



Analysts Briefing 2012

Group Interim Results for the six months ended 30 June 2012



FBC Holdings Limited

strength • diversity • service



Presentation Outline

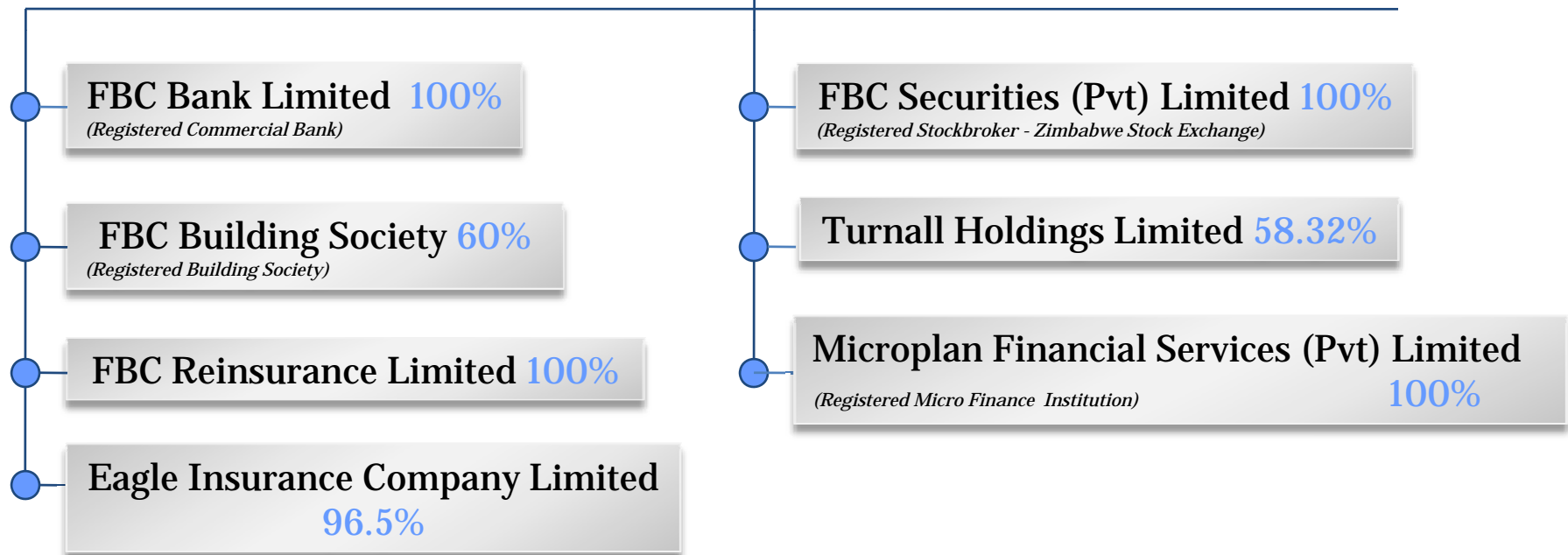
1. Group Structure
2. Group Highlights
3. Review of Operations by subsidiary
4. Financial Review
5. Capital adequacy
6. Outlook



FBC Holdings Limited
strength • diversity • service



FBC Holdings Limited
strength • diversity • service





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2012 Group Highlights

Management Restructuring

- FBC Re MD Stan Kudenga resigned early 2012 and was replaced by Kleto Chiketsani.

Solid Performance in challenging market conditions

- FBC Holdings was awarded the Banking Award 2012 by the Zimbabwe Independent's Quoted Companies Survey.
- Surpassed half year 2011 performance in the 6 months to 30/06/12.



2012 Group Highlights

Continued e-commerce drive

- Delivery of the bulk of our products now on the e-commerce platform in order to;
 1. Reduce distribution costs
 2. Ensure that our products are affordable
 3. Increase market coverage



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Year to Date achievements

- Celebrated 15 years of professional existence on the 9th of August 2012.
- Attained Mastercard acquirer status.
- Successfully launched Mobile Moola – A mobile money product driven by Zimswitch Instant Payment Interchange Technology (ZIPIT).

Celebrating 15 years of
strength, diversity & service

15 YEARS OF EXCELLENCE
15th
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(Registered Commercial Bank)
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Year to Date achievements

- Comfortably exceeded Minimum Capital Requirements.
- Performance supported by cost reduction through technology driven distribution channels and increased customer acquisition.
- Branch network – Refurbished Masvingo branch, Mutare branch work in progress, Eagle House branch and Chitungwiza on the cards.
- Highly liquid balance sheet and conservative loan/deposit ratio.

