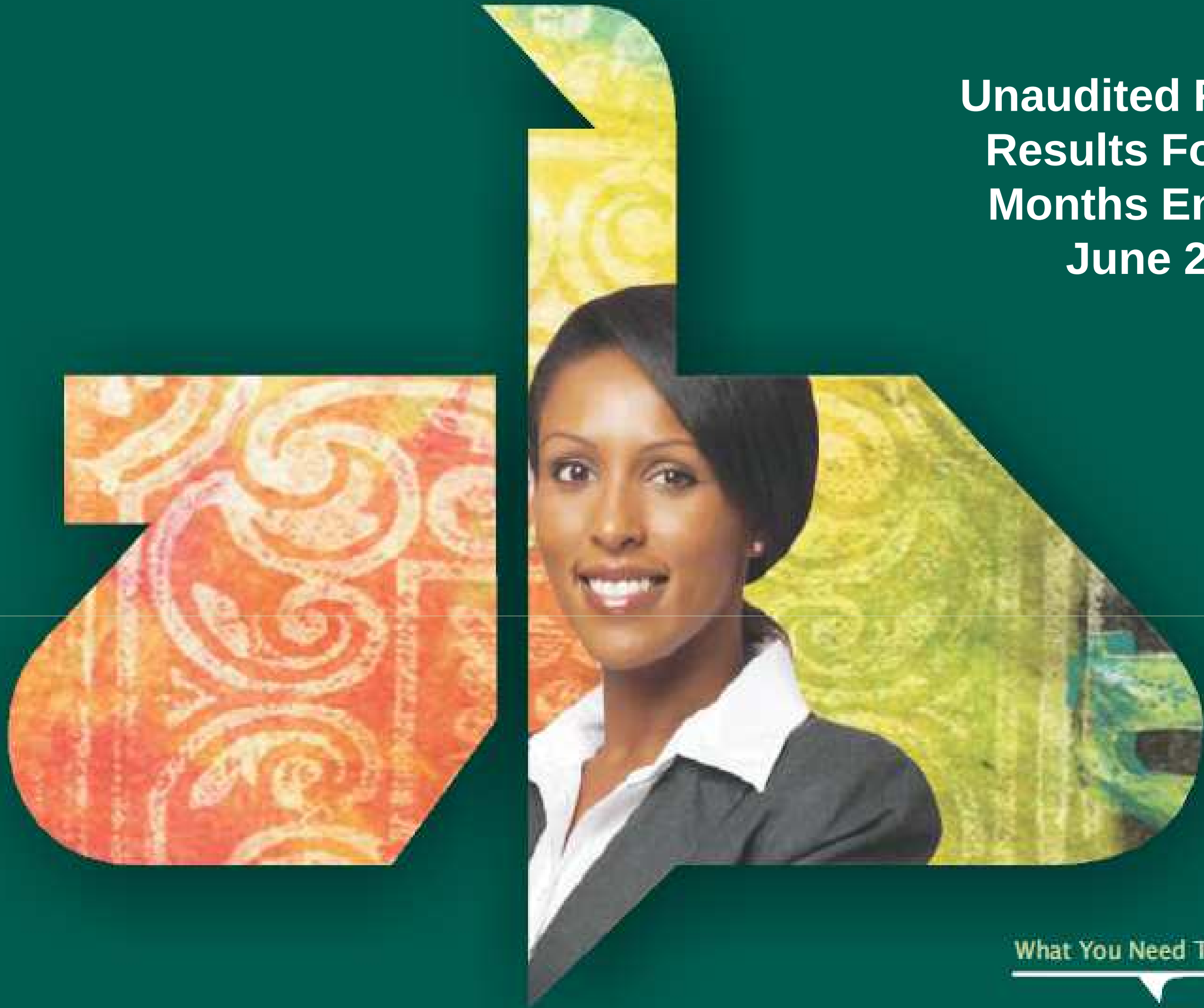
Unaudited Financial Results For The 6 Months Ended 30 June 2014



What You Need To Succeed.

Since 1951

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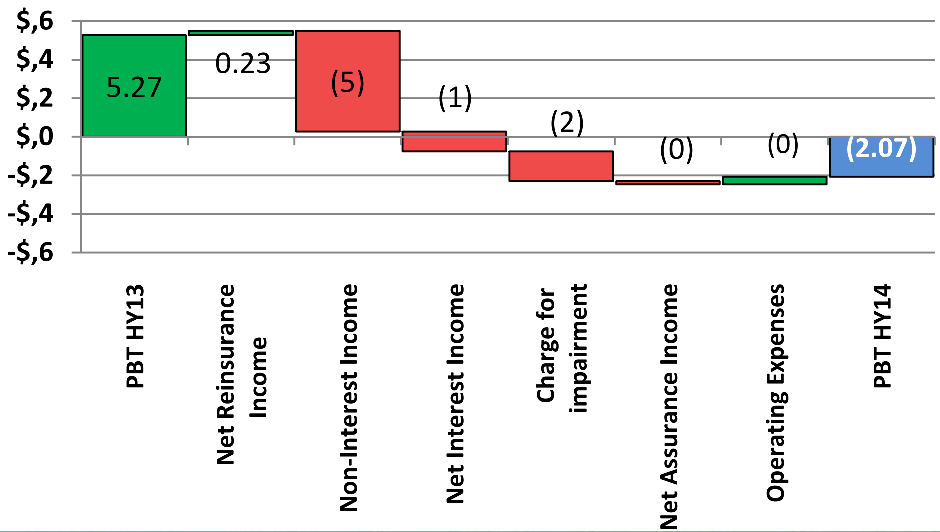
- HY14 performance affected by 22% reduction in total income and provision for discontinued operations….

Income Statement	HY14	HY13	Change (y-o-y) $	%
Net Interest Income	9 593 461	10 616 008	(1 022 547)	-10%
Charge for impairment	(1 699 490)	(157 739)	(1 541 751)	-977%
Net Reinsurance Income	1 727 007	1 492 280	234 728	16%
Net Assurance Income	2 188 018	2 358 097	(170 078)	-7%
Non-Interest Income	15 048 967	20 288 789	(5 239 821)	-26%
Net Income	26 857 963	34 597 434	(7 739 471)	-22%
Operating Expenses	(28 930 229)	(29 326 053)	395 824	1%
(Loss) / Profit Before Tax	(2 072 266)	5 271 381	(7 343 647)	-139%
Transfer form / (to) Life Fund	453 235	(1 905 127)	2 358 362	124%
(Loss) / Profit After Tax	(2 627 622)	2 209 432	(4 837 054)	-219%



- Total Revenue reduced by 22% largely as a result of 25% reduction in lending income
- A culture of full disclosure and prudence in assessing the credit book resulted in the charge for loan Impairments increasing by 977%
- Insurance technical results remained flat (only 1% increase) with both life assurance and re-insurance contributing at about the same level.
- $392.7 thousand impairment provision on insurance debtors included in the net technical result
- A marked reduction in non-funded income largely pronounced by a $2.2m fair value loss (HY13: profit of $1.6m)
- OPEX managed at almost same level as HY13 despite pressure.

- Strong balance sheet growth despite market challenges….

	HY14 $m	FY13 $m	Change %
Total Assets	344.3	332.0	4%
Total Advances	137.2	131.7	4%
Total Deposits	231.3	218.6	6%
Shareholders' Funds	64.6	67.3	-4%
Life Assurance Funds	24.0	24.5	-2%
Total Advances Growth	4.1%	-3.3%	226%
Total Deposits Growth	5.8%	0.9%	567%

- Total assets growth restricted to 4% as the Group adopted a deliberately cautious approach to asset creation in response to amplified credit risk on the market. Greater focus was placed on asset quality rather than quantity.

- Advances book increased by 4% with mortgage backed facilities having contributed a 49% of the increase.

- Strong growth in the deposit book, at 6%, in a market fraught with internecine liquidity challenges is a vindication on the Group's risk management practices and also a reflection of aggressive business mobilisation activities

- Ratios highlight strong inclination towards risk management and sustainability than short-term returns….

Returns	HY14	HY13	Change %
Return on Equity	-2%	1%	-271%
Return on Assets	0%	2%	-120%
Earnings per Share	(0.01)	0.01	-200%
Net Assets per Share	0.37	0.38	-4%
Efficiency			
Non-Interest income Ratio	71%	70%	1%
Cost to Income Ratio	108%	85%	-27%

Asset Quality	HY14	FY13	Change %
NPL ratio	22%	18%	-28%
Liquidity Ratio			
Loans to Deposit Ratio	59%	60%	-2%
Liquidity Ratio	40%	39%	3%
Cash cover	32%	32%	0%
Capital Adequacy Ratio			
Tier 1 Capital Ratio	19%	20%	-7%
Total Capital Ratio	19%	20%	-7%

- Negative returns and efficiency outturn are a reflection of the short-term misalignment of revenues against an entrenched infrastructure base – amplifies the case for a review of the business model in order to optimise returns out of a mature operating platform.

- The increase in the NPL ratio is a result of residual clean-up activities on the credit book; largely constituted by credit granted in the nascent stages of dollarisation when businesses were generally buoyant about their prospects - a macro level crisis with some learning points for the Group.

- Liquidity ratios and the level of cash cover in the Group, besides meeting regulatory requirements, speak of long term sustainability.

