

Trading Update 3rd Quarter 2019



Issued On:

14 November 2019

Issued by:

Dr. B. Mudavanhu (Group CEO)

C. Chimutsa (Group CFO)

Issuer's Signature


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1 CBZH's Group Overview

2 Operating Environment Overview

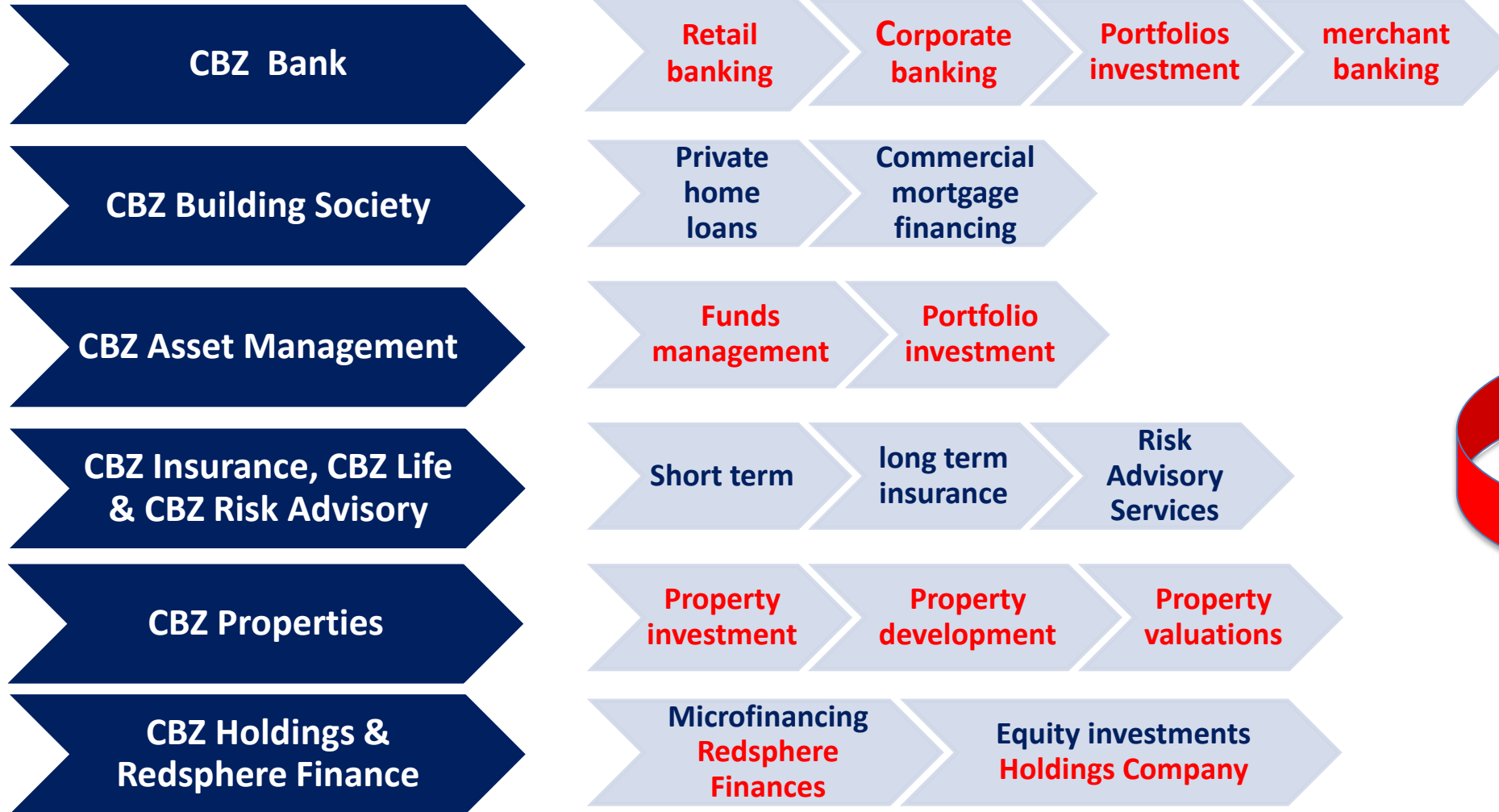
3 Strategy and Operations Review

4 Financial Review



1. CBZH's Group Overview

Group Overview – CBZH Operating Units





2. Operating Environment Overview

Navigating the Operating Environment

	Operating Environment Dynamics		Our Strategic Choices
1. Specific Constraints	<ul style="list-style-type: none"> - Foreign currency shortages - Rising opex driven by price indexation and upward review on fuel & electricity - Waning consumer demand - Inflationary pressures 	2. Our Response	<ul style="list-style-type: none"> - Accelerating the digitalisation program including enhancing the CBZ Touch platform - Pursuing structured trade finance solutions - Creating & entering new markets - Cost reduction - Innovation, e.g. to support business development in the informal & SMEs sectors. CBZ Agro-yield for Agriculture sector.
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 remodelling distribution channels - 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 - Continued operational risk and compliance