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2nd Half 2012 Highlights

- To launch Visa products in the next six (6) months.
- To launch Instant Banking complementary to Mobile Moola to access the unbanked.
- Commissioning of Chitungwiza, Mutare, Beitbridge and Eagle House branches.



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Overall balance sheet composition and growth

Period	ASSETS				Deposits				Balance sheet growth
	Balances with other banks and cash (US\$'m)	Loans and advances (US\$'m)	Other assets (US\$'m)	Total Balance sheet (US\$'m)	Deposits (US\$'m)	Other liabilities (US\$'m)	Equity (US\$'m)	Total Balance sheet (US\$'m)	
30 June 2011	54	101	29	184	148	11	26	184	-
31 December 2011	49	110	29	188	151	9	28	188	2%
30 June 2012	48	156	36	240	204	6	30	240	28%

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FBC Bank: Asset Quality By Grade

Grade	Description	Gross Amount (US\$)	Impairment (Provisions) (US\$)	Total (US\$)
A/B	Unimpaired	146,216,654	1,740,240	144,476,414
C/D/E	Individually Impaired	14,633,318	2,686,064	11,947,254
Total		160,849,972	4,426,304	156,423,668



FBC Bank's Liquidity Loan / Deposit Ratios

Period	Deposits		Loans and advances		Loan to Deposit Ratio
	Value (US\$)	% Growth	Value (US\$)	% Growth	
30 June 2011	147,936,854	-	100,653,150	-	68%
31 December 2011	150,689,337	2%	113,240,672	13%	75%
30 June 2012	204,243,271	36%	156,423,668	38%	77%



Lines of credit

Source	Amount (USD)	Comment
PTA Bank	\$10 million	Disbursed
ZETREF	\$10 million	Disbursement in progress
ZETREF (2 nd Tranche)	\$5 million	Being Disbursed
Afreximbank	\$10 Million	Disbursement in progress
ZADT	\$4, 25 Million	Being Disbursed
Total	\$39, 25 Million	

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15 years of banking excellence

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Quoted Companies Survey 2012

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Year to Date achievements

- Secured US\$5 million credit line from PTA Bank for property development. The amount is currently being disbursed.
- Loan book grew by 15% from 31 December 2011.
- Advanced stage to accessing 10 year offshore credit line for mortgage lending in the second half of 2012.
- Successfully migrated to the Bank's scalable operating system.

we're always at par with your dreams



mortgages • property development • savings • treasury



Overall balance sheet composition and growth

Period	ASSETS					Deposits				Balance sheet growth
	Balances with other banks and cash (US\$'m)	Loans and advances (US\$'m)	Inventory (US\$'m)	Other assets (US\$'m)	Total Balance sheet (US\$'m)	Deposits (US\$'m)	Other liabilities (US\$'m)	Equity (US\$'m)	Total Balance sheet (US\$'m)	
30 June 2011	10	9	2	5	26	11	3	13	26	
31 December 2011	11	10	2	10	33	16	2	14	33	26%
30 June 2012	15	17	3	6	41	22	3	16	41	25%

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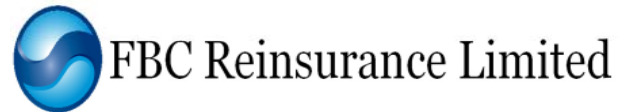
mortgages • property development • savings • treasury



Projects Update.....

2012 PROJECTS	TOTAL UNITS	TOTAL SALES
Montgomery (Waterfalls)	46	35
Glaudina (Phase 2)	45	21
Mkoba 14 (Gweru)	203	Sales to commence in second half
Philadelphia	10	Sales to commence in second half

Ongoing Projects	Type
Washington Ave (Phase 2)	Land Bank (2.25 acres)
Prospect Waterfalls	Land Bank (3.8977 Hectares)
Lot 104 Greendale (Harare)	Land Bank (7,411 sqms)
Helensvale	Land Bank (2, 0267 Hectares)
Springvale (Ruwa)	Land Bank (10 stands, average 1000 sq m each)
Glen Lorne	Land Bank (9.6 acres)



- Maintaining strong underwriting discipline and observing good risk management practices.
- Providing superior claim settlement services to its clients, supported by a liquid balance sheet.
- Managing exposures through retrocession arrangements with strong international reinsurers.
- Subsidiary highly capitalised ahead of an expected increase in regulatory capital.

