



**FBC Holdings Limited**  
strength • diversity • service

# 2018 Analyst Briefing

# Presentation Outline

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Operating Environment

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Group Business Updates

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Group Financial Performance Review

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Review of Strategic Business Units

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FBC Digital Transformation

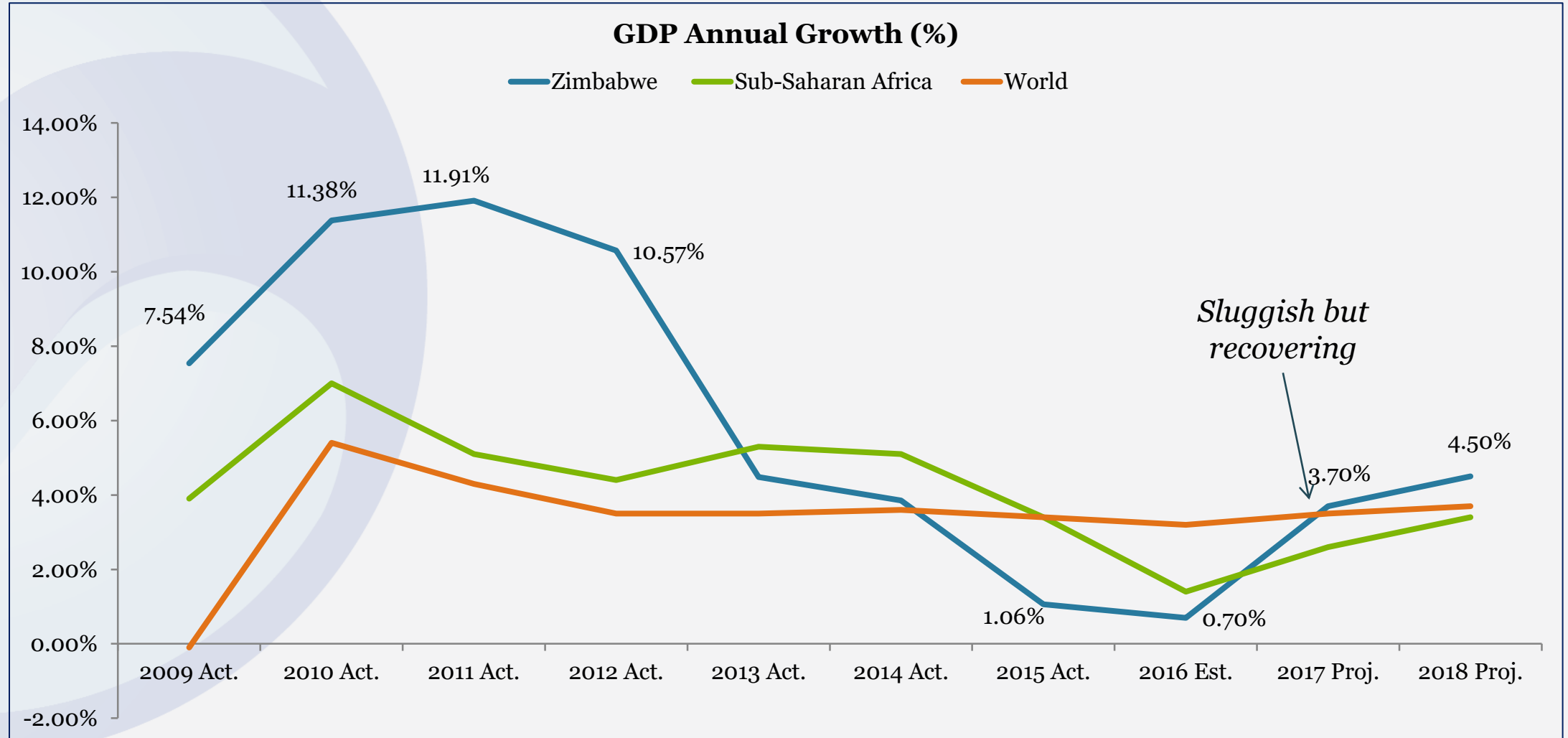
6

Outlook



# Zimbabwe GDP Annual Growth (%): 2009 - 2018

Sources: RBZ, IMF World Economic Outlook (2017)



## Key realities in the macro environment ...

1 • Sluggish economic growth as well as cash and Nostro challenges.

2 • Improvement in revenue collection by Zimra due to electronic methods of payment.

3 • Subdued property market with property owners withdrawing properties from the market

4 • Inflation closed the year at 3.46% against -0.93% for the comparable period in 2016.

5 • Slow growth in insurance business reflective of the prevailing economic environment.

6 • Bullish stock market performance driven by hedging practices.





# Legal & Regulatory Developments ...

- Finance Act of 2018 made amendments to;
  - Indigenisation Act [Chapter 14 : 33].
  - Exchange Control Act [Chapter 22:05].
  - Banking Act [Chapter 24:20].
  - Tax Amnesty.
- Monetary Policy Statement;
  - The Movable Property Security Interests Act [Chapter 14:35], giving effect to the Collateral Registry.
  - Acceptance of 99-Year Land Leases as Security by Banks.
  - Establishment of a Central Credit Reference Bureau.
  - International Financial Reporting Standard (IFRS) 9.
  - Presidential Amnesty on illegally expatriated foreign exchange and assets.
- Money Laundering and Proceeds of Crime Bill 2018, gazetted in March 2018.
- Proposal to amend the Microfinance Act (yet to be gazetted).
- Proposal to overhaul of the Company's Act [Chapter 24:03] through the Company and other Business Entities Bill.



# Impact of economic developments...

| <b>Macroeconomic Fundamental</b> | <b>Key Monetary Interventions</b>   | <b>Impact on FBCH</b>   |
|----------------------------------|---|---|
| Nostro Challenges                | <ul style="list-style-type: none"> <li>- US\$1.1 billion drawdown in Nostro Stabilisation Facilities.</li> </ul>              | <ul style="list-style-type: none"> <li>- Payment of US\$60million Syndicate Loan Facility</li> <li>- Arranging a successor US\$90 million Syndicate Loan Facility</li> </ul>                  |
| Cash Shortages                   | <ul style="list-style-type: none"> <li>- Utilization of bond notes in an amount of US\$290 million.</li> </ul>                | <ul style="list-style-type: none"> <li>- 6 300 POS machines deployed</li> <li>- 100 000 new Instant Cards issued</li> </ul>   |
| Negative Balance of Trade        | <ul style="list-style-type: none"> <li>- Exports Incentive Scheme</li> <li>- Import Substitution (SI 64).</li> </ul>          | <ul style="list-style-type: none"> <li>- Increased support to exporters</li> <li>- Funding of small scale miners</li> <li>- SME Banking to promote import substitution and exports</li> </ul> |
| Promotion of Savings Culture     | <ul style="list-style-type: none"> <li>- Issuance of 7% savings bond with tenures ranging from 1 year and 5 years.</li> </ul> | <ul style="list-style-type: none"> <li>- Increase in interest expense</li> </ul>  |
| Inefficient Interbank Market     | <ul style="list-style-type: none"> <li>- Afreximbank Backed Interbank Market Facility (AFTRADES).</li> </ul>                  | <ul style="list-style-type: none"> <li>- Participant as a Lender through AFTRADES.</li> </ul>   |

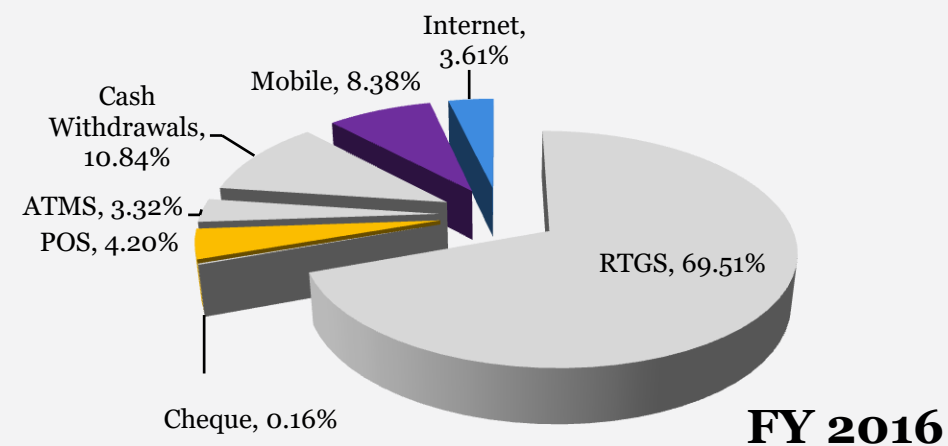
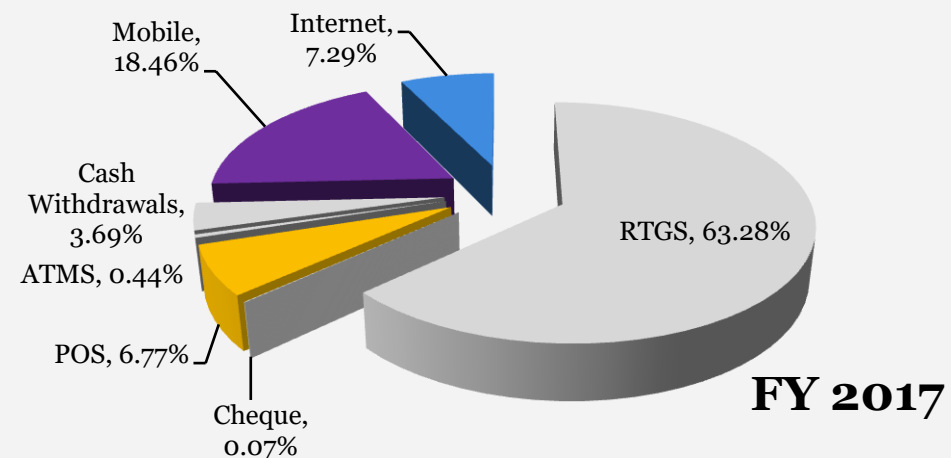


# Systemic shifts in the transactional landscape...

## Payment System Transactional Activities (by Value)

Sources: RBZ, Monetary Policy Statement (2018)

|                  | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change<br>(%) | Move |
|------------------|-------------------|-------------------|---------------|------|
| RTGS             | 48.11 bn          | 61.72 bn          | +28%          | ▲    |
| Cheques          | 0.11 bn           | 0.07 bn           | -39%          | ▼    |
| Point of Sale    | 2.90 bn           | 6.64 bn           | +129%         | ▲    |
| ATMS             | 2.28 bn           | 0.43 bn           | -81%          | ▼    |
| Cash Withdrawals | 7.48 bn           | 3.65 bn           | -51%          | ▼    |
| Mobile           | 5.82 bn           | 18.02 bn          | +210%         | ▲    |
| Internet         | 2.50 bn           | 7.02 bn           | +180%         | ▲    |
| <b>Total</b>     | <b>69.20 bn</b>   | <b>97.54 bn</b>   | <b>+41%</b>   | ▲    |

