



FBC Holdings Limited

strength • diversity • service



Analyst Briefing 2013

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Year to Date Highlights

- Review of Macro-Economic fundamentals by MoF:
 - 2013 GDP growth projection revised downwards to 3.4% from 5%.
 - 2013 Annual Average Inflation revised downwards to 3.9% from 5%.
 - 2013 Exports revised from US\$5.201 bln to US\$4.536 billion.
 - Broad Money Supply revised from US\$4.473 billion to US\$4.416 billion.
 - MOU
- Review of Financial Sector performance:
 - Total banking sector deposits as at 31 May 2013 . US\$4.43 billion.
 - Total banking sector loans & advances as at 31 May 2013 . US\$3.59 billion.
 - Deterioration in asset quality; NPLs increased from 1.8% (Dec-12) to 13.78% (March -13).
 - 12 banks of the 21 banking institutions were compliant with the 31-Dec-12 MCR of US\$25 million by March 2013.

Payment System Statistics (January 2013 – June 2013)

Source: Reserve Bank of Zimbabwe



Payment System	YTD June 2013 (Volumes)	Values (in US\$)	
		30-Jun-12	30-Jun-13
RTGS	41,390,011,019	3,407,250,178	3,544,347,490
Cheque	99,765,842	6,494,129	5,895,296
POS	1,158,618,128	56,803,611	117,106,254
ATMs	2,034,705,492.	121,315,759	181,347,652
Mobile	1,211,291,643	9,996,308	144,660,498
Internet	1,325,528,727	83,545,331	121,982,584
Total	47,219,920,850	3,685,405,317	4,115,339,773



Proud to be in the Winner's Circle

FBC Holdings takes pride in it's achievement of being awarded Best Bank 2012/13 in the Quoted Companies Survey 2013.



Year to Date Highlights

- Review of Securities Market by MoF:
 - Subdued trading performance in 1st Qtr, but sterling performance in 2nd Qtr driven by foreign participation on the buy side.
 - Central Securities Depository expected to go live this year.
 - ZSE Demutualisation expected by in 2014.
- Industry capacity utilization decreased from 57% in 2011 to 40% in 2012.
- Assurance by RBZ that the multi-currency regime will be in use for the foreseeable future.