With **FBC**
the Sky is the limit.



Analysts Briefing 2012



EAGLE INSURANCE
COMPANY LIMITED

- Market share growth.
- Emphasis on Gross Premium **Collected** not Gross Premium **Written**.
- New Product Development: Liberty Health Medical Insurance and Hospital Cash Plan.
- Claims Settlement now within acceptable benchmarks.
- Management Changes: Musa Bako now Managing Director.

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- Performance subdued in the first half of the year due to lack of construction activities, arising from a poor agricultural season.
- A \$4 million contract has been secured in South Africa for delivery starting June 2012 thus exports into South Africa are going to be a key in driving growth.
- Focusing on cost containment, working capital management and increasing profitability.
- Pipe plant will be opened shortly due to orders received for which deposits have already been paid.
- In line with long term growth objectives, the company has invested in plant and machinery to augment roofing product lines. Commissioning expected in second half of 2013.

An all time partner for
a successful future





- Performance of the unit has been commendable since launch in February 2011 to support the informal sector of the economy.
- Established diverse strategic alliances; NSSA - Retrenched loan facility, Ministry of Science & Technology, Progressive Teacher's Union of Zimbabwe (PTUZ), Zimbabwe Teacher's Association (ZIMTA), Zimbabwe Women in Trade and Development (ZWITAD) and Women Development Savings and Credit Cooperative Limited (WDSCCL).



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get a quick loan today**





- New Products Launched
 - Fly now pay later
 - Laptop Credit Scheme
 - Government Pensioners loan Scheme
 - N SSA retrenchees loan scheme
 - Order financing
 - Civil servant loans
- Secured the following lines of credit;
 - US\$2.5 million N SSA for a Retrenchees loan scheme
 - US\$2 million Ministry of Science & Technology loan scheme



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- Strategic drive is to focus on deduct at source salary based loans for reputable institutions/corporates.
- Focus on low limits and structured arrangements.
- Leverage on convenient and efficient technology platforms for delivery of service –Mobile Moola
- Distribution strategy - optimize on Group/ Bank branch distribution network
- Maintain current structure without taking deposits.



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Salient features of 1H 2012 results

Strong Profitability 1 H 2012 vs. 1H 2011

	30-Jun-12	30-Jun-11	30-Jun-10	Change
Total Income	\$31.6 mln	\$24.4 mln	\$17,5 mln	+ 30%
Expenses	\$21.1 mln	\$17.1 mln	\$14.6mln	+ 23%
PBT	\$9.2 mln	\$6.4 mln	\$2.8 mln	+ 44%
EPS (cents)	US1.06	US0.66	US0.31	+ 61%

Sustainable Growth 1 H 2012 vs. FY 2011






	30-Jun-12	31-Dec-11	30-Jun-10	Change
Total Assets	\$346.3 mln	\$279.6 mln	\$264.7 mln	+24%
Total Equity	\$79.6 mln	\$74.2 mln	\$66.4 mln	+ 7%
Loans & Advances	\$180.4 mln	\$121.3 mln	\$101.6 mln	+ 49%
Total Deposits	\$222.5 mln	\$161.4 mln	\$157.6 mln	+ 41%

Sound Prudent Ratios 1 H 2012 vs. 1H 2011

	30-Jun-12	30-Jun-11	30-Jun-10	Change
Return on Equity	12%	10%	3%	
Cost: income Ratio	71%	74%	84%	










Statement of Comprehensive Income; Highlights

	30 June 2012	30 June 2011	Change		31 Dec 2011
Total Income	\$31,6 mln	\$24,4 mln		+ 30%	\$56,9 mln
Expenses	\$21,1 mln	\$17,1 mln		+ 23%	\$37,5 mln
Impairment loss on financial assets	\$1,4 mln	\$0,8 mln		+ 75%	\$3,7 mln
Profit Before Tax	\$9,2 mln	\$6,4 mln		+ 44%	\$15,7 mln
EPS (cents)	US1,06	US0,66		+ 61%	US2,11



Income Breakdown

	30-Jun-12	30-Jun-11	% change
Interest income	18,594,134	12,059,519	 54%
Interest expense	(9,194,778)	(6,098,433)	 51%
Net interest income	9,399,356	5,961,086	 58%
Net fee and commission income	11,288,650	8,873,850	 27%
Gross profit	7,444,585	7,117,703	 5%
Other income	3,499,993	2,438,055	 44%
Total Income	31,632,584	24,390,694	 30%



