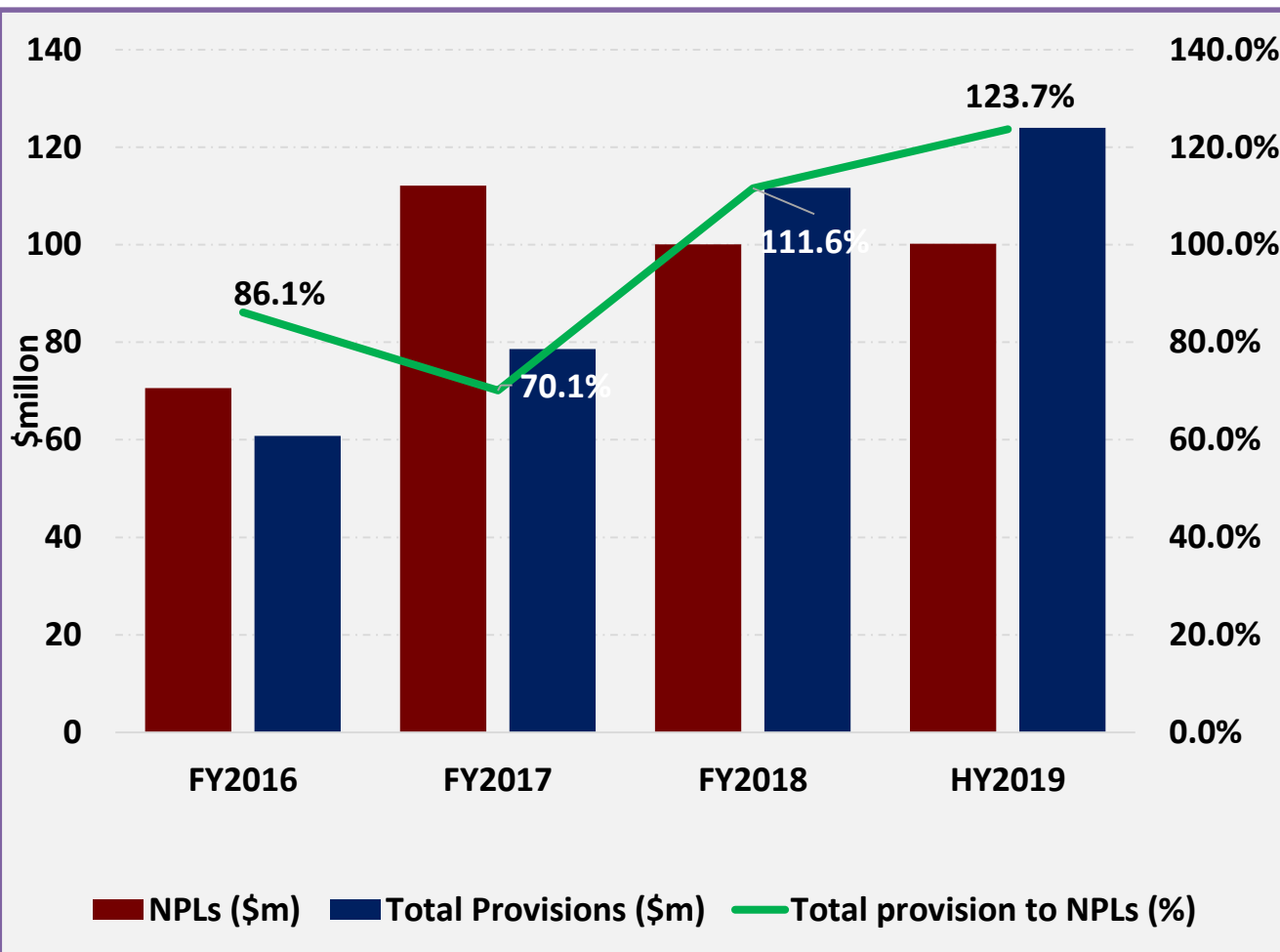
2.1 Capitalization, Balance Sheet Size & Structure(Cont..

Liquidity & capital adequacy ratios – CBZ Bank



2.2 Asset Quality-Advances

Asset quality - Advances



Key Statistics	30 Jun 19	31 Dec 18
Total net advances((\$m)	649.0	487.0
Security value (\$m)	765.6	769.8
Security cover (times) (Security value/net advances)	1.2	1.6
Expected credit loss allowance	124.0	111.7
Non performing loans (\$m)	100.2	100.1
Coverage ratio (times) (ECL/NPL)	1.2	1.1
NPL ratio (%)	12.6	16.4