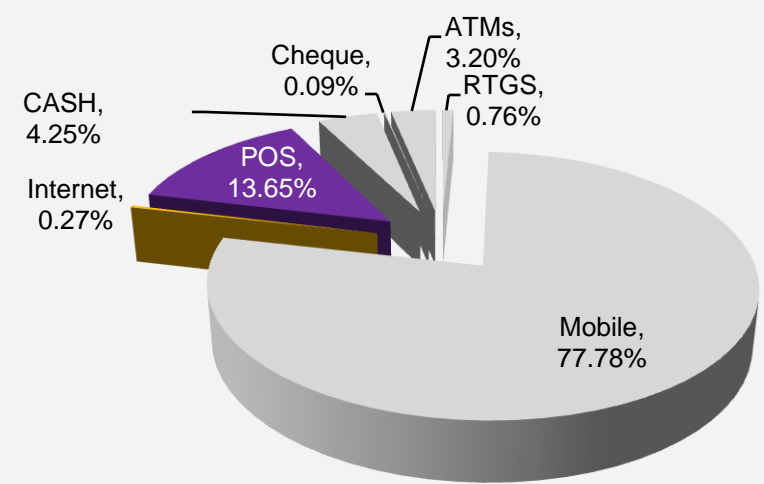
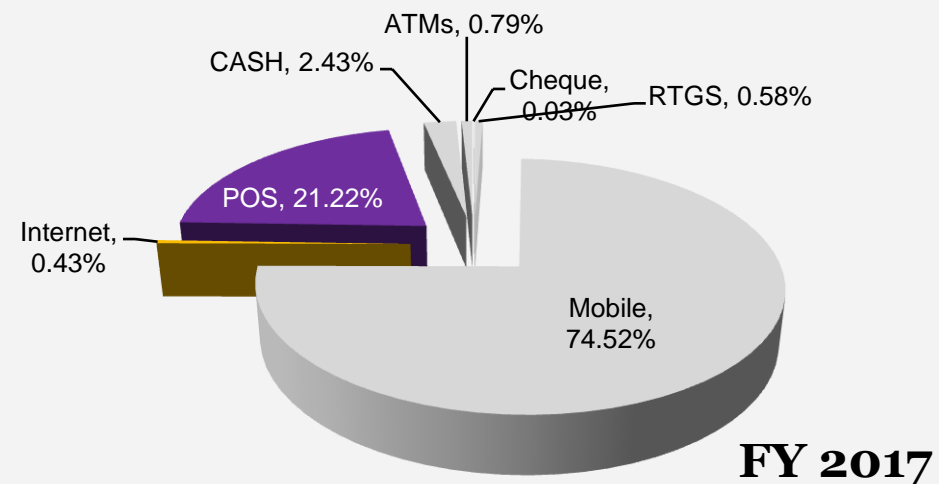


# Systemic shifts in the transactional landscape ...

## Payment System Transactional Activities (by Volume)

Sources: RBZ, Monetary Policy Statement (2018)

|                  | FY 2016           | FY 2017        | Change       | Move     |
|------------------|-------------------|----------------|--------------|----------|
| RTGS             | 2.90 mln          | 5.90 mln       | +103%        | ▲        |
| Cheques          | 0.35 mln          | 0.32 mln       | -8%          | ▼        |
| Point of Sale    | 52.41 mln         | 214.86 mln     | +310%        | ▲        |
| ATMS             | 12.33 mln         | 8.10 mln       | -34%         | ▼        |
| Cash Withdrawals | 16.25 mln         | 24.68 mln      | +52%         | ▲        |
| Mobile           | 298.59 mln        | 754.74 mln     | +153%        | ▲        |
| Internet         | 1.11 mln          | 4.25 mln       | +180%        | ▲        |
| <b>Total</b>     | <b>383.94 mln</b> | <b>1.01 bn</b> | <b>+164%</b> | <b>▲</b> |



**FY 2016**



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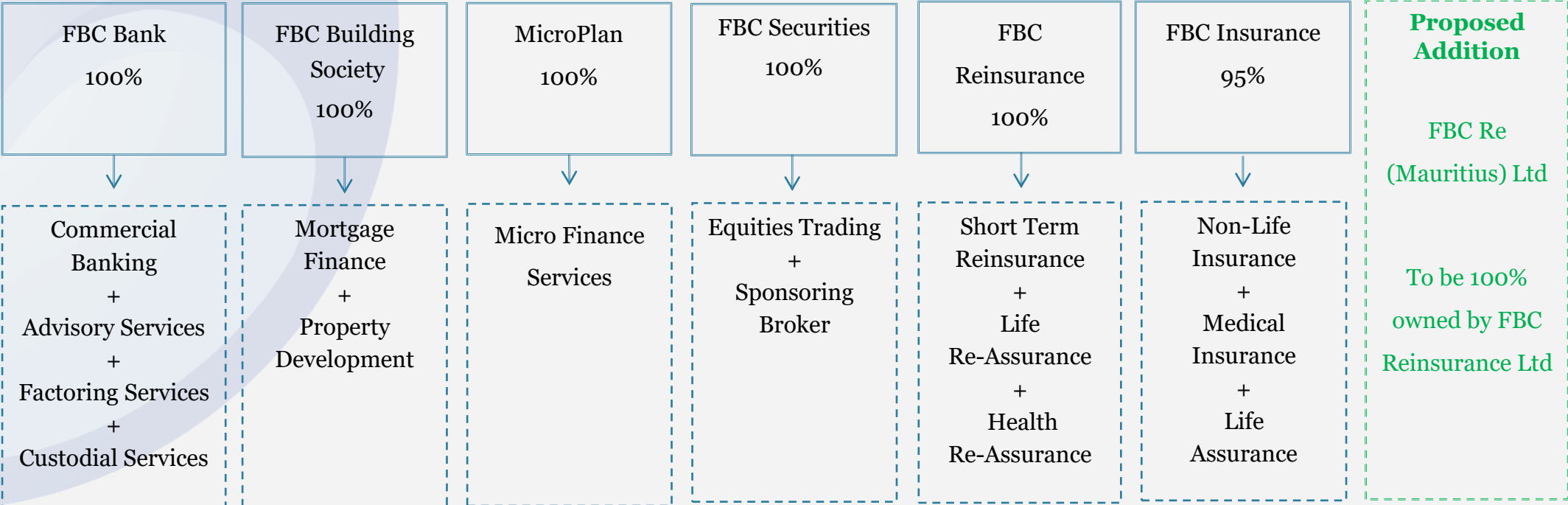
# Diversified Financial Services Business Model...

## Group Structure

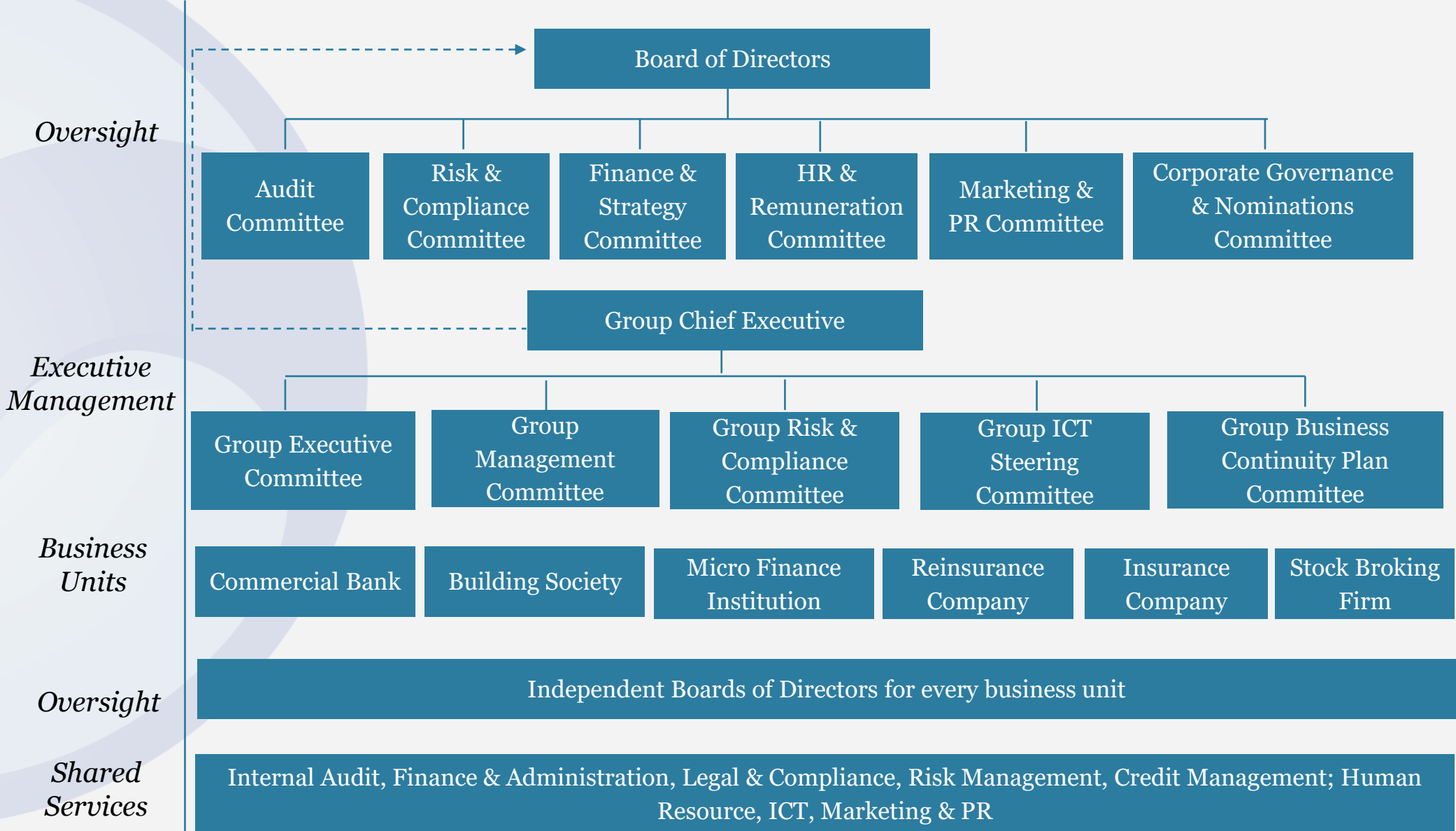
FBC Holdings Limited

Consumer and Investment Banking Services

Insurance Services



# Comprehensive Group Governance Structure...





## Core Values

## Governance

## Our Team

## Social Impact & Financial Inclusion

Integrity

7 Boards of Directors in the Group

± 550 permanent employees

+650 construction jobs

Teamwork

Independent Chairpersons

+80% aged < 45 years

+600 Agencies

Commitment

24 Non-Executive Directors

45% female employees

11 rural of 19 microfinance branches

Communication

20 Executive Directors

±330 on internships & contracts

600 000 clients Group wide  
HCP subscribers +200 000

Life-Long Learning

(up by 120%)

+300 000 Mobile Banking subscribers



## SBU Capital levels relative to regulatory minimum

US\$ million

| Company                               | Gross Capital (US\$) | Regulatory Minimum (US\$) | 2020 Regulatory Target (US\$) | Excess Available (US\$) | Dividend payment status |
|---------------------------------------|----------------------|---------------------------|-------------------------------|-------------------------|-------------------------|
| FBC Holdings Limited                  | 144.6 million        | 134.4 million*            | -                             |                         | ✓                       |
| FBC Bank Limited (Tier 1 Compliant)   | 77.9 million         | 25 million                | 100 million                   |                         | ✗                       |
| FBC Building Society                  | 47.5 million         | 20 million                | 25 million                    | 22.5 million            | ✓                       |
| FBC Reinsurance Limited               | 13.6 million         | 7.5 million               | 7.5 million                   | 6.1 million             | ✓                       |
| Microplan Financial Services          | 9.5 million          | 25 000                    | 25 000                        | 9.4 million             | ✓                       |
| FBC Insurance Company Limited         | 7.4 million          | 5.0 million               | 5.0 million                   | 2.4 million             | ✓                       |
| FBC Securities (Private) Limited      | 1.1 million          | 150 000                   | 150 000                       | 904 128                 | ✓                       |
| <b>Total Excess Capital Available</b> |                      |                           |                               | <b>41.3 million</b>     |                         |

\* Market Capitalisation of FBC Holdings Limited.



