





Structured finance



Investments

Asset finance









Secretarial services Reinsurance

Audited Financial Results for the year ended 31 December 2019

Inflation adjusted financial highlights

14%

Total assets 2019 - ZW\$3 532.5m 2018 - ZW\$4 105.7m **▲ 104%**

2019 - ZW\$1 506.3m

2018 - ZW\$739.1m

2019 - 7W\$433.6m 2018 - (ZW\$118.2m)

2019 - 88.17% 2018 - 80.58%

2019 - 62% 2018 - 108%

2018 - (16%) pps - percentage points

2019 - 29%

Return to equity

ACTING CHAIRMAN'S STATEMENT

Introduction:

It is my pleasure to issue this statement in my acting capacity, having assumed the position on 26 September,

Operating Environment:

The operating environment remained challenging with the International Monetary Fund (IMF), in its World Economic Outlook Report for October, 2019, projecting the Zimbabwean economy to have contracted by 7.1%

Businesses, in general, grappled with many negative factors, chief amongst which were:

- a) An unstable currency regime characterized by widespread shortages and rapid devaluation of the local currency. The introduction of a mono-currency framework and a managed floating exchange rate system since June 2019 did not eliminate an otherwise thriving parallel exchange market which traded at a substantial margin to the interbank rate.
- Rising costs affecting both businesses and households with year-on-year inflation reaching an estimated 521.2% as at 31 December, 2019.
- Constrained supply of critical commodities which include fuel and electricity.

A poor farming season with the rainfall levels being well below long-term averages.

The above, amongst other factors, resulted in reduced market competitiveness thus constraining capacity utilisation in the manufacturing sector to levels below 40%.

Performance volatility in the financial sector was experienced as market players tried to adjust their business models to align with changing, and often uneasily balanced, policy frameworks which attempted to stabilize the currency management system, stimulate production and curtail liquidity expansion.

Group Performance:

In the context of an inclement operating environment, the Group posted decent financial results as discussed in more detail by the Group Chief Executive in his report.

The Group faces a compliance burden going forward, following the review of the minimum capital requirements for banking entities to the Zimbabwean dollar equivalent of US\$30m and US\$20m for Tier 1 and Tier 2 banks respectively with effect from 31 December, 2020.

The Group intends to maintain a Tier 1 banking licence and this will be partially met through finalizing the merger of ZB Bank Limited and ZB Building Society in order to lessen the compliance burden. Capital resources will be augmented through retention of reserves and, possibly, fresh equity.

Statutory Instrument 59 of 2020 fixed capital requirements for life assurance operators and reinsurance companies at ZW\$75million. ZB Life Assurance Company and ZB Reinsurance Company met these capital levels as at 31 December, 2019.

Dividends:

The Board has declared a dividend of ZW6.49 cents per share for the year ended 31 December, 2019. A detailed dividend announcement with dates will be published after the Annual General Meeting.

Engagements with stakeholders in order to find a final settlement to the long standing dispute between the Company and Transnational Holdings Limited regarding the ownership of Intermarket Holdings Limited have continued. This matter is still pending at the Supreme Court of Zimbabwe.

Compliance & Regulatory Issues:

The Group has dealt with all governance issues which were the subject of a Corrective Order issued by the Reserve Bank of Zimbabwe (RBZ) on 7 March, 2017 and reviewed in March 2018 and awaits the lifting of the order upon satisfactory review by the regulator.

Professor C. Manyeruke, then chairman of the Board, resigned on 1 September, 2019. On behalf of the Board and Management, I extend warm gratitude for her contributions and leadership during her term of office. I wish her success in her new role.

Executive appointments:

Mr. G. Nheweyembwa resigned from the Group on 1 September 2019. He was the Managing Director of ZB Bank Limited. I wish Mr. Nheweyembwa success in his future endeavours.

In his stead, Mrs. G. Chikomo, previously the Chief Finance Officer for ZB Bank Limited, was appointed in an acting capacity from the same date.

As a result of the above movements, Mr. E. Masinire was appointed the Acting Chief Finance Officer for ZB

I pledge the Board's support to Mrs. Chikomo and Mr. Masinire and wish them enjoyable and successful terms of office.

Outlook:

The Zimbabwean economic prospects are expected to remain tenuous in the short term, reflecting the downstream effects of a protracted drought; structural defects of an unstable currency management framework; and increasing momentum for general price increases. Policy interventions will be expected to address waning confidence in the monetary system and general financial sector operations.

The advent of the COVID-19 health pandemic exacerbates an already fragile economic outlook.

Whilst lasting solutions for macro-economic stability are being sought, the Group will continue to grapple with the need to preserve its capital and asset base. To this end, investment opportunities that offer growth prospects will be taken whilst operations will be recalibrated to offer improved service to customers at a reduced cost leveraging on technologies.

Increased focus will be placed on the Group's human capital which has always been the key source of competitiveness in a challenging environment.

I would like to thank Board colleagues, management and staff, our valued customers and all other stakeholders for the contributions made in the achievement of the results posted in 2019.

P. Chiromo

Acting Chairman

29 May, 2020

GROUP CHIEF EXECUTIVE'S REPORT

The Group's results are denominated in Zimbabwean dollars (ZW\$) following the change in functional and reporting currency on 22 February 2019 as a consequence of Statutory Instruments 33 and 142 of 2019. Comparative figures which were previously denominated in United States dollars have been reckoned at par with the ZW\$ in terms of the legal position which existed then.

