



ABC Holdings Limited
Company Profile

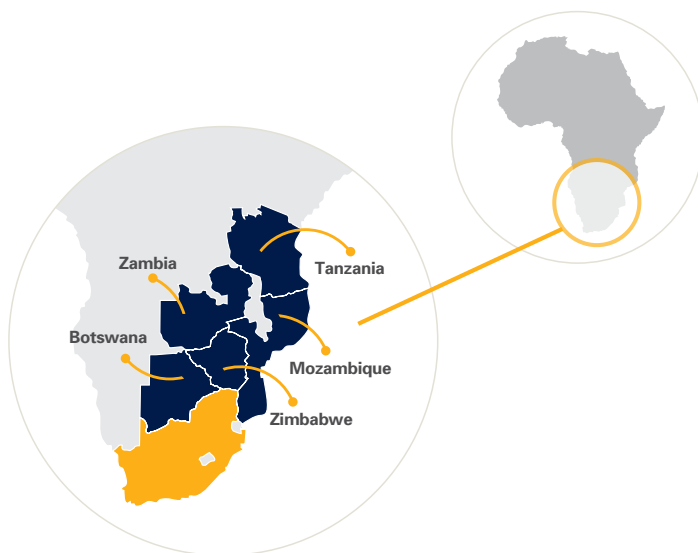
WHO WE ARE



A strong emerging banking franchise in Southern Africa operating in five countries

ABC Holdings Limited is the parent company of a number of banks operating under the BancABC brand in sub-Saharan Africa, with operations in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. A group management support services company is located in South Africa.

ABC Holdings Limited is registered in Botswana. We have a primary listing on the Botswana Stock Exchange and a secondary listing on the Zimbabwe Stock Exchange.

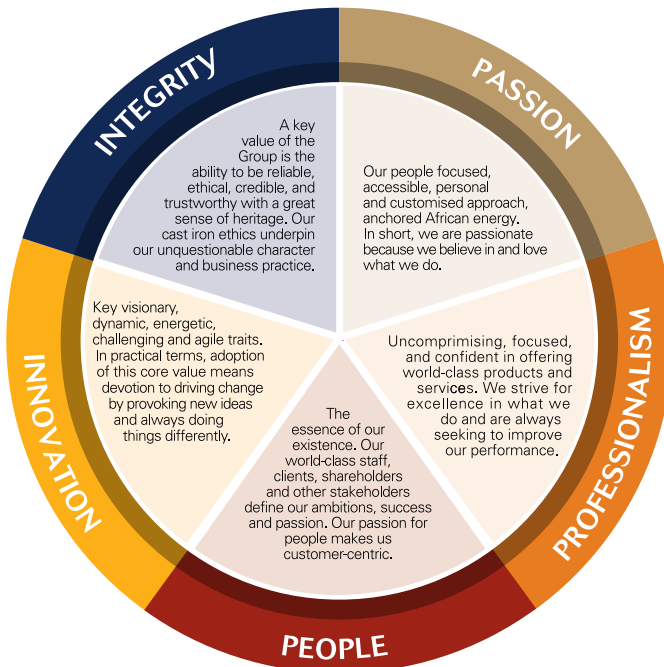




With a clear vision and core values

BancABC Group’s vision is to be Africa’s preferred banking partner by offering world-class financial solutions. We will realise this by building profitable, lifelong customer relationships through the provision of a wide range of innovative financial products and services – to the benefit of all our shareholders.

BancABC’s core values centre on five distinct areas. They remain the guiding principles by which we operate and form the basis of our corporate personality.



