



ZB Financial Holdings



Analysts' presentation

Reviewed results for the half year ended 30 June, 2020

Market recognition of the Group's efforts remained high....



Bank of the Year – Buy Zimbabwe Bank of the year 2019 award

Best Governed Bank – Best Governed Banking Institution under the Banking Institution category for 2019- 1st Runner up - ICIS



Best CSR company – Global Banking and Finance awards (UK) for the Best CSR company in Zimbabwe 2019 and 2020



Best bank supporting SMEs development – 2019 and 2020 (ZNCC)



Property development – Residential projects - Zimbabwe Project Management 2019 Awards (CIPMZ)



Superbrand's 2018 Top 200 Brands – Participant in the Superbrand Research Report (MAZ)



Silver medal - Best SMEs Business Advisory Services -SMEs International Expo 2016 (BUSINESS CONNECT)



Outstanding Financial Institution of the year - 1st runner up - Business Awards 2016 (MEGAFEST)



Best Turnaround Strategy in 2015 - Zimbabwe Quoted Companies Survey 2016 Awards (ZIMBABWE INDEPENDENT)

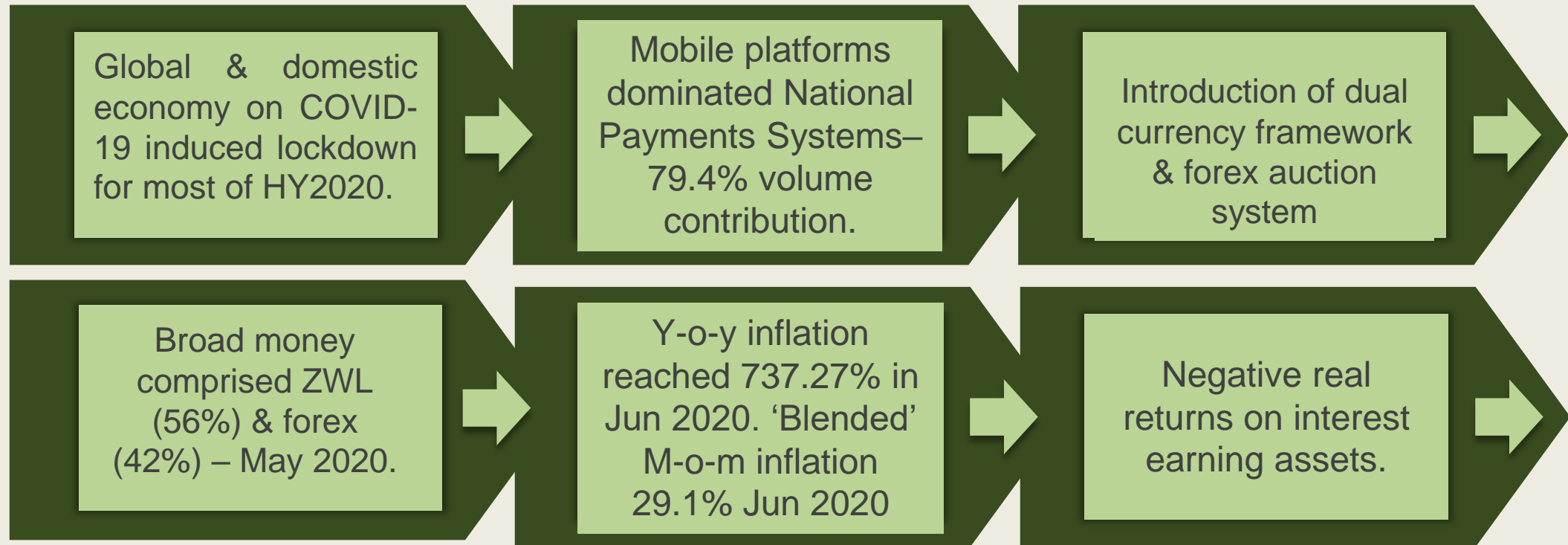


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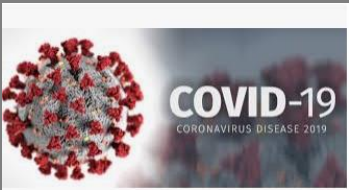
Business Environment : An overview



HY20 dominated by “The Great Lockdown”....



- The Ministry of Finance & Economic Development (MoF) estimates that the economy contracted by 6% in FY2019.
- GDP growth for FY2020 is forecast at -4.5% (MoF), down from an initial 3% growth forecast, with most sectors expected to contract.
- World Bank is projecting a 10% contraction of the domestic economy for FY2020.
- COVID-19 induced lockdown exacerbated an economy that was already fragile.



The Group sought to preserve its asset base against value erosion....

The Group maintained partnerships with Afreximbank, Trade & Development Bank (TDB), AfDB, ODO-BHF Bank, IFC, FNB, DZ Bank & Bank of China.

Land bank acquisition remained a focal strategy to harden the asset base & preserve value from inflation.

Expansion of product offering: formal launch of Kesto Diaspora Banking, WhatsApp Banking & VISA.

Branch rationalisation & refurbishment exercise on-going – Douglas Rd & Chambers Branches refurbishments being finalised.

Sustained increase in money transfer business – on-boarding of additional partners (RIA Financial Services & Small World).

Contact Centre launched & now operational.

Launch of MFI Operations expected in FY2020. Regional expansion for ZB Re delayed by COVID induced slowdowns in target market.

Fundraising initiatives for Govt. & SOEs has been maintained through ZB Capital (ZINARA, IDBZ, SFI).

Company	HY20	FY19	Rating Review Date
ZB Bank Limited	BB	BB	Suspended*
ZB Building Society	B-	B-	Suspended*
ZB Reinsurance Limited	BBB	BBB	May, 2021

*Credit ratings for ZB Bank Limited and ZB Building Society will resume when macro fundamentals have improved.



The Group is targeting a tier 1 capital level of US\$30m for its banking operations by 2021....

Company	As at 30 June 2020 (ZW\$m) – Inflation adjusted						As at 30 June 2020 (ZW\$m) – Historical cost					
	Gross Capital Base	Regulatory Capital	Regulatory Minimum	Excess Available against regulated	Projected 31 Dec 2021 Regulatory Capital*	Excess / (Deficit) against 2021 target	Gross Capital Base	Regulatory Capital	Regulatory Minimum	Excess Available against regulated	Projected 31 Dec 2021 Regulatory Capital*	Excess / (Deficit) against 2021 target
ZB Bank Limited	2 527.8	2 180.5	25	2 155.5	1 720.5	460.0	2 153.7	1 910.2	25	1 885.2	1 720.5	189.7
ZB Building Society	609.4	571.2	20	551.2	1 147.0	(575.8)	599.5	543.8	20	523.8	1 147.0	(603.2)
ZB Reinsurance Limited	388.4	388.4	75	313.4	75	313.4	383.2	383.2	75	308.2	75	308.2
ZB Life Assurance	814.0	814.0	75	739.0	75	739.0	606.0	606.0	75	531.0	75	531.0
ZB Transfer Secretaries Limited	11.7	11.7	0.2	11.5	0.2	11.5	11.6	11.6	0.2	11.5	0.2	11.5

*Regulatory capital target as at 31 December 2021 for banking operations has been determined by multiplying the USD limits by the exchange rate of US\$1:ZW\$57.36



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Financial Outturn

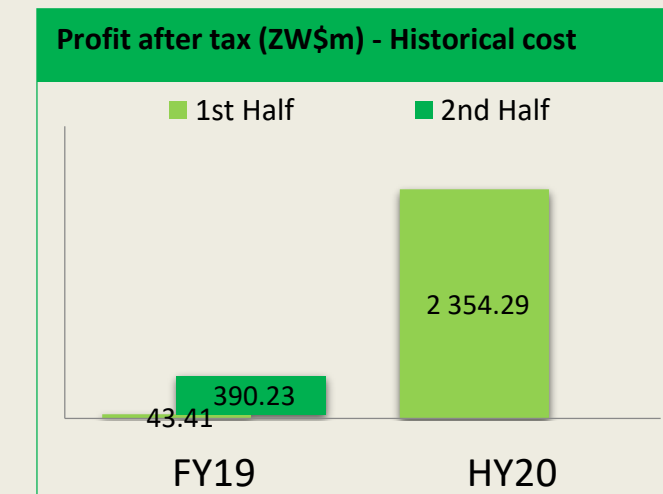
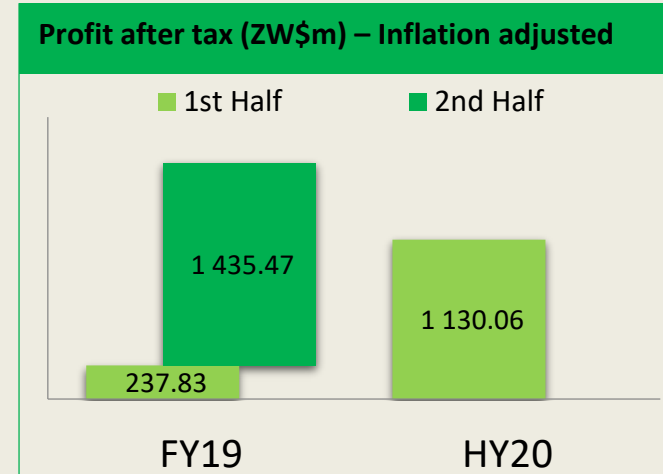


1. *Inflation adjusted financial statements have been issued as the Group's primary financial statements in terms of the International Financial Reporting Standard 29 – **Financial Reporting in Hyperinflationary Economies.***
2. *Historical financial statements have been issued for information purposes only.*

Improved performance outturn for HY20 compared to HY19 outturn...