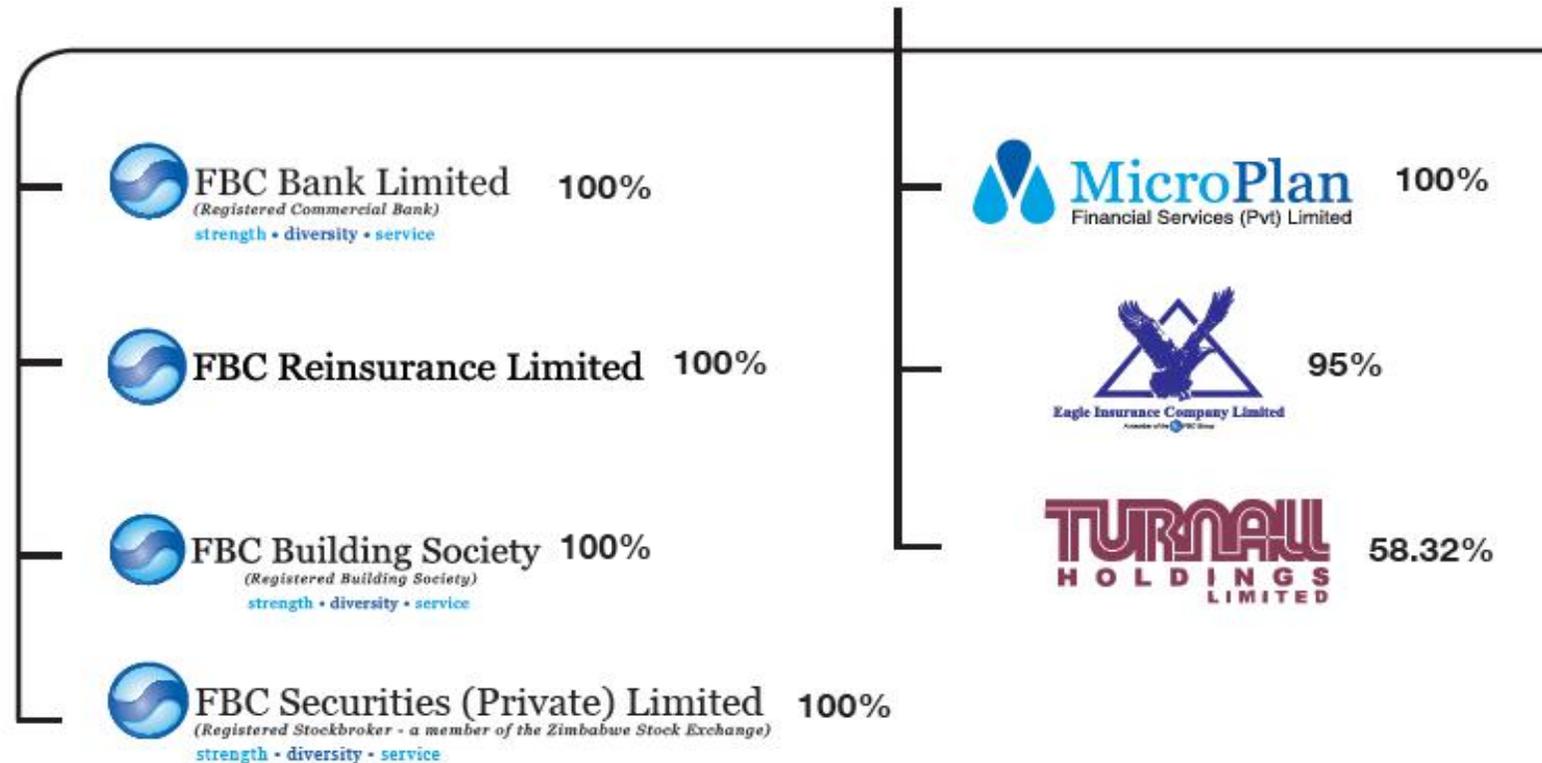


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Our Group Structure



Complete Suite of Products to meet Diverse Customer Needs



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Year to Date Highlights

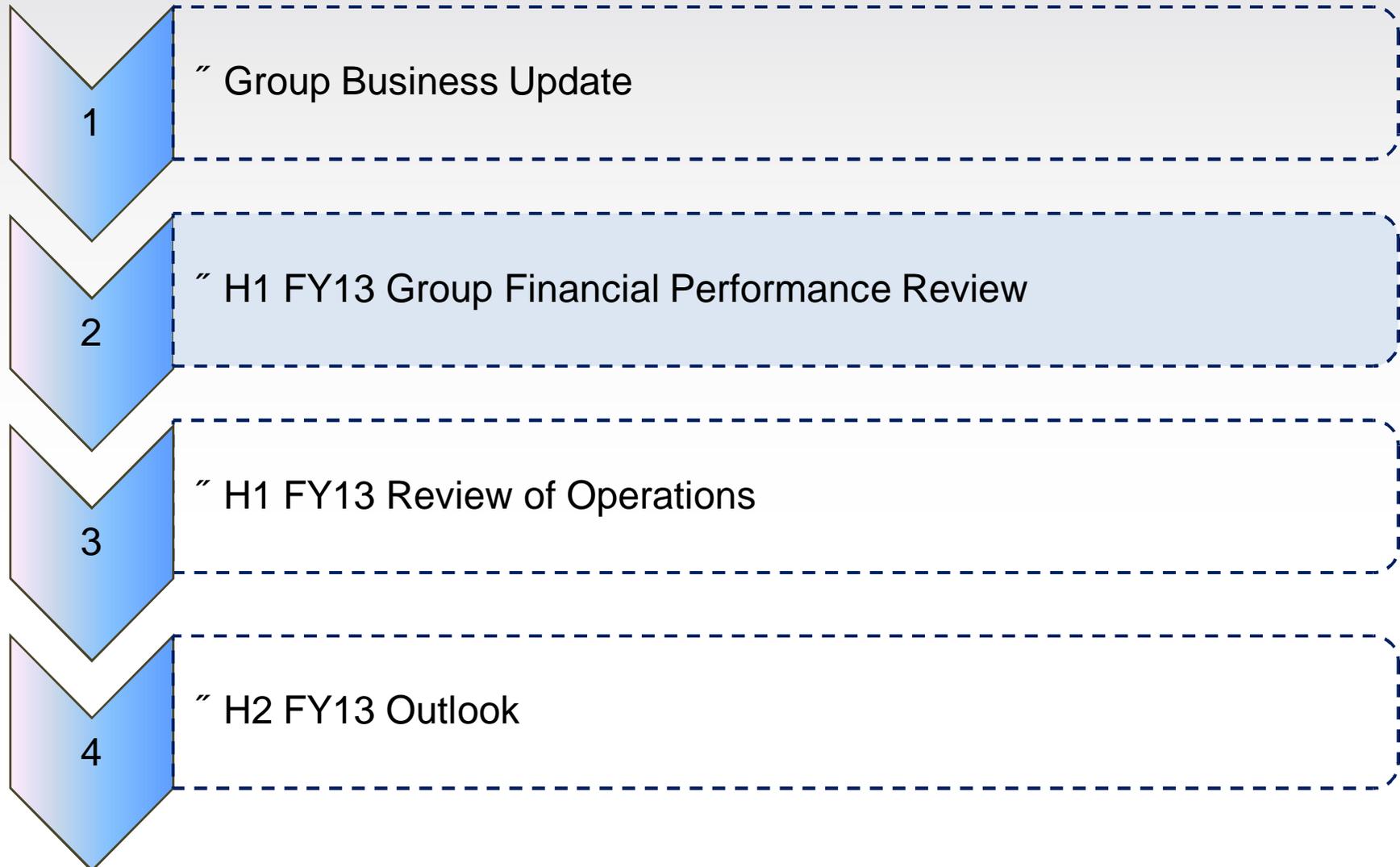
- Undertook a Corporate Restructuring Transaction.
 - FBC Building Society now owned 100% by FBC Holdings Limited.
 - NSSA now a 35% shareholder of FBC Holdings Limited.
 - Shareholder approval obtained to merge FBC Bank & FBC Building Society at the appropriate time.
- Sale of Treasury Shares to strategic investor.
 - ShoreCap II Limited now a 7.31% shareholder of FBC Holdings Limited.
 - Capacity building of Micro Lending and SME operations of FBC.
 - Access to additional lines of credit through investors in ShoreCap II Limited
- Awarded the 2012 Banking Sector Award by the Zimbabwe Quoted Companies Survey for the 3rd time, and 2nd consecutive year.