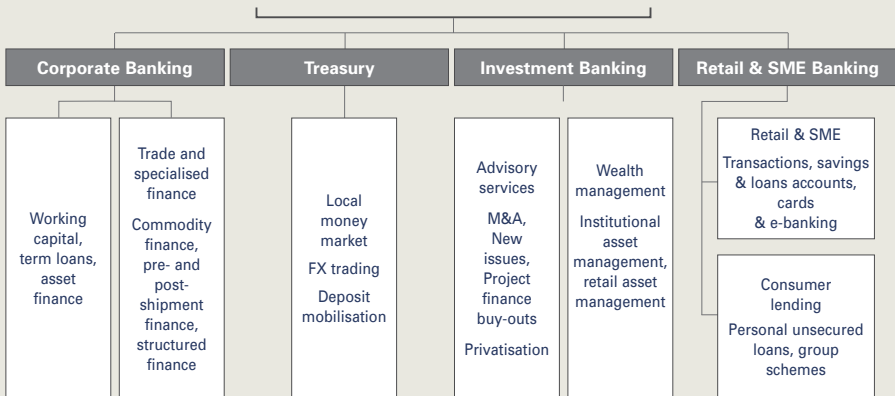
A wide range of banking services and products

The Group offers a diverse range of services including but not limited to the following:

Product mix in different countries

Products	Botswana	Mozambique	Tanzania	Zambia	Zimbabwe
Advisory services					✓
Consumer lending	✓		✓	✓	✓
Corporate banking	✓	✓	✓	✓	✓
Retail and SME banking	✓	✓	✓	✓	✓
Stockbroking					✓
Wealth management				✓	✓
Treasury	✓	✓	✓	✓	✓