3. Strategy & Operation Review

3.1 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

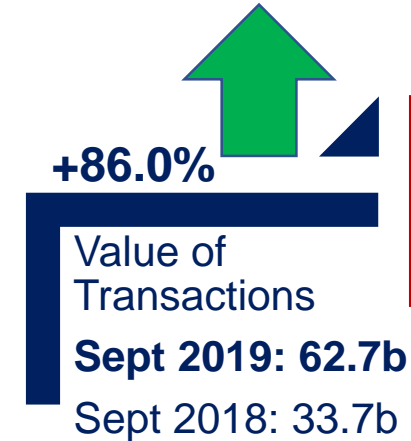
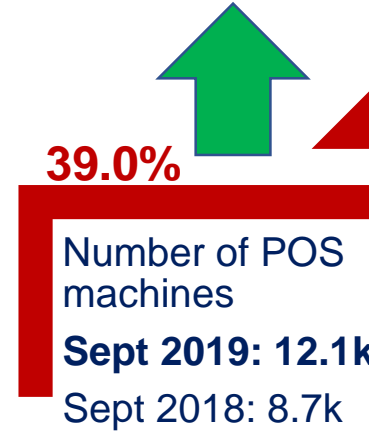
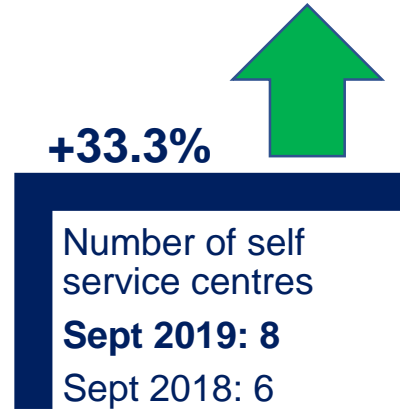
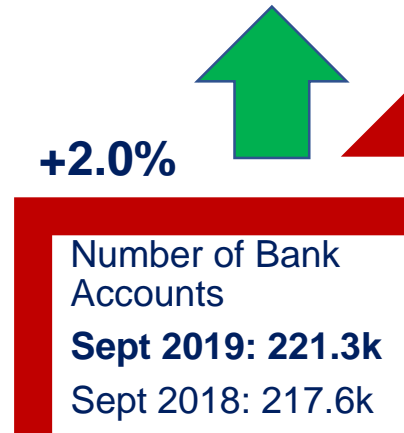
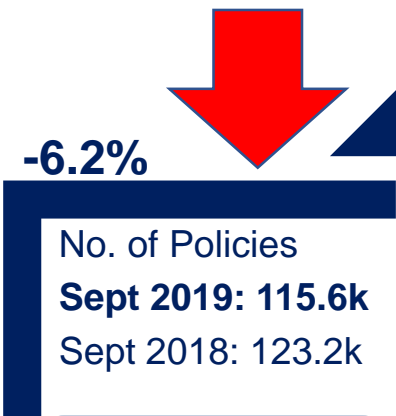
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Top Companies Survey Awards

- 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

3.2 Milestones - Business in Numbers

Why Stress About Cash When You Can Simply e-Bank



The number of policies declined by 6.2% owing to declining disposable incomes.

Number of active bank accounts increased by 2% as the group continues with its innovation drive

The Group introduced 2 more Self Service centres as part of its continued efforts to digitalise banking services.

The Number of Point of sale machine surged by 39% as the Group increased its digital foot print

Value of transactions increased by 86% following the Group's increased alliances & efforts to meet customers needs

CBZ touch subscribers increased by 27% as the Group moves towards enhanced mobile and internet banking

3.3 Milestones – Subsidiary Market Shares

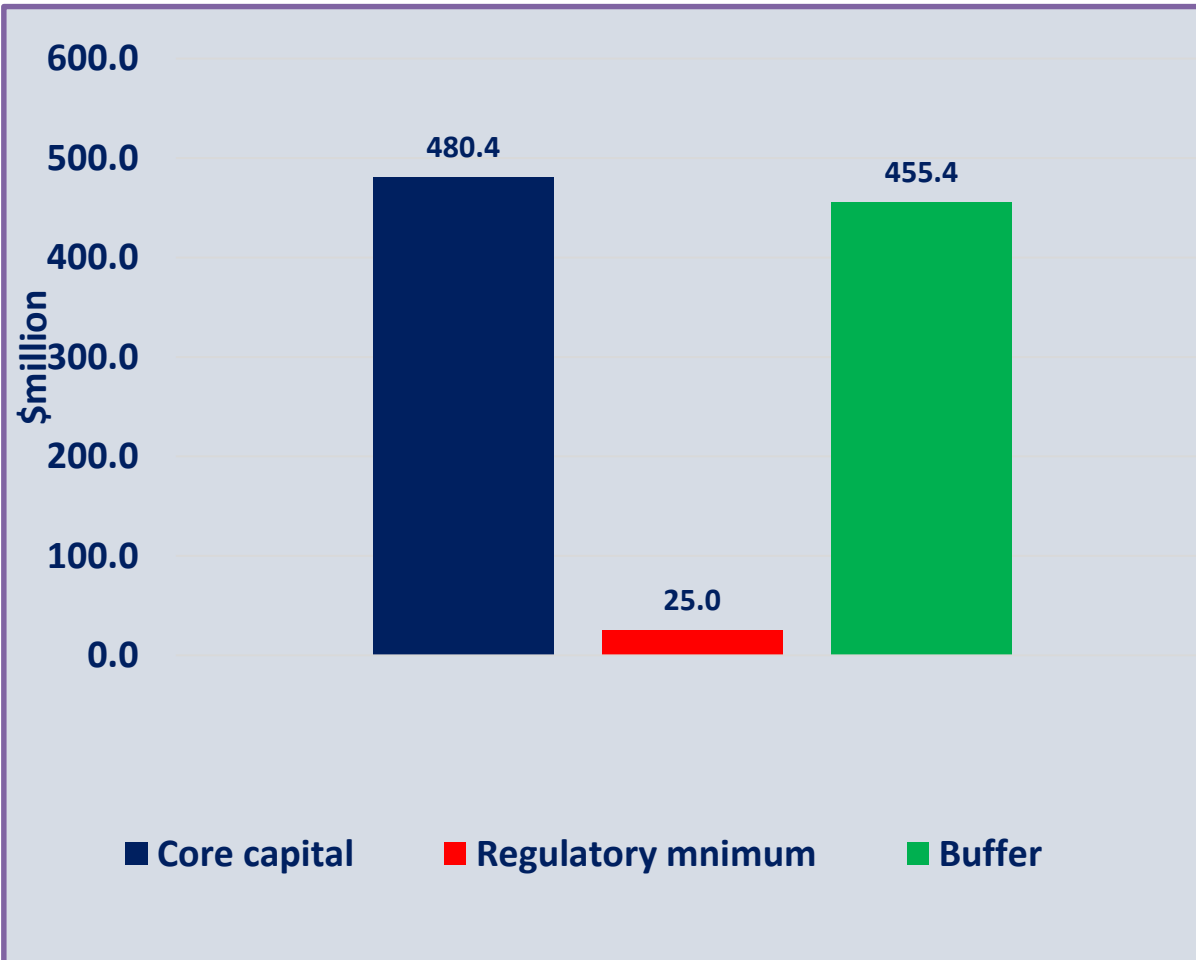
Subsidiary	Market Share (%)	Rank	Number of Players
CBZ Bank – (Deposits – Sept 2019)	13.0	2	17
Datvest – (FUM -Sept 2019)	5.5	3	16
CBZ Insurance – (GPW - June 2019)	4.0	7	18
CBZ Life – (GPW – June 2019)	2.3	8	11
CBZ Risk Advisory – (Premium Written – June 2019)	5.7	5	31