# Annual update on the recapitalisation of FBC Bank

US\$ million

|   | Target Amount<br>(US\$) | Actual Amount<br>US\$ | Ahead of<br>Target |
|---|-------------------------|-----------------------|--------------------|
| Capital level as at 31 December 2014        | 31 974 800              | 33 264 922            | ✓                  |
| Capital level as at 31 December 2015        | 41 055 344              | 43 067 712            | ✓                  |
| Capital level as at 31 December 2016        | 52 691 316              | 65 066 009            | ✓                  |
| Capital level as at 31 December 2017        | 72 951 846              | 77 939 562            | ✓                  |
| Capital level as at 31 December 2018        | 80 645 118              | TBA                   |                    |
| Capital level as at 31 December 2019        | 88 524 005              | TBA                   |                    |
| <b>Capital level as at 31 December 2020</b> | <b>106 783 181</b>      | <b>TBA</b>            |                    |

# Ratings Profile

Rating Agencies \* Global Credit Rating ; \*\* MicroFinanza Rating

|                                 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------------------------|------|------|------|------|------|------|
| FBC Bank Limited*               | A-   | A-   | A-   | A-   | BBB+ | BBB+ |
| FBC Building Society *          | BBB- | BBB- | BBB- | BBB- | BBB- | BBB- |
| FBC Reinsurance Limited*        | A-   | A-   | A-   | A-   | A-   | A-   |
| FBC Insurance Company Limited * | BB+  | BBB- | BBB- | A-   | A-   | A-   |
| MicroPlan Financial Services ** |      |      |      |      | BBB- | BBB  |

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# Key Financial Highlights

FY 2017 vs. prior year

|                      |  |               |   |
|----------------------|--|---------------|---|
| Total Income         | US\$105.3 million<br>(+13%)   | Total Assets  | US\$712.4 million<br>(+17%)  |
| Profit Before Tax    | US\$29.3 million<br>(+14%)    | Total Equity  | US\$144.6 million<br>(+17%)  |
| Profit After Tax     | US\$23.3 million<br>(+6%)     | Loans         | US\$300.7 million<br>(+9%)   |
| Cost to Income Ratio | 72%<br>(flat from 2016)        | Deposits      | US\$524.0 million<br>(+15%)  |
| EPS                  | 3.62 US cents<br>(+6%)      | ROE           | 16.1%<br>(-9%)             |
| Dividend per Share   | 1.0652 US cents<br>(+106%)  | NAV per share | 21.53 US Cents<br>(+12%)   |

# Statement of Comprehensive Income

US\$ million

|   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change  |             |
|---|-------------------|-------------------|---|-------------|
|   |                   |                   | Move  | %           |
| <b>Total income</b>                           | <b>93.0 mln</b>   | <b>105.3 mln</b>  |    | <b>+13%</b> |
| Impairment allowance                          | (7.9 mln)         | (6.9 mln)         |    | -13%        |
| Net Insurance commission expense              | (4.3 mln)         | (3.8 mln)         |    | -13%        |
| Insurance claims and loss adjustment expenses | (7.7 mln)         | (8.3 mln)         |    | -8%         |
| Administrative expenses                       | (47.5 mln)        | (57.0 mln)        |    | +20%        |
| <b>Profit Before Tax</b>                      | <b>25.7 mln</b>   | <b>29.3 mln</b>   |  | <b>+14%</b> |
| Income Tax Expense                            | (3.7 mln)         | (6.1 mln)         |  | +62%        |
| <b>Profit After Tax</b>                       | <b>21.9 mln</b>   | <b>23.2 mln</b>   |  | <b>+6%</b>  |