Wholesale, Retail & SME Banking Services

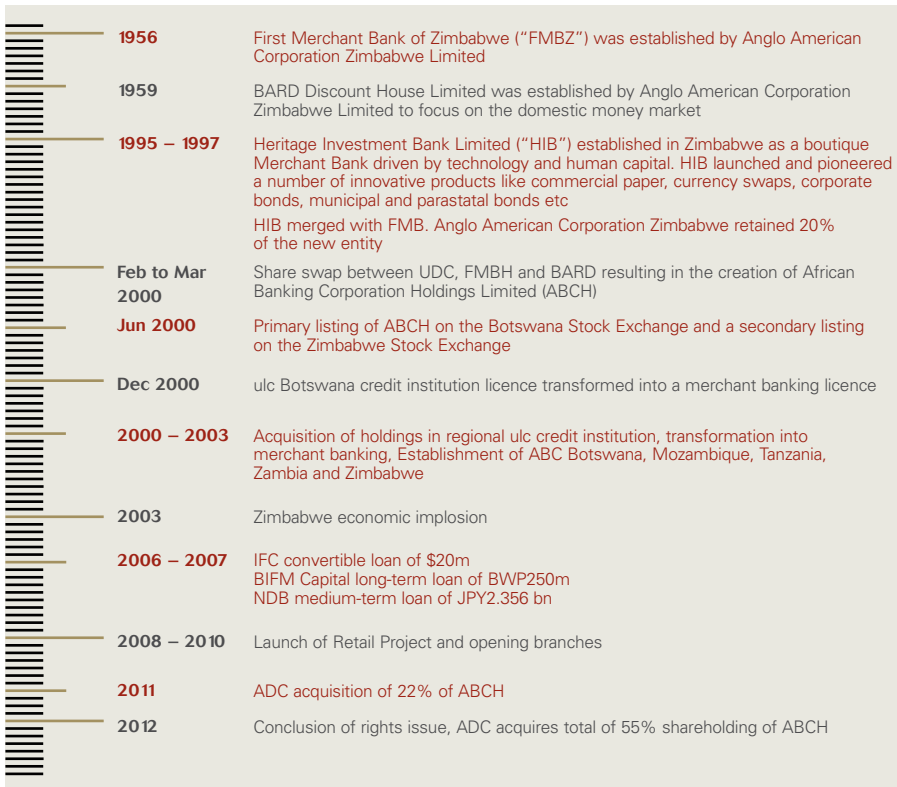


OUR STORY

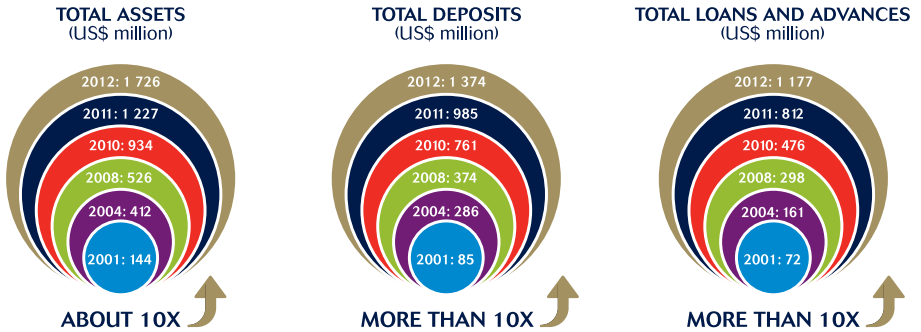


A proud history

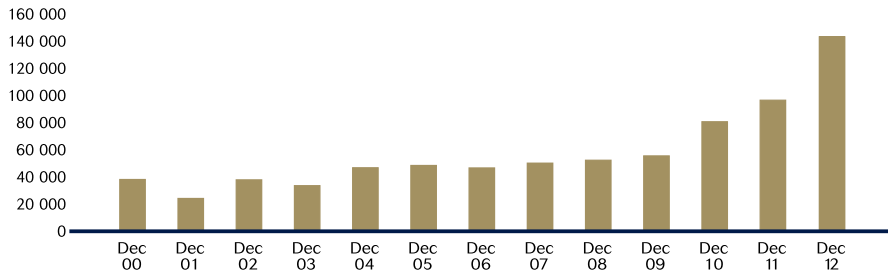
The Group was created in 2000 through a complex merger of First Merchant Bank (FMB), UDC and Bard group of Companies. FMB had previously merged with Heritage Investment Bank, a small but highly innovative Merchant Bank in 1997. Originally, the bank focused exclusively on corporate and wholesale banking. In 2008 the bank started to expand into the retail banking space, developing a comprehensive set of retail services including SME and micro lending products. This expansion which was funded entirely from internal resources, has accelerated the bank's growth in recent years.



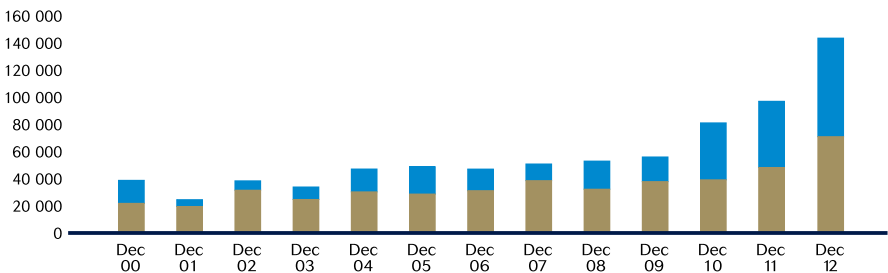
We have seen tremendous growth in all metrics



TOTAL INCOME (US\$'000)



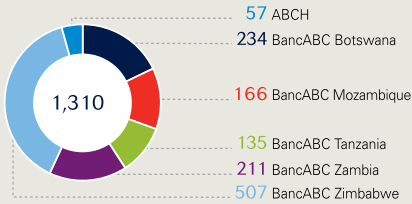
NET INTEREST INCOME AND NON INTEREST INCOME (US\$'000)



■ Net interest income after impairment
 ■ Non interest income



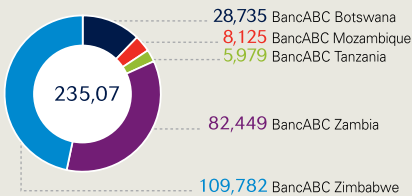
HUMAN CAPITAL – DECEMBER 2012



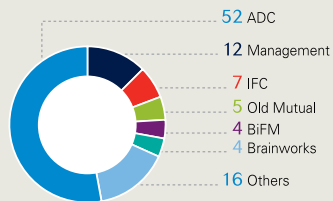
We have been supported by a strong shareholding

BancABC has strong controlling shareholder due to the strategic alignment between African Development Corporation (ADC) and management, controlling over 68% of the shares. ADC views the co-operation as an excellent combination of the operational bank management skills in BancABC, combined with the fundraising and investing expertise at ADC. ADC (Bloomberg: AZC.GR, www.african-development.com) is a German stock exchange listed pan-African banking group focusing on sub-Saharan Africa's banking markets as well as on proprietary investments in selected frontier markets.