Group Capital Position...

As at 30 June 2013



Company	Gross Capital Base (US\$)	Regulatory Minimum (US\$)
FBC Bank Limited	\$37.5 million	\$50 million
FBC Building Society	\$22.5 million	\$40 million
Total (Bank & Building Society)	\$60 million	\$50 million
FBC Reinsurance Limited	\$8.2 million	\$1.5 million
Eagle Insurance Co. Limited	\$2.5 million	\$1 million
FBC Securities (Pvt) Limited	\$316 000	\$150 000
Microplan Financial Services	\$1.6 million	\$5 000
Turnall Holdings Limited	\$29.6 million	n/a
FBC Holdings Ltd (Total Equity)	\$101.5 million	n/a



Financial Highlights

- Group profit before tax has grown by 10% to US\$10 million from US\$9.2 million.
- Group profit after tax increased by 20% to US\$8.3 million from US\$6.9 million.
- Interim dividend of US0.149 cents per share declared.
- Cost to income ratio improved from 75% to 73%.
- Basic earnings per share increased to 1.31 US cents from 1.06 US cents per share.
- Total equity attributable to FBCH shareholders increased by 31% to US\$88 million from US\$67 million as at 31 December 2012.



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Cont...

Financial Highlights

- Total equity including minority interests increased by 15% to US\$101 million from US\$88 million.
- US\$5 million equity added from disposal of Treasury Shares and restructuring transaction.
- Total assets have grown by 15% to US\$451 million from US\$392 million.
- Net asset value per share 13.10 US cents (2012 - 12.05 US cents).



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Statement of Comprehensive Income; Highlights...

	30-Jun- 13	30-Jun-12	Change	
Total Income	\$36.8 mln	\$36.7 mln		+ 0.2%
Operating Expenses	\$21.7 mln	\$21.1 mln		+ 3%
Profit Before Tax	\$10 mln	\$9. 2 mln		+ 9%
Profit After Tax	\$8. 3 mln	\$6. 9 mln		+20%
EPS (cents)	US1.31	US1. 06		+ 24%
Interim Dividend (cents)	US0.149	-		



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Consolidated Statement of Financial Position; Highlights...



	30-Jun-13	FY 12		Change
Cash and Equiv.	\$119 mln	\$82 mln	↑	45%
Other assets	\$332 mln	\$310 mln	↑	7%
Total Assets	\$451 mln	\$392 mln	↑	+ 15%
Total Equity	\$101 mln	\$88 mln	↑	+ 15%
Loans & Advances	\$211 mln	\$191 mln	↑	+ 11%
Total Deposits	\$295 mln	\$254 mln	↑	+16%

Consolidated Statement of Comprehensive Income...