2.2 Asset Quality-Advances(Cont....

Loan quality - Advances

2019 GROSS ADVANCES VS NON-PERFORMING LOANS

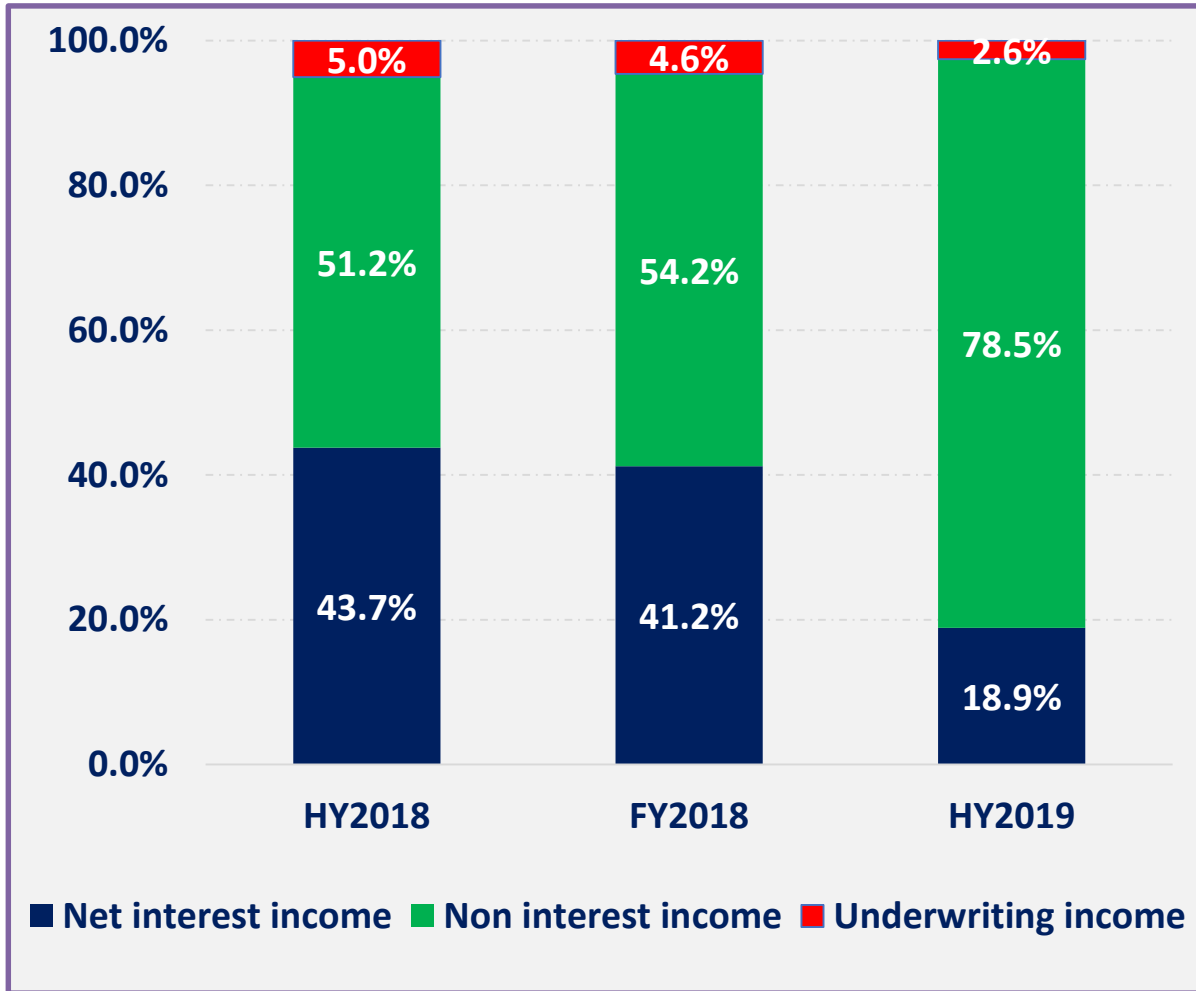
	Gross advances \$m	NPL \$m	%
Private	171.9	12.5	7.3
Agriculture	156.7	59.0	37.6
Mining	39.6	0.9	2.2
Manufacturing	42.7	2.6	6.1
Distribution	203.1	9.3	4.6
Construction	11.2	0.0	0.1
Transport	9.5	0.6	6.9
Communication	1.2	-	-
Services	118.8	11.1	9.3
Financial organisations	18.2	4.2	23.1
Total	773.0	100.2	12.6