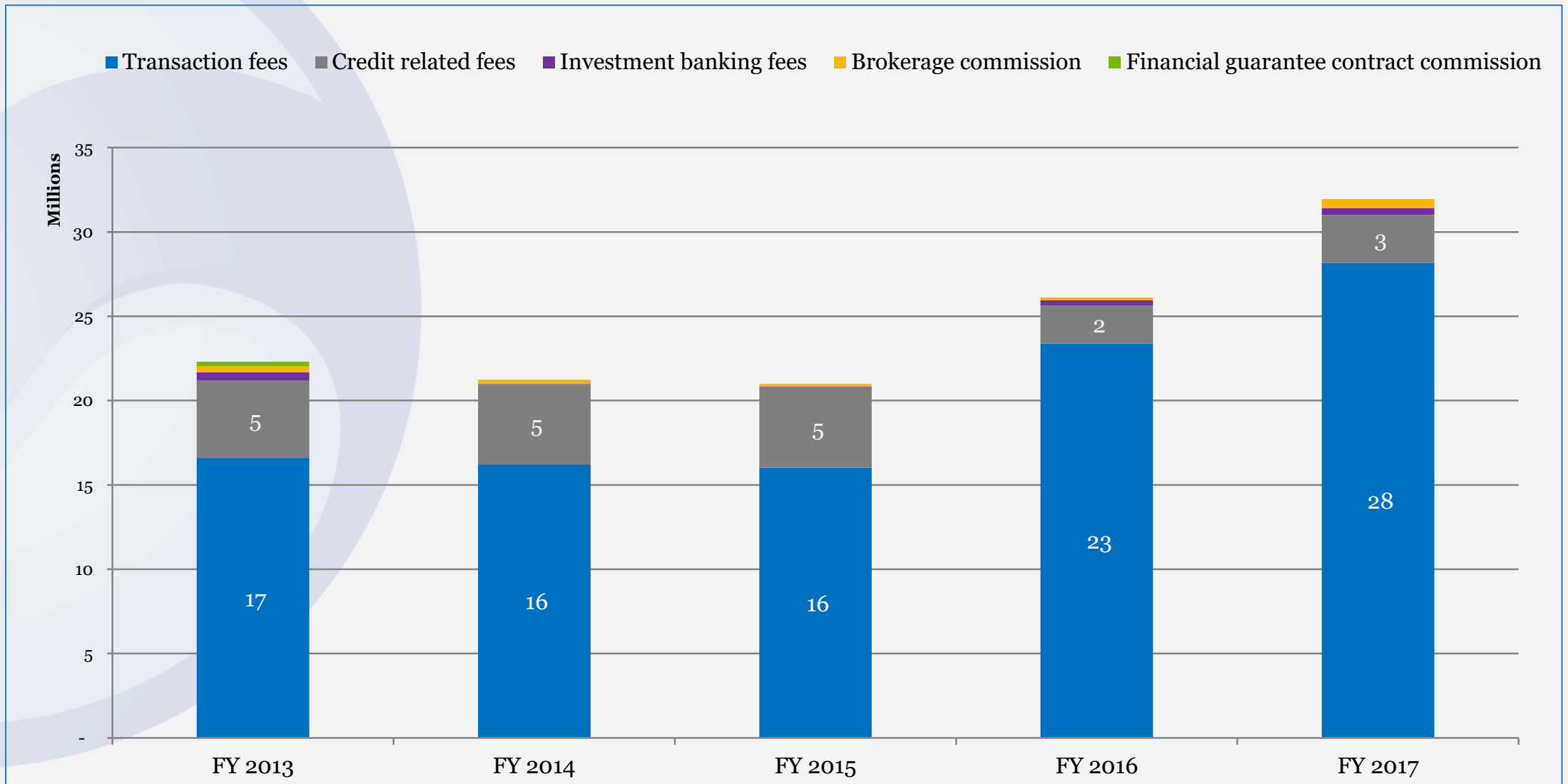
# Key Earnings Drivers

US\$ million



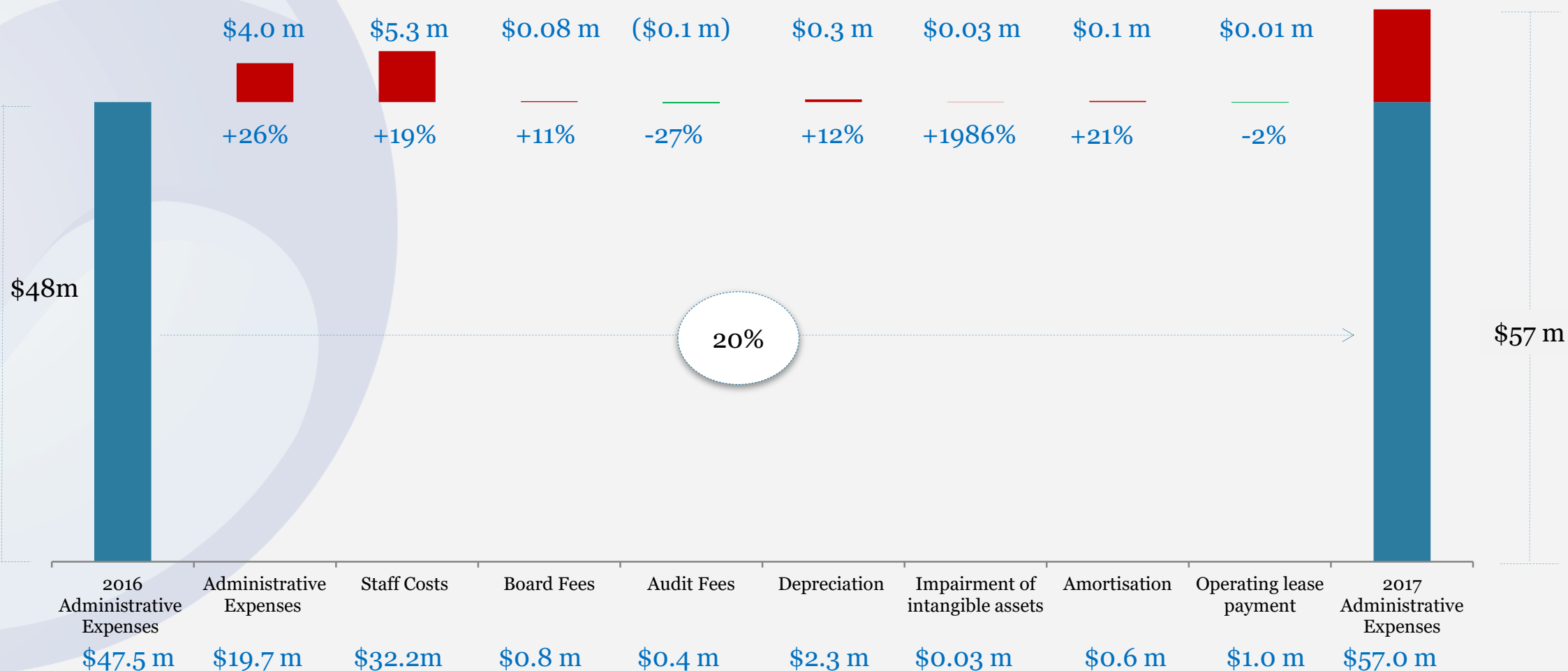
# Net fee and commission income

FY 2013 – FY 2017



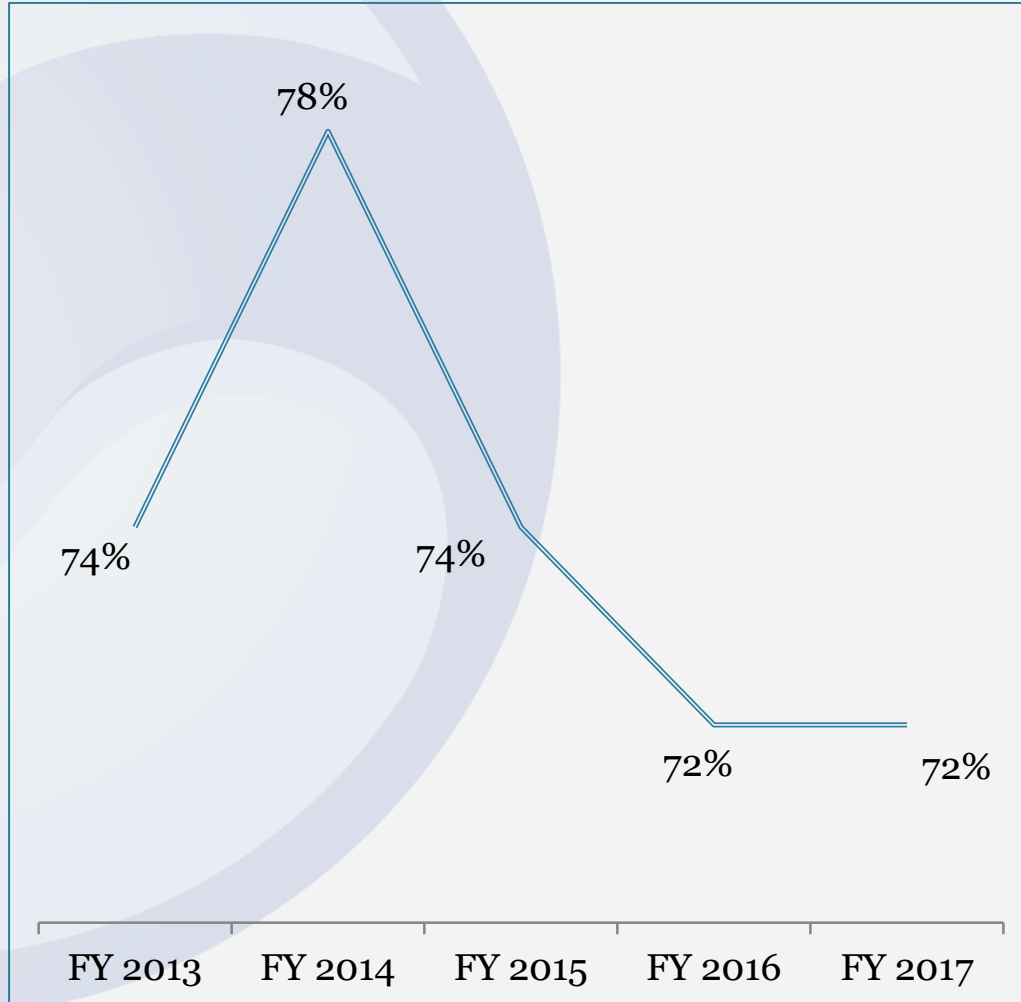
# Breakdown of Administrative Expenses

US\$ million



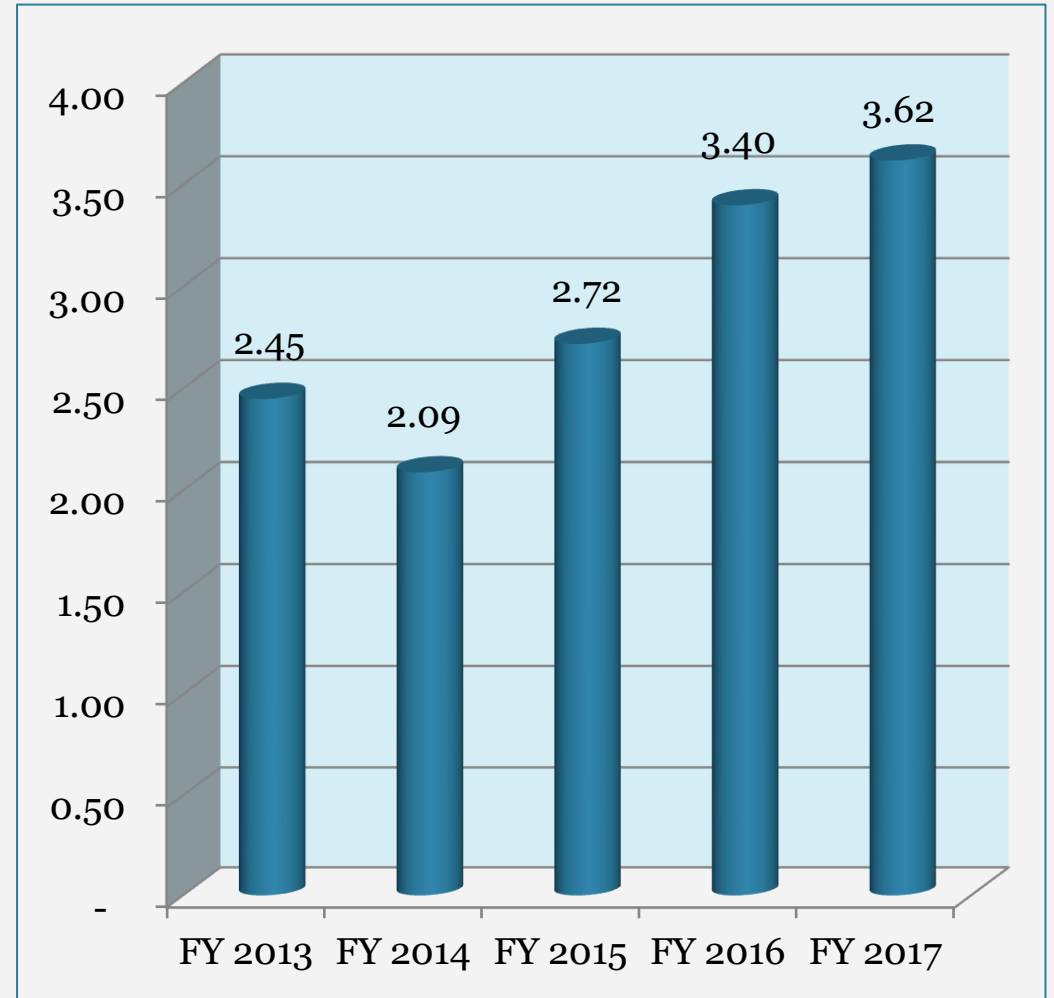
## Group Cost to Income Ratio (%)

FY 2013 – FY 2017



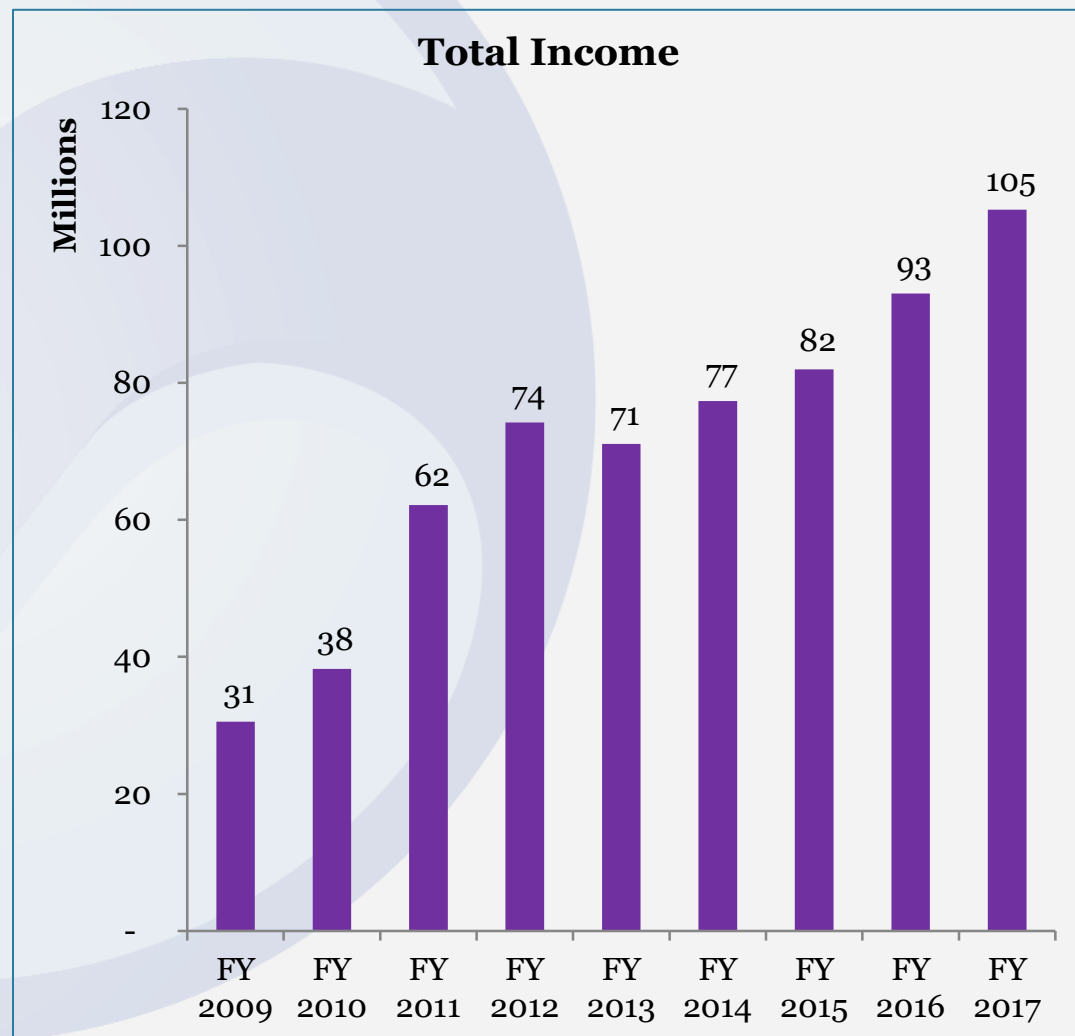
## Group Earnings per share (US cents)

FY 2013 – FY 2017



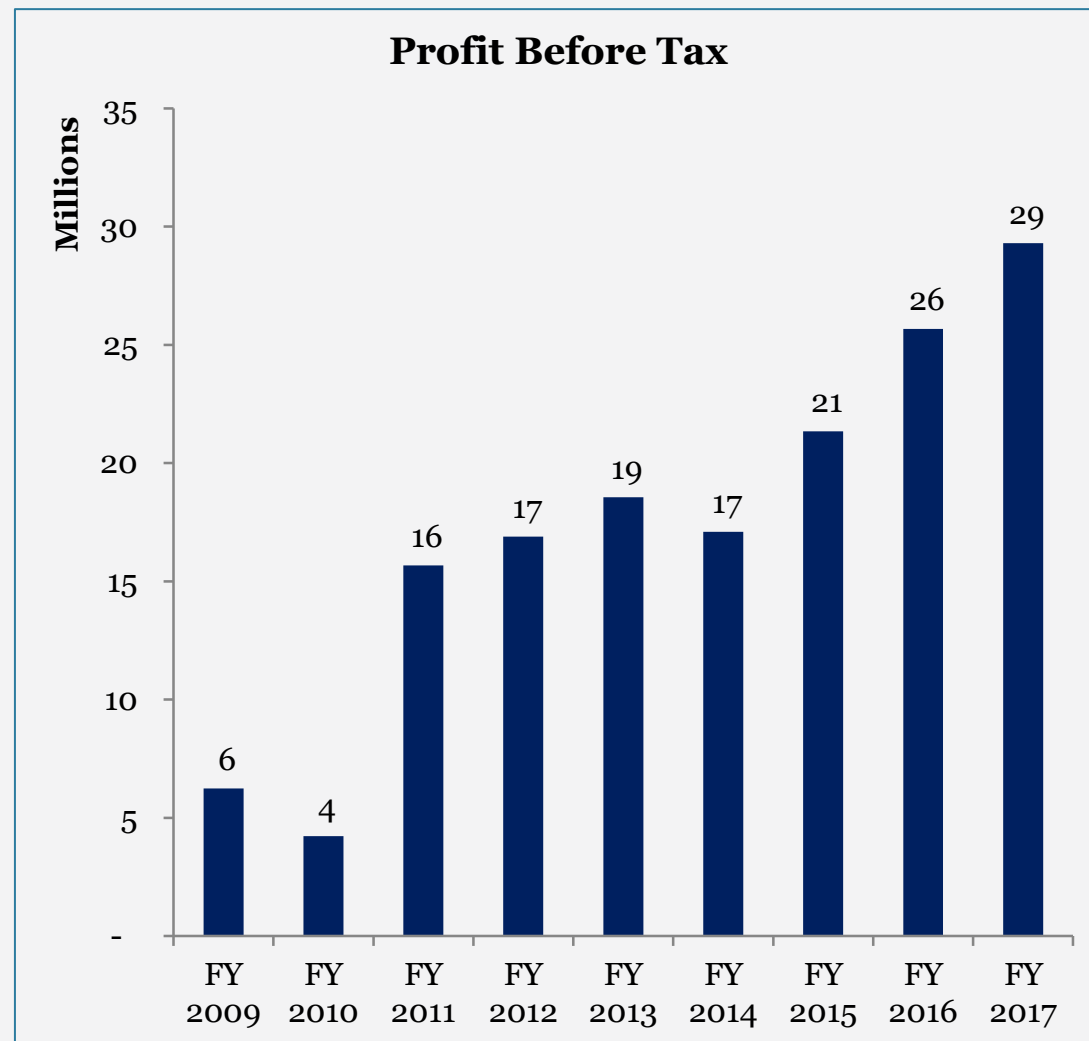
## Group Total Income Trend (US\$ million)