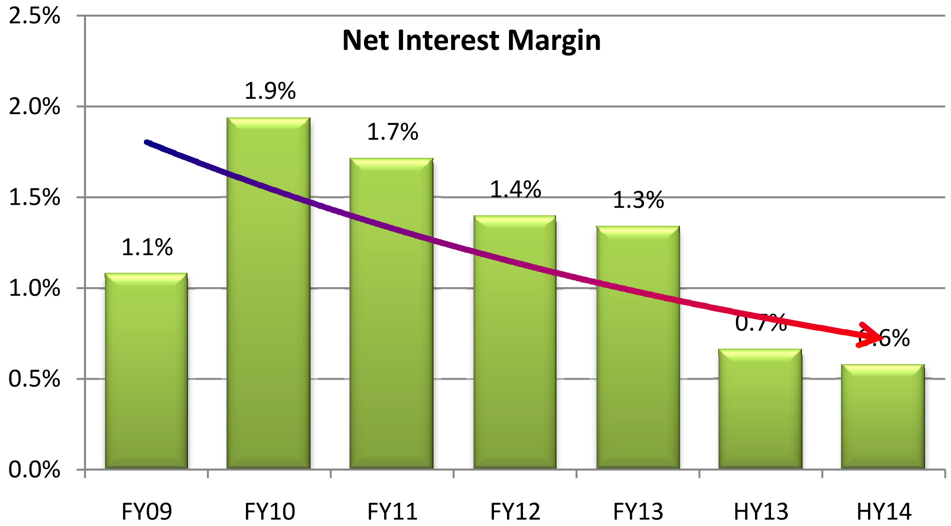
- Alternative capital would be an added advantage notwithstanding the high CAR achieved as it would stimulate further growth .

- Improved revenue performance expected in the second half of FY14….

- Revenue performance has always been stronger in the second half and FY14 is expected to be no exception. Sources will include:-
  - Increased customer accounts and transaction volumes (fees)
  - New products
  - Increased customer reach leveraging on technology
  - Strategic and operational alliances with key customers

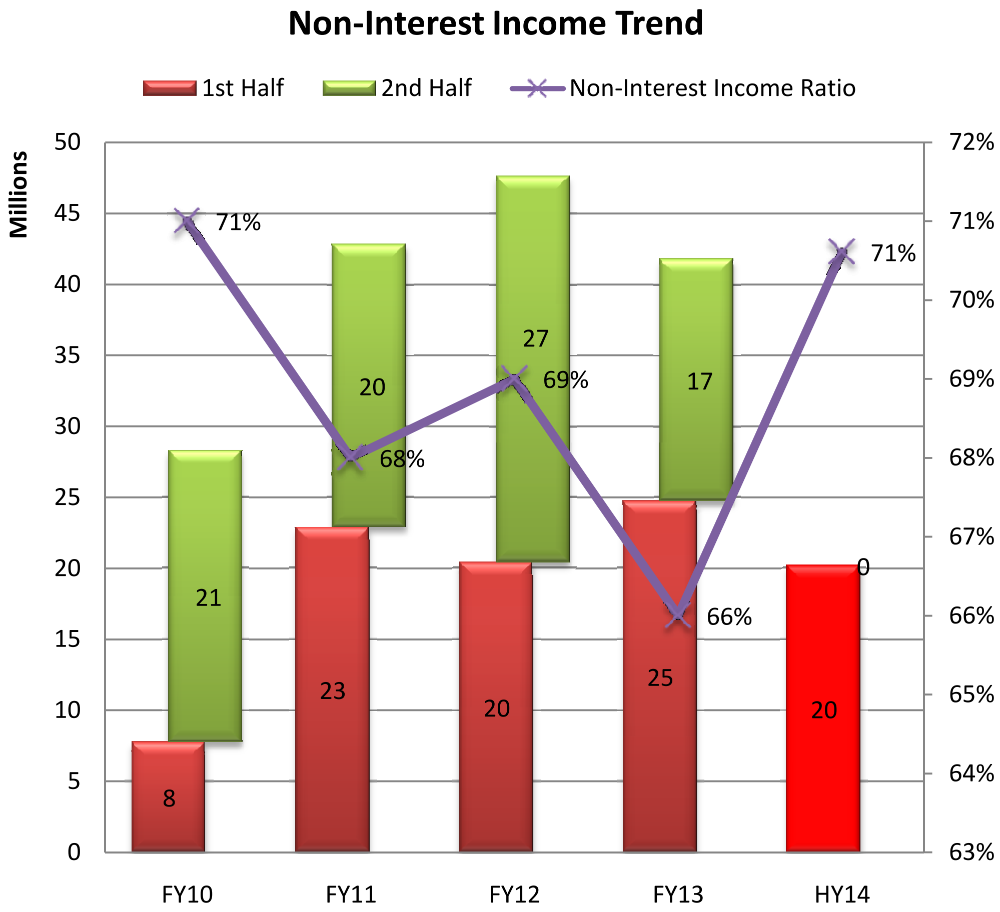
- $3.3m in interest credits was lost to interest reservation for HY14; expected partial release to income statement in future periods as collections on defaulting loans happen.

- Softening interest margins as credit absorption weakens….



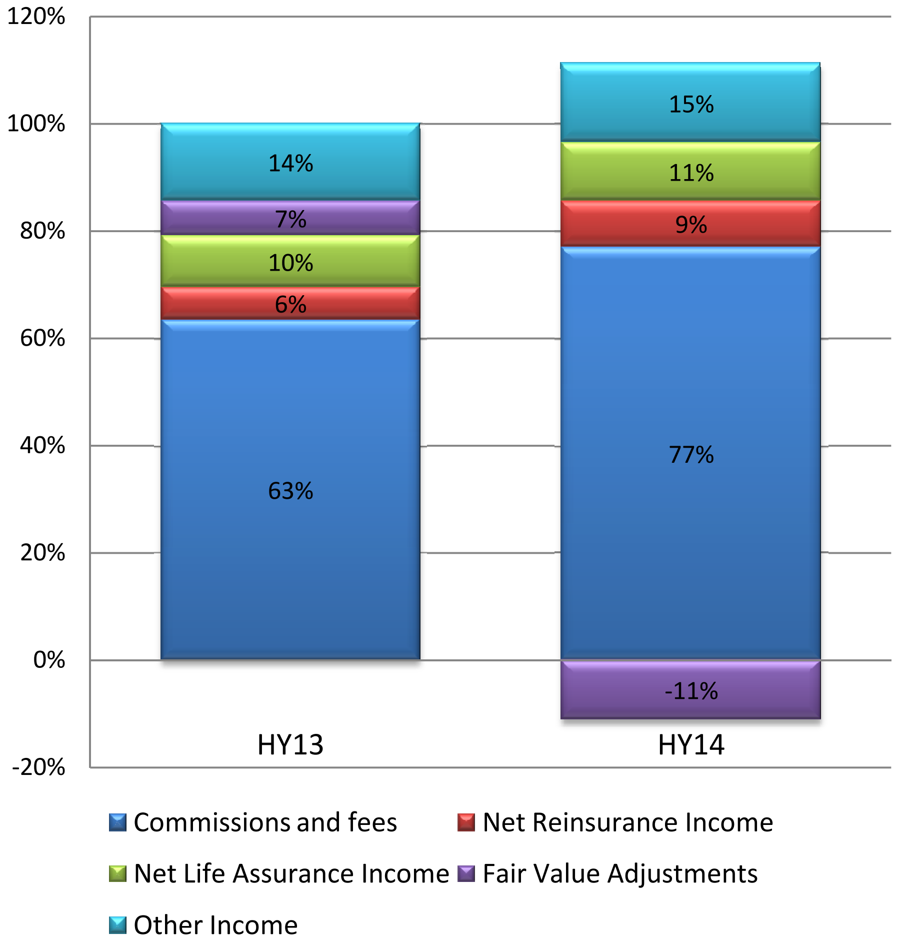
- Interest margins continued to soften shedding 0.1 basis points to 0.6% at HY14.
- The downward slope in the trend-line since FY09 is consistent with general movement in interest rates on the market (natural price correction since dollarisation).
- Term deposits constitute a significant portion of the funding and contribute a material interest cost.

- Non interest income continues to contribute more to Group earnings….



- Non interest income has contributed 71% to HY14
- A strong customer base which has been on the increase (3% increase in banking accounts from 31 December 2013 to 30 June 2014), key in commission revenue growth
- Spasmodic fair value outturn has caused total income volatility; these are not realised losses.
- The Group remains watchful of opportunities to exploit value out of the investment portfolio.

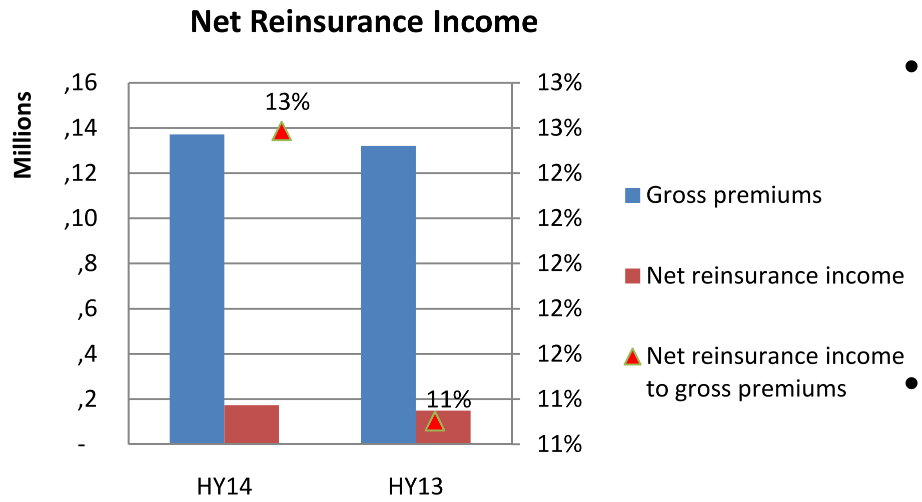
- Growth experienced in major non interest income lines that are within the Group's control….