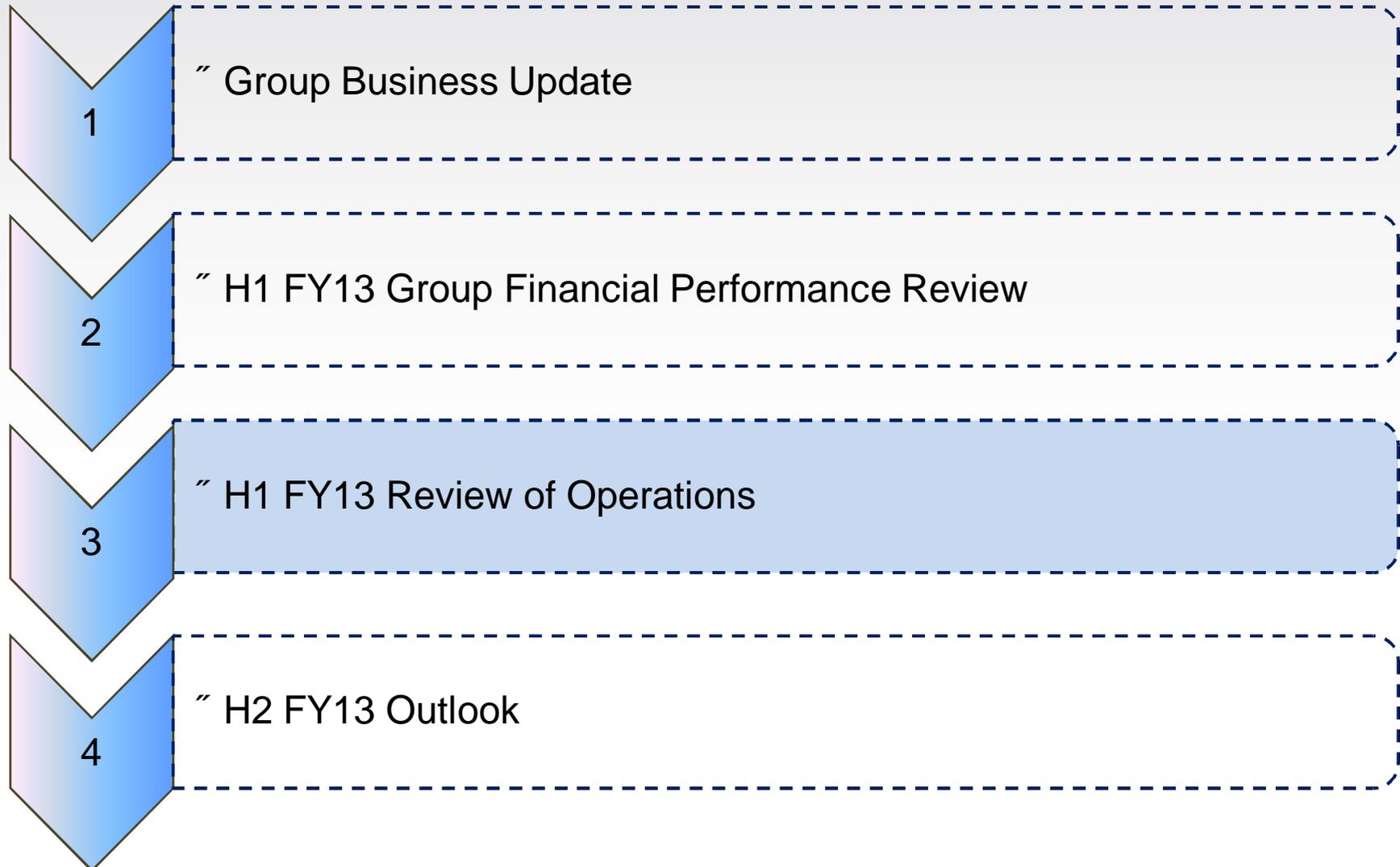
	30-Jun-13 (US\$)	30-Jun-12 (US\$)
Total Income	36 801 774	36 744 791
Net Insurance Com Expense	(1 841 936)	(1 867 270)
Insurance Claims Expense	(2 620 530)	(3 244 937)
Operating Expenses	(21 687 159)	(21 105 466)
Impairment	(623 964)	(1 368 383)
Profit Before Tax	10 028 185	9 158 735
Income Tax Expense	(1 729 194)	(2 218 950)
Profit for the Period	8 298 991	6 939 785

Income Breakdown...

	30-Jun-13	% Contribution		30-Jun-12	% change
		H1FY13	H1FY12		
Interest Income	20 319 390			18 594 134	 9%
Interest Expense	(10 464 365)			(9 194 778)	 14%
Net Interest Income	9 855 025	27%	26%	9 399 356	 5%
Net Fee & Commission Income	11 468 244	31%	31%	11 288 650	 2%
Gross Profit	6 330 409	17%	20%	7 444 585	 15%
Premium Ceded	(4 872 989)			(3 122 397)	 56%
Insurance Premium Revenue	12 088 498			10 769 722	 12%
Net Earned Insurance Premium	7 215 509	20%	21%	7 647 325	 6%
Other Income	1 932 587	5%	3%	964 875	 100%
Total Income	36 801 774	100%	100%	36 744 791	 0.2%

Operating Expenses Breakdown...

	30-Jun-13	30-Jun-12	% Change
Administrative Expenditure	8 644 641	8 282 737	 4%
Staff costs	10 968 552	10 754 530	 2%
Directors Remuneration	256 742	290 149	 12%
Audit Fees	182 228	302 286	 40%
Depreciation	1 259 523	1 096 817	 15%
Operating Lease Payment	375 472	378 948	 1%
Total Expenditure	21 687 159	21 105 466	 3%





Year to Date Highlights

- Broadening revenue mix to offset the impact of MOU i.e.
 - Increased transaction volumes in digital and mobile space.
 - Aggressively penetrating the Investment Banking space.
 - Added a new Business Prepaid Card to our MasterCard product range.
 - Now offering Money Gram services.
- Actively penetrating under-served customer segments i.e.
 - Specialized Banking Services like %SME Banking+launched.
 - New Tailor Made products like %Lease Finance+have being rolled out.
 - Opening new branches in strategic markets e.g. Beitbridge.
- Undertaking branch refurbishments to enhance service delivery.
- Maintained a Global Credit Rating of A-.



TELLER 1

TELLER 2

TELLER 3

TELLER 4

BC Virtual

erts

our hard earned money
deserves hardworking benefits

is is how good the Madhala's
account is

No service fees
No minimum
balance when
opening account
No bank charges

FBC Senior
Account



mobilemoola



insure your valuables
through FBC
Bancassurance



Member of
FBC Group
Fidelity & Deposit

Enjoy global
recognition



**FBC Mutareõ
Elegant and secureõ**

Latest addition to our branch network– FBC Beitbridge



FBC Bank



Lines of Credit...