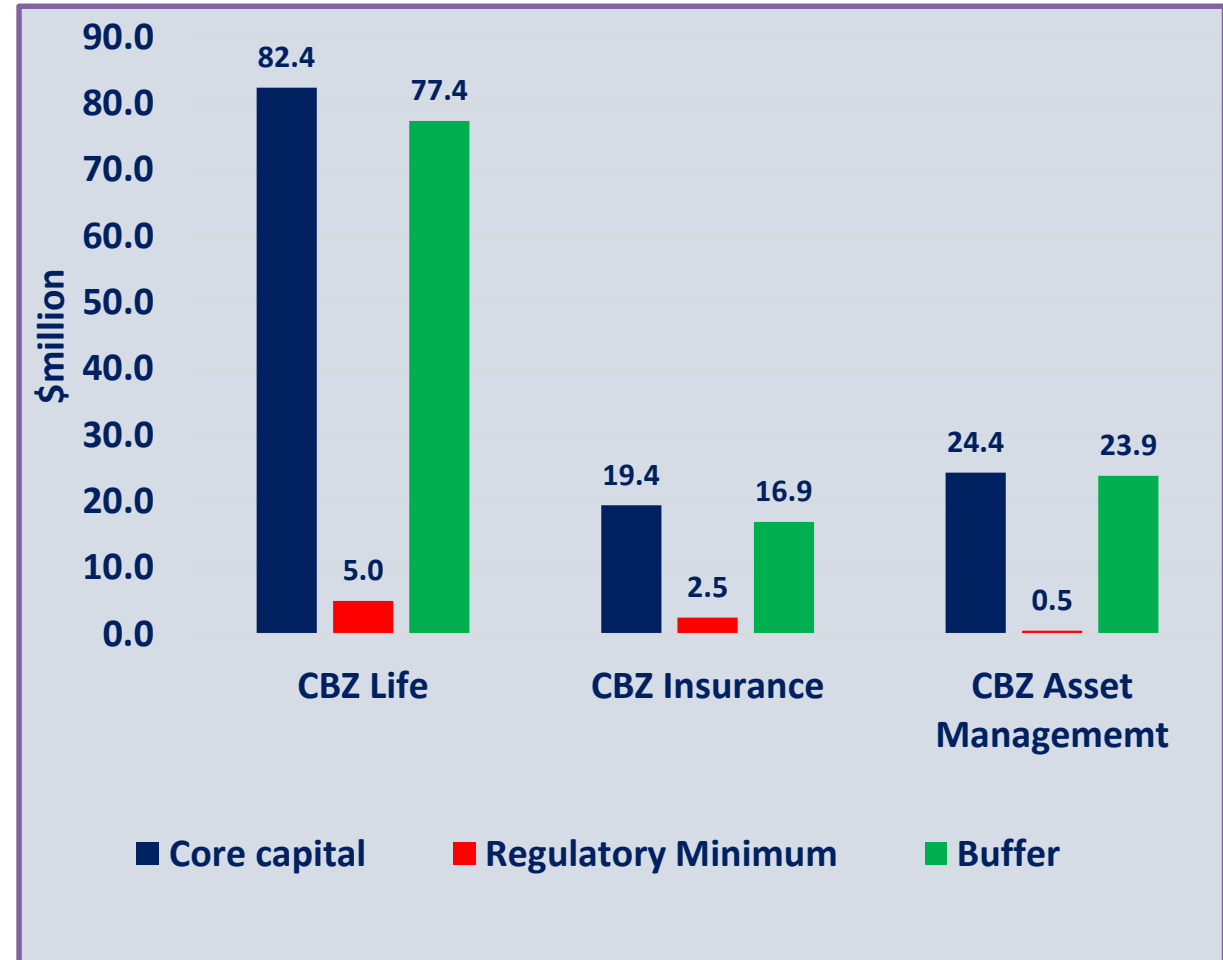
4. Financial Review

4.1 Capitalization, Balance Sheet Size & Structure

CBZ Bank Capitalisation