FY 2009 – FY 2017



## Group Profit Before Tax Trend (US\$ million)

FY 2009 – FY 2017





# Statement of Financial Position

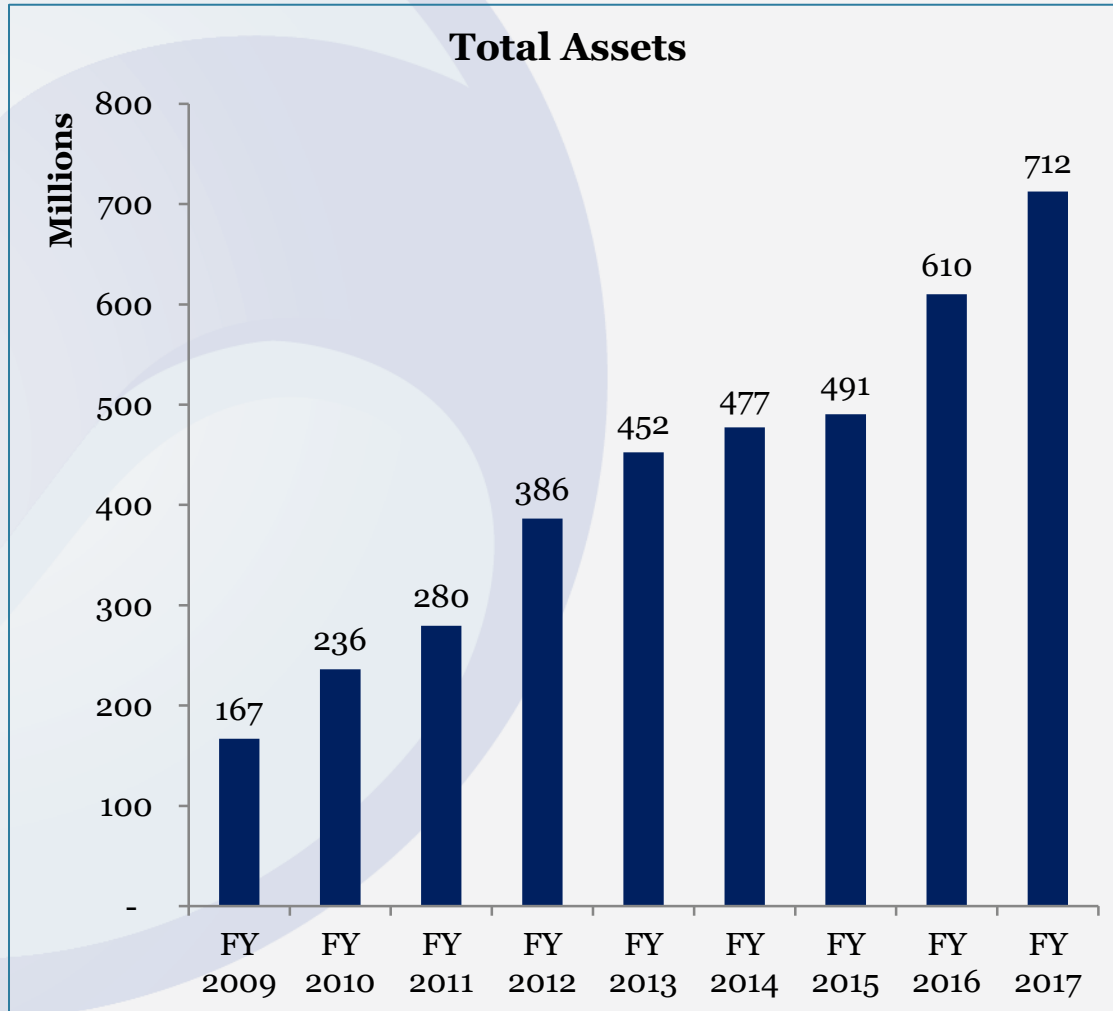
US\$ million

|   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |      |
|---|-------------------|-------------------|--------|------|
|   |                   |                   | Move   | %    |
| Total Assets                                    | 610.1 mln         | 712.4 mln         | ▲      | +17% |
| Equity attributable to holders of parent entity | 123.4 mln         | 144.2 mln         | ▲      | +17% |
| Total Equity                                    | 123.7 mln         | 144.6 mln         | ▲      | +17% |
| Loans & Advances                                | 276.5 mln         | 300.7 mln         | ▲      | +9%  |
| Total Deposits                                  | 455.5 mln         | 524.0 mln         | ▲      | +15% |
| Cash and Cash Equiv.                            | 184.2 mln         | 181.0 mln         | ▼      | -2%  |



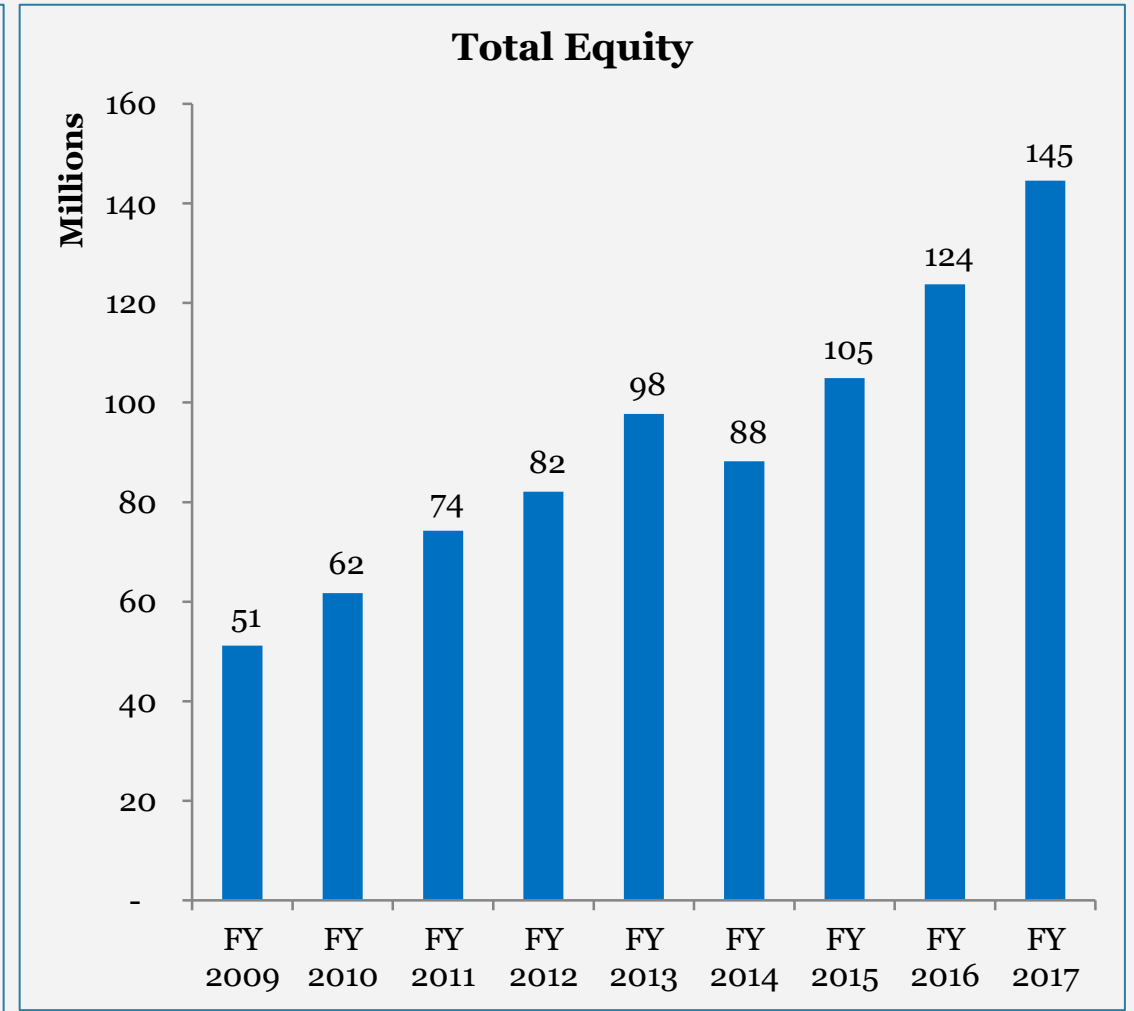
## Group Total Assets Trend (US\$ million)

FY 2009 – FY 2017



## Group Total Equity Trend (US\$ million)

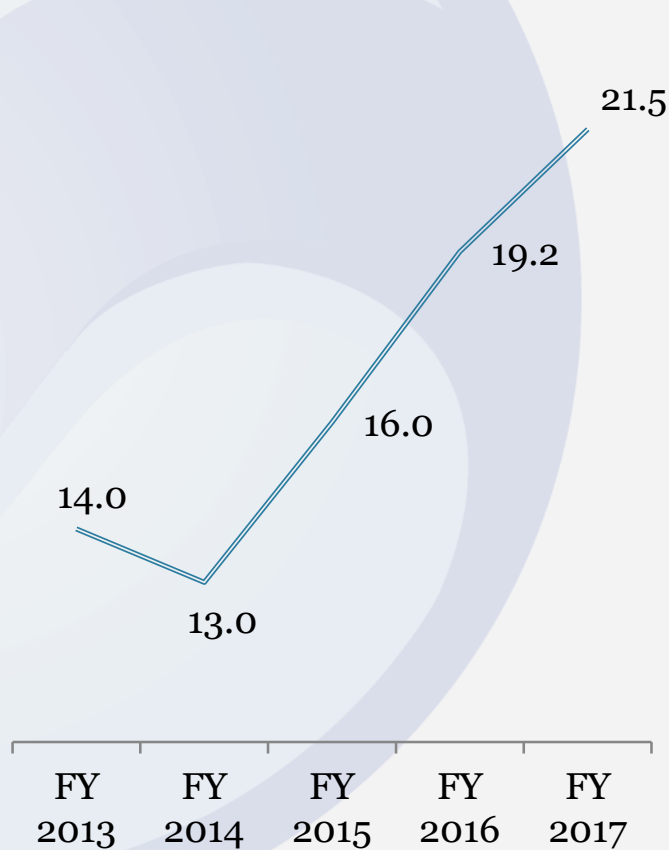
FY 2009 – FY 2017



# Delivering on our commitment to shareholders...

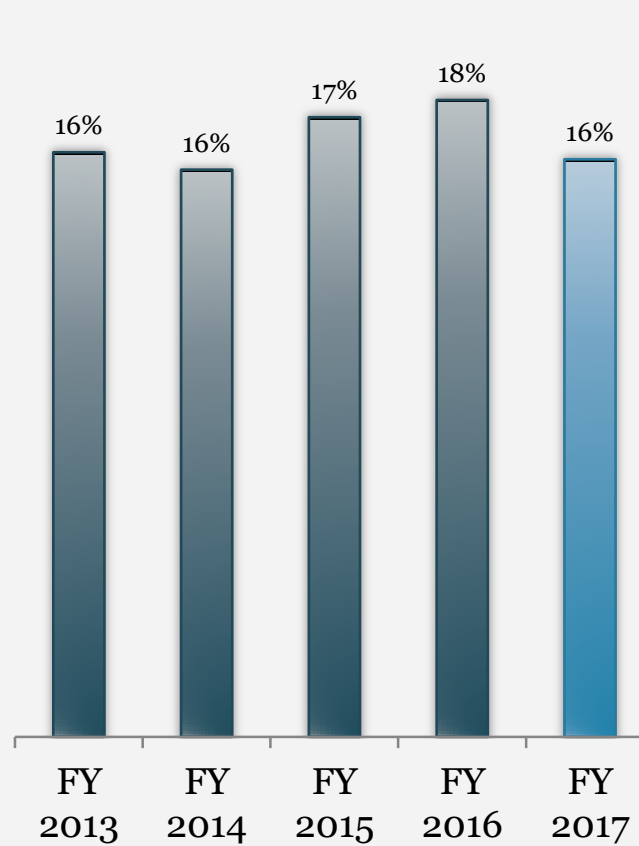
## NAV per share (US Cents)