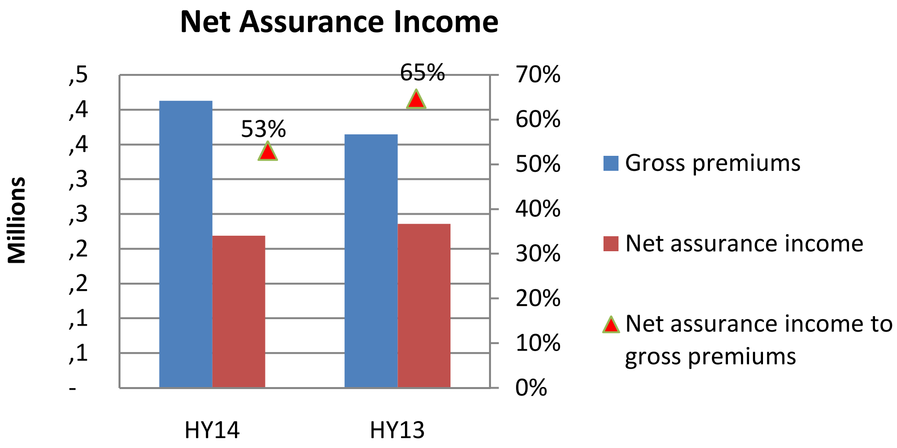


- Commissions and fees which are the major contributor to non interest income contributed 77% in HY14 against 63% in HY13

- Other major lines have also improved when compared to last year HY13, as the Group pushes for new business in reinsurance and life assurance business sectors

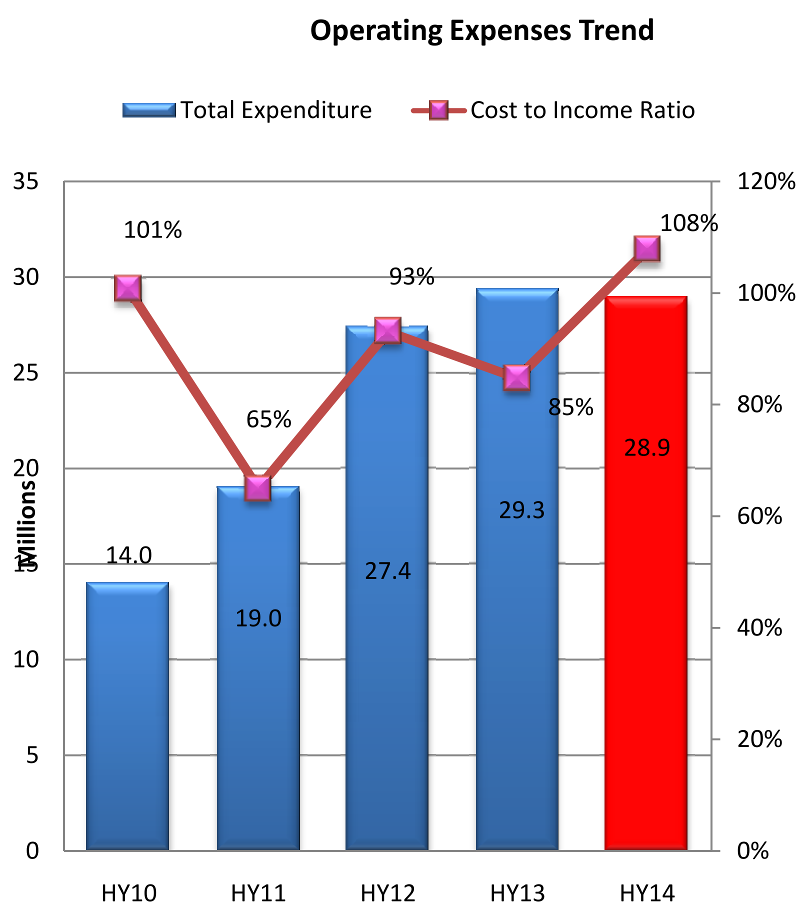
- Growth in Insurance Underwriting income led by reinsurance activities….





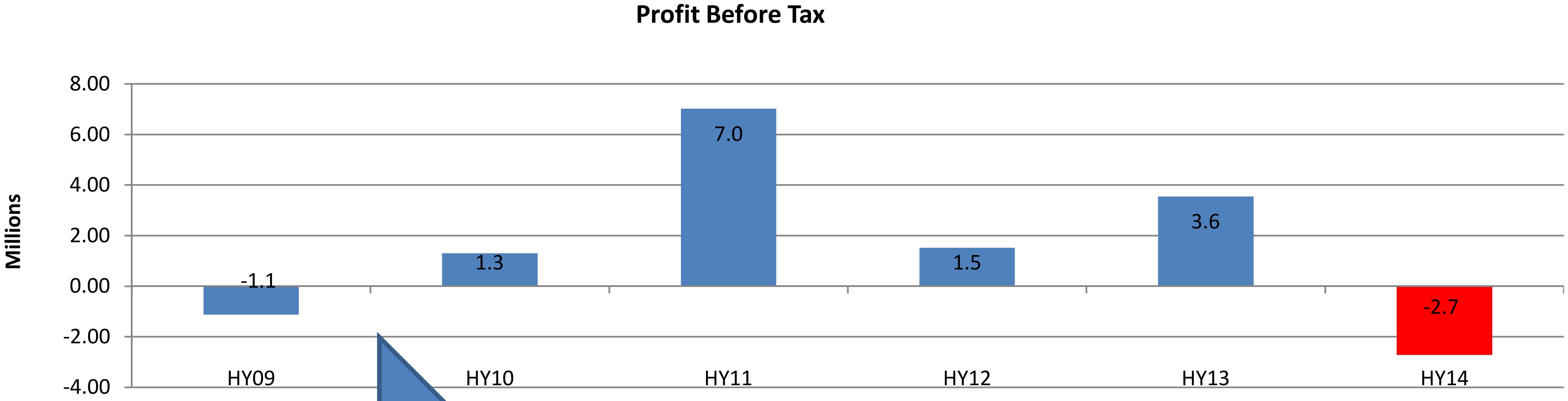
- Net underwriting results increased by 2%
- Re-insurance technical result increased by 16% on the back increased treaty participation and more facultative business as underwriting capacity increased.
- Re-insurance underwriting margin closed at 11%, a comfortable level for sustained profits
- New markets in the region are being explored
- Life Assurance technical result decreased by 7% despite a 13% increase in Gross premium.
- Policy holder benefits increased by an aggregate 50%

- Stringent cost control measures bear fruit as costs containment is achieved ....

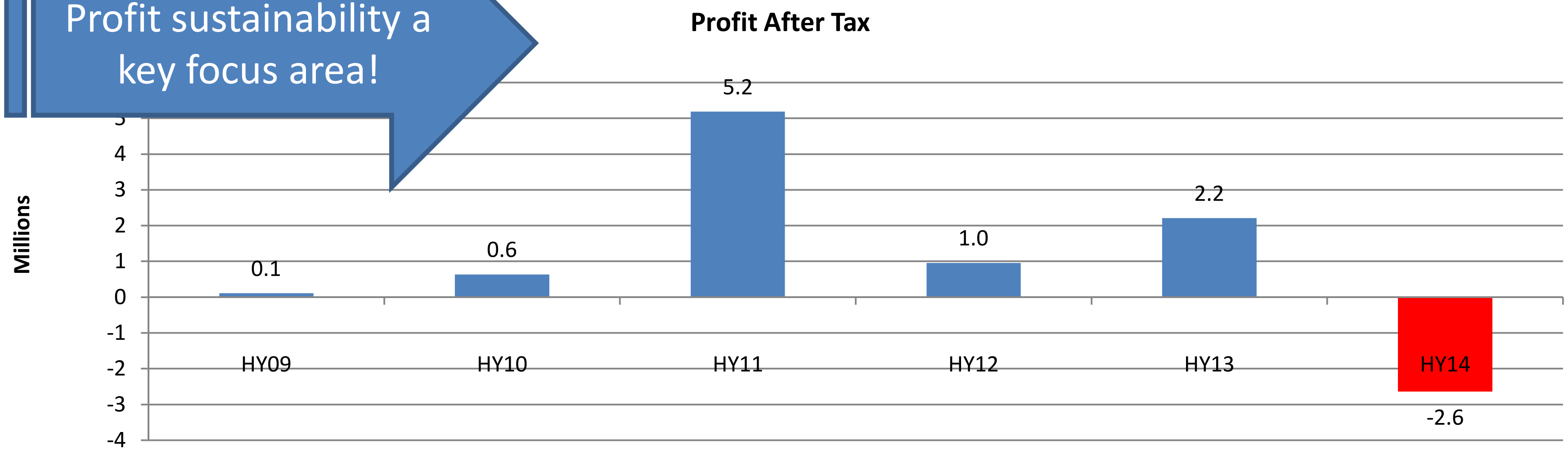


- OPEX reduced by 1% in HY14 compared to HY13.
- In nominal terms, the OPEX level remains competitive in relation to size of operations despite a 108% cost efficiency ratio.
- Several measures to increase operational efficiencies are underway– the impact of these measures are expected in the second half to medium term.
  - Business model review has seen unviable and non-core businesses (ZB Asset Management, ZB Securities, In-sourced Security and Cleaning Services) being discontinued.
  - Staff numbers have been reduced from +1.6k at 31 Dec 2013 to +1.2k at 30 Jun 2014
  - Paperless transactions in banking operations to reduce cost.
  - Review of space utilisation in progress and partially implemented.
  - A refresh of technologies and optimisation of current services to reduce service costs.