SOURCE	AMOUNT (US\$)	COMMENT
Afreximbank	\$40 million	US\$21 million disbursed to date
ZETREF	\$15 million	US\$12.5 million disbursed to date
Afreximbank	\$15 million	US\$14.6 million disbursed to date
PTA Bank	\$7. 98 million	Disbursed in full
ZADT	\$5 million	US\$4.9 million disbursed to date
TOTAL	\$82.98 Million	

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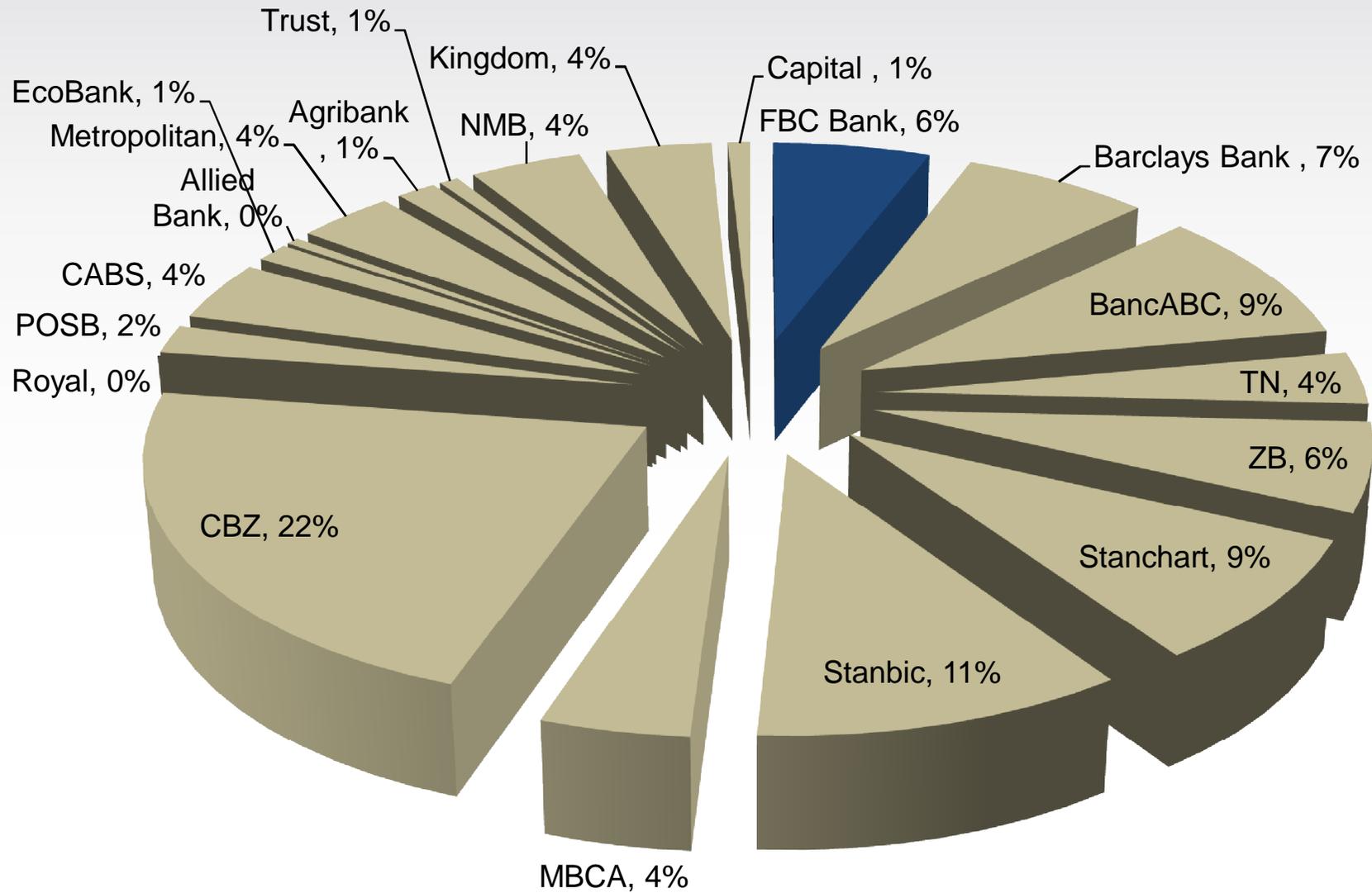
Asset Quality By Grade...



GRADE	DESCRIPTION	AMOUNT
Grade 1 – 7 (A/B)	Unimpaired	171 097 639 (93%)
Grade 8 – 10 (C/D/E)	Individually Impaired	13 508 463 (7%)
Total		184 606 102 (100%)



Total Deposits Market Share as at May 2013...