Other Income Breakdown

	30-Jun-12	30-Jun-11	% change	
Net earned insurance premium	2,535,118	1,722,748	↑	47%
Net trading income	762,279	469,848	↑	62%
Net gains from financial instruments carried at fair value	(183,795)	-	↓	-100%
Other operating income	386,391	245,459	↑	57%
Total Income	3,499,993	2,438,055	↑	44%








Operating Expenses Breakdown

	30-Jun-12	30-Jun-11	% Change	
Administrative expenditure	8,282,738	6,853,716	↑	21%
Staff costs	10,754,530	8,266,364	↑	30%
Directors' remuneration	290,149	203,251	↑	43%
Audit fees	302,287	211,206	↑	43%
Depreciation	1,096,817	1,084,486	↑	1%
Operating lease payment	378,945	503,529	↓	-25%
Total Expenditure	21,105,466	17,122,552	↑	23%



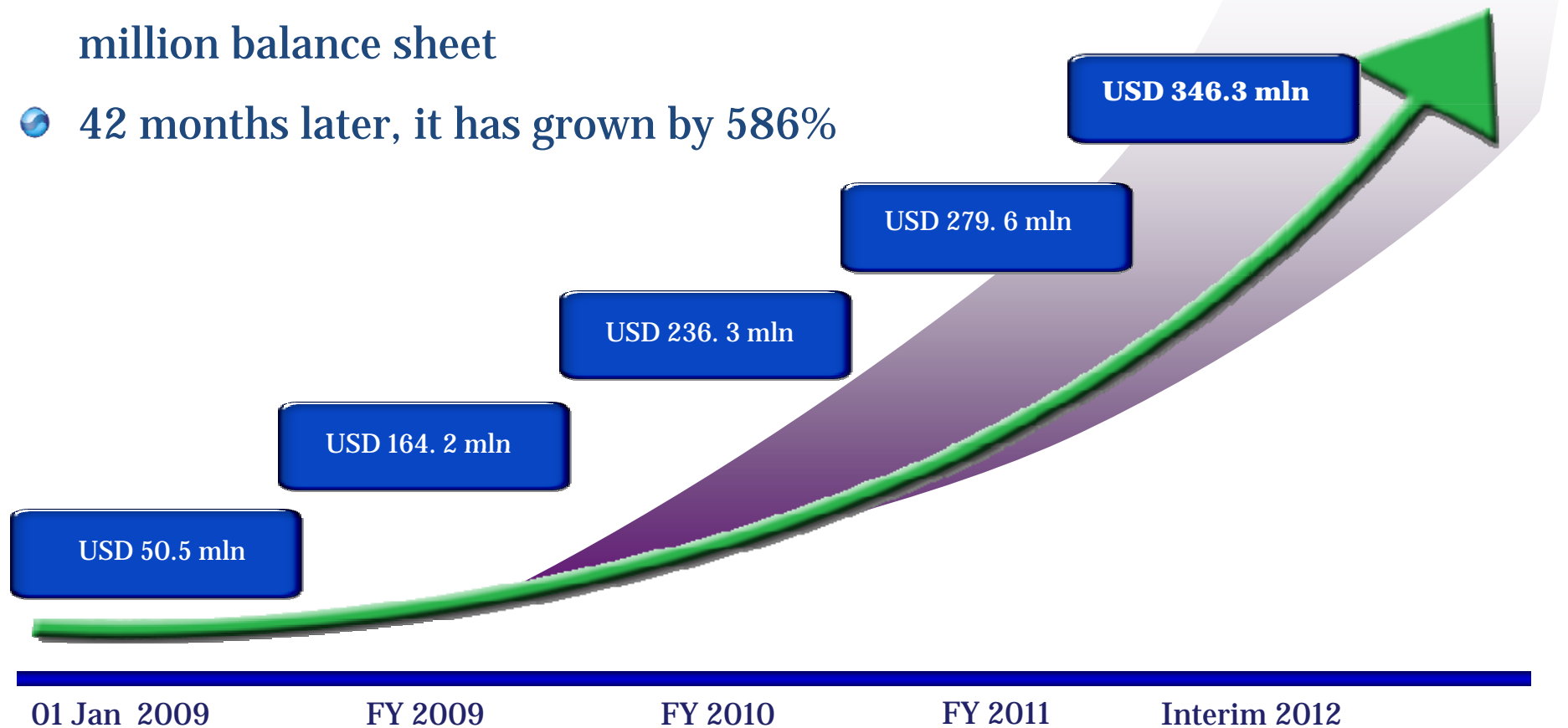
Consolidated Statement of Financial Position; Highlights