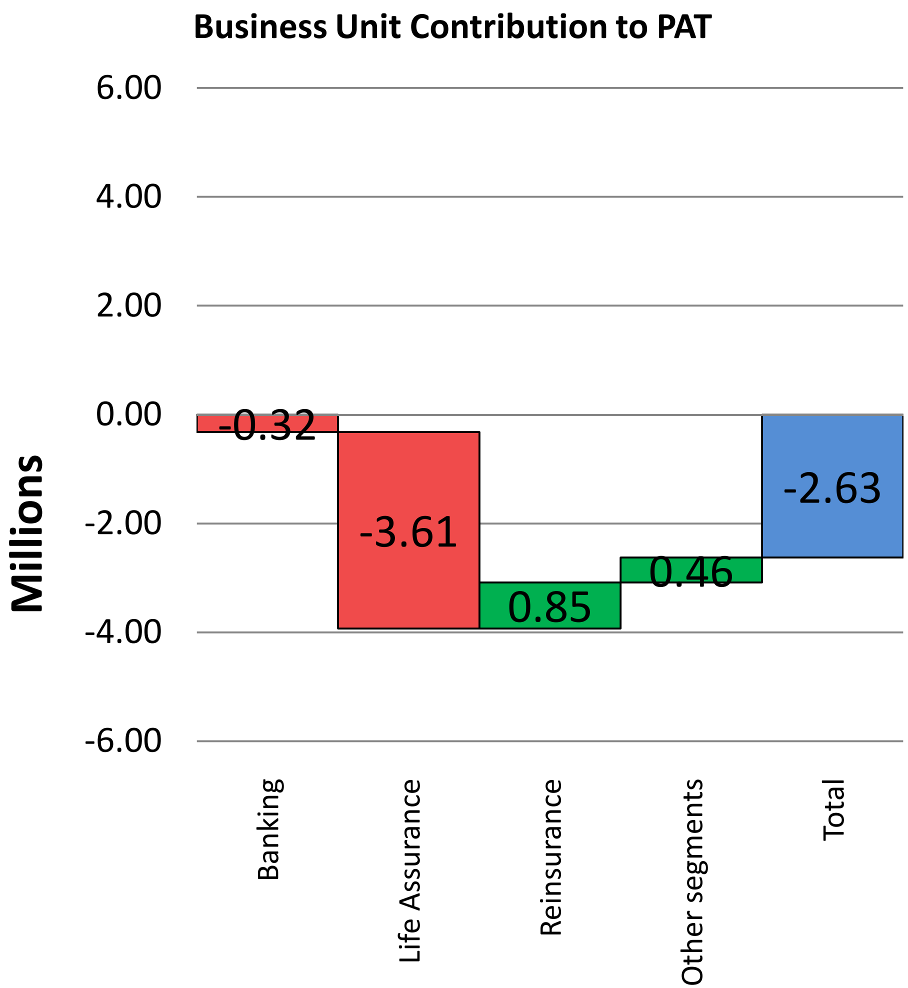
- Regression in growth trend during HY14 a result of a tough operating environment ….

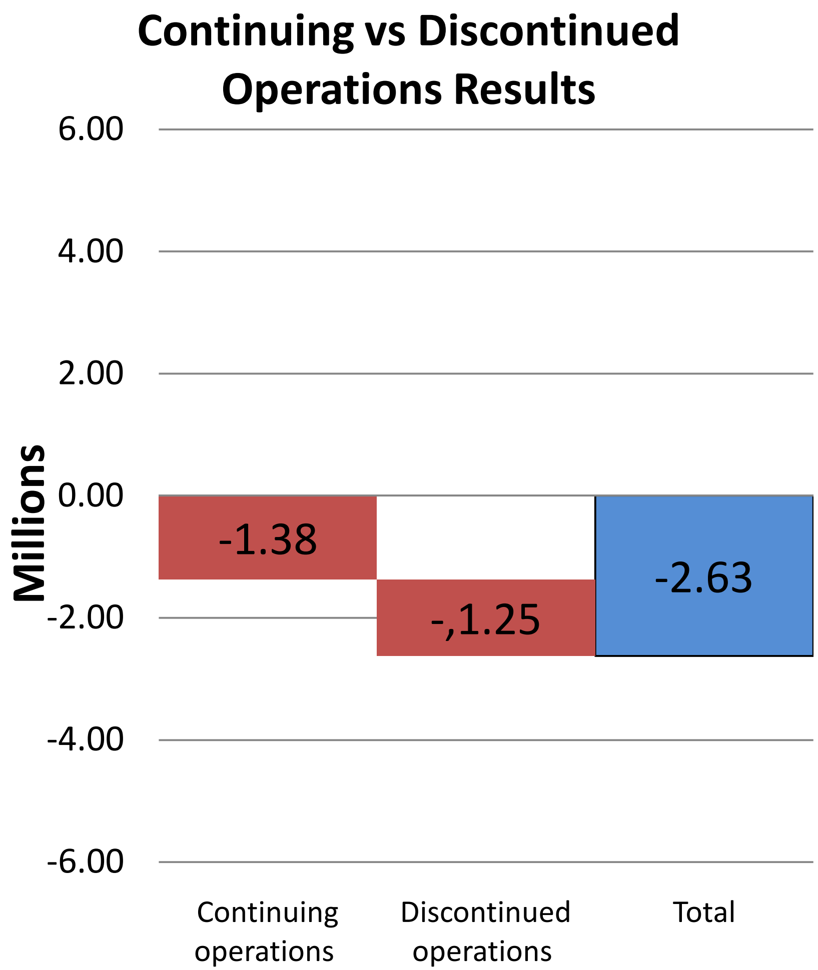


Profit sustainability a key focus area!



- Mixed performance by business units….





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- Key service channels platform for sustainable growth and profitability….

Branches are generally profitable

- Only 5 out of 66 Branches not making a profit
- These are largely new branches still in their infancy and still on track to achieve break-even in target period
- 2 Branches closed as a result of constrained performance

Usage of Electronic Channels on the increase

- ATM Card usage increased by 14%
- Transactions count on POS and ATM increased by 48%
- Cards in circulation increased by 27% to 264k
- In-branch POS usage increased by 104% on withdrawals and 562% on deposits transacting +$157 million.

CRM promoting customer loyalty and growth

- 14% growth in payment transaction count on Group platforms
- 16% increase by value
- +2 400 new accounts opened for informal traders

Business partnerships enhancing customer experience

- Facilitating integrated payments for an increasing number of business partners
- Prepaid electricity vouchers vending a key addition in the period under review
- Agency banking roll-out for full banking services underway (4 already launched)

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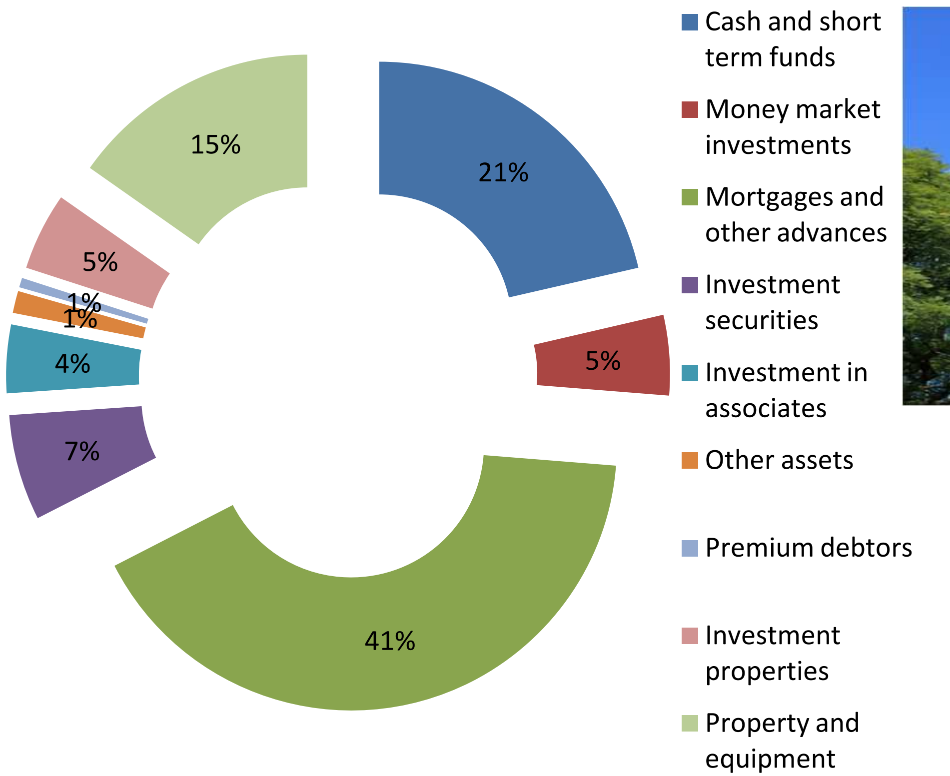
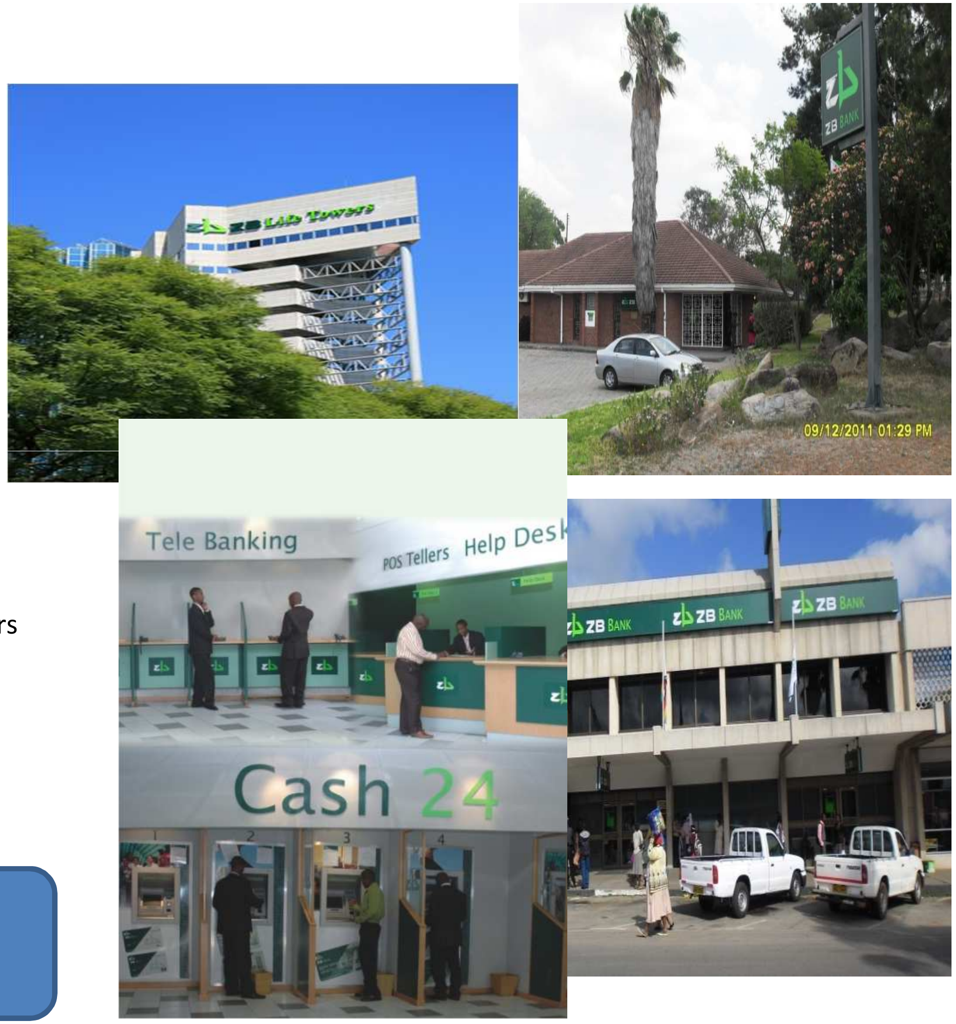
- Group holds a substantial investment in properties ….