2019 GROSS ADVANCES VS EXPECTED CREDIT LOSSES

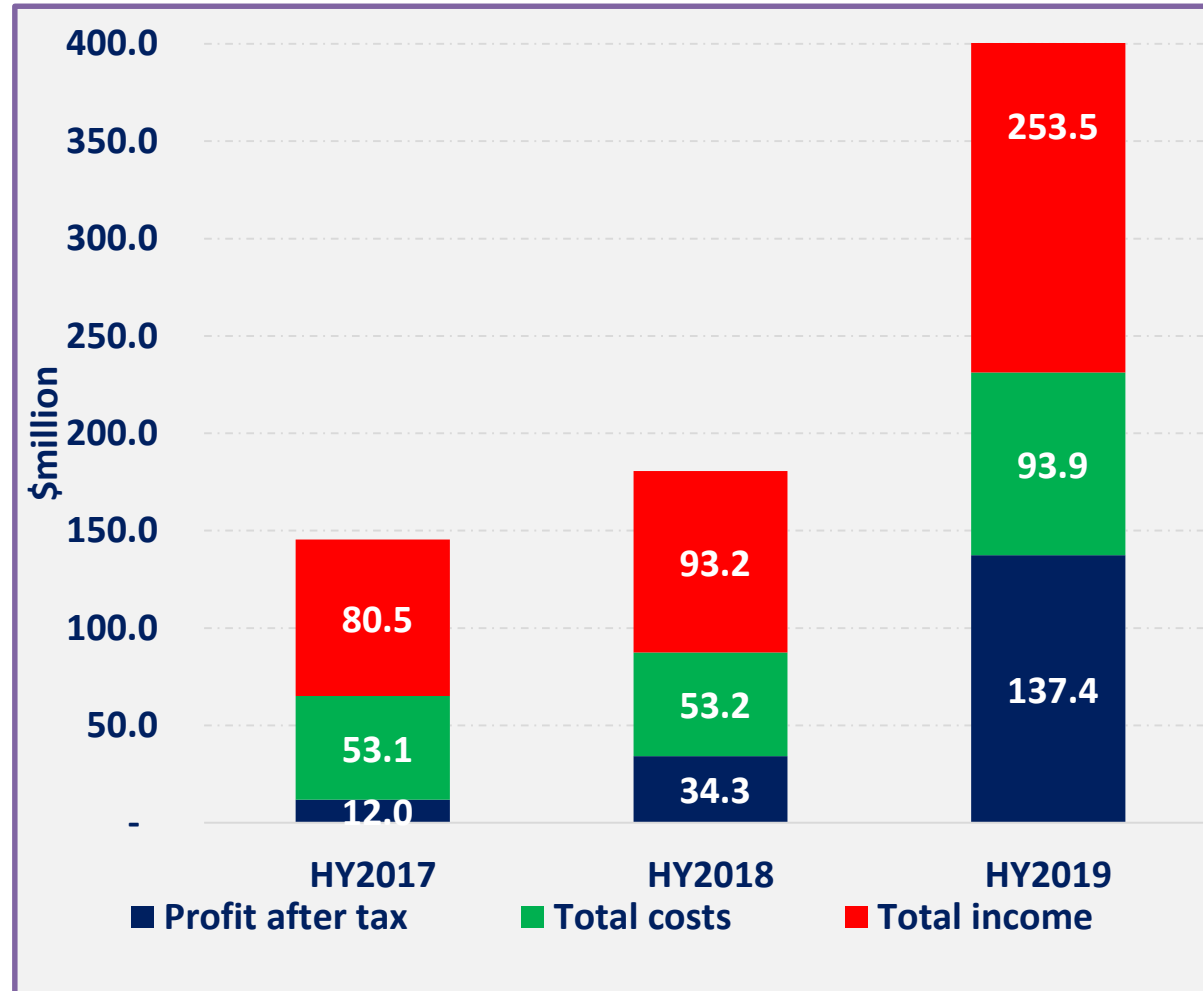
	Gross advances \$m	ECL \$m	%
Private	171.9	10.2	5.9
Agriculture	156.7	58.9	37.6
Mining	39.6	4.7	11.9
Manufacturing	42.7	8.4	19.6
Distribution	203.1	16.4	8.1
Construction	11.2	2.2	19.6
Transport	9.5	2.3	24.8
Communication	1.2	0.2	19.3
Services	118.8	15.2	12.8
Financial organisations	18.17	5.3	29.4
Total	773.0	124.0	16.0