Five year trend



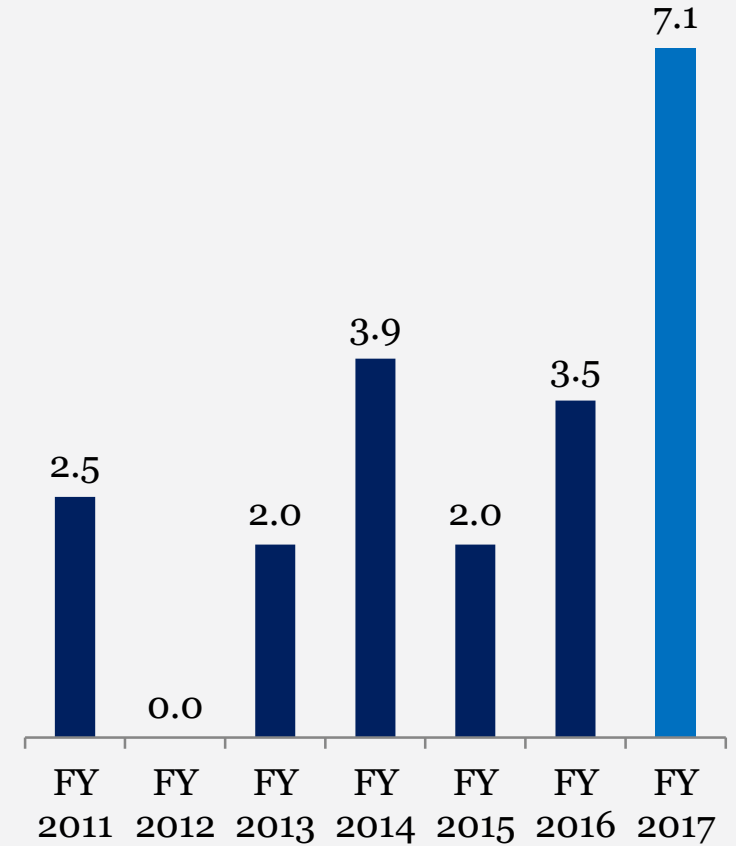
## Return on equity (%)

Five year trend



## Dividends Declared (US\$m)

Post dollarization



Total Dividend Paid since FY 2011  
US\$21.1 million

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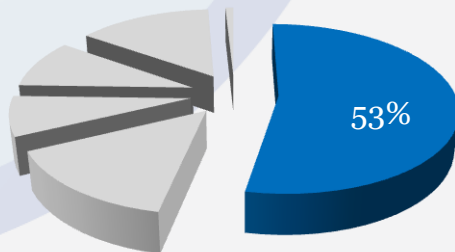


## FBC Bank Financial Performance Review...

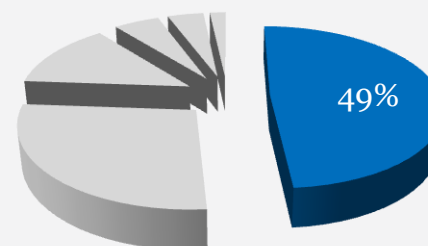
|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |      |
|-------------------|-------------------|-------------------|--------|------|
|                   |                   |                   | Move   | %    |
| Total Income      | 48.7 mln          | 60.7 mln          | ▲      | +25% |
| Profit Before Tax | 12.2 mln          | 16.6 mln          | ▲      | +36% |
| Total Assets      | 470.2 mln         | 558.1 mln         | ▲      | +19% |
| Total Equity      | 65.1 mln          | 77.9 mln          | ▲      | +20% |

## What FBC Bank contributed to FY 2017 Group Performance...

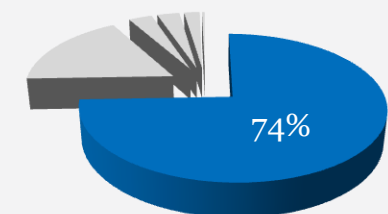
**Total Income**



**Profit Before Tax**



**Total Assets**





## FBC Bank's financial soundness relative to industry

Industry Statistics Source: Reserve Bank of Zimbabwe

| Key Indicators                           | Industry   |            |            | FBC Bank  |           |
|--|------------|------------|------------|-----------|-----------|
|  | Dec-016    | Jun-17     | Dec-17     | Dec-17    | Mkt Share |
| Total Assets                             | \$8.73 bn  | \$9.65 bn  | \$11.25 bn | \$0.56 bn | 5%        |
| Total Loans                              | \$3.69 bn  | \$3.64 bn  | \$3.80 bn  | \$0.22 bn | 6%        |
| Net Capital Base                         | \$1.34 bn  | \$1.38 bn  | \$1.58 bn  | \$0.08bn  | 5%        |
| Total Deposits                           | \$6.51 bn  | \$6.99 bn  | \$8.48 bn  | \$0.46 bn | 5%        |
| Net Profit                               | \$181.06 m | \$100.59 m | \$241.94 m | \$12.0 m  | 5%        |
| Return on Assets                         | 2.26%      | 1.26%      | 2.61%      | 2.1%      | n/a       |
| Return on Equity                         | 12.64%     | 6.80%      | 15.48%     | 15.4%     | n/a       |
| Capital Adequacy Ratio                   | 23.70%     | 26.89%     | 27.63%     | 21.7%     | n/a       |
| Loans to Deposits                        | 56.64%     | 52.11%     | 44.81%     | 50.65%    | n/a       |
| NPL Ratio                                | 7.87%      | 7.95%      | 7.08%      | 4.14%     | n/a       |
| Provisions to Adversely Classified Loans | 68.51%     | 126.29%    | 90.26%     | 118.1%    | n/a       |
| Liquidity Ratio                          | 61.91%     | 66.87%     | 62.62%     | 51.66%    | n/a       |
| Cost to Income Ratio                     | 79.20%     | 72.50%     | 75.36%     | 72.2%     | n/a       |

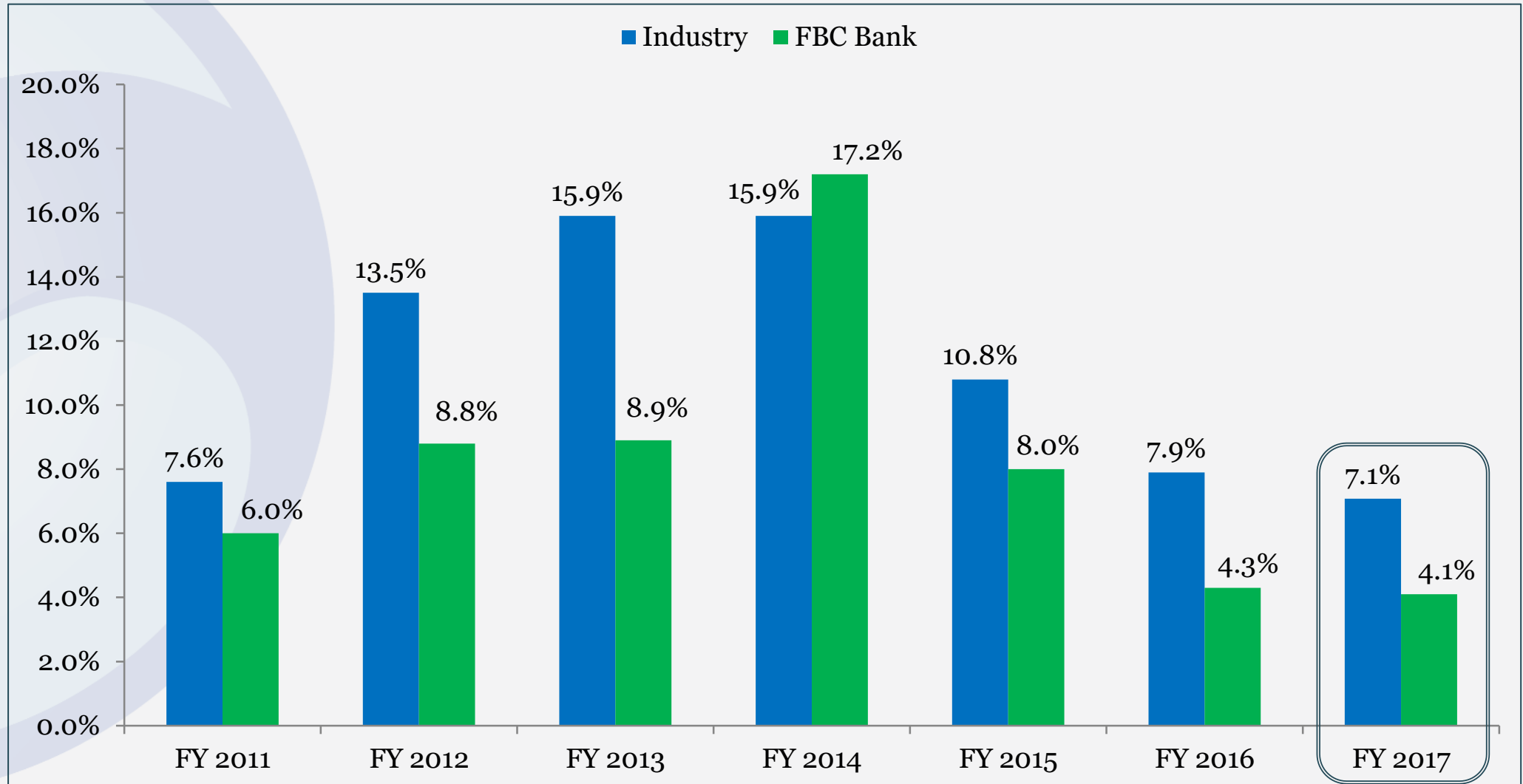
## **FBC Bank Loan Book**

FY2016 vs FY2017

| <b>Grade</b>                      | <b>Description</b>    | <b>Amount<br/>(US\$)</b> | <b>FY2016</b>             | <b>Amount<br/>(US\$)</b> | <b>FY2017</b>             |
|-----------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|                                   |                       |                          | <b>Proportion<br/>(%)</b> |                          | <b>Proportion<br/>(%)</b> |
| Grade 1 – 7                       | Unimpaired            | 207 047 402              | 95.66%                    | 223 876 659              | 95.86%                    |
| Grade 8 – 10                      | Individually Impaired | 9 432 427                | 4.34%                     | 9 677 852                | 4.14%                     |
| <b>Total Gross Loans</b>          |                       | <b>216 479 829</b>       | <b>100.00%</b>            | <b>233 554 511</b>       | <b>100.00%</b>            |
| <b>Total Impairment Allowance</b> |                       | <b>14 175 260</b>        |                           | <b>11 425 613</b>        |                           |