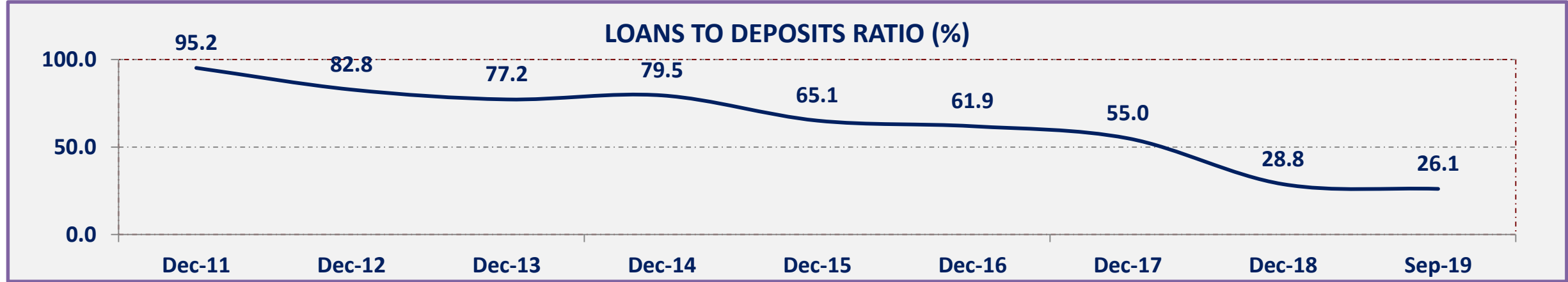
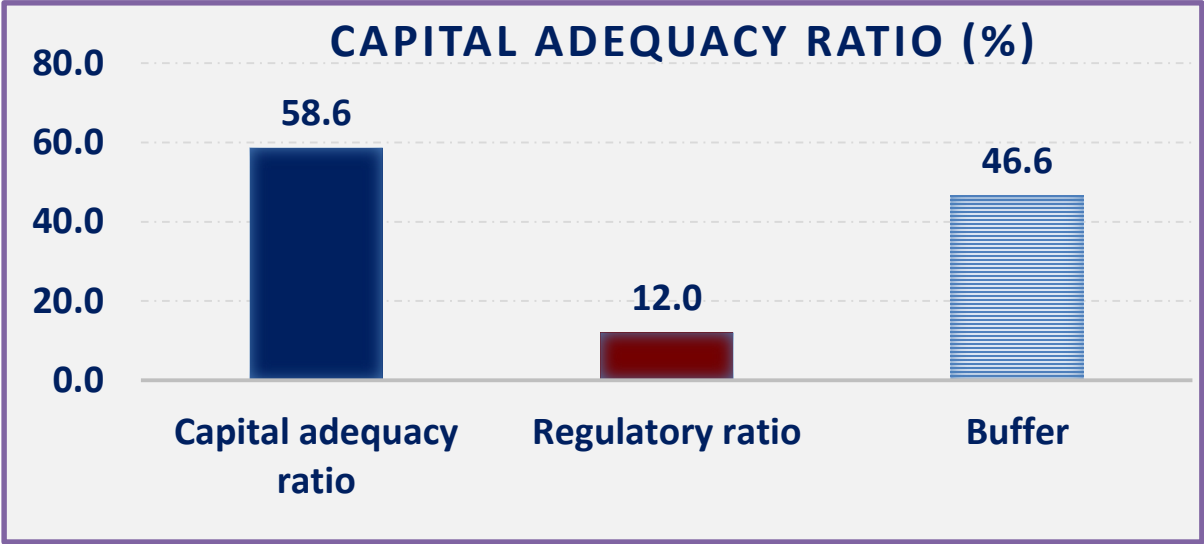
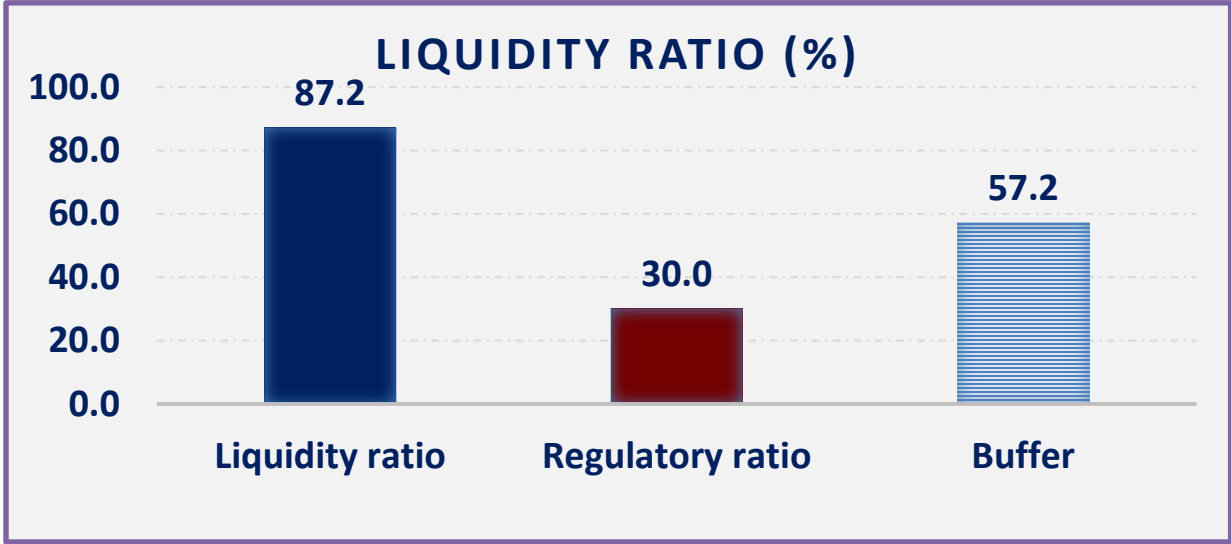