2.3 Group Financial Performance - Profitability

Income Diversification



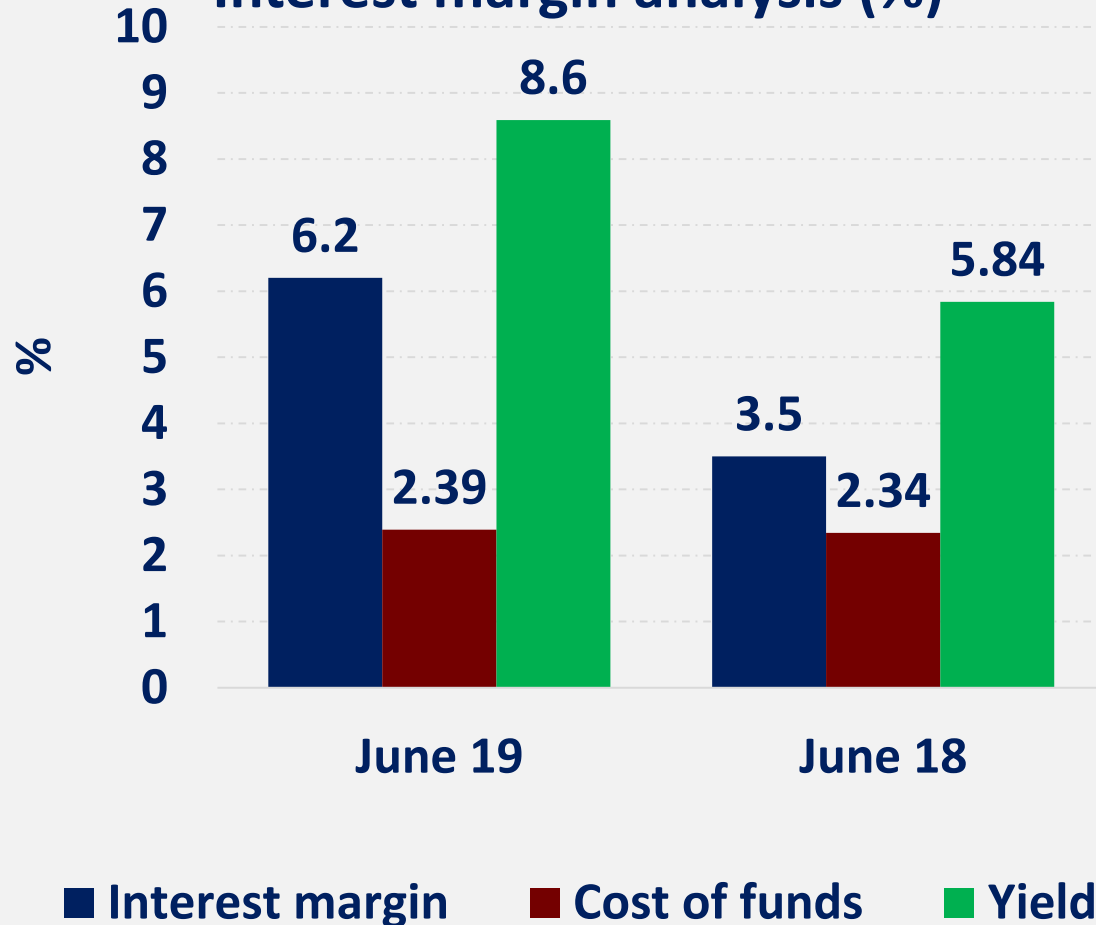
Profitability Performance



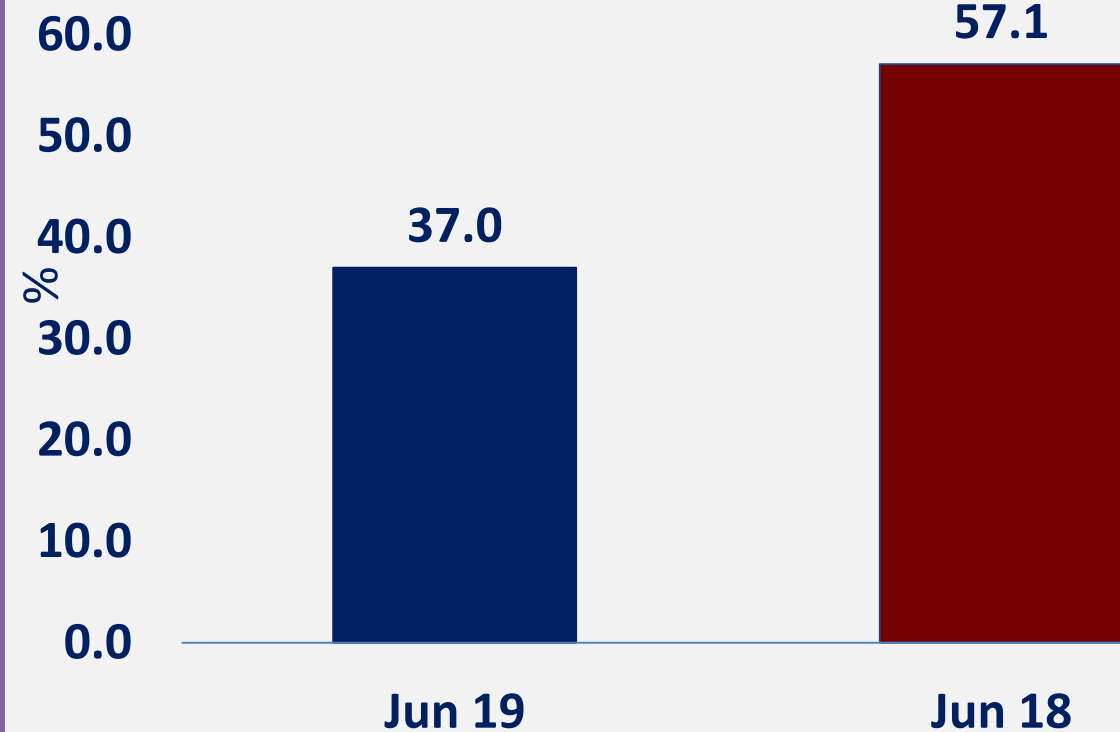
2.3 Group Financial Performance – Profitability)(cont...

Profitability Ratios

Interest margin analysis (%)



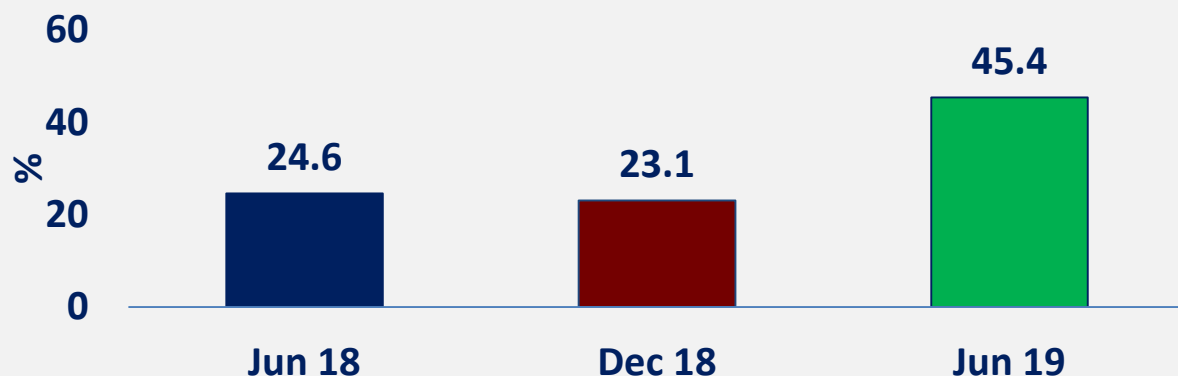
Cost to Income Ratio (%)