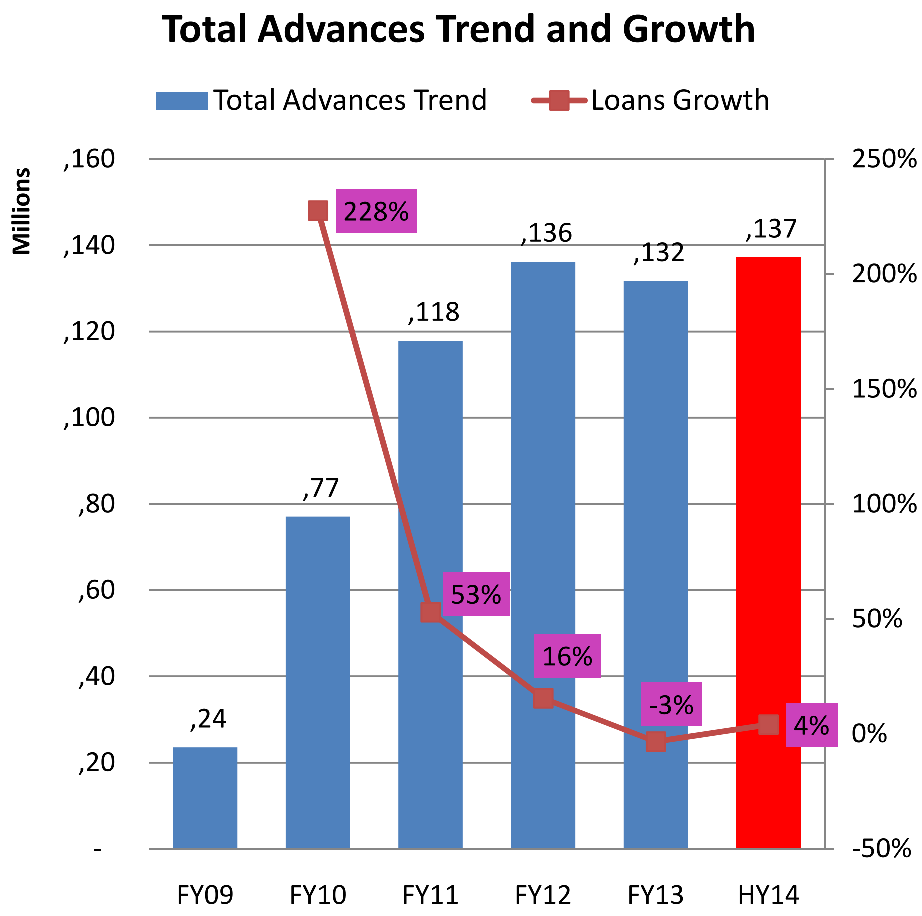
Composition of Total Assets HY14





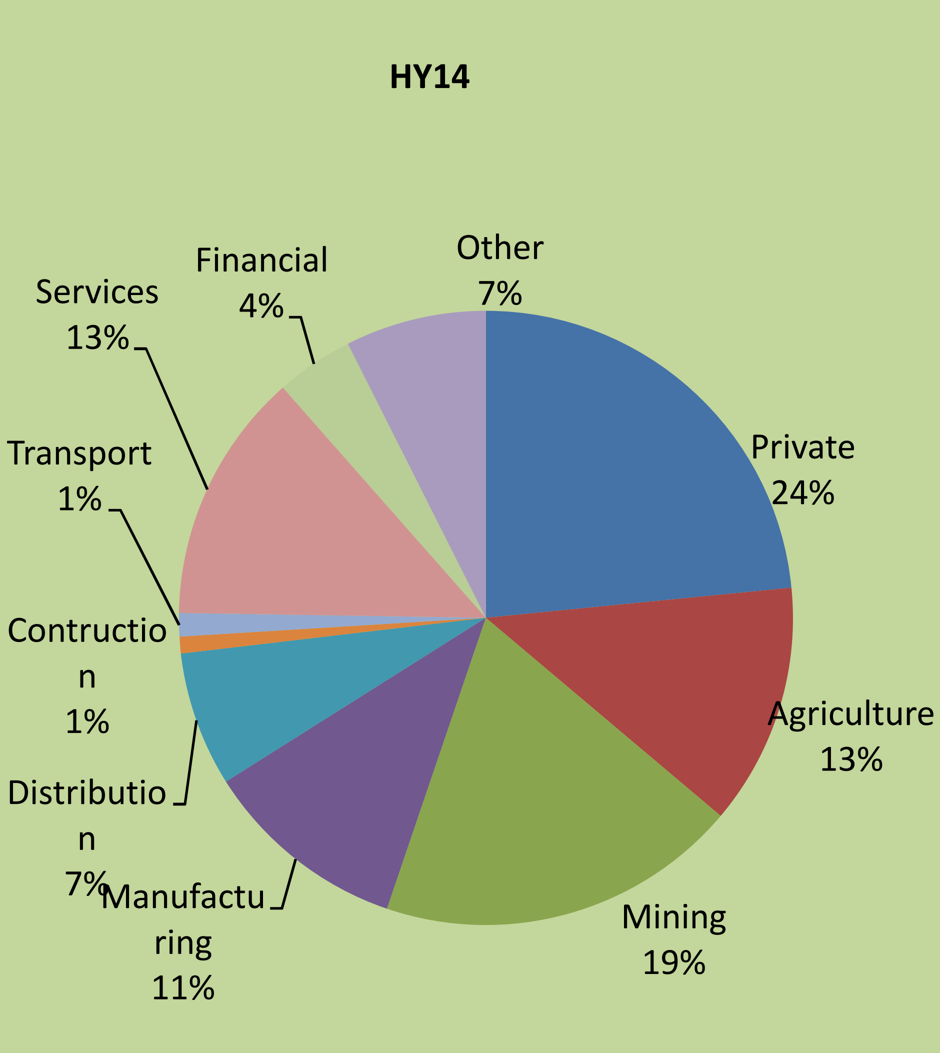
+$9 million in funding was mobilized through property backed structures, inclusive of the $5 million Agro-bills

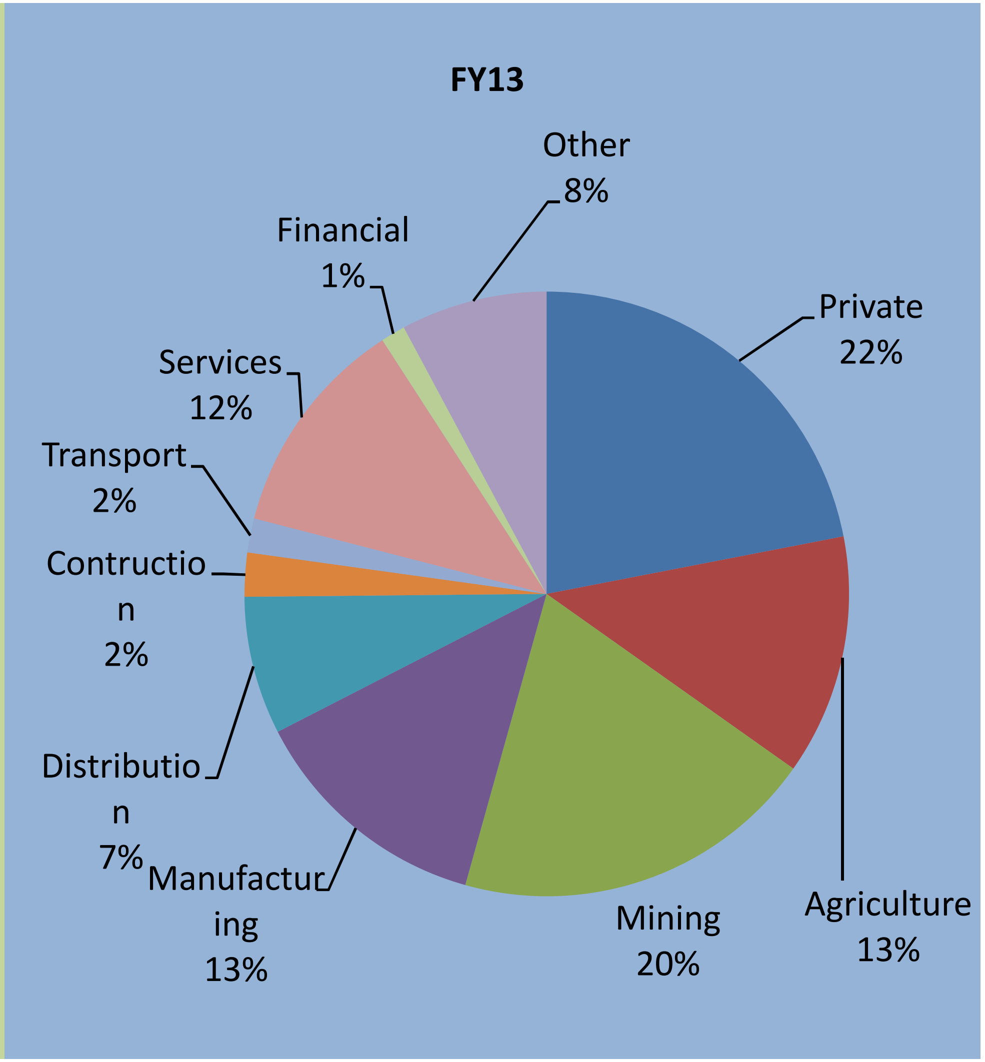
- Limited growth in advances lines due to tight credit risk control....