- Profit improved by 375% from ZW\$237.8m in HY19 to ZW\$1.13bn in HY20 resulting in the EPS increasing by 239% from ZW179c to ZW607c whilst the ROE improved from 23% to 49% over the same period.

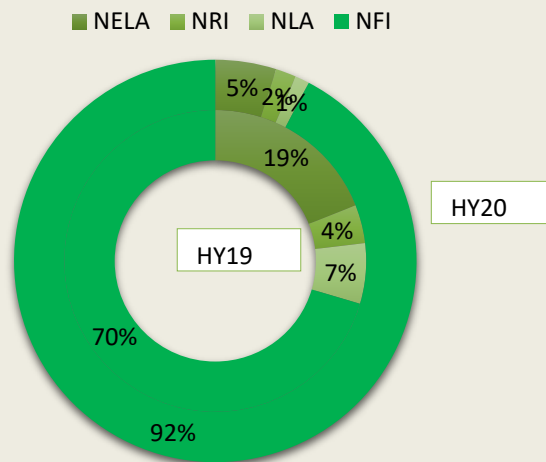
Summarised statement of profit or loss	Inflation adjusted			Historical cost		
	HY20	HY19	%	HY20	HY19	%
	ZW\$(m)	ZW\$(m)	Change	ZW\$(m)	ZW\$(m)	Change
Total Income	1 997.91	838.18	138%	2 834.65	94.19	2910%
Total expenses	(556.84)	(593.91)	6%	(366.25)	(48.79)	651%
Profit Before Tax	1 441.07	244.28	490%	2 468.41	45.40	5337%
Movement in the Life Fund	(13.41)	59.87	-122%	(282.05)	(8.14)	3363%
Share of profit in associate	(113.17)	28.33	-499%	224.65	5.09	4311%
Net monetary loss	(102.88)	(106.62)	4%	-	-	0%
Income tax expense	(81.56)	(11.97)	-781%	(56.71)	1.06	-5436%
Profit for the period	1 130.06	237.83	375%	2 354.29	43.41	5323%
Earnings per share (EPS) (cents)	607.48	179.37	239%	1 171.66	26.09	4391%
Return on equity (ROE)	49%	23%	2600bp	153%	41%	27370bp



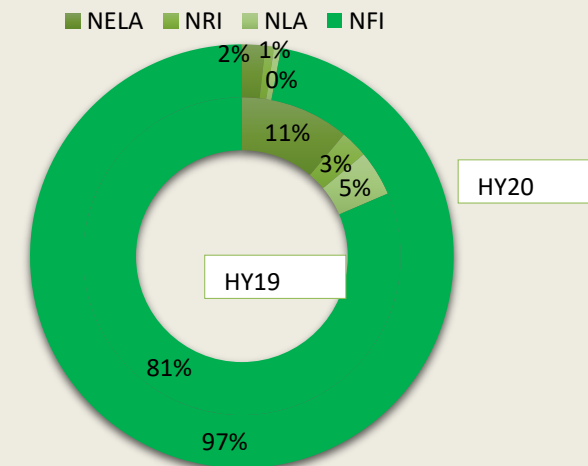
Non-funded income contributed 92% to total income....

Total income contribution	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change
Net earnings from trading and lending activities (NELA)	97.72	159.21	-39%	50.48	10.47	382%
Net reinsurance income (NRI)	33.01	34.48	-4%	18.97	2.63	620%
Net life assurance income (NLA)	22.90	54.24	-58%	14.77	4.37	238%
Non-funded income (NFI)	1 844.28	587.29	214%	2 750.44	76.71	3485%
Total income	1 997.91	835.21	139%	2 834.65	94.19	2910%

Total income contribution - Inflation adjusted



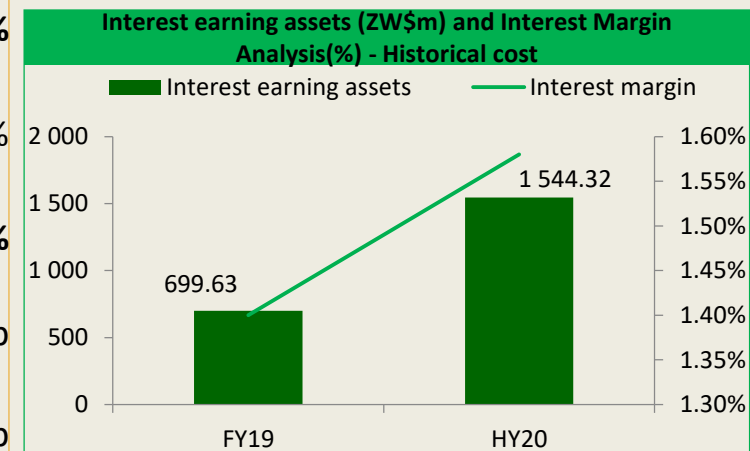
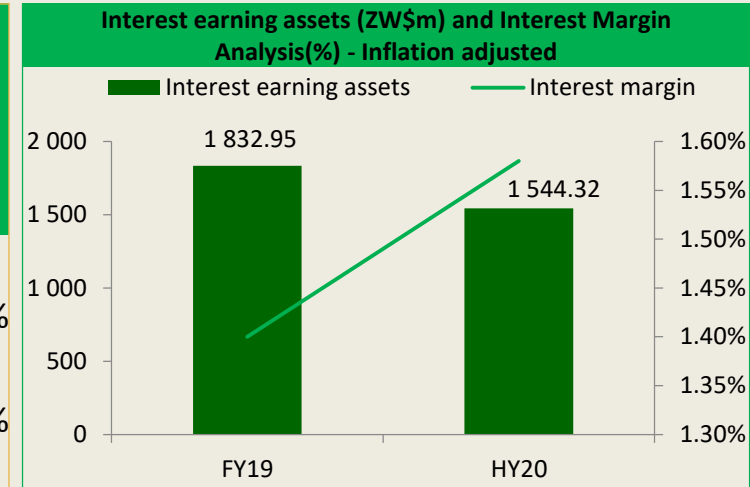
Total income contribution - Historical cost



Interest margin increased slightly with rates exhibiting stickiness due to excess liquidity conditions...

- **Gross interest income** regressed by 21% in real terms against a moderate re-pricing on a reduced portfolio of assets.
- **Interest expenses** reduced with paying rates having remained flat whilst the funding mix shifted to less expensive classes
- A **net impairment charge** of ZW\$79.37m was posted for HY20 against a charge of ZW\$28.95m for HY19, driven by an expansion in the loan book.