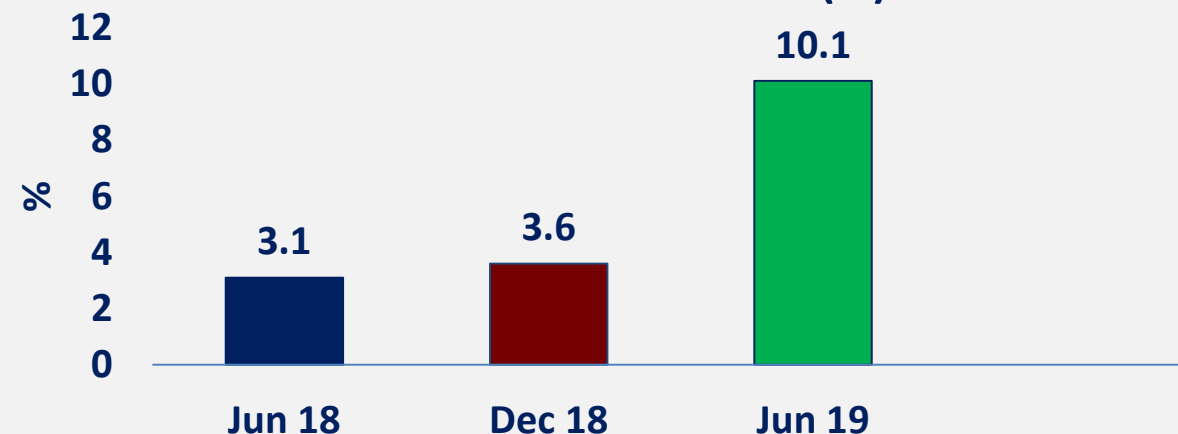
2.3 Group Financial Performance – Profitability(Cont..

Summarised Consolidated Statement of Profit or Loss

Return on equity Ratio (%)



Return on assets Ratio (%)



	30 Jun 19 \$m	30 Jun 18 \$m	Growth (%)
Net Interest Income	47.9	40.8	17.4 ↑
Non interest Income	199.1	47.7	317.4 ↑
Underwriting Income	6.5	4.7	38.3 ↑
Total Income	253.5	93.2	172.0 ↑
Total Expenditure	(93.9)	(53.2)	76.5 ↑
Profit After Tax for the period	137.4	34.3	300.6 ↑
EPS (cents)	26.5	6.6	301.5 ↑

2.3 Group Financial Performance – Profitability(Cont..

Consolidated Statement Other Comprehensive Income

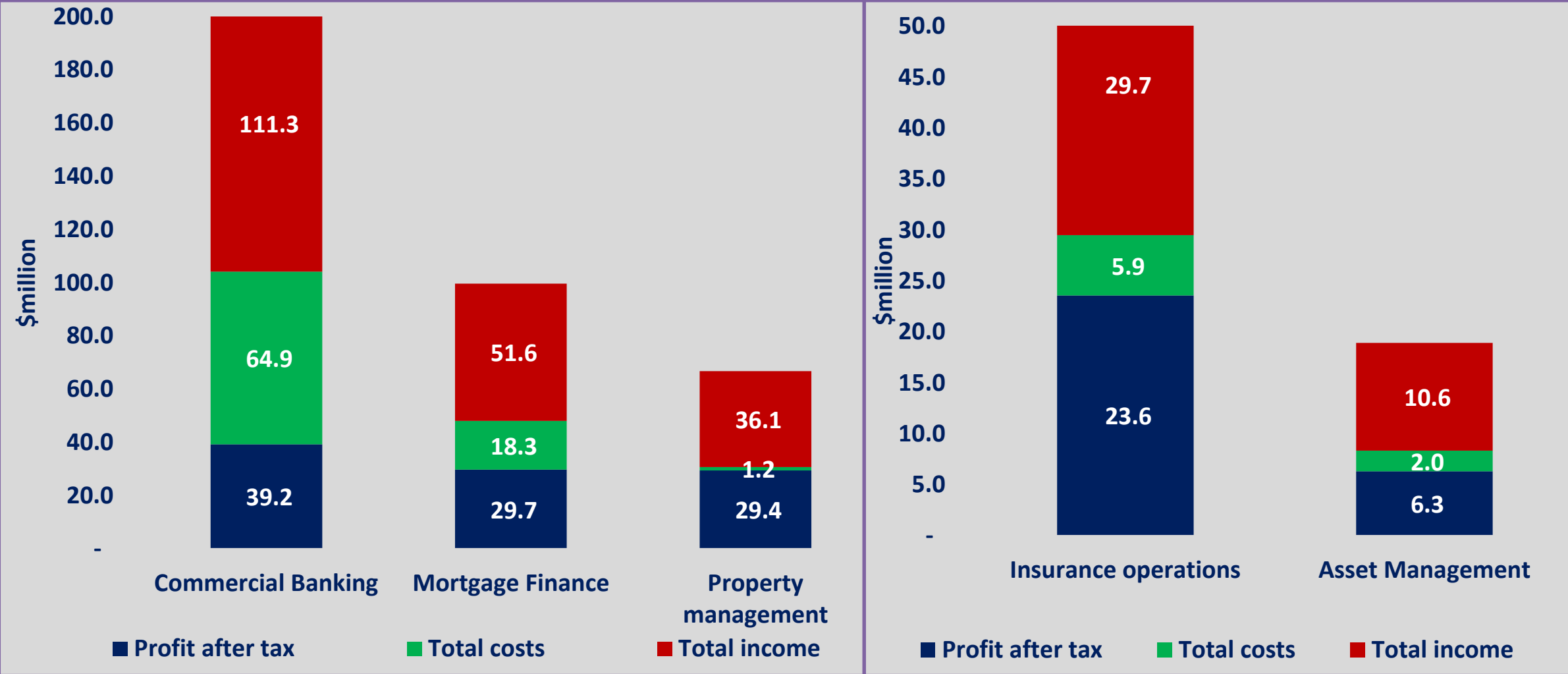
	\$ Millions
Profit for the period after taxation	137.40
Other Comprehensive Income	
Revaluation of property and equipment	206.77
Fair valuation gain on unquoted Investments	30.77
Exchange gains on change of Functional currency	253.64
Exchange loss on translation of a foreign subsidiary	(0.10)
Deferred income tax relating to components of other Comprehensive Income	(41.53)
Total comprehensive income for the period	586.95