Non Banking Subsidiaries Capitalisation



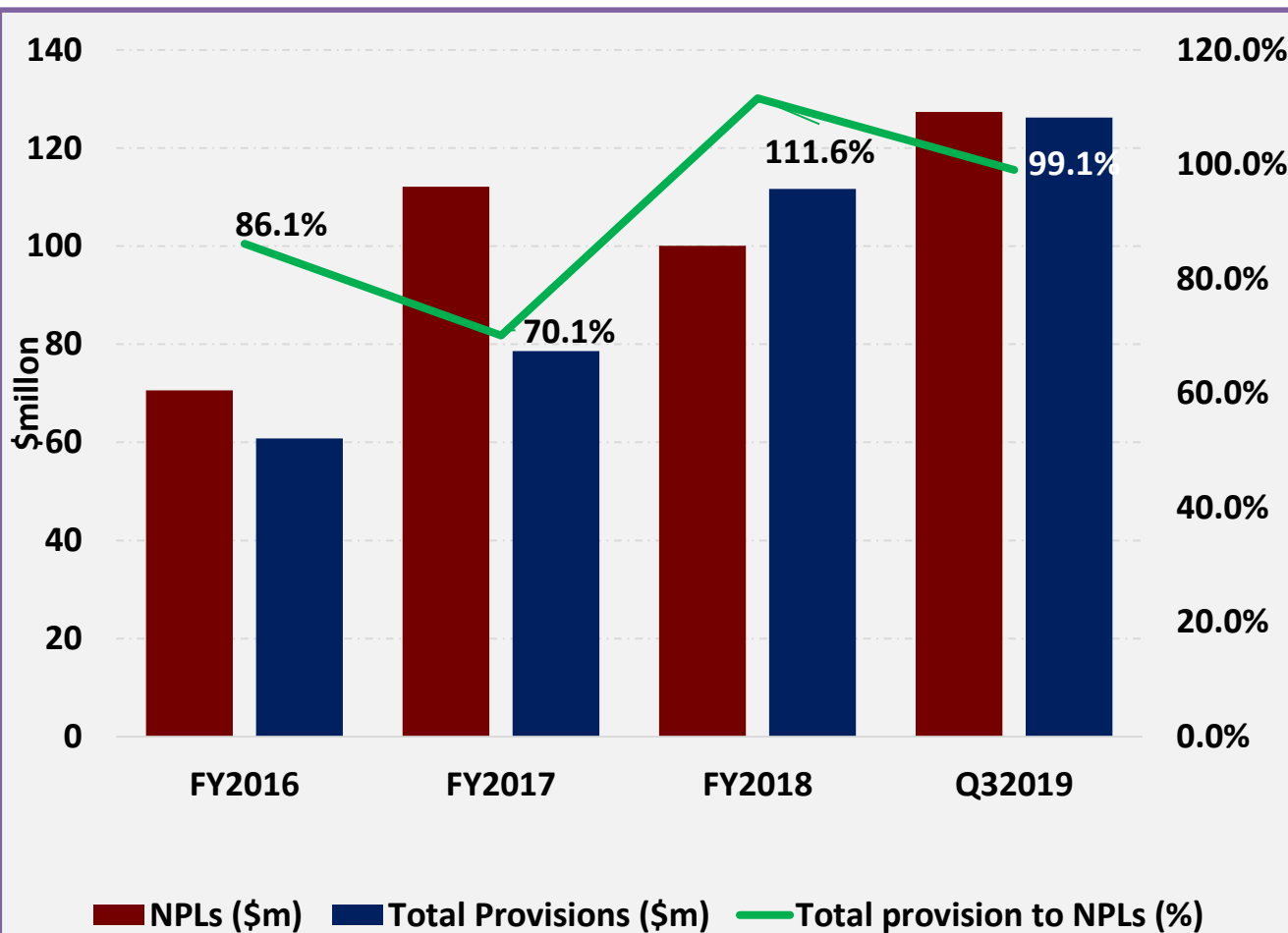
4.1 Capitalization, Balance Sheet Size & Structure(Cont.