	30 June 2012 (US\$)	FY 2011 (US\$)	Change	30 June 2011 (US\$)
Total Assets	346,278,446	279,592,710 	+24%	264, 748, 296
Loans & Advances	180,370,507	121,333,026 	+49%	101, 670, 796
Trade & other Receivables	26,155,131	23,173,709 	+13%	15 ,430, 240
Deposits from customers and other banks	222,502,229	161,409,251 	+38%	157, 309, 875
Total Equity	79,592,467	74,218,832 	+7%	66, 411, 567



Well managed Balance Sheet Growth

- On 01 January 2009, the business had a \$50,5 million balance sheet
- 42 months later, it has grown by 586%





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FBC Bank Limited
(Registered Commercial Bank)
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Contribution to Group

Total Assets
\$240 m
(64%)

Total Equity
\$30,2 m
(30%)

PBT
\$3,8 m
(44%)

Profitable Operations

Total Income
\$17, 8 m
(56%)

Expenses
\$14 m
(61%)





TURNAROUND HOLDINGS LIMITED

Contribution to Group

Total Assets
\$66, 4 m
(20%)

Total Equity
\$29, 3 m
(40%)

PBT
\$1, 3
(17%)

Profitable Operations

Total Income
\$4, 8 m
(15%)

Expenses
\$3, 5 m
(14%)



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FBC Building Society
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Contribution to Group

Total Assets
\$41, 2 m
(8%)

Total Equity
\$16, 2 m
(20%)

PBT
\$2, 3 m
(25%)

Profitable Operations

Total Income
\$5, 1 m
(16%)

Expenses
\$2, 8 m
(13%)



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FBC Reinsurance Limited

Contribution to Group

Total Assets
\$18 m
(4%)

Total Equity
\$6 m
(8%)

PBT
\$0, 6 m
(7%)

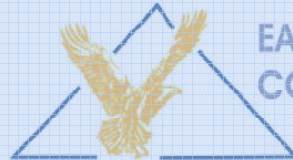
Profitable Operations

Total Income
\$1, 6 m
(5%)

Expenses
\$1 m
(5%)



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**EAGLE INSURANCE
COMPANY LIMITED**

Contribution to Group

Total Assets \$5, 3 m (1%)	Total Equity \$1, 9 m (1%)	PBT \$0, 3 m (3%)
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Profitable Operations

Total Income \$1, 2 m (4%)	Expenses \$0, 9 m (4%)
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Micro Plan Financial Services

Contribution to Group

Total Assets
\$7, 2 m
(2%)

Total Equity
\$0, 7 m
(1%)

PBT
\$0, 4 m
(5%)

Profitable Operations

Total Income
\$0, 9 m
(3%)

Expenses
\$0, 4 m
(2%)



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MicroPlan
Financial Services (Pvt) Limited
(A registered microfinance institution)



FBC Securities (Pvt)Ltd

Contribution to Group			Profitable Operations	
Total Assets \$1, 96 m (1%)	Total Equity \$0, 1 m (0%)	PBT -\$0, 1 m (-1%)	Total Income \$0, 1 m (0%)	Expenses \$0, 2m (1%)





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Capital Adequacy : Banking Subsidiaries

Subsidiary	Regulatory Capital requirements					Actual as at 30 June 2012
	Current	31-Dec-12	30-Jun-13	30-Dec-13	30-Jun-14	
FBC Bank Limited (US\$M)	12.50	25.00	50.00	75.00	100.00	30.21
FBC Building Society (US\$M)	10.00	20.00	40.00	60.00	80.00	16.20