Inflation adjusted financial statements have been issued as the Group's primary financial statements in terms of International Financial Reporting Standard 29 – Financial Reporting in Hyperinflationary Economies, following the guidance from the Public Accountants and Auditors Board (PAAB) issued through Circular 01/19.

Historical cost financial statements have been issued for information purposes only.

Performance Outturn:

My commentary is based on inflation adjusted financial statements.

The Group's total income increased by 55% from ZW\$524.7m in 2018 to ZW\$814.9m in 2019. This was on the back of a significant rise in unrealized credits posted in the income statement. Fair value adjustments moved from a negative of ZW\$89.8m in 2018 to a positive of ZW\$230.2m in 2019 whilst other income, largely constituted by the revaluation of the Group's foreign denominated balances, increased by 314% from ZW\$35.7m in 2018 to ZW\$147.8m in 2019.

Net interest and related income reduced from ZW\$199.1m in 2018 to close at ZW\$146.6m in 2019, reflecting the impact of a constrained growth in the underlying business and the application of sub-inflation earning

Loan impairment charges to the income statement increased from ZW\$34.6m in 2018 to ZW\$75.6m in 2019 in line with the growth in assets exposed to credit risk. Overall credit quality however improved, with non-performing loans as a percentage of total loans reducing from 4.6% in 2018 to 2.2% in 2019.

Net insurance related earnings increased by 7% from ZW\$83.1m to ZW\$89.2m. Gross premiums from insurance operations grew from ZW\$216.7m in 2018 to ZW\$251.5m in 2019, spurred by client needs to replace covers at significantly higher levels in sympathy with inflation and exchange rate movements. Insurance expenses constituted 65% of total premiums in 2019, marginally higher than 62% computed in 2018. The computed level is considered sustainable for the nature of the Group's insurance operations

Banking commissions and fees reduced by 16% from ZW\$331.2m in 2018 to ZW\$276.9m in 2019. This was a result of a faster acceleration of inflation during the second half of 2019 which could not be fully accommodated in the adjustment of rates applicable for commissions and fees.

The Group was able to contain costs, achieving an 11% real reduction in operating expenses from ZW\$566.1m in 2018 to ZW\$501.4m in 2019. The cost to income ratio improved from 108% in 2018 to 62% in 2019. The sustainability of the cost base against contracting income levels in real terms is a matter of continued strategic importance for the Group.

The profit from ordinary activities for 2019 was ZW\$313.5m against a loss of ZW\$41.5m in 2018. The significant contribution to this profit from unrealized credits on the revaluation of investments and trading assets amplifies future performance risk whilst vindicating value protection strategies employed by the Group

A transfer of ZW\$20.6m was made to the life fund in 2019 compared to a transfer inward of ZW\$26.8m in 2018. This was a result of the positive performance in the assets supporting the fund. The Group earned ZW\$243.2m as its share of profits reported by its associate companies for 2019. This compares

to a loss of ZW\$63.5m in 2018. The share of profits from associates is largely driven by the revaluation of investment properties which constitute the bulk of the assets at a significant listed investee entity, Mashonaland **Holdings Limited**

The Group posted a net profit of ZW\$433.6m in 2019, a 467% improved outturn compared to the loss of ZW\$118.2m posted in 2018.

The Group's total assets reduced in real terms by 14% from ZW\$4 105.7m as at 31 December 2018 to ZW\$3 532.5m as at 31 December 2019, reflecting a growth rate below average inflation.

Growth in deposits and other related funding account balances was constrained, achieving a reduction in real terms of 49% from ZW\$2 689.6m as at 31 December 2018 to ZW\$1 372.1m as at 31 December 2019 Earning assets reduced by 35% from ZW\$2 797.7m as at 31 December 2018 to ZW\$1 811.3m as at 31 December

2019 whilst constituting 51% of total assets (68% at 31 December 2018). The Group was able to maintain a comfortable margin of safety on its liquidity requirements, closing the year

2019 with a liquidity ratio of 88% (81% on 31 December 2018) against a prescribed ratio of 30%

The Group's total equity increased by 104% from ZW\$739.1m as at 31 December, 2018 to ZW\$1 506.3m as at 31 December 2019, driven by the positive performance for the year as well as gains on the revaluation of properties and equipment.

Operations Review:

Banking Operations:

ZB Bank Limited posted a profit of ZW\$215.5m in 2019, an improvement from a loss of ZW\$41.1m in 2018. Performance was driven by fair value adjustments on investment properties as well as the revaluation of the

The Bank's total assets receded in real terms from ZW\$3 348.6m as at 31 December 2018 to ZW\$2 359.5m as at 31 December 2019

ZB Building Society achieved a profit of ZW\$63.5m in 2019 compared to a loss of ZW\$51.1m in 2018.

Total assets under the Building Society reduced in real terms from ZW\$269.8m as at 31 December 2018 to ZW\$232.5m as at 31 December 2019

The Group established Syfrets Bureau de Change during the second quarter of 2019, operating under its banking business segment. Business volumes in the early stages were substantial, tapering off only when the exchange differential between the interbank exchange rates and rates obtaining on the parallel market started

RIA Money Transfer and Small World Financial Services were added as partners for the Bank in its international money transfer business, increasing the number of MTA partners to four (4). Volumes or remittances transacted through the banking channels increased significantly in 2019.