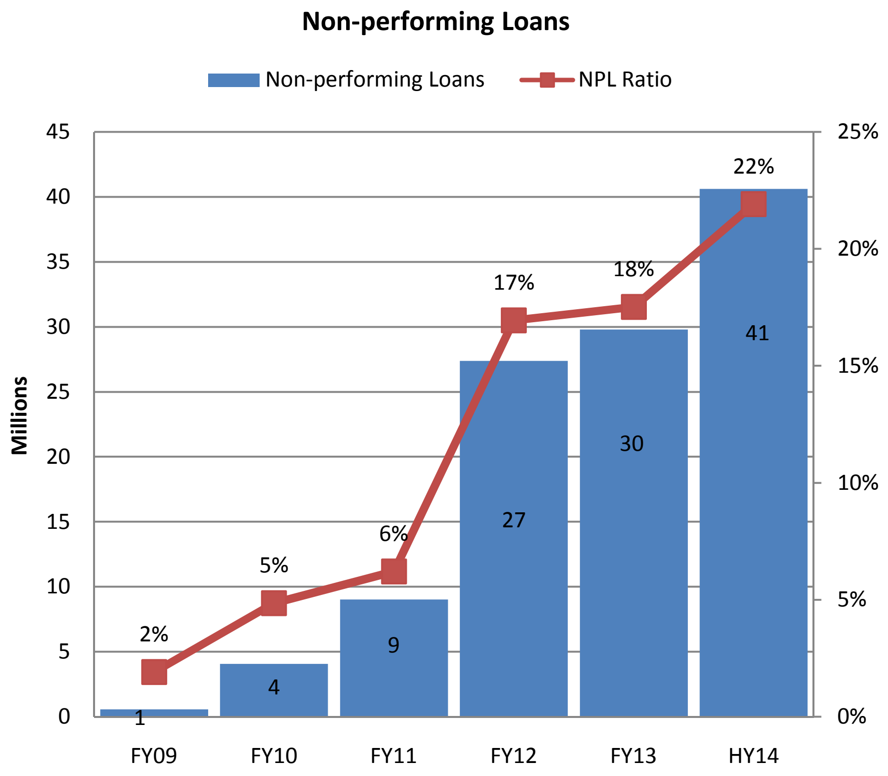
- 4% Advances growth from December 2013 position.
- Mortgage facilities increased marginally from 7% to 8% and are set to grow as more property development is undertaken.
- Finance leases remained low at 3%

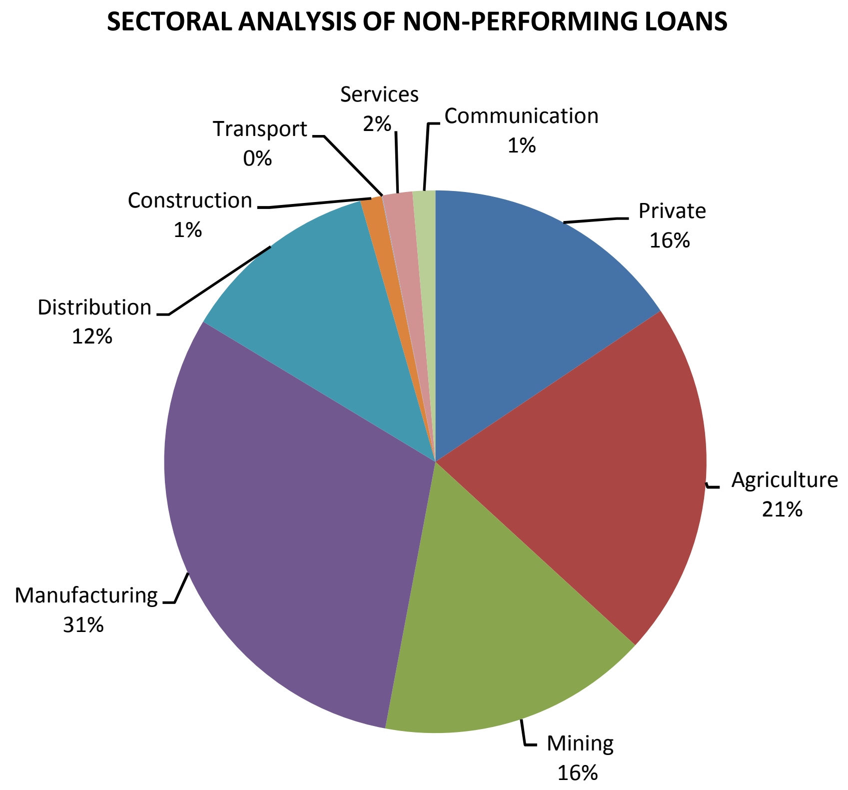
- *No major changes to the loan sectoral distribution between HY14 and FY13….*





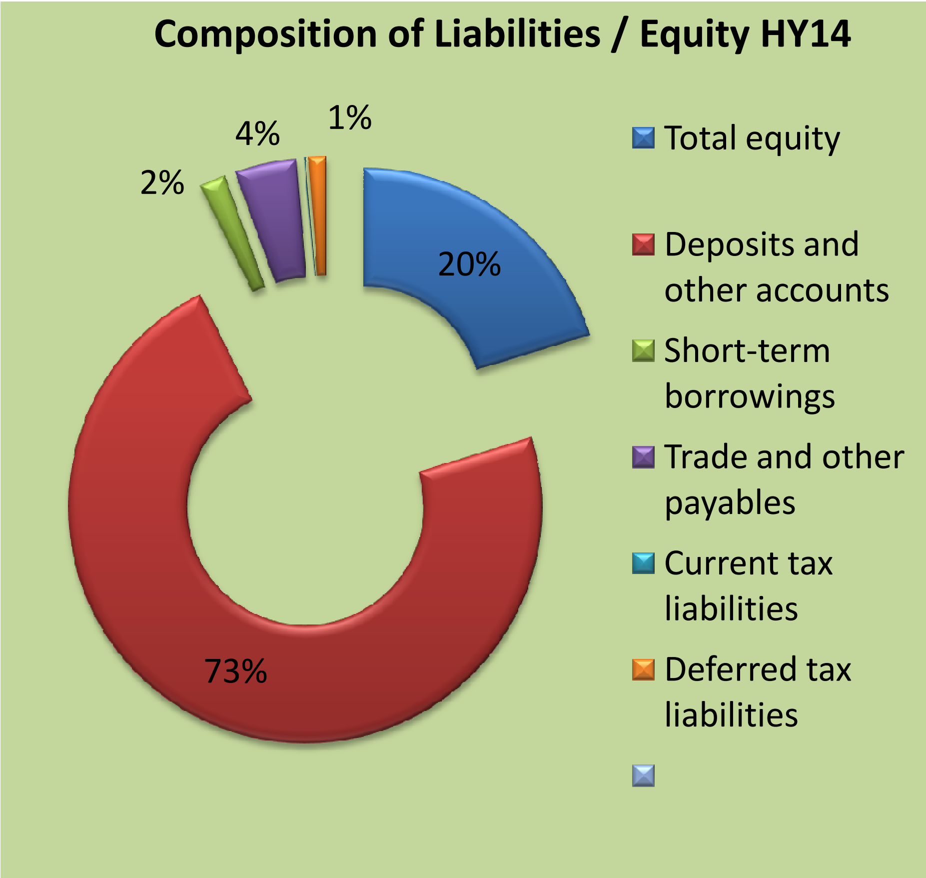
-Concerted effort underway to improve loan quality with NPLs having increased from 18% to 22%....