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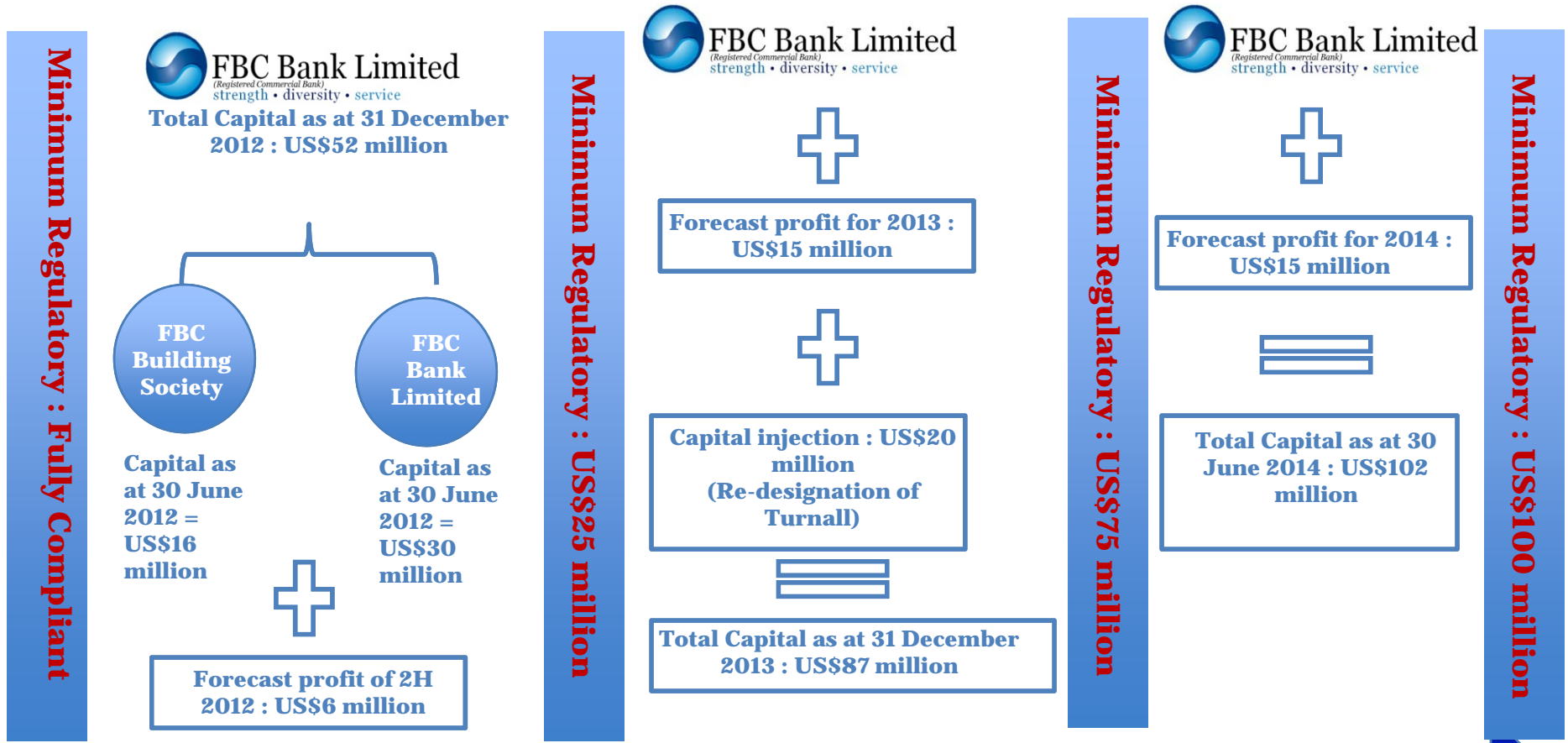


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Banking Subsidiaries : Capitalisation Plan



30 June 2012

31 Dec 2012

31 Dec 2013

30 June 2014



Solid Group-wide Capital Base

FBC Holdings Limited

US\$79 592 467

Subsidiary	Capital base	Regulatory Minimum as at 30 June 2012
FBC Bank Ltd	US\$30 million	US\$12. 5 million
FBC Building Society	US\$16 million	US\$10 million
FBC Reinsurance Limited	US\$6 million	US\$400 000
Eagle Insurance	US\$1. 9 million	US\$300 000
FBC Securities (Pvt) Ltd	US\$150 000	US\$150 000
Microplan Financial Services	US\$725 000	US\$5 000



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Outlook

- 2012 has started on a good note with all SBUs ahead of budget.
- Banking businesses will focus on Liquidity Management and Asset Quality.
- Turnall will focus on Working Capital Management and Exports Growth.
- The insurance businesses will focus on collectable premiums written



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& Go!**

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Tuku (Global Music Icon)



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