The Group continued to review its branch network, resulting in a new branch being opened in Westgate, Harare in response to customer demands.

Insurance Operations:

ZB Reinsurance posted a profit of ZW\$25.3m in 2019 compared to a loss of ZW\$16.9m in 2018. Its total assets increased in real terms from ZW\$118.2m as at 31 December 2018 to close the year 2019 at ZW\$151.2m.

The company has maintained good relations with its cedants and retrocession partners.

During the year under review, the company launched a refreshed travel insurance product which is being distributed through digital channels.

ZB Life Assurance posted a profit of ZW\$151.3m in 2019, improving from a loss of ZW\$44.6m in 2018. Its total assets increased in real terms from ZW\$367.7m as at 31 December 2018 to \$564.4m as at 31 December 2019. Growth in life assurance premiums has slowed down significantly as household incomes are affected by

Various strategic options to stimulate revenue performance in the life business are under consideration.

Other Strategic Operations:

De-risking of the balance sheet continued through the acquisition of land banks which provide a cushion against inflation.

Licensing for a micro-finance business in the Group, which was expected before the end of 2019, was delayed and operations are now expected to commence in 2020.

Internal Processes:

The Group increased its investments in technologies, spending a total sum of ZW\$15.9m in expenditure to expand the capacity of its systems.

In order to satisfy requirements for Anti-Money Laundering and the Countering of Financing of Terrorism (AML/CFT) the World-Check system was implemented in the last quarter of 2019 for customer screening. A further project for the implementation of a transactions monitoring system was commissioned in the last quarter of 2019 with full roll out expected in the first half of 2020.

The Group established a Project Management Office in 2019 with the intention of improving project execution efficacy. All senior members of staff have been trained in project management principles.

Group Human Resources and Training:Despite the operating environment becoming less competitive relative to other countries in the region and beyond, staff attrition in the Group has remained within acceptable levels.

The Group staff complement as at 31 December 2019 was 967, with 655 being permanent employees whilst 312 members were employed on a fixed contract basis.

A total of 1 423 attendances were recorded at 115 training courses held in 2019. All staff members attended wellness clinics and soft skills training during the year.

Industrial relations remained cordial during the year under review.

I would like to extend my gratitude to our valued customers for their continued support.

I also thank staff and the management team for their contribution to the 2019 financial results.

Finally, I would like to thank the Board for its wise counsel.

R Mutandagayi Group Chief Executive

29 May, 2020

















ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

AUDIT OPINION

These abridged audited financial results should be read in conjunction with the complete set of consolidated financial statements for the year ended 31 December 2019, which have been audited by Deloitte & Touche and an adverse opinion has been issued thereon.

The auditor's report, which has an adverse opinion in respect of the impact of the incorrect application of IAS 21 "The Effects of Changes in Foreign Exchange Rates" and IAS 29 "Reporting in Hyper-Inflationary Economies" is available for inspection at the ZB Financial Holdings Limited's registered offices.

In addition to the above matters, the auditor's opinion contains key audit matters relating to:

- Valuation of expected credit losses (ECL) on financial assets and;
- Valuation of Incurred But Not Reported (IBNR) claims provision.

The auditor's report has been made available to management and the directors of ZB Financial Holdings Limited. The Engagement Partner responsible for the audit was Brian Mabiza.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2019

	Inflation	Adjusted	Historical Cost*		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
Notes	ZW\$	ZW\$	ZW\$	ZW\$	
Hotes	2004	2004	2004	2444	
ACCETC					
ASSETS	060 703 056	002 654 500	000 703 050	1.42.000.250	
Cash and cash equivalents	960 702 956	893 651 588	960 702 956	143 869 250	
Money market investments Treasury bills 3	32 002 494	66 556 090	32 002 494	10 714 886	
··	217 048 870	1 207 199 029	217 048 870	194 347 351	
Mortgages and other advances 4 Investment securities	450 580 815	757 234 115	450 580 815	121 907 358	
Investment securities Investments in associates	140 012 122 444 045 111	351 034 983 208 637 337	140 012 122	56 513 232 36 145 227	
	444 045 111	200 03/ 33/	445 466 831	30 145 227	
Inventories, trade and other receivables	60 018 874	74 860 608	46 001 440	12.050.220	
Investment properties 5	527 621 601	206 989 068	46 081 440 527 621 601	12 050 329 33 323 232	
Right of use assets 6	6 645 722	39 786 213	6 645 722	6 405 194	
Property and equipment 7	575 431 921	229 709 092	575 431 921	36 980 940	
Intangible assets 8	118 365 142	70 019 143	118 365 142	10 938 773	
Total assets	3 532 475 628	4 105 677 266	3 519 959 914	663 195 772	
iotal assets	3 332 473 020	4 103 077 200	3 313 333 314	003 193 772	
LIABILITIES					
Deposits and other accounts 9	1 372 115 021	2 689 643 172	1 372 115 021	433 006 499	
Trade and other payables	203 109 391	257 662 151	203 109 391	41 480 900	
Current tax liabilities	5 152 672	836 145	5 152 672	134 611	
Deferred tax liabilities	109 322 903	30 749 049	96 949 627	3 611 132	
Lease liabilities 10	6 645 722	40 757 651	6 645 722	6 561 587	
Long term borrowings 11	15 372 037	90 937 368	15 372 037	14 640 035	
Life assurance funds 12	239 621 699	219 050 940	238 655 969	37 439 715	
Offshore borrowings	74 817 920	36 942 265	74 817 920	5 947 347	
Total liabilities	2 026 157 365	3 366 578 741	2 012 818 359	542 821 826	
EQUITY					
Share capital	16 209 071	16 209 071	1 751 906	1 751 906	
Share premium	250 566 538	250 566 538	27 081 696	27 081 696	
Other components of equity	397 167 055	63 690 081	481 956 933	24 174 887	
Retained income	557 934 128	274 886 912	586 598 447	45 103 526	
Functional currency translation					
reserve	-	-	113 962 188	-	
Attributable to equity holders of				00.440.04=	
parent	1 221 876 792	605 352 602	1 211 351 170	98 112 015	
Non-controlling interests	284 441 471	133 745 923	295 790 385	22 261 931	
Total equity	1 506 318 263	739 098 525	1 507 141 555	120 373 946	
Total equity and liabilities	3 532 475 628	4 105 677 266	3 519 959 914	663 195 772	