# FBC Bank Non Performing Loans

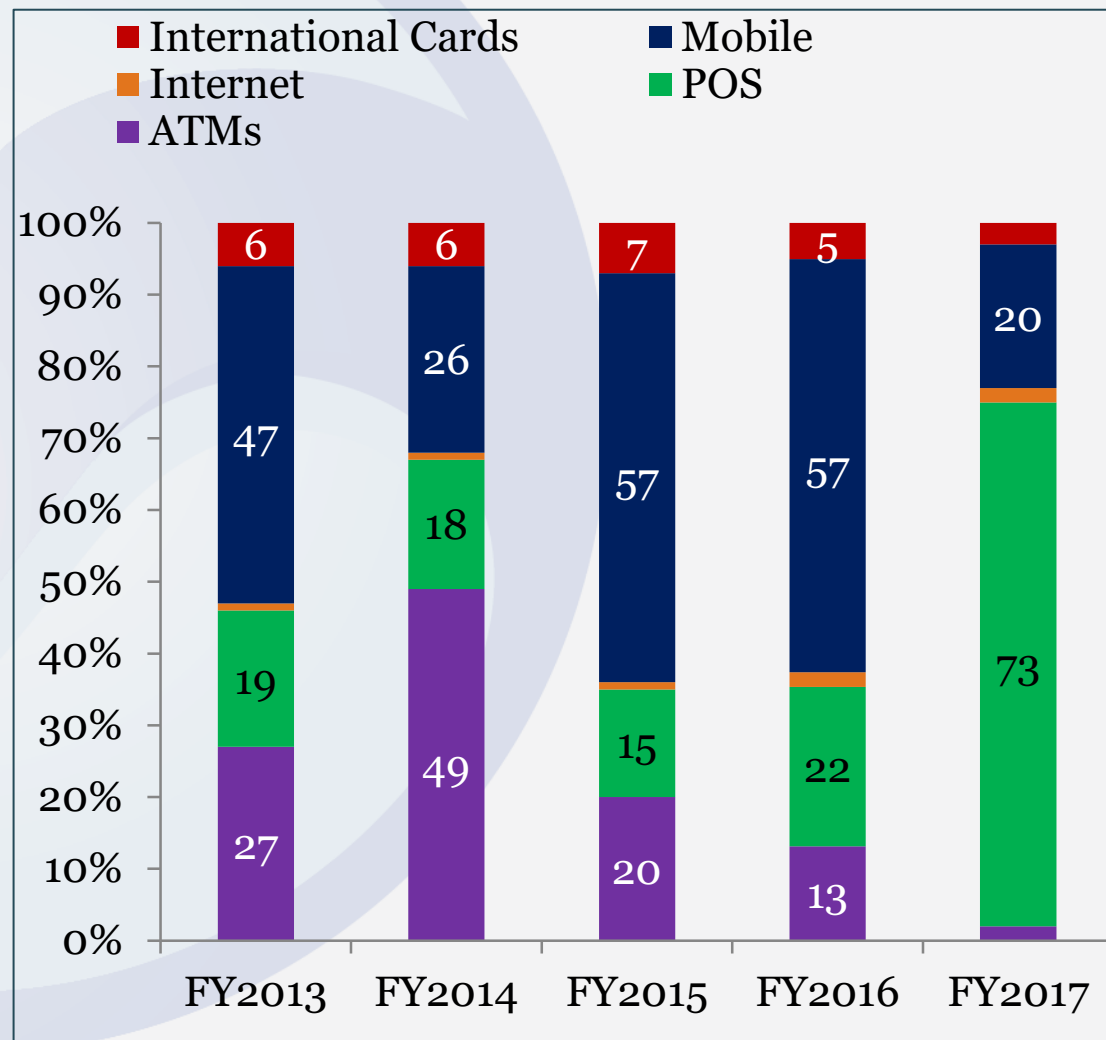
FY 2011 to FY 2016



# New Growth Frontier...

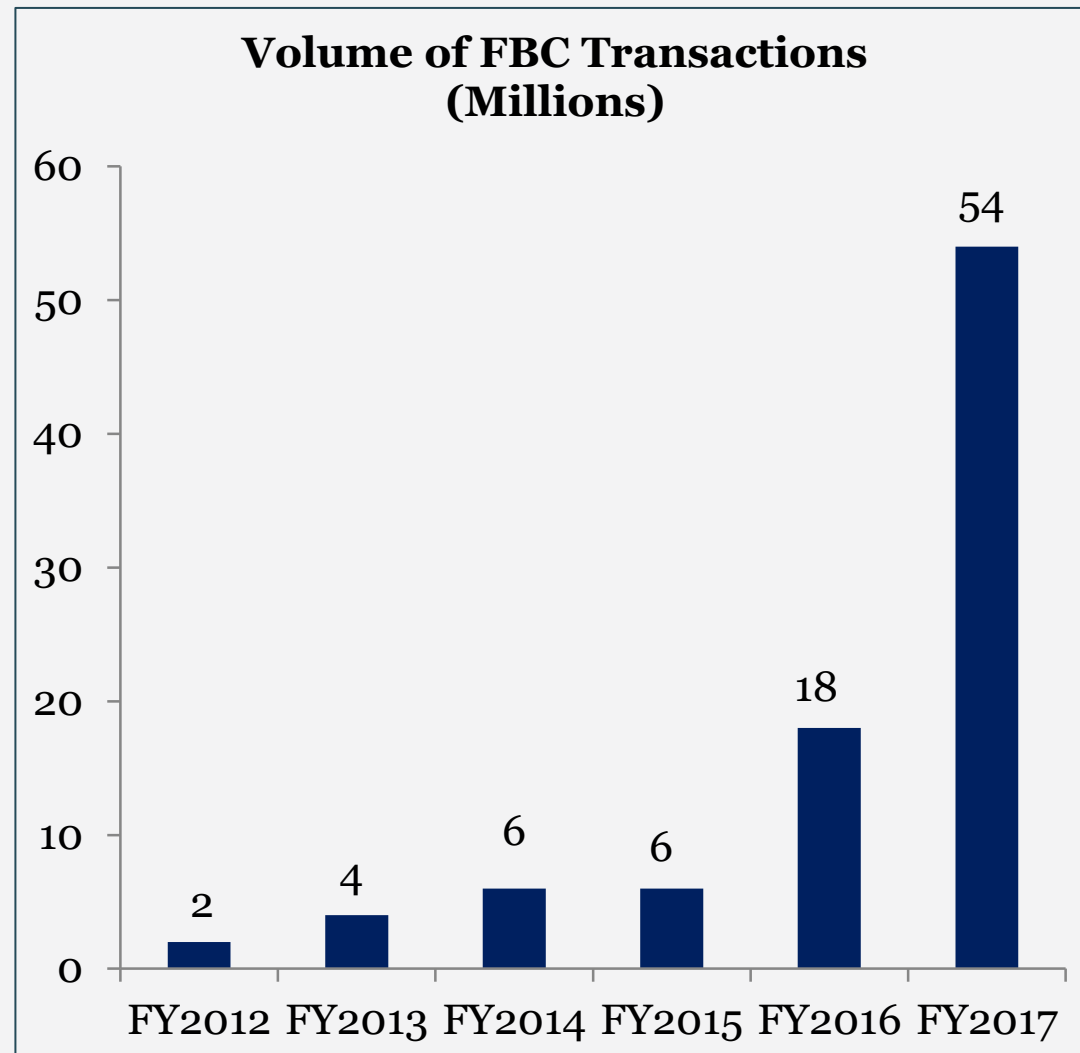
## Transaction Volume contributed by Delivery Channels

% of total



## Growth in volume of Transactions

Number of Transactions

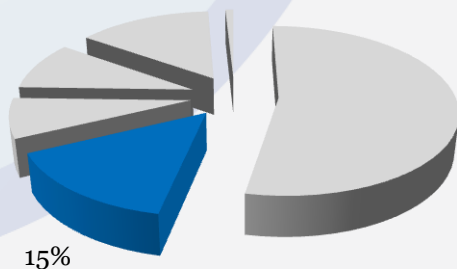


## FBC Building Society Financial Performance Review...

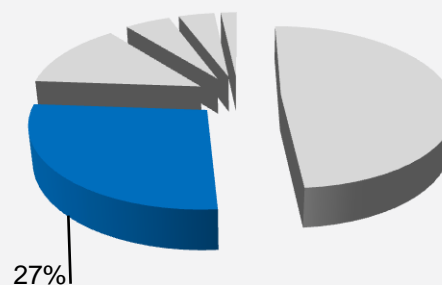
|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |      |
|-------------------|-------------------|-------------------|--------|------|
|                   |                   |                   | Move   | %    |
| Total Income      | 15.4 mln          | 16.8 mln          | ▲      | +9%  |
| Profit Before Tax | 8.5 mln           | 9.3 mln           | ▲      | +9%  |
| Total Assets      | 147.7 mln         | 130.0 mln         | ▼      | -12% |
| Total Equity      | 41.3 mln          | 47.5 mln          | ▲      | +15% |

## What FBC Building Society contributed to FY 2017 Group Performance...

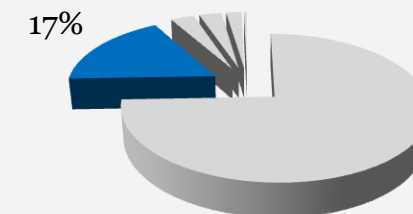
**Total Income**



**Profit Before Tax**



**Total Assets**



## FBC Building Society's financial soundness relative to industry

Industry Statistics Source: Reserve Bank of Zimbabwe

| Key Indicators                           | Industry     |              |              | FBC Building Society |           |
|--|--------------|--------------|--------------|----------------------|-----------|
|  | Dec-016      | Jun-17       | Dec-17       | Dec-17               | Mkt Share |
| Total Assets                             | \$8.73 bln   | \$9.65 bln   | \$11.25 bln  | \$130.0 mln          | 1%        |
| Total Loans                              | \$3.69 bln   | \$3.64 bln   | \$3.80 bln   | \$59.1 mln           | 2%        |
| Net Capital Base                         | \$1.34 bln   | \$1.38 bln   | \$1.58 bln   | \$47.4 mln           | 3%        |
| Total Deposits                           | \$6.51 bln   | \$6.99 bln   | \$8.48 bln   | \$71.8 mln           | 1%        |
| Net Profit                               | \$181.06 mln | \$100.59 mln | \$241.94 mln | \$9.3 mln            | 4%        |
| Return on Assets                         | 2.26%        | 1.26%        | 2.61%        | 7.2%                 | n/a       |
| Return on Equity                         | 12.64%       | 6.80%        | 15.48%       | 19.6%                | n/a       |
| Capital Adequacy Ratio                   | 23.70%       | 26.89%       | 27.63%       | 57.0%                | n/a       |
| Loans to Deposits                        | 56.64%       | 52.11%       | 44.81%       | 83%                  | n/a       |
| NPL Ratio                                | 7.87%        | 7.95%        | 7.08%        | 6.6%                 | n/a       |
| Provisions to Adversely Classified Loans | 68.51%       | 126.29%      | 90.26%       | 59.0%                | n/a       |
| Liquidity Ratio                          | 61.91%       | 66.87%       | 62.62%       | 70.0%                | n/a       |
| Cost to Income Ratio                     | 79.20%       | 72.50%       | 75.36%       | 47.0%                | n/a       |



## **FBC Building Society Loan Book**

FY2016 vs FY2017

| <b>Grade</b>                      | <b>Description</b>    | <b>Amount<br/>(US\$)</b> | <b>FY2016</b>             |                          | <b>FY2017</b>             |  |
|-----------------------------------|-----------------------|--------------------------|---------------------------|--------------------------|---------------------------|--|
|                                   |                       |                          | <b>Proportion<br/>(%)</b> | <b>Amount<br/>(US\$)</b> | <b>Proportion<br/>(%)</b> |  |
| Grade 1 – 7                       | Unimpaired            | 57 588 428               | 94.08%                    | 57 540 632               | 93.41%                    |  |
| Grade 8 – 10                      | Individually Impaired | 3 626 450                | 5.92%                     | 4 061 849                | 6.59%                     |  |
| <b>Total Gross Loans</b>          |                       | <b>61 214 879</b>        | <b>100.00%</b>            | <b>61 602 481</b>        | <b>100.00%</b>            |  |
| <b>Total Impairment Allowance</b> |                       | <b>2 800 957</b>         |                           | <b>2 477 198</b>         |                           |  |

## FBC Building Society's Housing Projects...

| <b>2017 PROJECTS</b>                 | <b>Total Units Produced</b> |
|--------------------------------------|-----------------------------|
| Mt Pleasant (Duplex Apartments)      | 48                          |
| Greendale Kennedy Drive (Apartments) | 16                          |
| <b>Totals</b>                        | <b>64</b>                   |
| Helensvale (Stands)                  | 8                           |

| <b>2018 PROJECTS</b>               | <b>Total Units to Be Produced</b> |
|------------------------------------|-----------------------------------|
| Greendale Alfred Road (Apartments) | 24                                |
| Avondale West Road (Apartments)    | 16                                |
| <b>Totals</b>                      | <b>40</b>                         |
| Kuwadzana (Stands)                 | 858                               |
| Glen Lorne (Stands)                | 14                                |

### Land Bank

The Group is engaged in negotiations for possible land acquisitions in strategic cities across the country.