2.4 Subsidiary Business Performance

2.4 Subsidiary Business Performance-Profitability

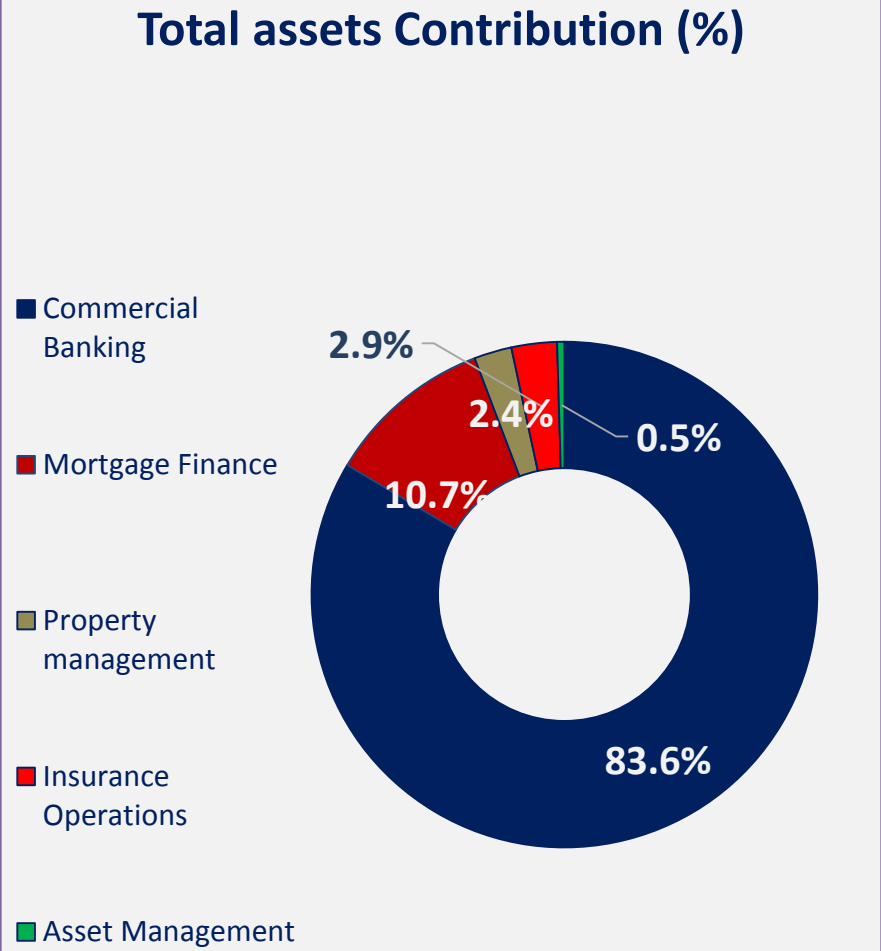
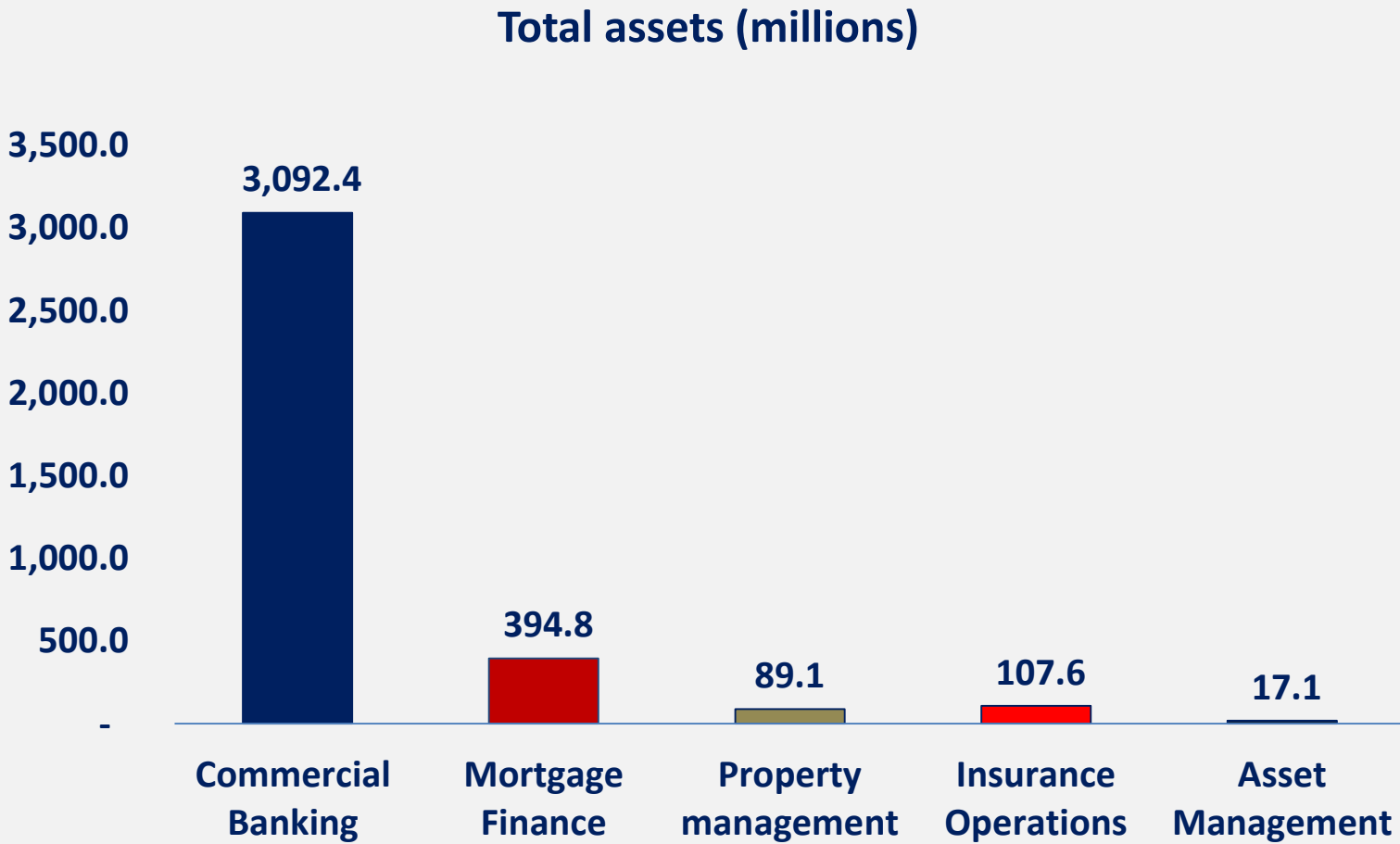
Profitability Performance