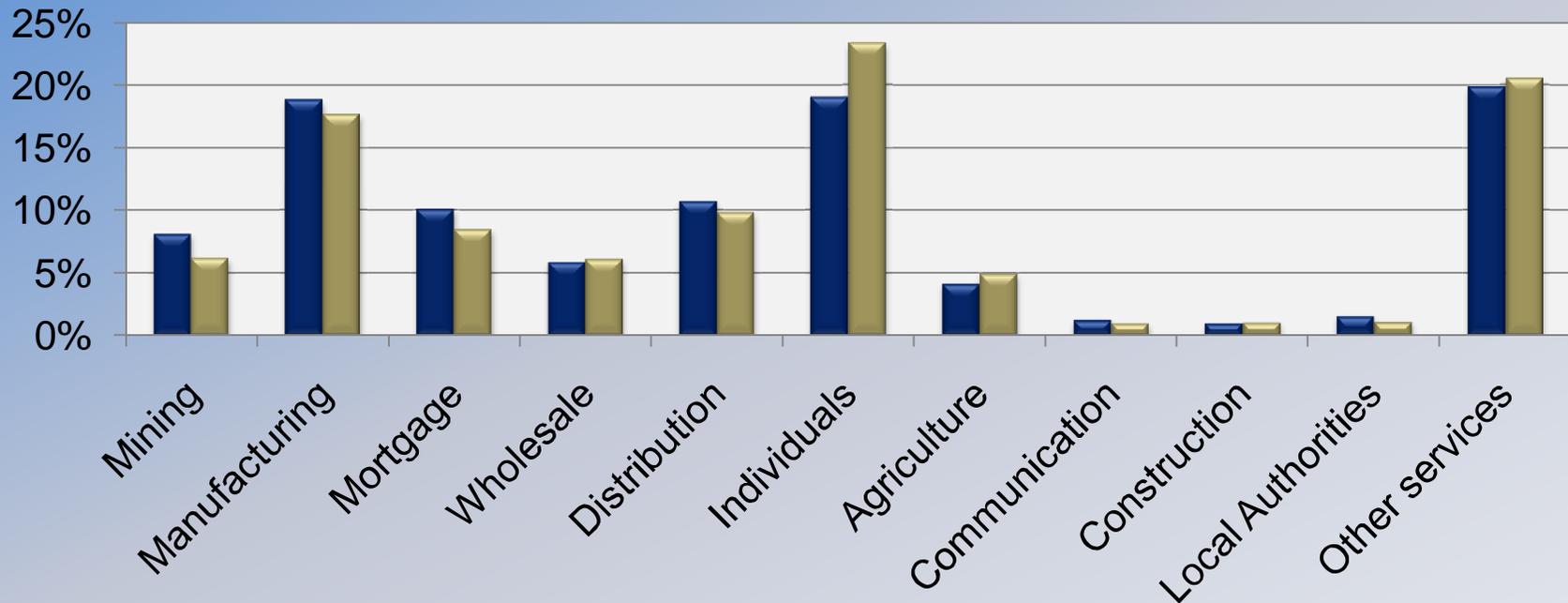


Increasing Lending to productive sectors...



FBC Bank Loan Sectorial Concentration

■ H1FY13 ■ FY12



Chinhoyi University of Technology

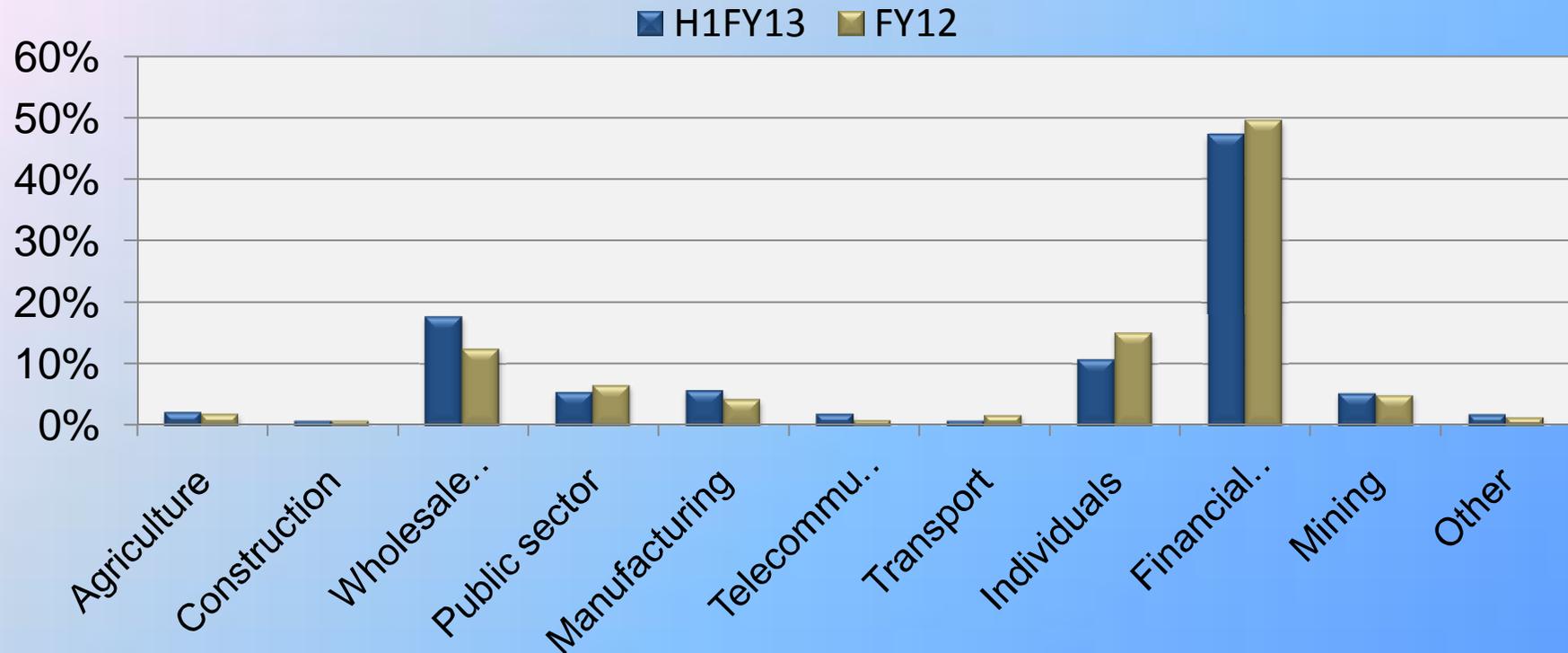
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Marginal improvements from other segments...