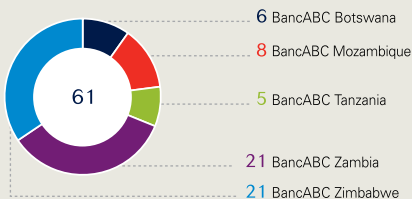
CUSTOMERS PER COUNTRY – DECEMBER 2012



SHAREHOLDING – DECEMBER 2012



NUMBER OF BRANCHES – DECEMBER 2012



KEY PEOPLE

Management and board members emphasize deep banking and emerging market experience



Howard J. Buttery
Chairman of the Board

(Certificate in Accounting, University of Natal)

40+ years of SSA business experience. Served as a director since 2003. Recently retired as Executive Chairman of Bell Equipment Ltd., expert in African business and complex corporate structure management.



Doreen Khama
Board Member

(Bachelor in Law, University of Botswana, Lesotho, Swaziland)

35+ years of SSA business experience. Served as director since 2007. She is founder and senior partner of the law firm Doreen Khama Attorneys and honorary consul for Austria in Botswana.



Douglas T. Munatsi
Chief Executive Officer

(MBA Finance, American University AMP, Harvard University)

29+ years of SSA banking experience, CEO of BancABC since formation in 2000 and MD of its predecessors First Merchant Bank and Heritage Investment Bank which he founded. Prior to that served as an executive of the IFC.



Mark M. Schneiders
Board member

(Master in Law, University of Leiden AMP, Harvard Business School)

27+ years Emerging Markets banking experience, previously served as Manager of Wholesale, Investment Banking, Retail and Private banking operations in Asia, Latin America, Europe and Africa. Member of ADC's Management team



Lakshmi Shyam-Sunder
Board Member

(PhD in Finance, MIT and MBA, Indian Institute of Management)

Lakshmi has many years of financial experience and is CFO and Director, Finance and Risk, Multilateral Investment Guarantee Agency at the World Bank Group. She joined the IFC in 1994.



Ngoni Kudenga
Board Member

(Bachelor in Accounting, University of Zimbabwe)

30+ years of SSA business experience. Served as director since 2000. He is currently the Managing Partner of BDO Zimbabwe and serves on several boards in Zimbabwe.



Francis M. Dzanya
Chief Operating Officer

(BA in Banking, Insurance, Finance Sheffield Hallam University)

30+ years SSA banking experience. Joined Heritage Investment Bank in 1995, served with First Merchant Bank and BancABC consecutively. Member of the executive committee since 2006.



Dr. Blessing Mudavanhu
Chief Risk Officer

(MSc and Doctorate in Mathematics, University of Washington)

15+ years work experience. Joined BancABC in 2009 from Bank of America Merrill Lynch where he worked as Director in Global Risk Management.



Bekithemba Moyo
Chief Financial Officer

(MBA in Banking and Finance, Manchester University, AMP, Harvard University)

17+ years banking experience with BancABC and Stanbic. Prior to that served as general manager at UDC and as an audit manager with Deloitte & Touche, where he qualified as a chartered accountant.



Jyrki Koskelo
Board member

(MSc, Civil Engineering, Technical University of Helsinki, MBA, MIT)

30+ years global public and private sector experience, African Development Corporation's Co-CEO, former VP Global Industries and member of Management Committee of IFC, prior to that served as VP for Africa and managed IFC's major growth in financial markets.



Hashmon Matemera
Managing Director
BancABC Zimbabwe

(MSc in Economics, University of Zimbabwe)

17+ years banking experience in merchant and commercial banking and as a central banker. He has served several positions including Executive Director of Banking Services at BancABC Zimbabwe.