The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	IIIIIation	Adjusted	пізтопі	cal Cost*
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	zw\$	zw\$	ZW\$	ZW\$
nterest and related income 13	188 325 326	252 541 545	81 485 012	30 572 053
nterest and related expenses 14	(41 769 109)	(53 472 179)	(15 165 760)	(6 558 816
Net interest and related income	146 556 217	199 069 366	66 319 252	24 013 237
oan impairment charges 15	(75 649 169)	(34 558 777)	(49 666 837)	(4 920 365
let income from lending activities	70 907 048	164 510 589	16 652 415	19 092 872
Gross insurance premium income	251 548 177	216 708 748	124 728 943	32 787 829
otal insurance expenses	(162 385 020)	(133 584 527)	(78 969 380)	(22 843 786
let insurance income	89 163 157	83 124 221	45 759 563	9 944 043
Commissions and fees	276 908 066	331 154 296	128 151 706	39 955 894
Other operating income	147 779 714	35 688 107	137 341 934	5 282 412
air value adjustments	230 150 630	(89 810 778)	502 697 392	9 252 042
Total income	814 908 615	524 666 435	830 603 010	83 527 263
Operating expenses 16	(501 435 814)	(566 145 304)	(215 142 648)	(56 196 319
Profit / (loss) from ordinary activities	313 472 801	(41 478 869)	615 460 362	27 330 944
Novement in life assurance funds hare of associate companies'	(20 570 759)	26 787 547	(179 186 905)	(5 628 388
profit / (losses) net of tax	243 246 781	(63 517 979)	370 148 646	2 240 285
let monetary loss	(25 119 996)	(18 499 281)	-	
rofit / (loss) before taxation	511 028 827	(96 708 582)	806 422 103	23 942 841
ncome tax expense 17	(77 390 973)	(21 465 308)	(41 348 249)	(2 153 379
let profit / (loss) for the year	433 637 854	(118 173 890)	765 073 854	21 789 462
rofit / (loss) attributable to:				
Owners of parent	298 403 687	(93 739 853)	543 967 157	19 717 014
Non-controlling interests	135 234 167	(24 434 037)	221 106 697	2 072 448
rofit / (loss) for the year	433 637 854	(118 173 890)	765 073 854	21 789 462
Other comprehensive income: tems that will not be				
reclassified to profit or loss Gains on property and equipment				
revaluation	353 491 077	243 503	478 099 954	2 078 759
Gains on intangible asset revaluation	54 682 512	5 429 382	66 193 426	3 009 949
air value (losses) / gains on financial assets at FVTOCI	(7 806 926)	3 698 587	(7 806 926)	595 437
ncome tax relating to components	, ,		,	
of other comprehensive income	(50 329 866)	(2 137 030)	(55 756 458)	(1 450 723
Other comprehensive income for the year net of tax otal comprehensive income / (loss)	350 036 797	7 234 442	480 729 996	4 233 422
for the year	783 674 651	(110 939 448)	1 245 803 850	26 022 884
otal comprehensive income / (loss)				
attributable to:				
Owners of parent	631 880 661	(86 279 498)	1 001 749 202	23 799 970
lon-controlling interests	151 793 990	(24 659 950)	244 054 648	2 222 914
otal comprehensive income / (loss)		` '		
for the year	783 674 651	(110 939 448)	1 245 803 850	26 022 884
Earnings / (loss) per share Basic and fully diluted earnings / (loss) per share (ZW cents) 19	189	(60)	345	13