FBC Bank Deposit Concentration






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Contribution to Group			Profitable Operations	
Total Assets	Total Equity	PBT	Total Income	Expenses
\$326, 6 m (64%)	\$37, 5 m (37%)	\$4, 2 m (42%)	\$17, 8 m (54%)	\$13, 3 m (65%)



Year to Date Highlights

- Sold 75 housing units with a total value of about \$6 million between January 2013 and June 2013.
- Disbursed a further US\$5 million in direct mortgages.
- Maintaining a high quality mortgage book.
- Undertaking branch refurbishments to enhance service delivery.
- Promoting financial inclusion through introduction of Mobile Moola and Internet Banking services to focus markets.
- Maintained a Global Credit Rating of BBB-.



Philadelphia Cluster Home Project



Projects Update...



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Ongoing Projects	Target Project Total units	Year to Date Sales
Glaudina (Harare)	50	30 sold; balance under construction
Mbizo (Kwekwe)	160	Construction work recently started
Philadelphia (Harare)	7	5
Greendale (Harare)	10	2 already sold before completion
Washington Ave (Waterfalls)	16	Last 9 units of project sold
Mkoba 14 (Gweru)	202	Last 32 units of project sold in 2013

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mortgages • property development • savings • treasury

Upcoming Projects	Type
Masotcha Ndlovu, Waterfalls	72 cluster home project; 36 to be done this year
LAND BANK	
Helensvale	Land Bank (2, 0267 Hectares)
Springvale (Ruwa)	Land Bank (10 stands, average 1000 sq m each)
Glen Lorne	Land Bank (9.6 acres)

- Scouting for more land.
- Negotiations at an advanced stage with various land owners for joint venture projects

Secure your future through the FBC Building Society 10 year Mortgage



Contact: **Charity : 0775 196610**
Morris : 0772 744111
Pius : 0712 436149

Tel: **04 781 804,**
772 732, 757 904



FBC Building Society
(Registered Building Society)

info@fbc.co.zw

www.fbc.co.zw

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Contribution to Group			Profitable Operations	
Total Assets	Total Equity	Surplus	Total Income	Expenses
\$70, 7 m (14%)	\$22, 5 m (22%)	\$3, 1 m (31%)	\$6, 4 m (19%)	\$3, 1 m (12%)

Year to Date Highlights

- Significantly increased lending capacity following acquisition of 7.31% of FBC Holdings Limited by ShoreCap II Limited.
- Intensified branch roll-out to increased visibility in target markets i.e.
 - Opened new branches in Mtoko, Gwanda and Masvingo by June 2013.
 - Chiredzi, Chivhu, Chipinge and Gokwe to be open by December 2013.
- Loan book remains skewed towards %Deduct at Source+facilities to manage credit risk.



A strong partnership

Providing financial solutions to retrenchees with viable income generating projects/proposals



In association with





Contribution to Group			Profitable Operations	
Total Assets \$11, 1m (2%)	Total Equity \$1, 6 m (2%)	PBT \$0, 56 m (6%)	Total Income \$1, 2 m (4%)	Expenses \$0, 6 m (2%)



Year to Date Highlights

- Rated the most profitable Reinsurer in Zimbabwe by measure of Profit Before Tax, according to the 2013 1st Qtr IPEC Report.
- Also continues to be the most liquid reinsurer in Zimbabwe (IPEC Rated).
- Best claims turnaround period (48 hours).
- Maintained its GCR Rating of A-.
- Diversifying revenue streams by underwriting regional business from Mozambique, Zambia & Malawi.



Providing risk
solutions to
insurers in Africa
and beyond





FBC Reinsurance Limited

Contribution to Group			Profitable Operations	
Total Assets \$20, 3 m (4%)	Total Equity \$8.2 m (8%)	PBT \$1, 6 m (16%)	Total Income \$2, 6 m (8%)	Expenses \$1 m (4%)

Year to Date Highlights....



- Significant improvement in the cash reserves mainly due to the improved underwriting philosophy and intensified cash collections.
- Money market investments portfolio grew by 76% between December 2012 & June 2013.
- Introduced the Hospital Cash Plan product - a first in the Zimbabwean market.
- First Insurance Company to Fully implement web based IT system.



A *plan* that covers you and your loved ones



Contribution to Group			Profitable Operations	
Total Assets	Total Equity	PBT	Total Income	Expenses
\$6, 9 m (1%)	\$2.5 m (2%)	\$0, 5 m (5%)	\$1, 6 m (5%)	\$1, 1 m (4%)

Year to Date Highlights

- Managed to break-even for the half year ended 30 June 2013.
- The concrete tile plant was handed over to local engineers and was commissioned in July 2013, and now in full production.
- The concrete plant is expected to augment the product range and increase profitability for the unit.