Greendale, Rossal



Greendale, St Kennedy Drive

Mt Pleasant St Kilda Phase 1



Mt Pleasant St Kilda Phase 2



Masotcha Ndlovu Phase 5







## FBC Building Society's contribution to housing backlog

(FY 2009 – FY 2017)

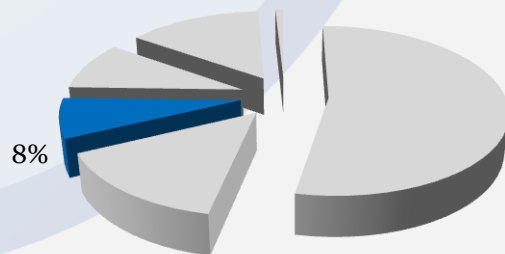
| Year         | Number of Units | Zoning                | Project Cost (Actual)   |
|--------------|-----------------|-----------------------|-------------------------|
| 2009         | 30              | Medium Density        | US\$1.3 million         |
| 2010         | 54              | Medium Density        | US\$1.6 million         |
| 2011         | 65              | Medium Density        | US\$2.6 million         |
| 2012         | 202             | High Density – Gweru  | US\$2.7 million         |
| 2012         | 111             | Medium Density        | US\$7.8 million         |
| 2013         | 160             | High Density - Kwekwe | US\$1.4 million         |
| 2013         | 77              | Medium Density        | US\$4.6 million         |
| 2014         | 102             | Medium Density        | US\$7.2 million         |
| 2015         | 86              | Medium Density        | US\$5.9 million         |
| 2016         | 72              | Medium Density        | US\$6.3 million         |
| 2017         | 64              | Low Density           | US\$8.1 million         |
| <b>TOTAL</b> | <b>1,023</b>    |                       | <b>US\$49.5 million</b> |

## MicroPlan Financial Performance Review...

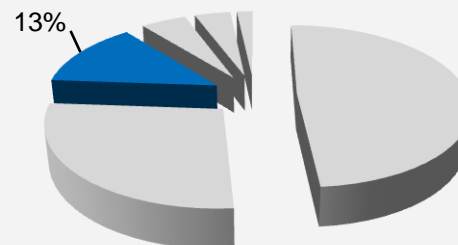
|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change  |      |
|-------------------|-------------------|-------------------|---|------|
|                   |                   |                   | Move  | %    |
| Total Income      | 9.2 mln           | 8.7 mln           |  | +6%  |
| Profit Before Tax | 4.2 mln           | 4.5 mln           |  | +6%  |
| Total Assets      | 17.5 mln          | 22.6 mln          |  | +29% |
| Total Equity      | 7.1 mln           | 9.5 mln           |  | +35% |

## What MicroPlan contributed to FY 2017 Group Performance...

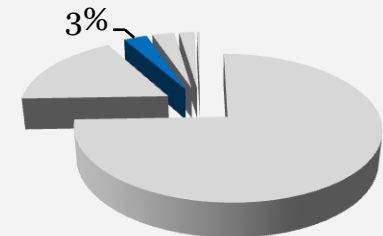
**Total Income**



**Profit Before Tax**



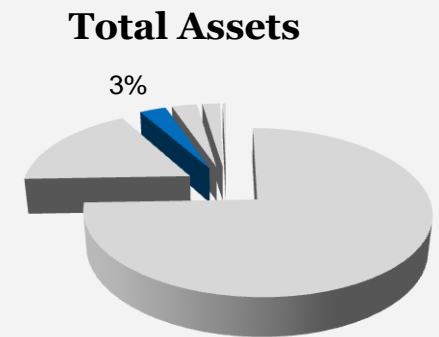
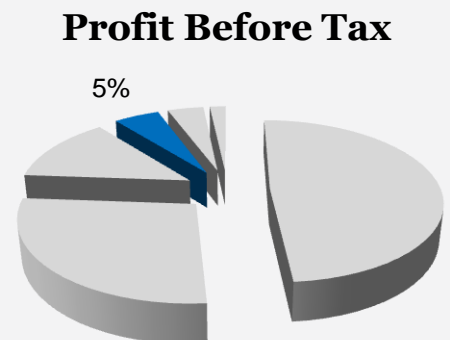
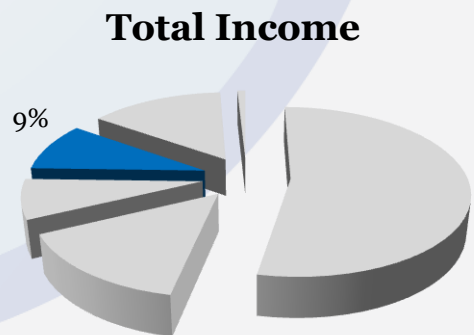
**Total Assets**



# FBC Re's Financial Performance Review...

|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |      |
|-------------------|-------------------|-------------------|--------|------|
|                   |                   |                   | Move   | %    |
| Total Income      | 11.9 mln          | 10.6 mln          | ▼      | -11% |
| Profit Before Tax | 2.3 mln           | 1.7 mln           | ▼      | -24% |
| Total Assets      | 21.6 mln          | 21.5 mln          | ▼      | 0.5% |
| Total Equity      | 13.0 mln          | 13.6 mln          | ▲      | +5%  |

## What FBC Re contributed to FY 2017 Group Performance...

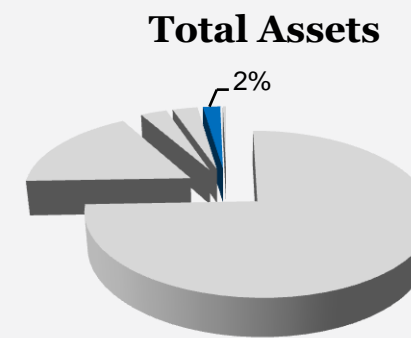
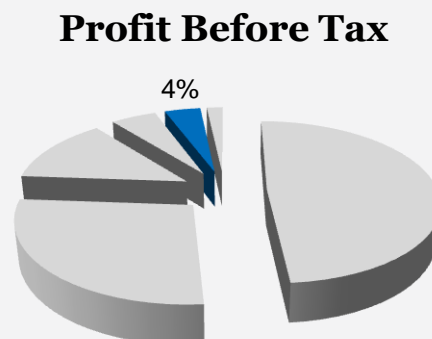
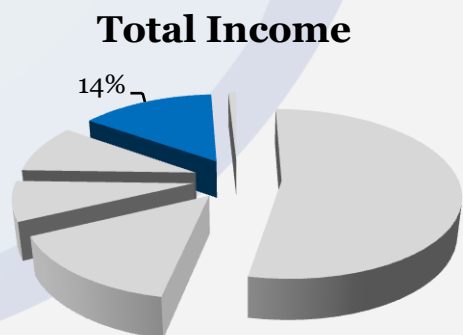




## FBC Insurance's Financial Performance Review...

|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |       |
|-------------------|-------------------|-------------------|--------|-------|
|                   |                   |                   | Move   | %     |
| Total Income      | 7.9 mln           | 16.6 mln          | ▲      | +110% |
| Profit Before Tax | 1.5 mln           | 1.4 mln           | ▼      | -7%   |
| Total Assets      | 12.1 mln          | 15.0 mln          | ▲      | +23%  |
| Total Equity      | 6.5 mln           | 7.4 mln           | ▲      | +13%  |

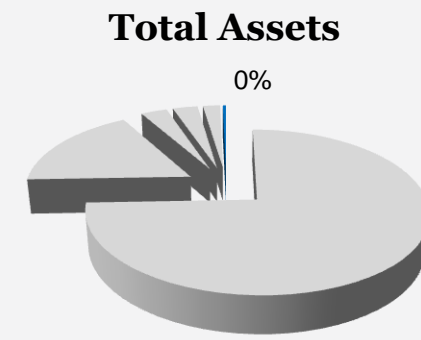
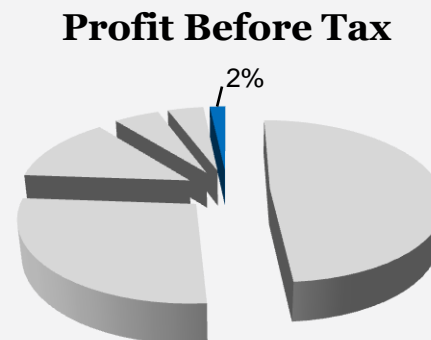
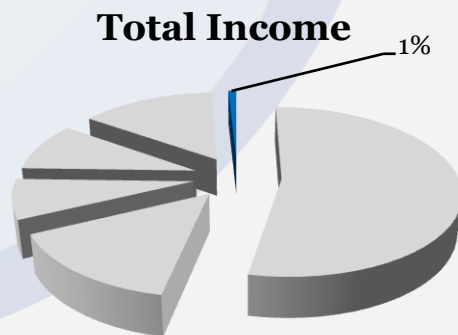
## What FBC Insurance contributed to FY 2017 Group Performance...



## FBC Securities' Financial Performance Review...

|                   | FY 2016<br>(US\$) | FY 2017<br>(US\$) | Change |      |
|-------------------|-------------------|-------------------|--------|------|
|                   |                   |                   | Move   | %    |
| Total Income      | 744 664           | 975 694           | ▲      | +31% |
| Profit Before Tax | 481 561           | 584 242           | ▲      | +21% |
| Total Assets      | 2 165 292         | 2 695 824         | ▲      | +25% |
| Total Equity      | 622 938           | 1 054 129         | ▲      | +69% |

## What FBC Securities contributed to FY 2017 Group Performance...



1

Operating Environment

2

Group Business Updates

3

Group Financial Performance Review

4

Review of Strategic Business Units

5

FBC Digital Transformation

6

Outlook



# Transforming your FBC experience into a lifestyle...



Digital Channels



Digital Core



Automation



Innovative digital products



Analytics and Business Intelligence

Full digitisation of all components, not just a channel or some aspects of the customer experience



# FBC Digital Bank... re-imagining the basics of banking.

Once upon a time...



Now...

Increased customer convenience



Enhanced efficiency and performance

1

Operating Environment

2

Group Business Updates

3

Group Financial Performance Review

4

Review of Strategic Business Units

5

FBC Digital Transformation

6

Outlook





## How we see the economy unfolding ...

| <b>Activities</b>   | <b>Implications to the country</b>  | <b>Effect on FBCH</b>  |
|---|---|--|
| <p>Emphasis on key infrastructure developments projects</p> <p>e.g. Rail, Road, Air, Energy</p> | <ul style="list-style-type: none"> <li>- Stimulation of economic activity</li> </ul>  | <ul style="list-style-type: none"> <li>- Business development opportunities</li> <li>- Better quality insurance business</li> </ul>  |
| <p>Increase in Foreign Direct Investment</p>  | <ul style="list-style-type: none"> <li>- Retooling of industry</li> <li>- Modernisation of production processes</li> <li>- Renewed activity on the ZSE</li> </ul> | <ul style="list-style-type: none"> <li>- Lower insurance risk likelihood</li> <li>- Wider customer base</li> <li>- Diversity of product offerings across the Group.</li> </ul> |
| <p>National Debt Clearance Initiatives</p>  | <ul style="list-style-type: none"> <li>- Lowering of country risk</li> <li>- Re-rating of Zimbabwe</li> </ul>   | <ul style="list-style-type: none"> <li>- Cheaper and longer term funding</li> <li>- Improvement in asset quality (NPLs)</li> </ul>   |



**Clear Purpose**

To be trendsetters in financial & risk management

**Strategic Priorities**

New Business Development

Risk Management & Compliance

Digital Transformation

**Strong Foundation**

Adequate Capital

Appropriate Skills Mix

Robust IT Systems

**Responsible Corporate Citizen**

Environmental Management

Social Impact Management

Strong Governance

**Strong Earnings Capacity**



**High & Sustainable ROE**



**Consistent, sizable dividend pay-out**



Thank you for your  
continued support and  
partnership.

# Thank You