2.4 Subsidiary Business Performance-Statement of financial position

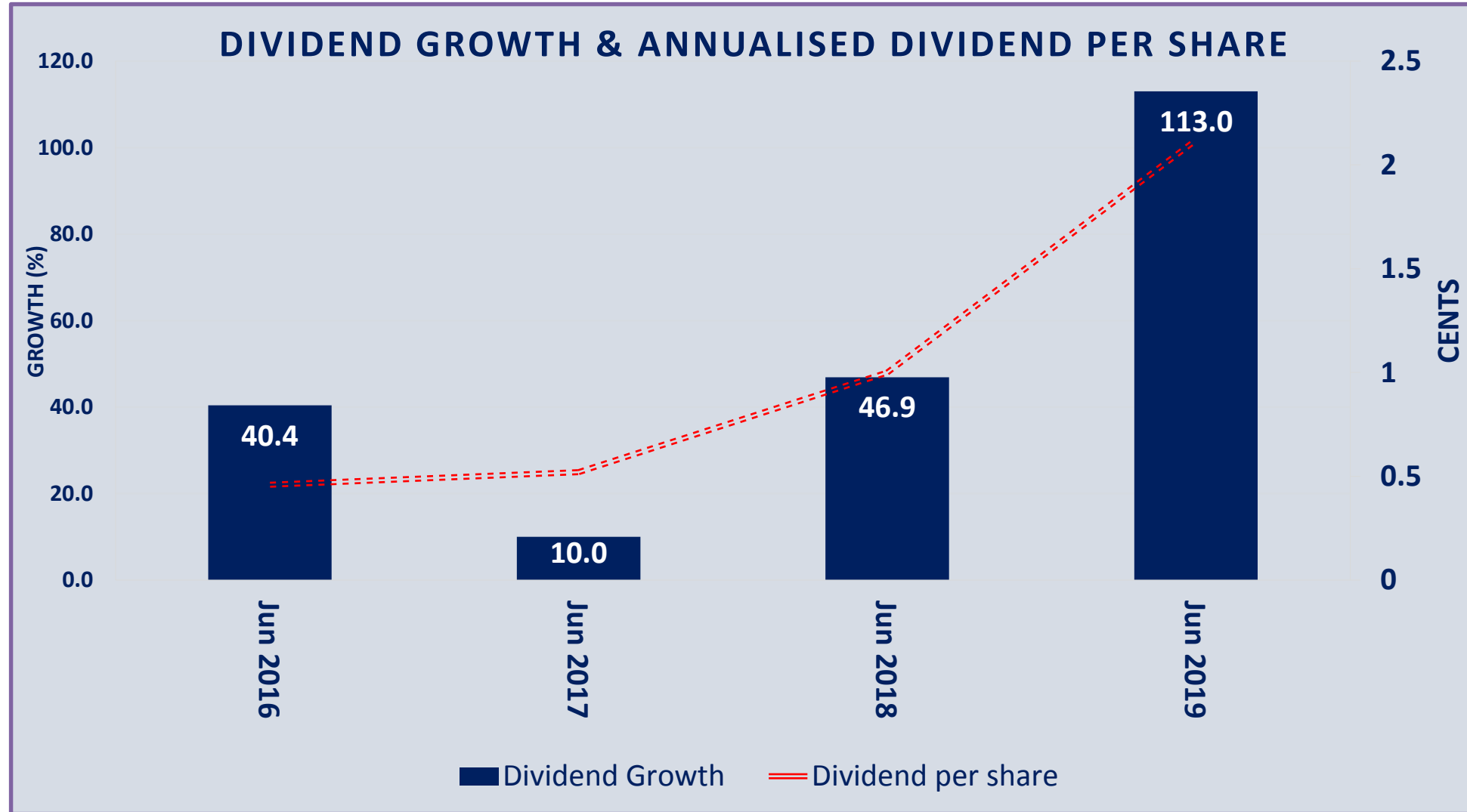


Total Assets



2.5 Dividend Proposal

Interim dividend of ZWL\$5.52 m was proposed, translating to a growth of 113.02% on the comparative 2018 interim dividend.