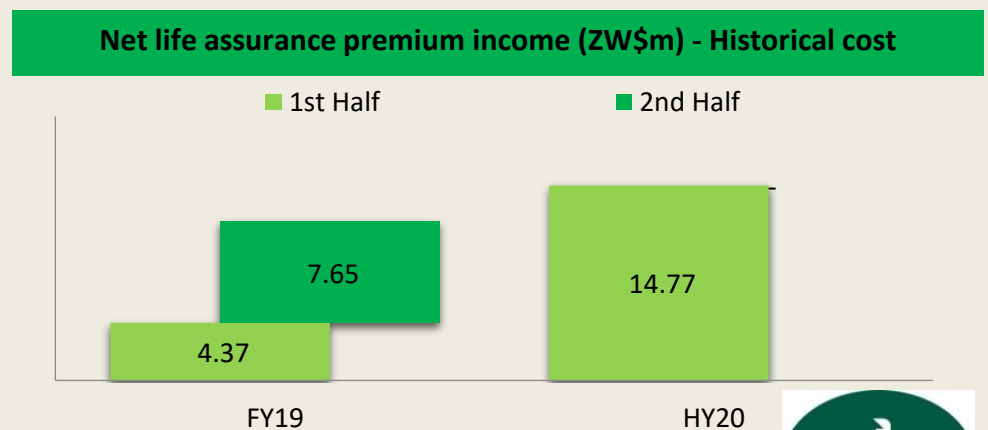
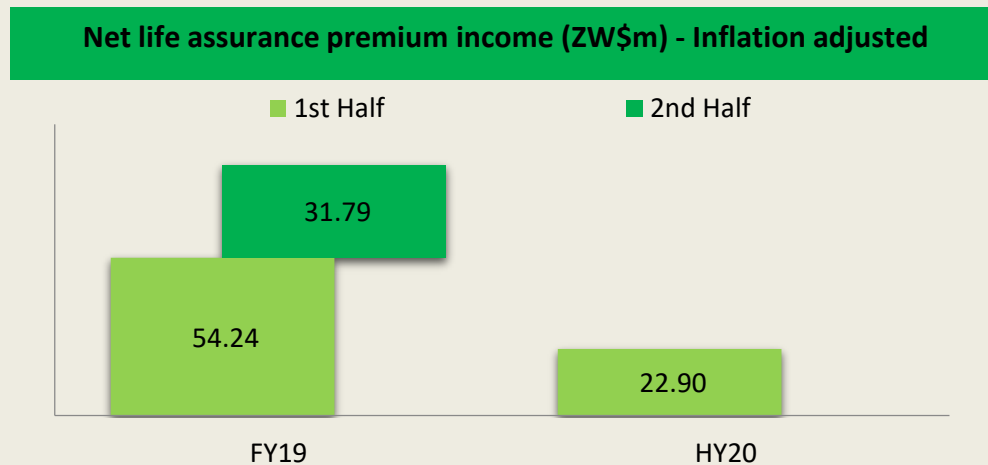
Net interest income	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change
Gross interest income(GII)	202.68	255.11	-21%	124.82	19.96	525%
Interest expense	(25.59)	(66.96)	62%	(15.34)	(5.63)	-172%
Net interest income(NII)	177.09	188.16	-6%	109.48	14.33	664%
Net impairment movement	(79.37)	(28.95)	-174%	(59.00)	(3.86)	-1430%
Net earnings from lending activities	97.72	159.21	-39%	50.48	10.47	382%
NII to GII ratio	87%	74%	1362bp	88%	72%	1592bp
Net interest margin	9%	23%	-200bp	4%	15%	-200bp



Life assurance premiums affected by the reduction in household disposable incomes as inflation raged....

- **Net assurance income** reduced by 58%, saddled by a 56% decrease in gross premiums which was partially offset by a 53% decrease in policy benefits, reinsurance premiums and business mobilisation commission expenses.
- Policy surrenders increased by 223% as household income levels deteriorated due to a increasing inflationary trend and national lockdown.
- The ratio of assurance expenses to premium remained acceptable at 42.9% in HY20, having moved from 40.6% in HY19..

Net Life Assurance Premium income	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change
Life assurance premium	40.12	91.25	-56%	25.30	7.39	242%
Benefits paid and reinsurance commission expenses	(17.22)	(37.02)	53%	(10.53)	(3.02)	-248%
Net assurance income	22.90	54.24	-58%	14.77	4.37	238%
Expense ratio	42.9%	40.6%	578bp	41.6%	40.9%	173bp

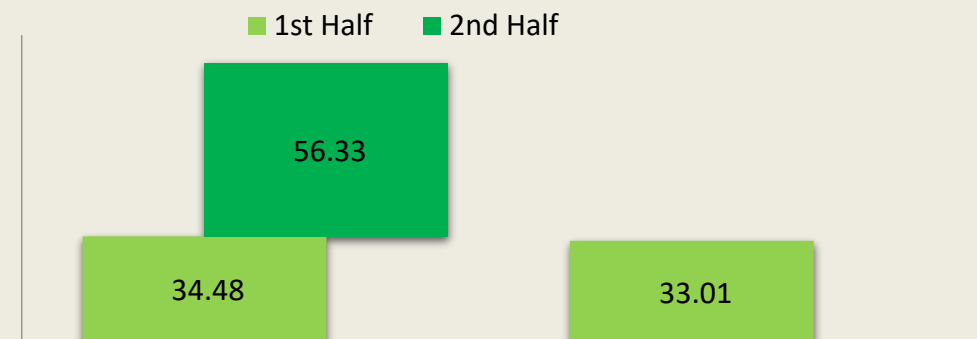


Growth in reinsurance premiums was driven by the movement in exchange rates....

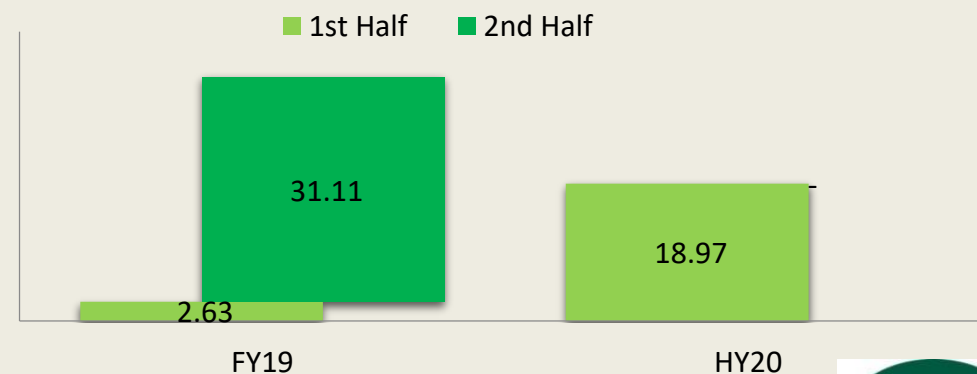
- Foreign sourced premiums increased from 3.3% to 6.8% as the reinsurance company maintained strong relations with regional partners on the back of a solid reputation and credit rating.
- The insurance claims ratio softened to 24% in HY20 compared to 49% in HY19 with the improvement being partially explained by the general slow-down of business and social activity as a result of the COVID-19 lockdown.
- The technical expenses ratio remained at an acceptable level despite an increase from 78.8% to 86.6%.

	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change
Local premium income	229.74	157.25	46%	213.59	14.08	1417%
Foreign premium income	16.76	5.52	204%	10.65	0.48	2119%
Reinsurance premium	246.50	162.76	51%	224.24	14.56	1440%
Reinsurance expenses	(213.49)	(128.28)	-66%	(205.49)	(11.93)	-1621%
Technical result	33.01	34.48	-4%	18.97	2.63	620%
Local premium income contribution	93.2%	96.7%	-341bp	95.3%	96.7%	-145bp
Foreign premium income contribution	6.8%	3.3%	341bp	4.7%	3.3%	145bp
Technical expenses ratio	86.6%	78.8%	779bp	91.5%	81.9%	963bp

Net reinsurance premium income (ZW\$m) - Inflation adjusted



Net reinsurance premium income (ZW\$m) - Historical cost



*bp – basis points



Banking fees and commissions retreated by 23% in real terms....

- The **reduction in banking fees and commissions** was against the backdrop of a freeze in rate escalations that came into effect in March 2020. Customer accounts increased by 11% with the trend having been sustained over the last two years.
- Investment returns improved by 5 895% from a loss of ZW\$13.1m in HY19 to a profit of ZW\$761.2m in HY20 driven by movements in the ZSE stock prices (contributing ZW\$277.7m), dividends contributing ZW\$0.84m and fair value adjustment on investment properties (contributing ZW\$482.7m).
- Foreign exchange gains contributed ZW\$809.9m in HY20 compared to ZW\$250.8m in HY19 and was due to the positive net foreign positions held by the Group during the period under review.
- Other income includes fees on advisory mandates and retreated in real terms due to a slow-down in execution on key mandates.