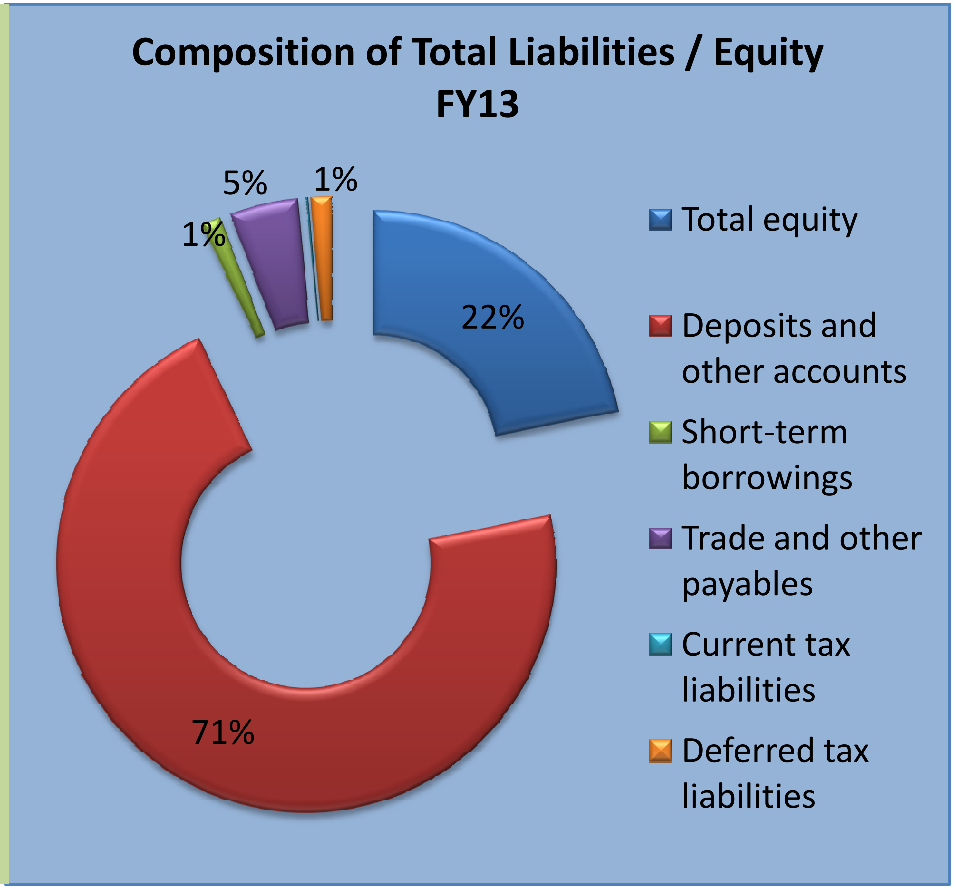




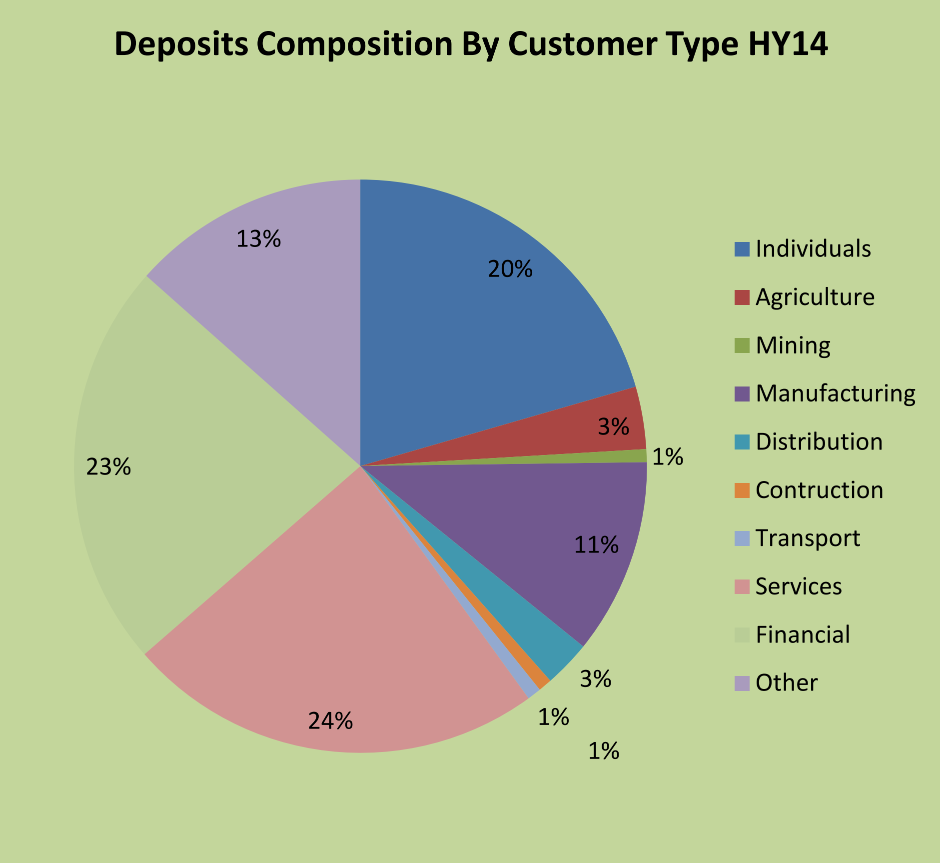
- Deterioration in NPL ratio partly a result of the low growth in the aggregate loan book
- Significant portion of NPLs are in the Manufacturing Sector

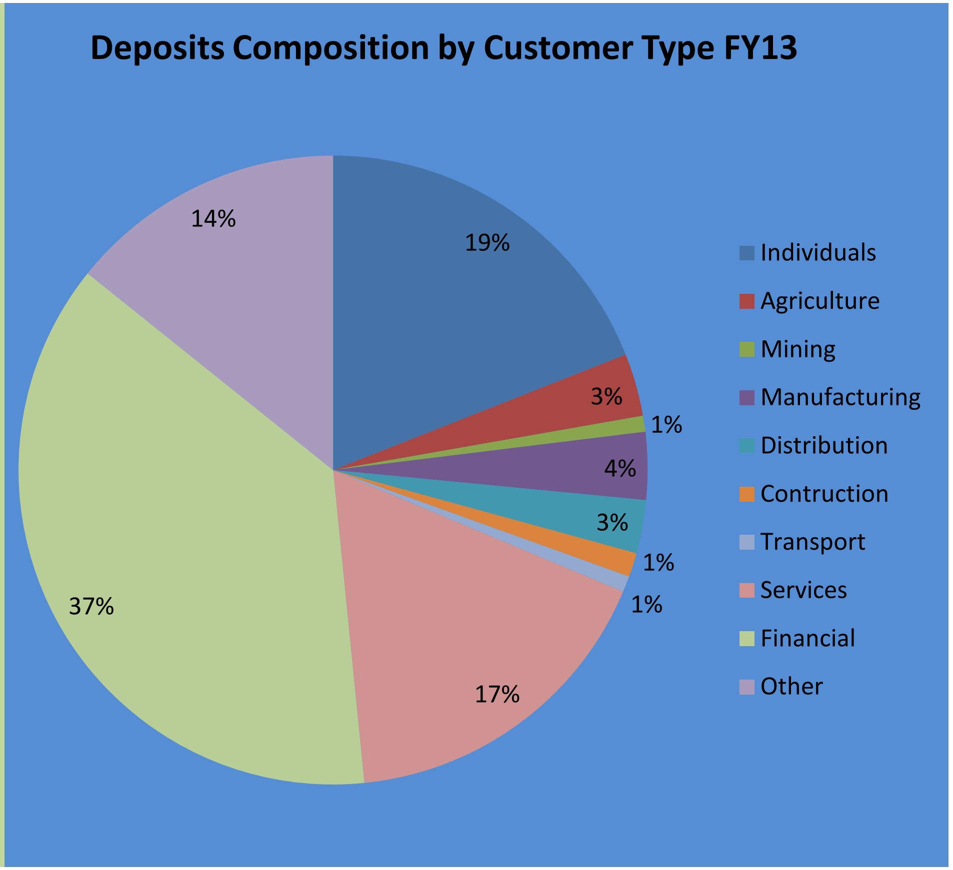
- No major changes in the funding structure of Group operations between FY13 and HY14…





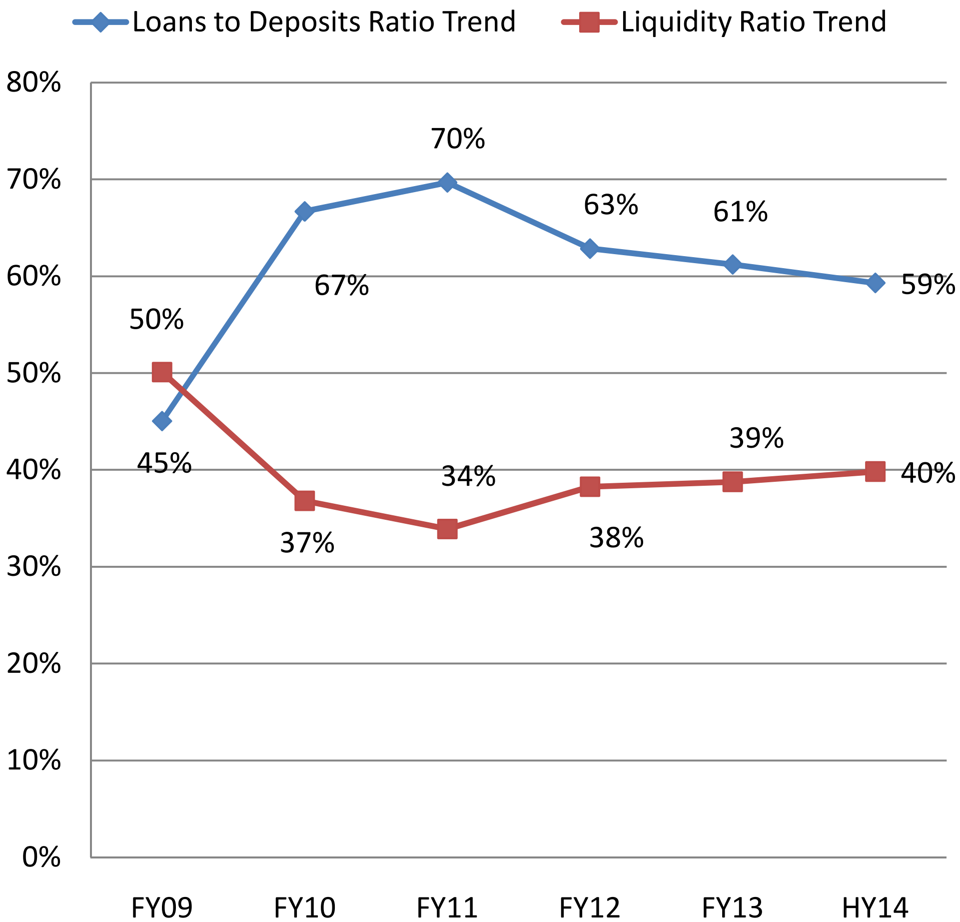
- *Deposit portfolio diversification good for management of concentration risk….*