Liquidity & capital adequacy ratios – CBZ Bank



4.2 Asset Quality-Advances

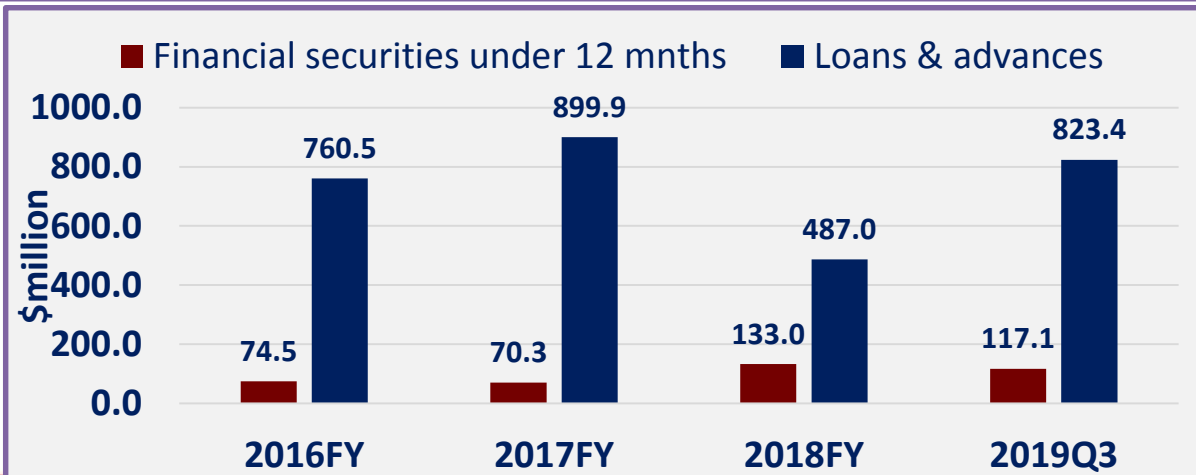
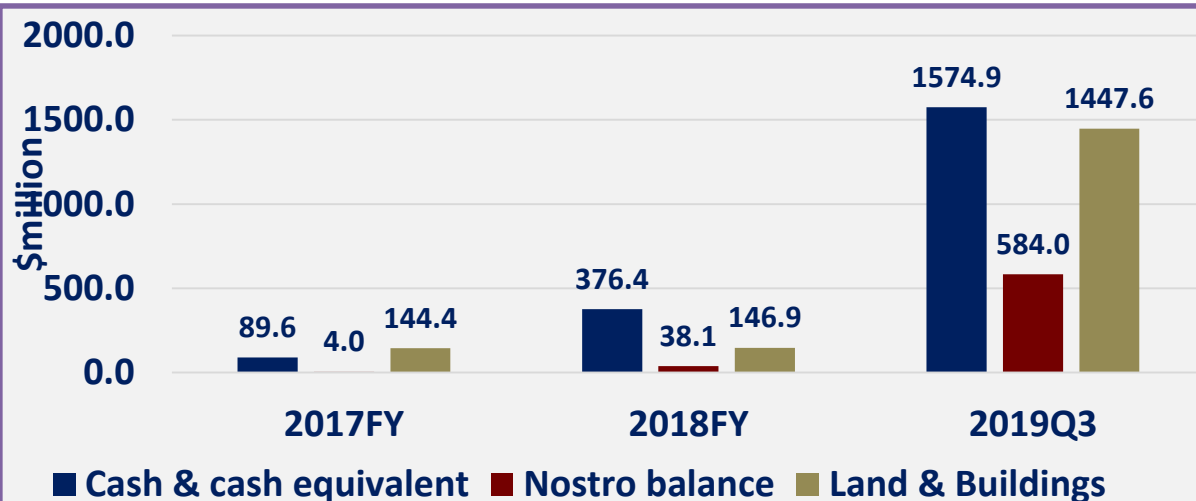
Asset quality - Advances



Key Statistics	30 Sep 19	31 Dec 18
Total net advances((\$m)	823.4	487.0
Security value (\$m)	613.5	769.8
Security cover (times) (Security value/net advances)	0.8	1.6
Expected credit loss allowance	126.2	111.7
Non performing loans (\$m)	127.2	100.1
Coverage ratio (times) (ECL/NPL)	0.99	1.1
NPL ratio (%)	13.4	16.4

4.3 Consolidated Statement of Financial Position

Strong liquid reserve & value preservation



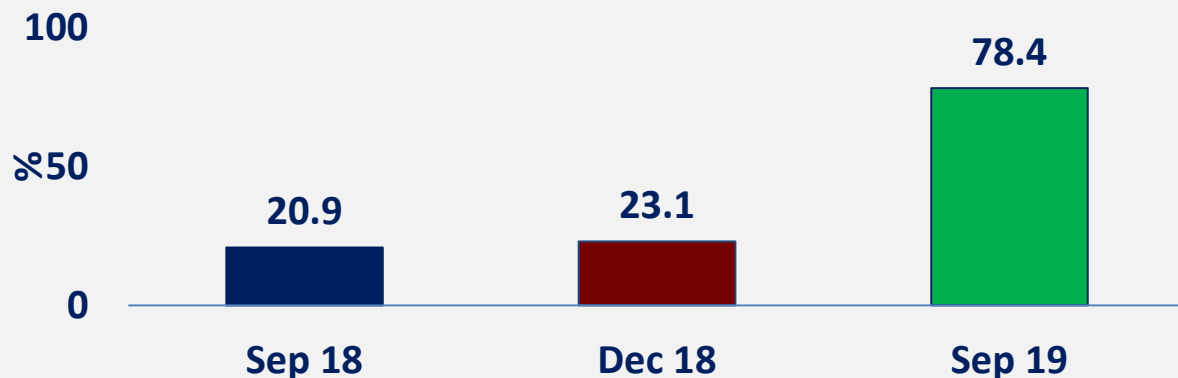
Summarised Statement of Financial Position

	30 Sept 19 (\$m)	31 Dec 18 (\$m)	Growth (%)
Total Assets	5 829.6	2 449.9	137.9 ↑
Total Deposits	3 643.4	2 079.2	75.2 ↑
Total Advances	823.4	487.0	69.1 ↑
Financial Securities	1 209.5	1 244.9	(2.8) ↓
Cash & cash equivalent	1 574.9	376.3	318.5 ↑
Property and equipment	859.9	77.4	1010.6 ↑
Funds Under Management	1 002.3	379.3	164.3 ↑
Total Shareholders' Funds	1 831.2	315.8	479.9 ↑