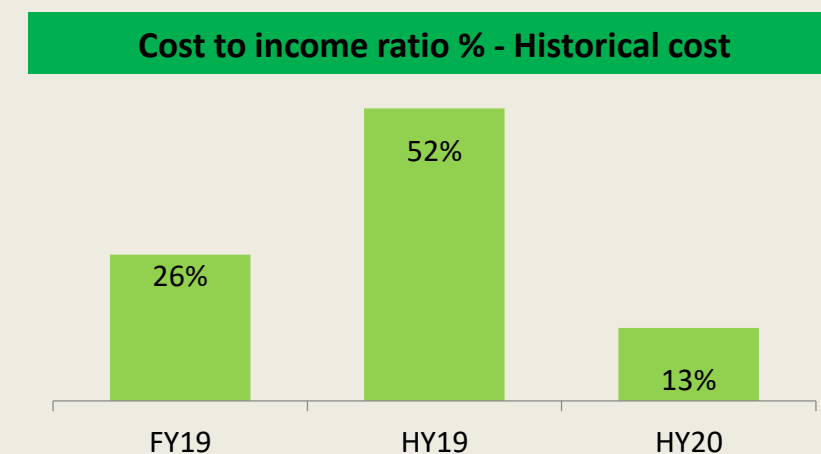
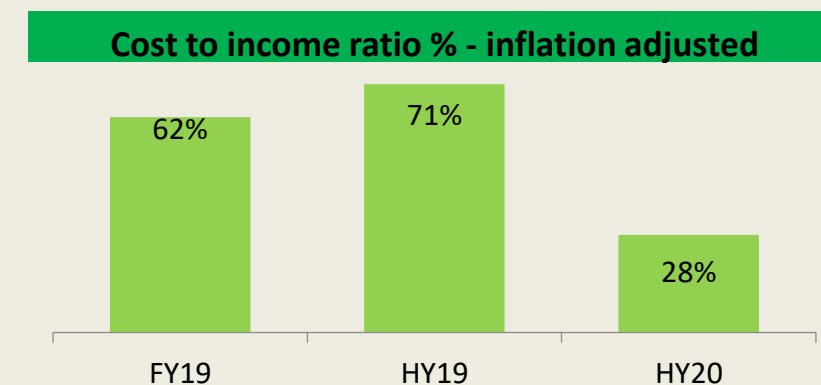
Non-funded income	Inflation adjusted				Historical cost			
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	Mix	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	Mix
Fees and commissions	258.12	334.14	-23%	14%	151.97	27.47	453%	6%
Fair Values	760.34	(17.91)	4346%	41%	1 761.56	16.68	10462%	64%
Foreign exchange gains	809.89	250.80	223%	44%	809.89	29.60	2636%	29%
Dividend received	0.84	4.77	-82%	0%	11.60	0.48	2295%	0%
Other income	15.07	18.45	-18%	1%	15.42	2.48	522%	1%
Total	1 844.28	590.26	212%	100%	2 750.44	76.71	3485%	100%



Cost to income ratio (28% -HY20 vs 71% - HY19) reflects a technical improvement whilst cost momentum remains high....

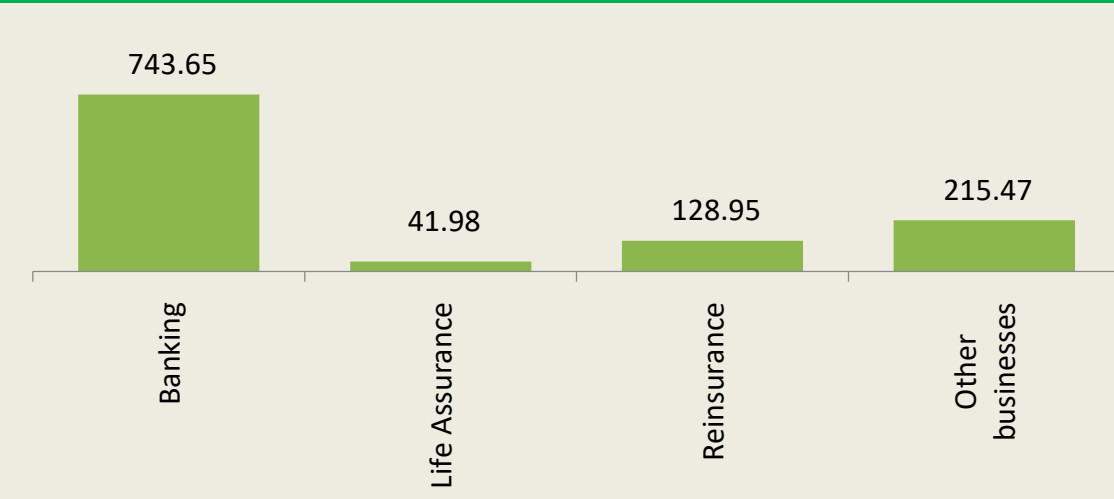
- **Operating expenses retreated** in real terms by 6% with significant deferral of planned expenditure having occurred as a consequence of the national lockdown.
- The **adjusted cost efficiency ratio** (excluding gratuitous credits) is above 100% and reflects a **threat on sustainability**.
- **Cost expansion** is expected in the near term as business re-models to conform to the demands of an **emerging new normal**.

OPEX analysis	Inflation adjusted				Historical cost			
	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	Mix	HY20 ZW\$(m)	HY19 ZW\$(m)	% Change	Mix
Administration	115.88	150.46	23%	21%	97.83	12.51	-682%	27%
Staff	249.39	226.39	-10%	45%	160.38	18.14	-784%	44%
Occupation	27.48	29.04	5%	5%	14.49	3.39	-328%	4%
Computer and IT	82.32	65.56	-26%	15%	40.52	4.05	-902%	11%
Communication	19.54	16.58	-18%	4%	13.98	1.55	-799%	4%
Transport	18.20	17.99	-1%	3%	12.32	1.59	-676%	3%
COVID-19 costs	17.19	-	-100%	3%	10.93	-	-100%	3%
Cash based OPEX	530.00	506.01	-5%	95%	350.45	41.23	-750%	96%
Depreciation and amortisation	26.84	87.90	69%	5%	15.80	7.56	-109%	4%
Non-cash OPEX	26.84	87.90	69%	5%	15.80	7.56	-109%	4%
Total Expenditure	556.84	593.91	6%	100%	366.25	48.79	-651%	100%

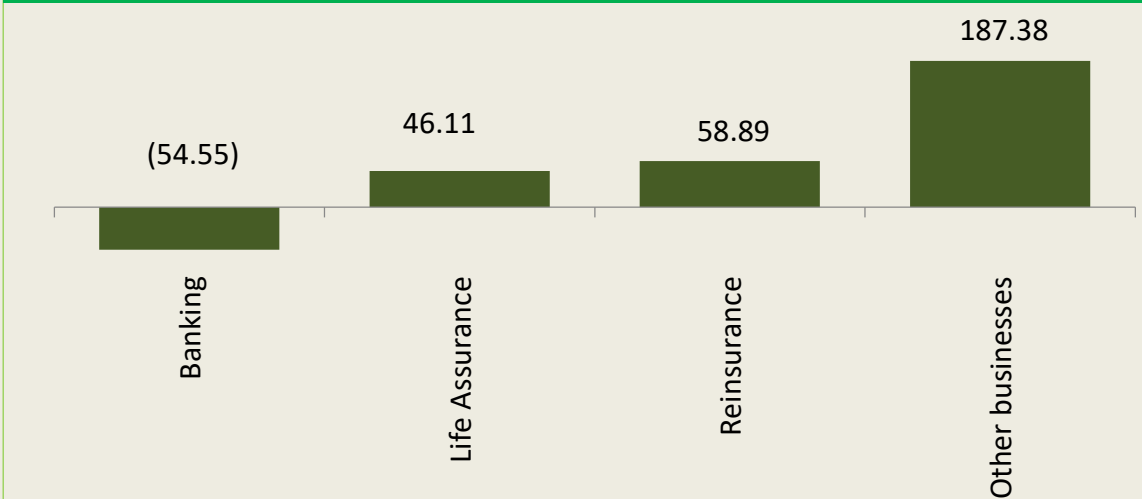


All strategic business units posted a positive outturn....