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	General reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI ZW\$	Retained income ZW\$	Attributable to equity holders of parent ZW\$	Non controlling interests ZW\$	Total ZW\$
Inflation adjusted									
Balance at 31 December 2018 Changes on initial application of IFRS9 Changes on initial application of IFRS16	16 209 071 - -	250 566 538 - -	(23 782 372) - -	31 973 152 - -	22 940 367 - -	404 325 891 (19 499 071) (1 194 649)	702 232 647 (19 499 071) (1 194 649)		897 845 514 (19 797 933 (1 207 903
Restated balance 1 January 2018	16 209 071	250 566 538	(23 782 372)	31 973 152	22 940 367	383 632 171	681 538 927	195 300 751	876 839 678
Changes in equity for 2018 Profit or loss Loss for the year		_	-	-	-	(93 739 853)	(93 739 853)	(24 434 037)	(118 173 890
Other comprehensive income, net of tax						,	, ,	,	`
Revaluation of property Fair value gain on financial assets at FVTOCI	-	-	-	4 714 156	2 746 200	-	4 714 156 2 746 200	(225 914)	4 488 242 2 746 200
rair value gain on financial assets at FV IOCI Fransaction with owners of the parent	-	-	-	-	2 746 200	-	2 /46 200	-	2 746 200
Dividends paid Other movements	-	-	-	-	-	(25 441 987)	(25 441 987)	(1 359 718)	(26 801 705
Adjustment for regulatory reserve in respect of doubtful advances		_	26 710 962	_	_	242 503	26 953 465	(26 953 465)	
Transfer to retained income	-		20710 302	(1 612 384)	-	10 194 078	8 581 694	(8 581 694)	
Balance at 31 December 2018	16 209 071	250 566 538	2 928 590	35 074 924	25 686 567	274 886 912	605 352 602	133 745 923	739 098 525
Changes in equity for 2019 Profit or loss									
Profit for the year Other comprehensive income, net of tax	-	-	-	-	-	298 403 687	298 403 687	135 234 167	433 637 854
Revaluation of property		-	-	339 314 486	-	-	339 314 486	16 559 823	355 874 309
air value gain on financial assets at FVTOCI fransaction with owners of the parent	-	-	-	-	(5 837 512)	-	(5 837 512)	-	(5 837 512
Dividends paid		-	-	-	-	(15 356 471)	(15 356 471)		(16 454 913
Balance at 31 December 2019	16 209 071	250 566 538	2 928 590	374 389 410	19 849 055	557 934 128	1 221 876 792	284 441 471	1 506 318 26

balance at 51 December 2015		10 203 071	230 300 330	2 320 330	374 303 410	15 045 055	337 334 120	1 221 0/0 / 32	204 441 471	300 310 203
			Functional		Property and			Attributable		
			currency		equipment	Financial		to equity	Non	
	Share	Share	translation	General	revaluation	assets	Retained	holders of	controlling	
	capital	premium	reserve	reserve	reserve	at FVTOCI	income	parent	interests	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Historical cost*										
Installed Cost										
Balance at 31 December 2018	1 751 906	27 081 696		5 885 904	11 996 022	2 408 347	29 525 484	78 649 359	21 121 867	99 771 226
Changes on initial application of IFRS9	-	-	-			- 100 547	(2 225 855)	(2 225 855)	(17 323)	(2 243 178)
Changes on initial application of IFRS16	-	-	-	-	_	_	(135 710)	(135 710)	(4 544)	(140 254)
-							((()	()
Restated balance 1 January 2018	1 751 906	27 081 696	-	5 885 904	11 996 022	2 408 347	27 163 919	76 287 794	21 100 000	97 387 794
,										
Changes in equity for 2018										
Profit or loss										
Profit for the year	-	-	-	-	-	-	19 717 014	19 717 014	2 072 448	21 789 462
Other comprehensive income, net of tax										
Revaluation of property	-	-	-	-	3 640 844	-	-	3 640 844	150 466	3 791 310
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	442 112	-	442 112	-	442 112
Transaction with owners of the parent										
Dividends paid	-	-	-	-	-	-	(2 882 669)	(2 882 669)	(154 063)	(3 036 732)
Other movements										
Adjustment for regulatory reserve in respect of doubtful advances				(15 653)			26 559	10 906	(10 906)	
Transfer to retained income	-	-	-	(15 055)	(182 689)	-	1 078 703	896 014	(896 014)	-
Balance at 31 December 2018	1 751 906	27 081 696		5 870 251	15 454 177	2 850 459	45 103 526	98 112 015	22 261 931	120 373 946
bulance at 31 December 2010	1731300	27 001 090		3 070 231	13 434 177	2 030 439	+3 103 320	30 112 013	22 201 551	120 3/3 340
Effects changes in functional currency	_		113 962 188			_		113 962 188	29 650 652	143 612 840
Changes in equity for 2019										
Profit or loss										
Profit for the year	-	-	-	-	-		543 967 157	543 967 157	221 106 697	765 073 854
Other comprehensive income, net of tax										
Revaluation of property	-	-	-	-	463 619 558	-	-	463 619 558	22 947 950	486 567 508
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	(5 837 512)	-	(5 837 512)	-	(5 837 512)
Transaction with owners of the parent										
Dividends paid	-	-	-	-	-	-	(2 472 236)	(2 472 236)	(176 845)	(2 649 081)
Balance at 31 December 2019	1 751 906	27 081 696	113 962 188	5 870 251	479 073 735	(2 987 053)	586 598 447	1 211 351 170	295 790 385	1 507 141 555