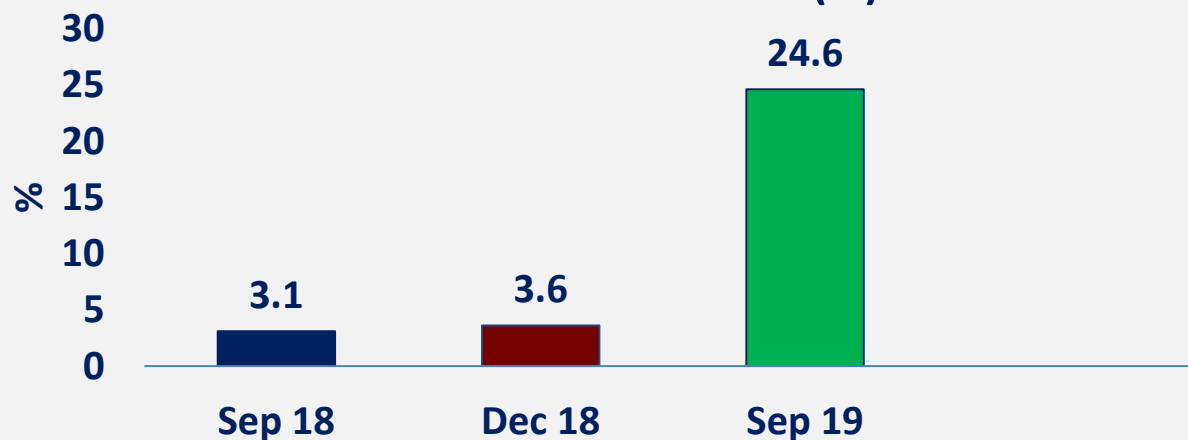
4.4 Consolidated Statement of Profit or loss

Summarised Consolidated Statement of Profit or Loss

Return on equity Ratio (%)



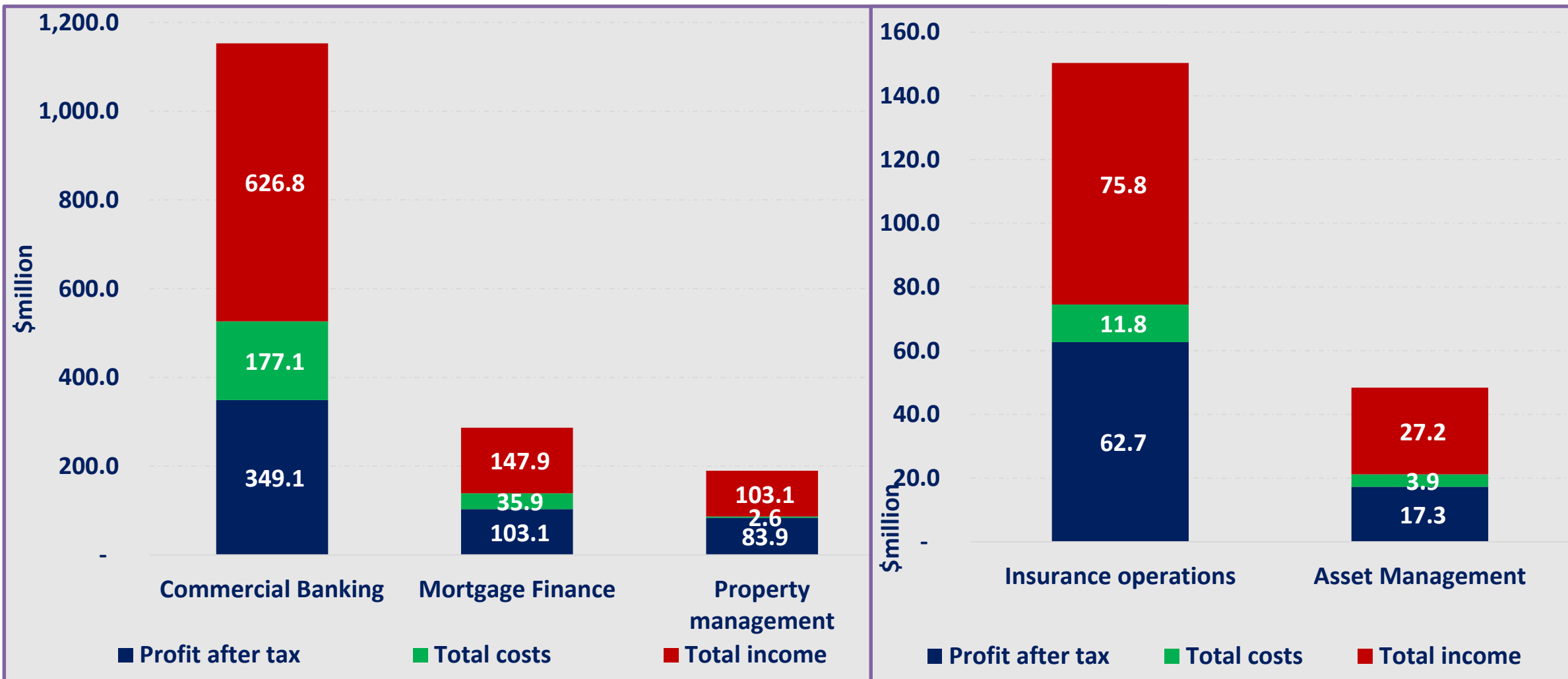
Return on assets Ratio (%)



	30 Sep 19 \$m	30 Sep 18 \$m	Growth (%)
Net Interest Income	90.3	64.6	39.8
Non interest Income	906.1	74.7	1113.0
Underwriting Income	8.5	6.9	23.5
Total Income	1 005.0	146.2	587.4
Total Expenditure	(235.2)	(80.3)	192.9
Profit After Tax for the period	631.2	47.1	1240.7
EPS (cents)	162.3	12.1	1241.3