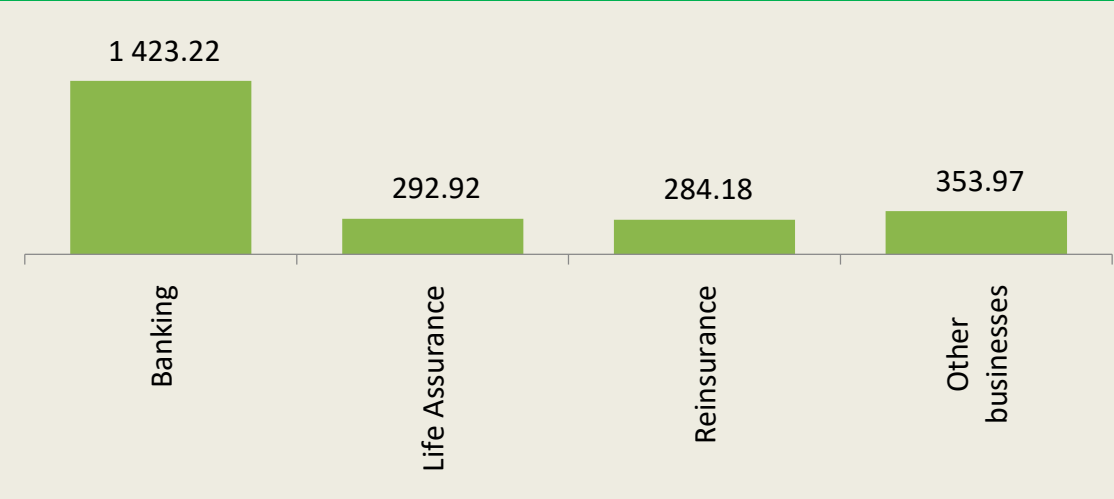
SBU PAT contribution- HY 20(\$m) – Inflation adjusted



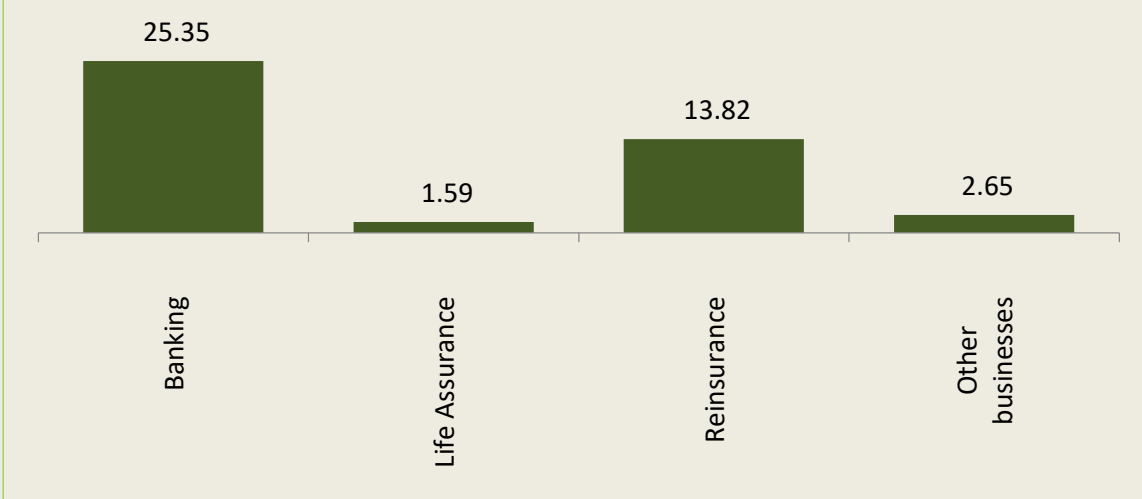
SBU PAT contribution- HY 19(\$m) – Inflation adjusted



SBU PAT contribution- HY 20(\$m) - Historical cost



SBU PAT contribution- HY 19(\$m) - Historical cost



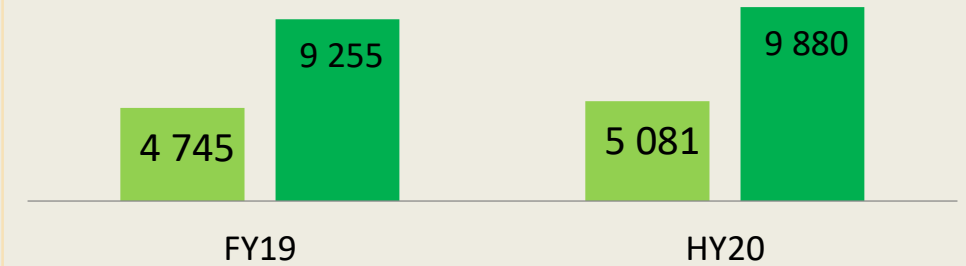
Total assets increased by 7% over six months....

- **Earning Assets** contribution remained at 51% of total assets.
- Loans and advances remained flat in real terms reflecting renewal trends at **significantly higher levels and increased demand for credit** in nominal terms.
- Investment securities increased by 74% as the Group **optimised on short-term earning opportunities**.

Composition of Total Assets	Inflation adjusted			Historical cost		
	HY20	FY19	%	HY20	FY19	%
	ZW\$(m)	ZW\$(m)	Change	ZW\$(m)	ZW\$(m)	Change
Earning assets						
Treasury Bills	359.53	568.64	-37%	359.53	217.05	66%
Money market investments	-	83.84	-100%	-	32.00	-100%
Loans and other advances	1 184.80	1 180.46	0%	1 184.80	450.58	163%
Investment properties	1 864.99	1 382.30	35%	1 864.99	527.62	253%
Investment securities	637.25	366.81	74%	637.25	140.01	355%
Investment in associates	1 034.53	1 163.34	-11%	670.12	445.47	50%
Total earning assets	5 081.09	4 745.40	7%	4 716.68	1 812.73	160%
Non-earning assets						
Cash and short term funds	2 504.91	2 516.92	0%	2 504.91	960.70	161%
Other assets	183.47	157.24	17%	186.76	46.08	305%
Right of use assets	29.40	17.41	69%	3.06	6.65	-54%
Intangible assets	313.25	310.10	1%	117.21	118.37	-1%
Property and equipment	1 767.64	1 507.64	17%	1 408.16	575.43	145%
Total non-earning assets	4 798.67	4 509.23	6%	4 220.11	1 707.23	147%
Grand total	9 879.76	9 254.63	7%	8 936.79	3 519.96	154%
Earning assets contribution	51%	51%	0%	53%	51%	2%

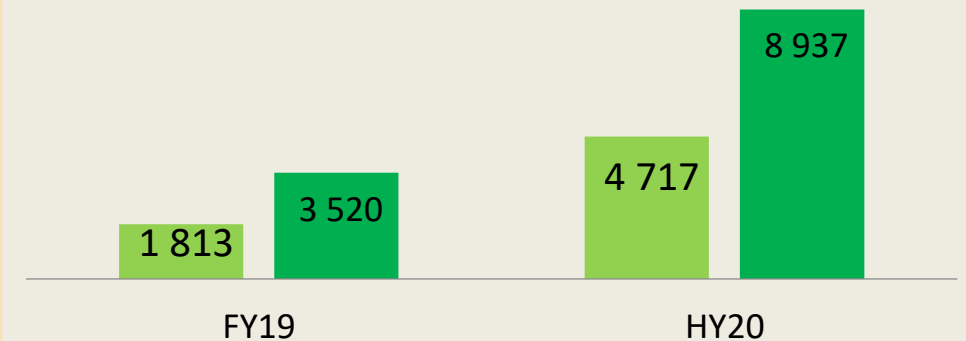
Total assets growth (ZW\$m) - Inflation adjusted