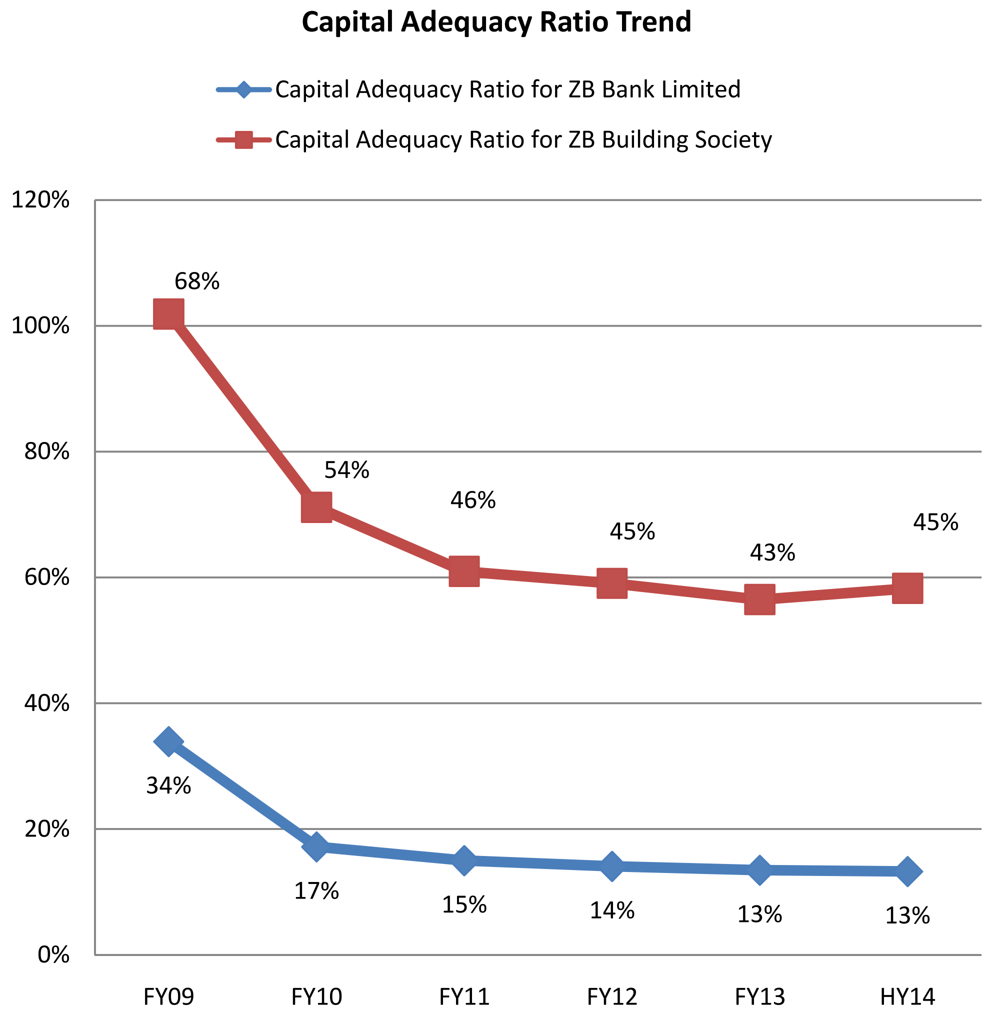
- Financial sector deposits reduced from 37% to 23%

- Liquidity management has been the hallmark of our success in a volatile environment….



- Liquidity ratio is above the minimum pegged at 30%.
- Well balanced Loans to Deposits Ratio trend, averaging 61%.
- Ratios show a commitment to the provision of uninterrupted service delivery to our customers.
- Liquidity is generally an area of major concern on the market

- Capital management remains a key focus area....



- The minimum capital adequacy ratio is 12%
- Enhancement of capital by focusing on improving asset quality and income generation capacity.

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-Outlook Period looks bright….

But pain-full strategies to be implemented to realign operations

- Further cost optimisation through a right-sizing exercise to be undertaken.
- Implementation of measures will lead to front-loaded costs which will affect short-term results.
- Close scrutiny on non-viable operations and channels which may lead to further closures or re-orientation.

New revenue opportunities to be exploited

- Through partnerships with stakeholders.
- Development of new markets (e.g. Mozambique for ZB Re and Agency Banking for ZB Bank).
- Aggressive mobilisation of funding (Increase investible paper following on the success of the $5m Agro-bill)
- Group led property development thrust.

Technology to play a key part in the service delivery

- Capital expenditure in the technology space to increase in the short-term.
- A refresh of front-facing technologies already underway.
- Increased profit contribution to be led by electronic channels.

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-Parting words….

"A value driven and growth oriented leadership culture adopted by the Group is expected to stimulate the expansion of revenue opportunities which is anchored on increased operational efficiencies"

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Thank you

"COMING TOGETHER IS A BEGINNING. KEEPING TOGETHER IS PROGRESS. WORKING TOGETHER IS SUCCESS." *HENRY FORD*

Data Card - ZB Bank Limited

Income statement	HY14	HY13	Change %
Total Income	20 581 134	22 395 687	-8%
Total Expenditure	21 385 558	20 305 556	-5%
Charge for impairment	1 586 171	389 300	-307%
Profit Before Tax	(804 424)	2 090 131	-138%
Profit After Tax	(529 057)	1 371 114	-139%
Financial position	**HY14**	**FY13**	**Change %**
Total Assets	282 636 094	257 376 562	10%
Total Advances	134 002 997	132 198 843	1%
Total Deposits	234 985 022	211 111 402	11%
Shareholders' Funds	35 605 772	36 134 829	-1%
Key ratios	**HY14**	**HY13**	**Change %**
Return on Equity	-2%	6%	-139%
Return on Assets	0%	2%	-119%
Cost to Income Ratio	104%	91%	-15%

Data Card - ZB Building Society

Income statement	HY14	HY13	Change %
Total Income	3 695 168	3 829 807	-4%
Total Expenditure	3 451 443	2 834 102	-22%
Charge for impairment	(113 184)	245 202	-146%
Profit Before Tax	243 725	995 705	-76%
Profit After Tax	242 507	991 295	-76%
Financial position	**HY14**	**FY13**	**Change %**
Total Assets	41 690 824	36 779 647	13%
Total Advances	16 766 637	12 651 218	33%
Total Deposits	22 676 417	18 395 691	23%
Shareholders' Funds	16 804 913	16 562 406	1%
Key ratios	**HY14**	**HY13**	**Change %**
Return on Equity	1%	5%	-73%
Return on Assets	1%	3%	-76%
Cost to Income Ratio	93%	74%	-26%

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Data Card - ZB Life Assurance

Income statement	HY14	HY13	Change %
Total Income	(1 725 489)	4 547 725	-138%
Total Expenditure	2 468 728	2 350 777	-5%
Profit Before Tax	(3 740 982)	291 820	-1382%
Profit After Tax	(3 605 486)	129 098	-2893%
Financial position	**HY14**	**FY13**	**Change %**
Total Assets	28 213 849	32 483 245	-13%
Money Market Investments	2 302 614	2 751 511	-16%
Investment Properties	3 433 005	3 433 005	0%
Life Assurance Fund	24 014 286	24 467 521	-2%
Shareholders' Funds	2 433 113	6 038 599	-60%
Key ratios	**HY14**	**HY13**	**Change %**
Return on Equity	-88%	5%	-1946%
Return on Assets	-12%	1%	-1477%
Cost to Income Ratio	-143%	52%	-377%

Data Card -ZB Reinsurance

Income statement	HY14	HY13	Change %
Total Income	2 193 806	2 099 160	5%
Total Expenditure	1 060 217	1 120 958	5%
Profit Before Tax	1 133 589	978 202	16%
Profit After Tax	845 392	791 929	7%
Financial position	**HY14**	**FY13**	**Change %**
Total Assets	12 818 888	12 170 206	5%
Insurance Receivables	2 030 833	2 065 822	-2%
Money Market Investments	7 420 000	7 100 000	5%
Investment Securities	2 003 312	1 775 286	13%
Shareholders' Funds	7 811 815	6 966 423	12%
Key ratios	**HY14**	**HY13**	**Change %**
Return on Equity	15%	14%	9%
Return on Assets	9%	8%	13%
Cost to Income Ratio	48%	53%	9%

Data Card - Investment Banking

Income statement	HY14	HY13	Change %
Total Income	645 603	1 081 324	-40%
Total Expenditure	1 564 322	1 064 465	-47%
Profit Before Tax	(918 718)	16 859	-5549%
Profit After Tax	(1 314 678)	131 548	-1099%
Financial position	**HY14**	**FY13**	**Change %**
Total Assets	1 832 080	2 929 513	-37%
Money Market Investments	411 305	475 484	-13%
Investment Securities	404 761	961 574	-58%
Shareholders' Funds	613 781	1 928 459	-68%
Key ratios	**HY14**	**HY13**	**Change %**
Return on Equity	-72%	1%	-8368%
Return on Assets	-39%	1%	-6805%
Cost to Income Ratio	242%	98%	-146%