An all time partner for
a successful future





STRICTLY NO ADJUSTANCE
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Contribution to Group			Profitable Operations	
Total Assets	Total Equity	PBT	Total Income	Expenses
\$70 m (14%)	\$29, 5 m (29%)	\$0, 03m (0.3%)	\$3, 3 m (10%)	\$3, 5 m (13%)

The return to profitability....

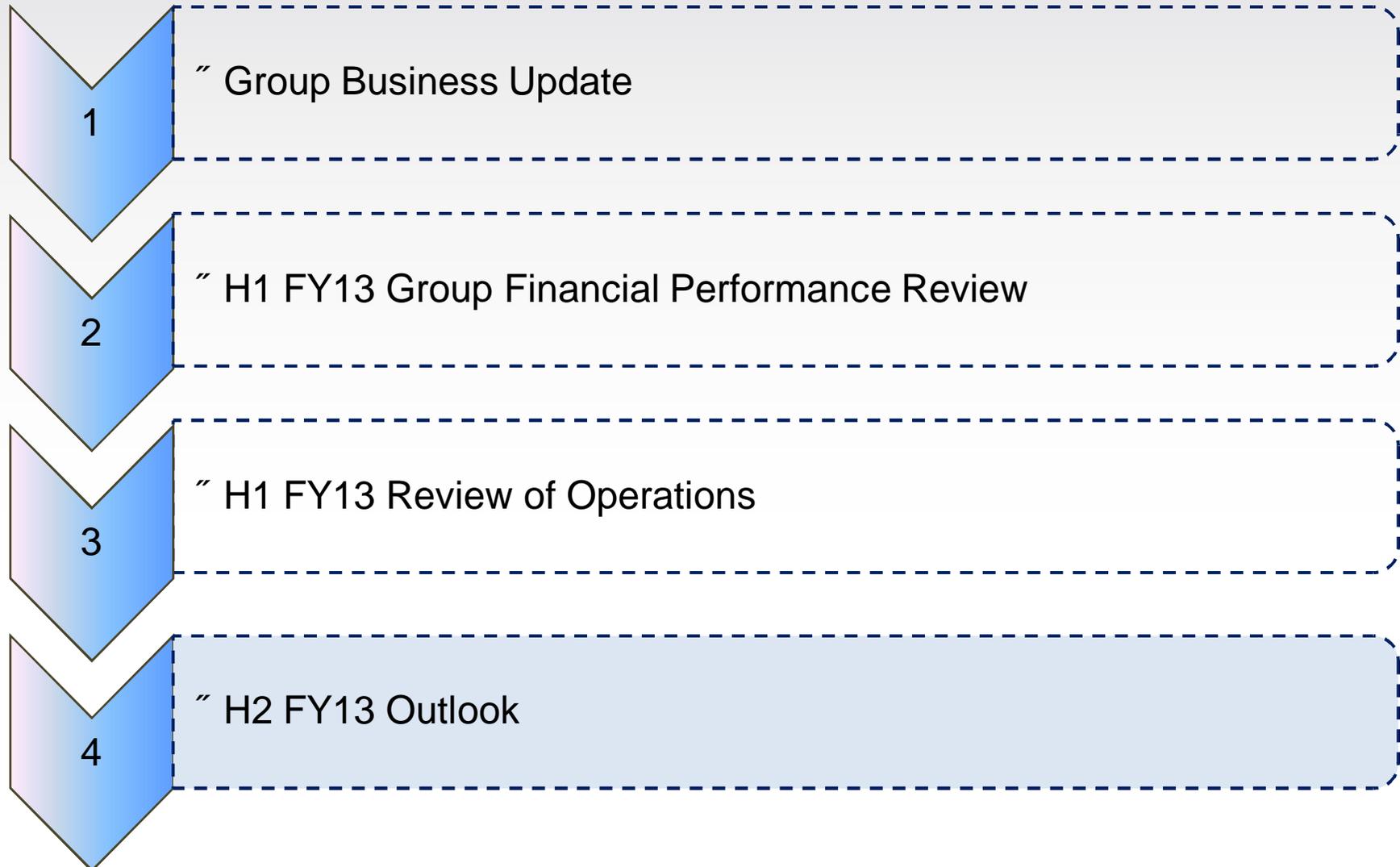


FBC Securities (Pvt) Ltd.
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FBC Securities (Pvt) Ltd.
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Contribution to Group			Profitable Operations	
Total Assets	Total Equity	PBT	Total Income	Expenses
\$7, 1 m (1%)	\$0, 3 m (0.3%)	\$0, 1 m (1%)	\$0, 32 m (1%)	\$0, 2m (1%)





STRIKING A BALANCE

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Outlook

- Banking businesses will continue focusing on Liquidity Management and Asset Quality, and increasing digital and electronic transactions.
- The insurance businesses will focus on collectable premiums written and maintaining of liquid balance sheets.
- FBC Bank Limited will be rolling out agency banking for mobile money transfer in the second half of the year, anchored by Zimpost's wide distribution network.
- Micro Plan to increase outreach through opening new branches in Mutare, Chiredzi, Chivhu, and Gokwe.
- Turnall will focus on Working Capital Management and the marketing of the concrete tile product line.



Thank You



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