■ Earning assets ■ Total assets



Total assets growth (ZW\$m) - Historical cost

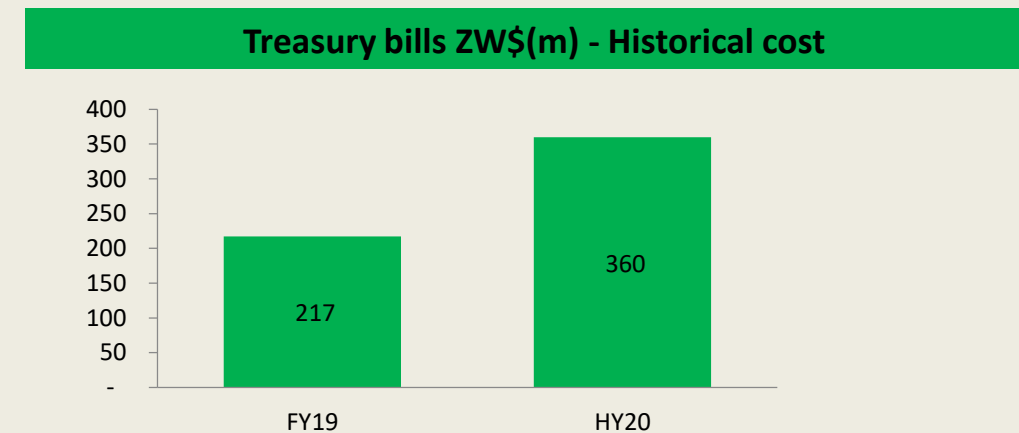
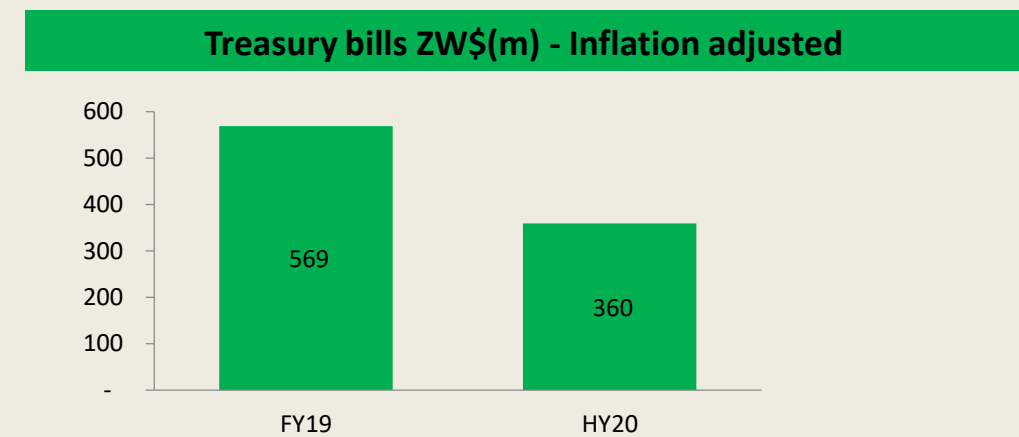
■ Earning assets ■ Total assets



Treasury Bills (TBs) investments provided tactical flexibility for liquidity management....

- Coupons on primary market acquisitions ranged between 7% and 15% whilst discounts on secondary market trades ranged between 4% and 10%.

Treasury bills by category	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	FY19 ZW\$(m)	% change	HY20 ZW\$(m)	FY19 ZW\$(m)	% change
TBs from primary market	121.30	164.78	-26%	121.30	62.90	93%
TBs from secondary market	195.56	293.18	-33%	195.56	111.91	75%
Capitalisation treasury bills	25.33	66.38	-62%	25.33	25.33	0%
ZAMCO TBs	17.33	44.30	-61%	17.33	16.91	2%
Total	359.53	568.64	-37%	359.53	217.05	66%



56% of TBs in portfolio are maturing over the next 12 months....

Maturity profiles	Inflation adjusted				Historical cost				Portfolio	Carrying Amount	Yield	Weighted yield
	HY 20 ZW\$(m)	Contribution %	FY 19 ZW\$(m)	Contribution %	HY 20 ZW\$(m)	Contribution %	FY 19 ZW\$(m)	Contribution %				
Up to 1 year	202.69	56%	314.79	55%	202.69	56%	120.16	55%	TBs from primary market	121.3	14.36%	4.84%
1 to 2 years	106.85	30%	73.59	13%	106.85	30%	28.09	13%	TBs from secondary market	195.56	25.12%	13.66%
2 to 5 years	26.14	7%	49.29	9%	26.14	7%	18.81	9%	Capitalisation TBs	17.33	1.00%	0.05%
5 to 10 years	15.32	4%	104.06	18%	15.32	4%	39.72	18%	ZAMCO TBs	25.33	5.00%	0.35%
Above 10 years	8.53	2%	26.91	5%	8.53	2%	10.27	5%				
Total	359.53	100%	568.64	100%	359.53	100%	217.05	100%	Total	359.53	14.34%	18.91%



Investment securities increased by 41% and are largely dominated by investments in equities....

- The portfolio benefited from the positive performance of the Zimbabwe Stock Exchange. Volatility is expected in tandem with macro economic trends.
- Within regulatory parameters, portfolio rebalancing will continue with preference towards non-liquid assets.

Investment securities and money market investments

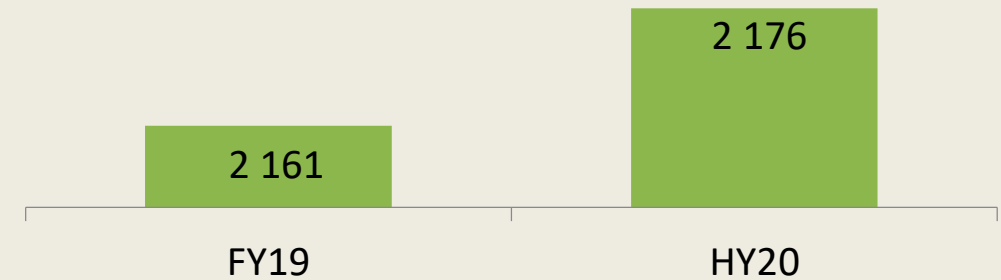
	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change
Money market	-	83.84	-100%	-	32.00	-100%
Parastatal bonds	11.48	37.94	-70%	11.48	14.48	-21%
Quoted investments	351.88	227.04	55%	351.88	86.66	306%
Unquoted investments	273.89	101.84	169%	273.89	38.87	605%
Total	637.25	450.66	41%	637.25	172.01	270%



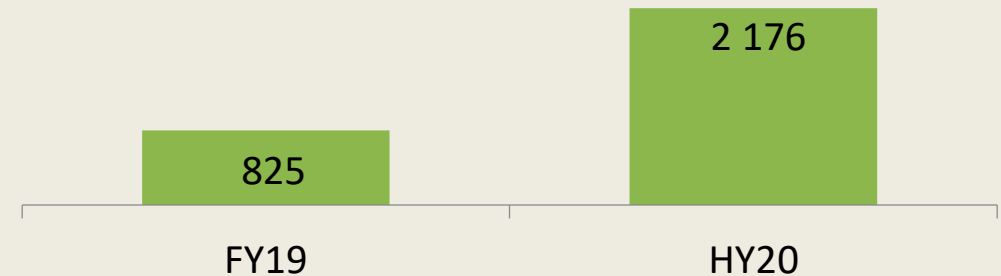
- **General facility utilization** averaged 60% during the period under review.
- ZW\$ Mortgage facilities have failed to find favour with property sellers due to the diminished value protection offered by the market.
- Foreign denominated facilities constituted 43% of the loan book.

Gross Loans by product	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change
Mortgage advances	41.17	74.21	-45%	41.17	28.33	45%
Short term loans	1 127.97	1 109.39	2%	1 127.97	423.45	166%
Finance leases	33.11	27.64	20%	33.11	10.55	214%
Bankers acceptances	12.52	34.81	-64%	12.52	13.29	-6%
Insurance debtors	96.49	109.85	-12%	96.49	41.93	130%
Loan commitments	302.54	262.91	15%	302.54	100.35	201%
Letters of credit	250.88	170.24	47%	250.88	64.98	286%
Guarantees	311.10	371.52	-16%	311.10	141.81	119%
Total	2 175.79	2 160.57	1%	2 175.79	824.69	164%

Gross loans growth (ZW\$m) - inflation adjusted



Gross loans growth (ZW\$m) - Historical cost



In real terms some sectors have curtailed borrowing in response to the harsh economic environment....