3. Corporate Social Responsibility

Corporate Social Responsibility

Pillar	Initiative	Impact
Education	YEP - Young Entrepreneurship Programme	<ul style="list-style-type: none"> – The YEP program provides youths with skills on how they can come up with businesses that will enable them to earn a living not only for themselves but for the communities as their businesses will provide employment for fellow youths in their communities including rural areas. – The program has produced more than 2 000 entrepreneurs in the country to date, with 40% of the entrepreneurs running registered enterprises.
	Tariro Trust	<ul style="list-style-type: none"> – CBZ partnered Tariro Trust an organization that helps orphaned and vulnerable children, (with emphasis on the marginalized girl child) to have access to quality education. – CBZ made a donation towards the payment of school fees for 30 Children (22 Secondary School students; 7 Disadvantaged girls at universities and polytechnics and 1 physical challenged student at Danhiko.
	Primary Schools Debate Championship	<ul style="list-style-type: none"> – The initiative helps encourage a culture of reading and research in students. – The experience also helps pupils to gain exposure and gain confidence to participate in front of an audience which can be viewed as a key area in the creation of future leaders. – The initiative also helps nurture the talent of up and coming debaters at an early stage of their development.

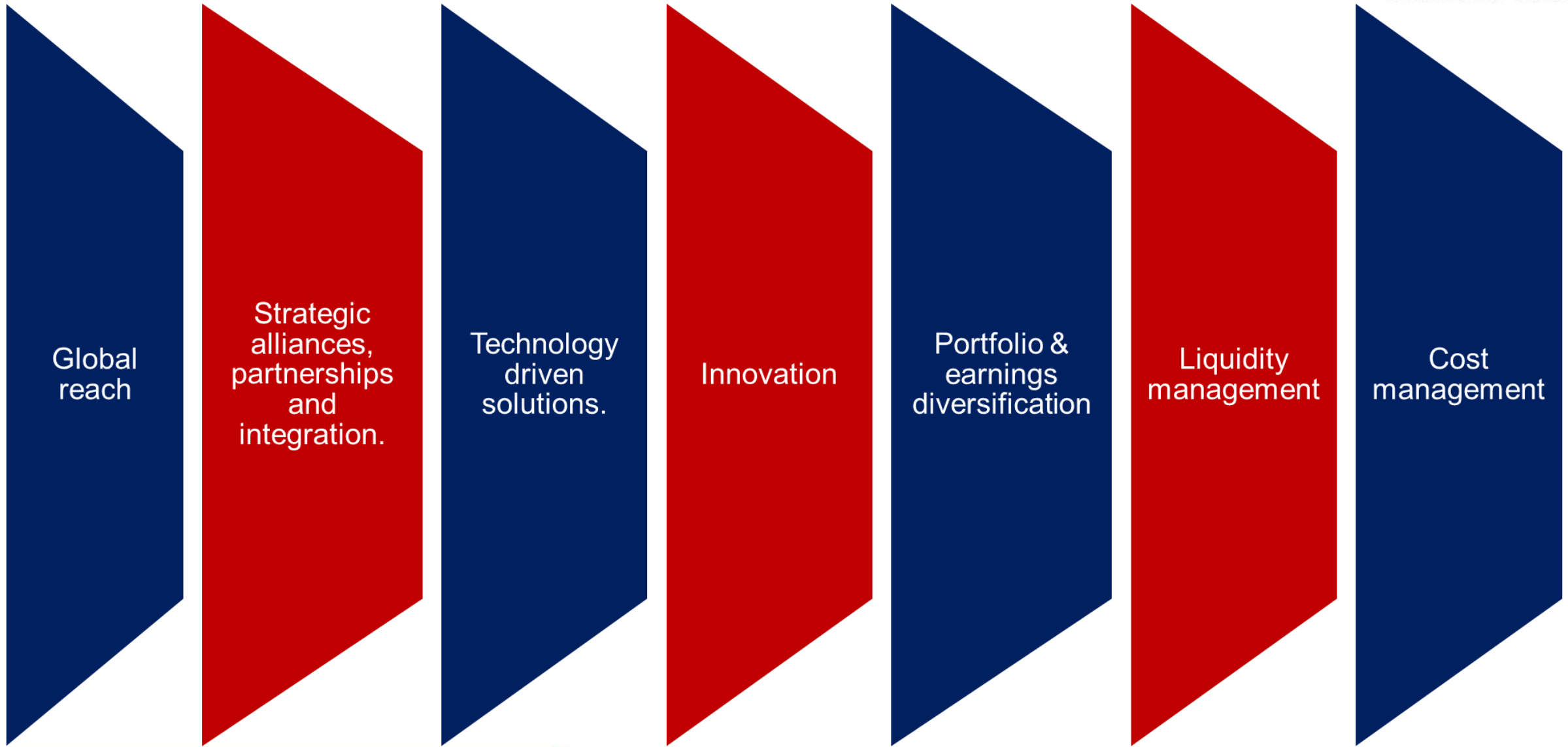
Corporate Social Responsibility

Pillar	Initiative	Impact
Philanthropy	Cyclone Idai	-CBZ donated money, various groceries and clothes towards the cyclone Idai victims.
Wellness	CBZH Marathon	-Organised the CBZ Harare Marathon that gave the Group a huge opportunity to profile the CBZ brand as a responsible and responsive corporate citizen.



4. CBZH's Strategic Choices- 2019-2025

CBZH Strategic Choices – 2019-2025





5. Questions and answers