4.5 Subsidiary Business Performance-Profitability

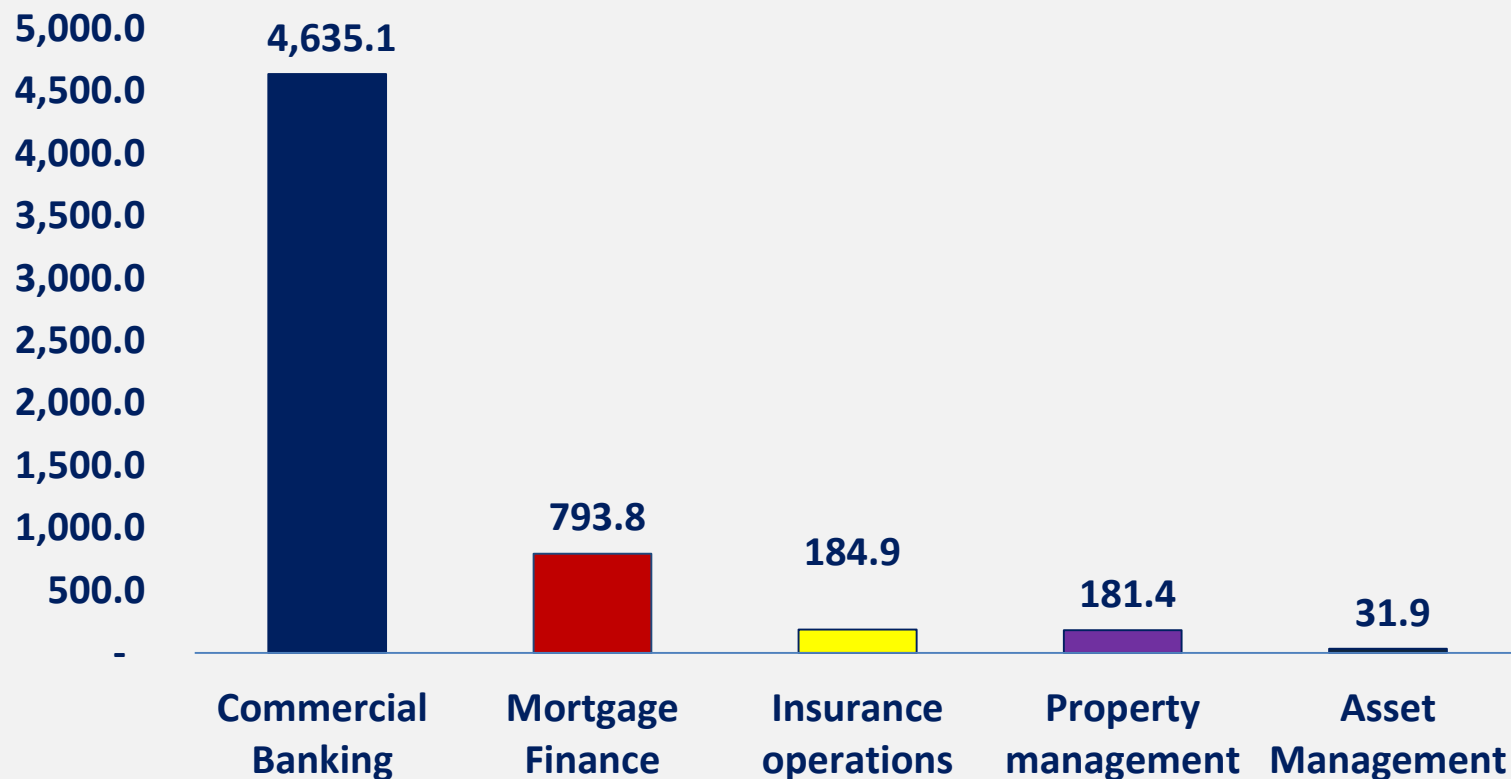
Profitability Performance



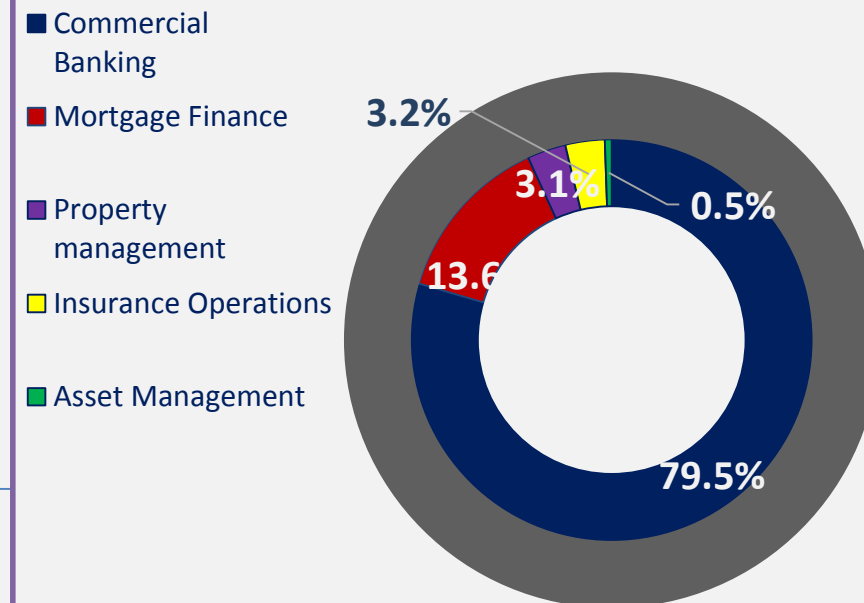
4.6 Subsidiary Business Performance-Balance sheet

Total Assets

Total assets (millions)



Total assets Contribution (%)





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