GROSS LOANS SECTORAL ANALYSIS

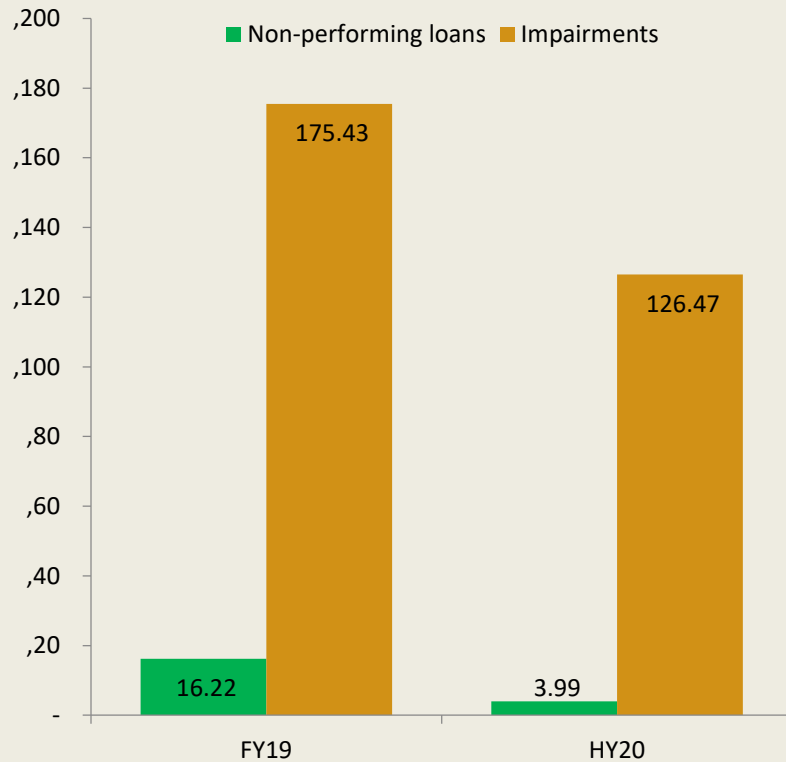
	Inflation adjusted						Historical cost					
	HY20	FY19	%	HY20	FY19	%	HY20	FY19	%	HY20	FY19	
	ZW\$(m)	ZW\$(m)		Change	Contribution		Contribution	ZW\$(m)		ZW\$(m)	Change	Contribution
Private	307.04	342.21	↓	-10%	14%	16%	307.04	130.62	↑	135%	14%	16%
Agriculture	442.44	295.38	↑	50%	20%	14%	442.44	112.75	↑	292%	20%	14%
Mining	274.74	228.78	↑	20%	13%	11%	274.74	87.33	↑	215%	13%	11%
Manufacturing	622.68	678.15	↓	-8%	29%	31%	622.68	258.85	↑	141%	29%	31%
Distribution	133.42	151.94	↓	-12%	6%	7%	133.42	58.00	↑	130%	6%	7%
Construction	9.13	21.73	↓	-58%	0%	1%	9.13	8.30	↑	10%	0%	1%
Transport	28.20	25.86	↑	9%	1%	1%	28.20	9.87	↑	186%	1%	1%
Services	294.15	304.19	↓	-3%	14%	14%	294.15	116.11	↑	153%	14%	14%
Financial	63.65	108.53	↓	-41%	3%	5%	63.65	41.43	↑	54%	3%	5%
Communication	0.34	3.80	↓	-91%	0%	0%	0.34	1.45	↓	-77%	0%	0%
Total	2 175.79	2 160.57	↑	1%	100%	100%	2 175.79	824.69	↑	164%	100%	100%



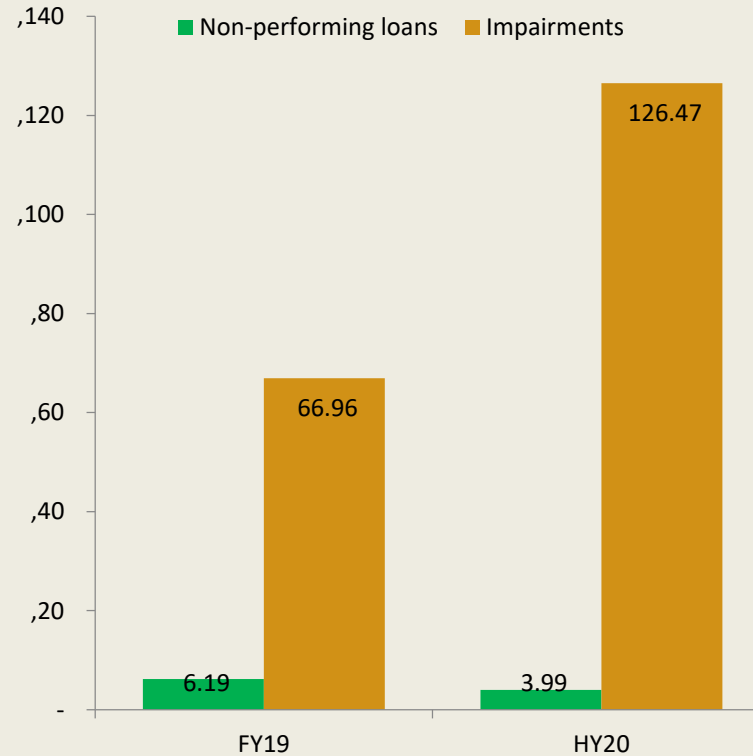
The NPL ratio has remained at acceptable levels...

- *The NPL ratio improved from 0.45% at 31 Dec 19 to 0.19% at 30 June 20.*
- *Total loan impairments retreated in real terms from ZW\$175.4m to ZW\$126.5m on the back of improved asset quality.*

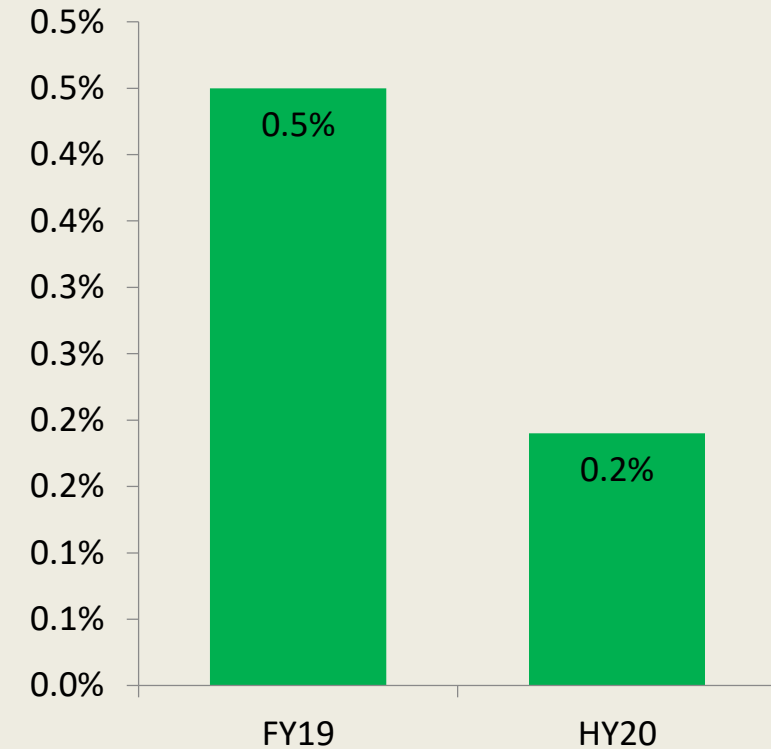
Gross loans impairment analysis (ZW\$m) - inflation adjusted



Gross loans impairment analysis (ZW\$m) - Historical cost



Non-performing loans ratio (%)



The reduction in NPLs was across all sectors apart from the service sector...

NPL sectoral analysis

	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 Contribution	FY19 Contribution
Private	1.15	2.07	↓ 29%	29%	33%
Agriculture	-	0.87	↓ 100%	0%	14%
Manufacturing	-	1.45	↓ 100%	0%	24%
Distribution	0.58	0.62	↓ -7%	14%	10%
Construction	-	0.12	↓ 100%	0%	2%
Services	2.20	0.42	↑ -436%	55%	7%
Financial Services	0.06	0.64	↓ 91%	2%	10%
TOTAL	3.99	6.19	↓ -35%	100%	100%



A stable increase in nostro and foreign cash balances has been witnessed....

	Inflation adjusted				Historical cost			
	HY20	%	FY19	%	HY20	%	FY19	%
	ZW\$(m)	Contribution	ZW\$(m)	Contribution	ZW\$(m)	Contribution	ZW\$(m)	Contribution
Local balances at RBZ	191.99	8%	960.47	38%	191.99	8%	366.61	38%
Nostro balances and foreign cash	1 618.73	65%	1 104.75	44%	1 618.73	65%	421.68	44%
Cash on hand	694.19	27%	451.69	18%	694.19	27%	172.41	18%
Total	2 504.91	100%	2 516.92	100%	2 504.91	100%	960.70	100%
Total foreign balances to total cash and cash equivalents	65%		44%		65%		44%	



Growth in aggregate funding is driven by positive period performance....

- **Deposits reduced** in real terms by 20% from ZW\$3 594.8m at 31 Dec 19 to ZW\$2 857.9m at 30 June 20

Funding sources	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change
Total equity	5 293.25	3 946.36	34%	4 639.58	1 507.14	208%
Deposits and other accounts	2 857.92	3 594.77	-20%	2 857.92	1 372.12	108%
Life assurance funds	641.19	627.78	2%	520.71	238.66	118%
Trade and other payables	896.17	849.44	6%	727.36	311.86	137%
Long term loan	15.76	40.27	-61%	15.76	15.37	3%
Offshore borrowings	175.47	196.01	-10%	175.47	74.82	135%
Total	9 879.76	9 254.63	7%	8 936.79	3 519.96	7%



Capital growth remains a strategic focus area for the Group...