The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2019

Cash generated from operating activities Interest and related income received Dividends received Interest and related expense paid	31 Dec 2019 ZW\$ 167 642 715 188 325 326 4 843 196 (41 769 109) (44 830 458)	269 092 412 252 541 545 10 432 648 (53 472 179) (11 191 002)	918 844 934 81 485 012 3 441 814 (15 165 760) (12 535 637)	31 Dec 2018 ZW\$ 41 043 829 30 572 053 1 944 996
Cash generated from operating activities Interest and related income received Dividends received Interest and related expense paid	167 642 715 188 325 326 4 843 196 (41 769 109) (44 830 458)	269 092 412 252 541 545 10 432 648 (53 472 179)	918 844 934 81 485 012 3 441 814 (15 165 760)	41 043 829 30 572 053 1 944 996
operating activities Interest and related income received Dividends received Interest and related expense paid	188 325 326 4 843 196 (41 769 109) (44 830 458)	252 541 545 10 432 648 (53 472 179)	81 485 012 3 441 814 (15 165 760)	30 572 053 1 944 996
•	274 244 670		(12 333 037)	(6 558 816) (1 371 523)
Net cash generated from operating activities	274 211 670	467 403 424	976 070 363	65 630 539
Purchase of property and equipment Proceeds on disposal of property and equipment	(20 651 766) (33 236 549) 241 804 (28 465 162) 24 939 193	(4 010 024) (29 044 980) (47 821 284) 497 668 (209 862 510) 108 548 517	(14 030 889) (19 510 424) 107 291 (10 324 935) 17 052 861	(645 575) (3 276 535) (5 603 881) 60 252 (30 260 900) 16 882 398
Net cash used in investing activities	(57 172 480)	(181 692 613)	(26 706 096)	(22 844 241)
Payment for lease liabilities	(16 454 913) (6 469 189) (22 924 102)	(26 801 705) (12 185 683)	(2 649 081) (2 817 760)	(3 036 732) (1 961 777) (4 998 509)
Net increase in cash	194 115 088	(38 987 388) 246 723 423	(5 466 841) 943 897 426	37 787 789
Effects of exchange rates fluctuation	893 651 588 127 063 720)	651 490 343 (4 562 178)	143 869 250 (127 063 720)	106 816 218 (734 757)
Cash and cash equivalents at end of year	960 702 956	893 651 588	960 702 956	143 869 250
Local bank accounts Foreign bank accounts	156 432 202 608 343 672 195 927 082 960 702 956	57 178 072 815 830 647 20 642 869 893 651 588	156 432 202 608 343 672 195 927 082 960 702 956	9 205 116 131 340 832 3 323 302 143 869 250

The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed and provided in the control of the requirements of the provided in the control of the requirements of the provided in the control of the requirements of the provided in the control of the requirements of the provided in the control of the requirements of the provided in the control of the requirements of the provided in the control of the requirements of the provided in t an opinion on the historic financial information.

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB, the International Financial Reporting Interpretations Committee (IFRIC) interpretations, and in the manner required by the Companies Act (Chapter 24:03), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Insurance Act (Chapter 24:07) and relevant regulations made thereunder.

The Group's financial statements as at 31 December 2019 did not fully comply with International Financial Reporting Standards (IFRSs), particularly IAS 21 "The Effect of Changes in Foreign Exchange Rates" and IAS 29 "Financial Reporting in Hyper-Inflationary Economies". If the required adjustments had occurred in the correct periods, the values that were recognised in the 2018 and 2019 years would have been materially different. These misstatements are considered to be material and pervasive in the 2018 and the 2019 financial years which resulted in an adverse opinion being issued.

1.2 Reporting currency
The financial statements of the Group and the Company are presented in Zimbabwean (ZW\$), which was the Group's functional currency as at the reporting date. All information presented has been rounded off to the nearest dollar.

Following the adoption of the multi-currency system in January 2009, all local notes in issue and balances transacted through local payment platforms were rated at par with the US\$. The exchange of these balances against external obligations was done through an allocation system which was controlled by the Reserve Bank of Zimbabwe and delays were often experienced due to competing demands whilst substantially higher rates obtained in the alternative markets and became the basis for a multi-tier pricing regime

that became pervasive in the Zimbabwean economy.

- Following the Monetary Policy Statement of 20 February, 2019, the Government of Zimbabwe issued Statutory Instrument (SI) 32 and 33 of 2019 on 22 February, 2019 together with Exchange Control Directive RU28 of 2019, the effects of which were to:

 a) Formally recognise local unit monetary balances in the form of bank balances, balances on electronic payment platform and local bond notes as a currency distinct from the US\$. These were subsequently named RTGS Dollars (otherwise identified as TWL or TWS).
- Create a base upon which the RTGS Dollars were to be allowed to trade against the US\$ or any other foreign currencies on the interbank market at a floating rate.

(2)

















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1.2 Reporting currency (continued)

Consequently, the new RTGS Dollars started to trade officially with the USD on 22 February, 2019 and the maiden rate of USD1:ZW\$2.5 was established. The maiden floating rate was presumed to have subsisted from the beginning of the year as practical expedience (deemed rate), the Group did not have material transactions in foreign currency between 1 January 2019 and 22 February 2019 to warrant an extensive process of seperate identification and translation of these transactions at any other rate

The Group's functional currency changed from US\$ to ZW\$ in line with the reporting provisions of SI 33 of 2019. The change in the functional currency and subsequent revaluation of foreign denominated balances resulted in the creation of foreign currency translation reserve which the Group has designated as non-distributable. However, in inflation adjusted financial statements which follow value movements on a year on year basis using the Consumer Price Index this reserve is subsumed in the restatement of equity and does not appear as a separate line in the inflation adjusted financial statements.

The Public Accountants and Auditors Board (PAAB), through circular 01/19 indicating the conditions required for the application of International Accounting Standard ("IAS") 29, Financial Reporting in Hyper-Inflationary Economies. All entities reporting in Zimbabwe are now required to apply the requirements of IAS 29 with effect from 1 July 2019.