OUR STRATEGY



We aim to become a leading pan-African Banking Group. This goal is supported by a track record of historic achievement and a set of attainable key funding and operational objectives.

Historic and medium-term plan

Phase 1: 2000 – 2003

Network roll-out

- Integrate Zimbabwe merchant bank, discount house and leasing company into ABC Zimbabwe
- Convert leasing companies into merchant banks:
 - Botswana (2000)
 - Zambia (2000)
 - Tanzania (2001)
- Acquire BNP/Nedbank in Mozambique (2002)
- Instal integrated ICT system (2003)
- Enter micro-finance (2002)

Phase 2: 2003 – 2006

Build growth platform

- Build up “new” merchant banks to critical mass:
 - Grow revenue
 - Capital injection (2006)
- Preserve capital in Zimbabwe (2003 onwards)
- Clean up legacy issues:
 - ulc Mozambique sale (2003)
 - ulc Tanzania SPV (2003)
 - Capital injection (2006)
- Rationalise management structures (2003 – 2004)
- Rationalise costs (2004)
- Enhance governance and risk management systems (2003 – 2004)

Phase 3: 2007 – 2015

Realise pan-African vision

- Provide additional capital to all the banking subsidiaries
- Position existing operations in top tier of banks in countries of presence:
 - Enhance earnings
 - Grow assets
 - Mobilise deposits
- Introduce new products/services
- Seek M&A opportunities
- Complete Retail banking branch roll-out programme
- Consolidate current position
- Build critical mass
 - control 5 – 10% marketshare in each operating market



Immediate key funding objectives

- Raise Tier I capital of US\$ 50m (done) ✓
- Raise Tier II capital of between US\$50m and US\$100m
- Raise credit lines of US\$200m to US\$300m
- Increase capitalisation to between US\$50m and US\$100m capital in each market



Key operational objectives to 2015

- Successfully complete rolling out of Retail banking
- Increase market share to between 5 and 10 percent in each market for total assets, total deposits, total loans
- Expand footprint in East and Southern Africa

BancABC is growing very fast. We have recently raised \$50 million through a rights issue which has already been deployed. The Group needs further capital to meet continued growth and envisions an IPO on a major stock exchange as soon as mid-2014.

RISK MANAGEMENT

“Group Risk Management continually seeks to enhance its risk management techniques and provide assurance that risks are identified, monitored and controlled appropriately.”

The directorate and management of ABC Holdings recognise that effective risk management is fundamental to the sustainability of its business. A strong risk management culture within the Group ensures an appropriate balance between the diverse risks and rewards inherent in any transaction and underpins sound decision making. Accordingly, a comprehensive risk management process is in place to evaluate, monitor and manage the principal risks the Group assumes in conducting its activities. In the course of conducting its business, the Group is exposed to various risks inherent in providing financial services. These risks are managed according to established risk management policies and procedures.



OUR SUSTAINABILITY PILLARS



As an emerging pan-African financial institution, BancABC recognises that it has a responsibility to uplift and play an active role in the communities in which it operates by supporting two pillars it has identified for action, namely:

- *Women and children* – by assisting with the economic upliftment of these most vulnerable groups on the African continent.
- *Arts and culture* – vibrant arts and culture are a vital expression of Africa’s identity to be nurtured and celebrated.

We strive to invest in sustainable projects and, through the involvement of our staff, actively demonstrate our goodwill and commitment to enhancing the lives of the people directly and indirectly impacted by our banking activities:

- *Employment* – by lending to support job creation within the communities we operate in

DIRECTORS CONTACT INFORMATION 2012

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FROM THE CEO



“In the past twelve years, we have successfully cemented our corporate and investment business while accelerating our retail expansion within five markets in SADC, funded entirely from internal resources. Our growth across all metrics has been very strong, highly capital intensive and liquidity consumptive. Now, upon raising immediate additional capital and credit lines necessary for the realisation of our key operational objectives, the Group will surely be closer to achieving our vision of being the preferred banking partner in Africa.”



BancABC 

www.bancabc.com