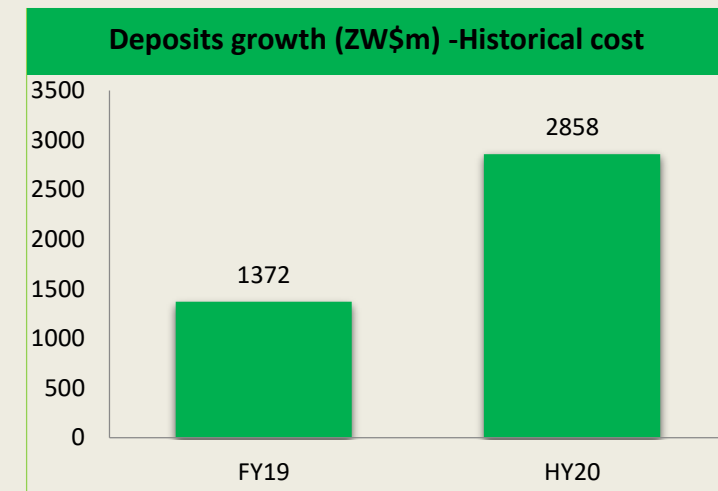
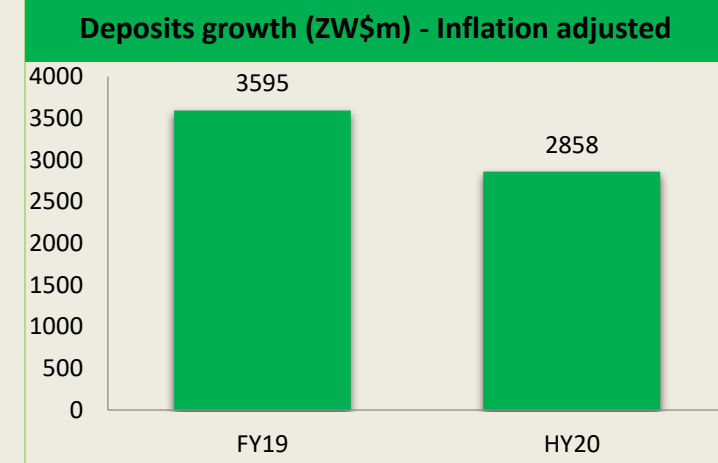
- At ZW\$4 366.95m, equity attributable to shareholders of the parent company as at 30 June 20 equalled 83% of total equity.

Equity distribution(ZW\$m)	Inflation adjusted			Historical cost		
	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change
Total equity	5 293.25	3 946.36	34%	4 639.58	1 507.14	208%
Equity attributable to parent	4 366.95	3 201.16	36%	3 789.10	1 211.35	213%
Equity attributable to NCI	926.31	745.20	24%	850.48	295.79	188%



- Retail deposits contribution increased to 66% at HY20 compared to 59% at FY19 reflecting funding sustainability in the short to medium term.*

Deposits by product	Inflation adjusted					Historical cost				
	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 % Mix	FY19 % Mix	HY20 ZW\$(m)	FY19 ZW\$(m)	% Change	HY20 % Mix	FY19 % Mix
Bank placements	0.64	40.44	-98%	0%	1%	0.64	15.44	-96%	0%	1%
Demand	813.02	1 095.43	-26%	28%	30%	813.02	418.12	94%	28%	30%
Savings	1 881.67	2 106.57	-11%	66%	59%	1 881.67	804.07	134%	66%	59%
Fixed deposits	162.58	352.33	-54%	6%	10%	162.58	134.48	21%	6%	10%
Total	2 857.92	3 594.77	-20%	100%	100%	2 857.92	1 372.12	108%	100%	100%



Deposits reduced in real terms across all sectors except for agriculture and distribution....

Deposit sectoral analysis	Inflation adjusted						Historical cost					
	HY20	FY19	% Change		HY20	FY19	HY20	FY19	% Change		HY20	FY19
	ZW\$(m)	ZW\$(m)			Contribution	Contribution	ZW\$(m)	ZW\$(m)			Contribution	Contribution
Private individuals	413.67	540.23	↓	-23%	14%	15%	413.67	206.21	↑	101%	101%	14%
Agriculture	363.27	194.01	↑	87%	13%	5%	363.27	74.05	↑	391%	391%	13%
Mining	55.34	198.02	↓	-72%	2%	6%	55.34	75.58	↓	-27%	-27%	2%
Manufacturing	182.60	290.96	↓	-37%	6%	8%	182.60	111.06	↑	64%	64%	6%
Distribution	115.32	103.03	↑	12%	4%	3%	115.32	39.33	↑	193%	193%	4%
Construction	27.53	41.25	↓	-33%	1%	1%	27.53	15.75	↑	75%	75%	1%
Transport	17.35	32.24	↓	-46%	1%	1%	17.35	12.31	↑	41%	41%	1%
Services	1 182.22	1 339.89	↓	-12%	41%	37%	1 182.22	511.43	↑	131%	131%	41%
Financial	251.04	382.25	↓	-34%	9%	11%	251.04	145.90	↑	72%	72%	9%
Communication	249.57	472.89	↓	-47%	9%	13%	249.57	180.50	↑	38%	38%	9%
TOTAL	2 857.92	3 594.77	↓	-20%	100%	100%	2 857.92	1 372.12	↑	108%	108%	100%



Key ratios reflect significant performance volatility ...

Key Performance ratios	Inflation adjusted		Historical cost	
	HY20	FY19	HY20	FY19
Net interest income ratio	4.89%	2.00%	1.78%	11.12%
Non-interest income ratio	95.11%	98.00%	98.22%	88.88%
Cost to income ratio	27.87%	62.00%	12.92%	25.90%
Loans to deposits ratio	41.46%	32.84%	41.46%	32.84%
NPLs ratio	0.19%	0.45%	0.19%	0.45%
Liquidity ratio	100.23%	88.17%	100.23%	88.17%
Capital ratio	53.58%	42.64%	51.92%	42.82%
Return on equity	48.92%	29.00%	153.21%	37.00%
Return on assets	23.62%	15.00%	75.60%	41.00%
Dividend Yield	37.87%	24.29%	32.90%	9.27%
Earnings per share (cents)	607.48	189	1 171.66	345.00
Price/Earnings ratio (times)	0.33	0.03	0.38	0.09
Net asset value (cents)	3 360.31	2 505.26	2 945.34	956.78
Price to Book (times)	0.27	0.03	0.31	0.07



03

Strategy Update



Pillar 1: Preserve Asset Base & Capital


1. In the wake of worsening inflation outturn, the Group will continue to focus on capital preservation in the foreseeable future.
2. Land bank acquisition remains a key strategic focus area, in order to harden the asset base.
3. The Group will continue to forge strategic alliances and partnerships, the major of which remains enhancement of correspondent banking relationships for mobilisation of offshore credit lines.
4. New business initiatives, including *inter alia* Diaspora Banking and Microfinance Banking, expected to contribute to revenue growth.

Pillar 2: Expand Investment Portfolio & Markets

1. Focused diversification of revenue streams leveraging on technologies for quick deployment. Focus areas to include
 - i. Kesto Diaspora Banking has been launched.
 - ii. VISA debit and prepaid cards are now available for corporates and individuals.
 - iii. Revamped WhatsApp banking product has been deployed to the market.
 - iv. Micro, small and medium enterprises (MSME) sector – launch of an autonomous MFI operation.
 - v. Increased participation in foreign currency generating business lines, e.g. money transfer business and bureaux de change operations.
2. Capitalising and corporatizing the property development unit (GPPD)
3. Tactical review of business portfolio & products: culling of non-performing product lines.
4. Regional expansion initiative for ZB Reinsurance now at an advanced stage

Pillar 3: Improve Customer Service

1. The Group will seek to utilise technological platforms in order to enhance the customer journey, centred around the recently launched Contact Centre.
2. The branch rationalisation and refurbishment program will continue as the Group seeks to improve general ambience, and re-orient branches as customer service centers.



**Pillar 4:
Operational
Effectiveness
&
Governance**

1. Organisational Transformation exercise is being finalised.
2. Business model review in progress to align operations with the demands of a new operating environment.
3. Rigorous IT security assessments have been undertaken and enhancements implemented to tackle emerging cyber risks in the wake of an increase in the usage of the Group's electronic platforms.

Pillar 5: Digitalise Group Operations

1. The Group will continue to invest in technologies in order to improve customer experience and operational efficiencies.
2. Investment into an Oracle Private Cloud Appliance through which various key services will be consolidated with a view to improving processing speed, storage and maintenance efficiencies.

---THANK YOU---