The Group has applied the requirement of IAS 29 for the period ended 31 December 2019. Paragraphs 2 and 3 of IAS 29 requires that in the period in which an entity identifies the existence of hyperinflation in the economy, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 for such earlier period as if the economy had always been

Consequently, prior year financial statements have been restated and technical concepts for the restatement of non-monetary balances have been applied with effect from the later date of acquisition or date of revaluation. For non monetary assets and liabilities which were acquired prior to 2009, not having been revalued in the interim period, restatement was done from 2009, being the point at which carrying values were last established by means of revaluation exercise.

prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 31 December 2019 are as follows: The restatement of figures has been calculated by means of conversion factors derived from the consumer price index (CPI)

		Conversion
	Index	factors
31 December 2019	551.63	1.00
31 December 2018	88.81	6.21
31 December 2017	62.50	8.83

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the balance sheet data are restated by applying
- a general CPI. Corresponding figures for previous periods are similarly restated.

 Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held, assets and liabilities to be recovered or paid at the nominal value recorded in the historical cost.
- Non-monetary assets and liabilities and the components of shareholding's equity are restated by applying (to the initial acquisition cost and any accumulated depreciation for property and equipment), the relevant conversion factors reflecting the increase in the CPI from the date of acquisition or initial recording to the Statement of financial position date. All items in the income statement are restated by applying the relevant factors.
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the income statement and replaced by indexed cost.
- The effect of general inflation on the Group's net monetary position is included in the income statement as a monetary gain
- Share capital and share premium were restated from the date of contribution and of this pre-dates 2009

The application of IAS 29 requires certain assumptions and estimates to be made which could have a material impact on the

Both historical cost and inflation adjusted financial statements are presented. The preparation of the financial statements, in conformity with IAS 29 "Financial Reporting in Hyperinflationary Economies" is required by International Financial Reporting Standards (IFRSs). The inflation adjusted financial statements are to be the principal financial statements of the Group. The historic amount are shown as supplementary information this information does not comply with International Financial Reporting Standards in that it has not taken account of the requirement of International Accounting Standards 29: Financial Reporting for Hyper-Inflationery Economies. As a result the auditors has not expressed an opinion on the historic financial information.

The Group's financial results incorporate the financial results of the Company, its subsidiaries and associate companies. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to change returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The results of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial results of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities are eliminated in full. Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

1.6 Key sources of judgement and estimation uncertainty

Significant assumptions and estimations, as at the date of financial reporting, with material implications on the reported financial outturn and balances have been made in the following areas:

- The computation of expected credit losses (IFRS 9)
 Determination of the fair value of financial assets (IFRS 13)
- Valuation of property (including investment properties) and equipment (IAS 16 and IAS 40) Estimation of liabilities under insurance contracts (IFRS 4)
- Ascertaining of the degree of control or significant influence in investee companies (IAS 27 and IAS 28) Determination of carrying amounts of right of use assets and lease liabilities (IFRS 16)

The nature of assumptions made and processes involved in the development of estimates, and relevant models used, where applicable, are discussed in the accounting policy notes in the Group's annual reports.

2. SEGMENT INFORMATION

Inflation adjusted

				
	Banking	Insurance	Other strategic	
				T-4-1
	operations	operations	investments ¹	Total
31 December 2019	ZW\$	ZW\$	ZW\$	ZW\$
External revenue				
Net earnings from lending activities	88 768 858	(17 861 810)	_	70 907 048
Net fees, commission and insurance income	273 809 191	89 300 872	2 961 160	366 071 223
Fair value adjustments	290 871 694	9 709 841	(70 430 905)	230 150 630
Other revenue	129 525 043	33 190 137	(14 935 466)	147 779 714
Total segment revenue	782 974 786	114 339 040	(82 405 211)	814 908 615
Total segment operating expenses	(409 089 966)	(74 395 099)	(17 950 749)	(501 435 814)
Material non-cash items:				
Depreciation	(27 815 206)	(3 659 887)	(3 020 294)	(34 495 387)
Amortisation of intangible assets	(26 563 251)	(309 421)	(5 020 25 1)	(26 872 672)
,	(20 000 20 .)	(555 .2.)		(20 072 072)
Reportable segment profit before taxation	373 884 821	221 797 179	(84 653 173)	511 028 827
Donastalia armantarata arat				
Reportable segment assets as at 31 December 2019	2 833 792 198	719 065 328	(20 381 898)	3 532 475 628
Reportable segment liabilities as at				
31 December 2019	1 706 904 793	327 467 480	(8 214 908)	2 026 157 365

¹Includes consolidation journals

Inflation adjusted

			Other	
	Banking	Insurance	strategic	
	operations	operations	investments ¹	Total
31 December 2018	ZW\$	zw\$	zw\$	zw\$
External revenue				
	155 924 763	8 585 826		164 510 589
Net earnings from lending activities Net fees, commission and insurance income	327 111 122	83 352 968	3 814 427	414 278 517
	(61 734 964)	(38 172 775)	10 096 961	
Fair value adjustments Other revenue	'	'		(89 810 778)
	40 238 364	22 167 853	(26 717 410)	35 688 107
Total segment revenue	461 539 285	75 933 172	(12 806 022)	524 666 435
Total segment operating expenses	(500 298 353)	(80 128 457)	14 281 506	(566 145 304)
Material non-cash items:	(20.042.607)	(2.245.724)	(205.440)	(24.455.740)
Depreciation	(20 943 607)	(3 215 724)	(296 418)	(24 455 749)
Amortisation of intangible assets	(15 915 467)	-	(211 284)	(16 126 751)
Reportable segment profit before taxation	(38 759 068)	(41 880 429)	(16 069 085)	(96 708 582)
	((,	(,	(,
Reportable segment assets as at				
31 December 2018	3 699 676 993	487 278 992	(81 278 719)	4 105 677 266
5. 5.000			(,	
Reportable segment liabilities as at				
31 December 2018	3 064 880 851	297 520 803	4 177 087	3 366 578 741

