

LEADING BUSINESSES IN MSASA

Supplement

CBZ launches in-store ATMs

ZIMBABWE'S largest banking group CBZ Holdings Limited (CBZH) in partnership with Sparks ATM Systems, a multi-award winning South African Automated Teller Machine (ATM) deployer launched the first in-store ATMs in the country which would enable customers to experience one stop shopping convenience.

With the launch of the EazyCash ATMs at Food Lovers Market (Honey Dew Farm), the financial institution says it aims to deploy over 300 more ATMs in the next 24 months around Zimbabwe including rural areas.

Currently, they have some urban merchants on board who include Total, Engen, Zuva, Sam Levy Fruit and Vegetable, Spar Franchise Stores and Food Lovers Market. The partners' indicated that the advantage of the in store ATMs is that people get to do their shopping and banking under one roof. They are also safer and convenient because one just has to withdraw and spend without moving around with cash. Also people are guaranteed of lightning fast transactions that are appropriate for those always on the go.

Spark ATM Systems South Africa managing director Marc Stenberg said: "We are looking for-

ward to adding huge value to the banking business as we provide world class standard ATMs.

CBZ Spark ATM System managing director, Peter Zimunya said the ATMs provide safe, secure and convenient banking and shopping experience.

"They are available for use by anyone regardless of the bank that one is affiliated to as long as it's on the ZimSwitch platform," he said.

He said local and international VISA cards would be accepted. The ATMs would have Euro Card, Master Card, and Visa (EMV) — certified software so as to ensure security and reduce incidents of fraud.

They would be profitable to the retailers as some customers might engage in impulse buying thereby assisting the merchants in their quest to grow their businesses.

Marc Stenberg added that they were overjoyed to be in Zimbabwe through their local subsidiary and were keen to build on their South African success where they boasted of having deployed over 2000 convenience ATMs.

Zimunya guaranteed customers that the ATMs would always be fully loaded thereby ensuring cash availability.

CBZ Holdings, reported a 67

percent rise in full-year earnings, benefiting from a growing depositor base despite a slowdown in the economy for the year ending December 31 2012.

The group's profit after tax improved by 48,4 percent to US\$45 million from US\$30,3 million, while total comprehensive income was US\$50,1 million a 51,3 percent increase from US\$33,1 percent.

The groups' assets increased from US\$1 billion to US\$1,2 billion to become the first Zimbabwean banking group with US\$1 billion in assets. The group's basic earnings per share increased to 8,08 cents in the year to December 2012, from 4,83 cents in 2011.

In terms of the units, CBZ Bank reported total income of US\$136,7 million and a bottom line of US\$42,3 million, CBZ Life underwriting income was at US\$3 million leading to a net of US\$1,5 million, Insurance was up 0,2 percent to US\$1,8 million on underwriting income but profits were down 22,7 percent to US\$200 000 and CBZ Asset reported a US\$150 000 loss.

Said the group's chief executive John Mangudya while presenting the results: "The company reduced its non-performing loans to US\$41 million from US\$48 million the pre-

vious year by aggressively pursuing debtors as well as selling off collateral assets.

He said the variance between the target and the growth was marginal but the group would have been worried had advances grown by 10 percent or more.

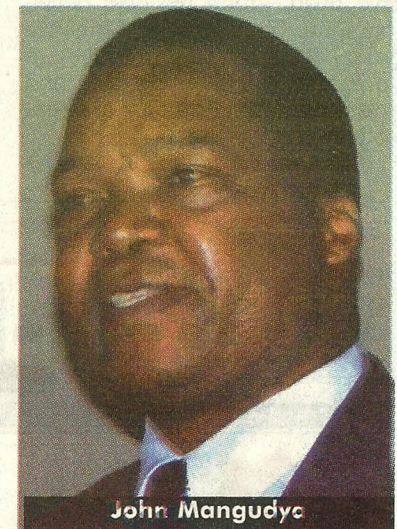
He also said the spike in agricultural lending towards the year end had contributed to the marginal growth.

Of the advances, agriculture was on 30 percent, consumer finance 11 percent, manufacturing 17 percent, distribution 24 percent and mining two percent.

Mangudya said advances to the mining sector were low because of the nature of the industry, which requires long-term financing. "The market does not cater for long term financing at the moment."

He said the group expects a 10 percent growth in the pre-tax line while total assets are expected to increase 19,5 percent. The group sees another conservative growth in 8,3 percent in advances and a 20 percent rise in deposits.

The CBZH stock opened the year at 14 cents and reached a low of five cents March 23 2012, before rising to close the year at 10 cents. With 648 million shares in issue, approximately 90,7 million of the



John Mangudya

company's share changed hands during the 70 million of which were acquired by the company as treasury shares.

CBZH reached a market capitalisation of US\$64,8 million at the close of the year.

During the period under review, CBZH declared an interim dividend of 0,132 cents per share.

"A final dividend of 0,172 cents per share has been proposed and this translate to a total annual dividend of US\$2 081 397 up 21, 7 percent from the 2011 figure," Mangudya said.