¹Includes consolidation journals

Historical Cost

			Other	
	Banking	Insurance	strategic	
	operations	operations	investments ¹	Total
31 December 2019	ZW\$	ZW\$	ZW\$	ZW\$
External revenue				
Net earnings / (losses) from lending activities	26 847 056	(10 194 641)	-	16 652 415
Net fees, commission and insurance income	126 839 382	45 808 526	1 263 361	173 911 269
Fair value adjustments	413 924 527	165 704 449	(76 931 584)	502 697 392
Other revenue	117 318 471	27 903 218	(7 879 755)	137 341 934
Total segment revenue	684 929 436	229 221 552	(83 547 978)	830 603 010
Total segment operating expenses	(183 105 475)	(28 999 367)	(3 037 806)	(215 142 648)
Material non-cash items:				
Depreciation	(11 714 502)	(945 548)	(382 503)	(13 042 553)
Amortisation of intangible assets	(12 691 024)	(201 696)	-	(12 892 720)
Reportable segment profit before taxation	501 823 961	315 843 190	(11 245 048)	806 422 103
Reportable segment assets as at				
31 December 2019	2 815 227 940	716 520 682	(11 788 708)	3 519 959 914
Reportable segment liabilities as at				
31 December 2019	1 706 881 454	315 133 041	(9 196 136)	2 012 818 359

¹Includes consolidation journals

Historical Cost

31 December 2018	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
External revenue Net earnings from lending activities Net fees, commission and insurance income Fair value adjustments Other revenue Total segment revenue	17 875 142 39 460 110 3 003 784 5 458 488 65 797 524	1 217 730 9 972 110 5 083 299 2 897 535 19 170 674	467 717 1 164 959 (3 073 611) (1 440 935)	19 092 872 49 899 937 9 252 042 5 282 412 83 527 263
Total segment operating expenses	(49 261 367)	(9 076 739)	2 141 787	(56 196 319)
Material non-cash items: Depreciation Amortisation of intangible assets	(2 905 173) (1 918 867)	(205 387) -	(137 069) (23 939)	(3 247 629) (1 942 806)
Reportable segment profit before taxation	16 536 157	5 012 713	2 393 971	23 942 841
Reportable segment assets as at 31 December 2018	595 138 289	80 443 755	(12 386 272)	663 195 772
Reportable segment liabilities as at 31 December 2018	493 227 404	49 394 490	199 932	542 821 826

¹Includes consolidation journals.

3. TREASURY BILLS

3(a) Balances on the Statements of Financial Position

The Reserve Bank of Zimbabwe (RBZ) has issued various forms of treasury bills which the Bank has participated in. The Group has three categories of treasury bills classified as follows: a) as "at fair value through profit or loss" (FVTPL):

- b) as "at fair value through other comprehensive income" (FVTOCI); and
- c) as "at amortised cost" (AMCO)

	Inflation Adjusted 31 Dec 2019 31 Dec 2018 ZW\$ ZW\$		Histori 31 Dec 2019 ZW\$	cal Cost 31 Dec 2018 ZW\$
Transum bills include:	2004	2004	2004	2004
Treasury bills include:				
Assets classified as at				
fair value through profit				
or loss' (FVTPL): Short term treasury bills ¹	62 896 699	141 298 768	62 896 699	22 747 733
Assets classified as 'at fair	02 030 033	250 / 00	02 050 055	22 / 11 / 133
value through other comprehensive income:				
Medium term treasury bills acquired from				
the market ²	111 906 738	837 121 963	111 906 738	134 768 528
Assets classified as 'amortised cost': Treasury bills issued as				
substitution for debt instruments ³	25 336 191	128 747 187	25 336 191	20 727 050
Capitalisation treasury bills 4	16 909 242	100 031 111	16 909 242	16 104 040
	217 048 870	1 207 199 029	217 048 870	194 347 351

- The Group invested in treasury bills issued by the RBZ over a period of 3 months to 24 months (December 2018: 3 to 24 months) at rates ranging from 7% to 9.875%. (December 2018: 7% to 10%)
- The Group purchased treasury bills from the secondary market. These treasury bills have coupon rates ranging from 0% to 5% (December 2018: 0% to 5%) with maturity periods ranging from 1 month to 3 years (December 2018: 1 month to 3 years).
- The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2018: 5%) and maturity periods ranging from 1 month to
- 14 years (December 2018: 1 month to 14 years). The Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe against an interest free loan at the Holding Company. The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Determination of fair value of treasury bills (FVTPL and FVTOCI)

The fair value of treasury bills was determined using level 3 inputs due to lack of an active market for the trade of treasury bills. The Group used the discounted cash flow valuation technique by applying a risk adjusted discounted rate for comparable risk profiles on the contracted cashflows in order to determine the present value of the treasury bills.

Impairment assessment

Treasury bills classified and measured at amortised cost are assessed for impairment annually. There was no objective evidence at 31 December 2019 to suggest that future cash flows on the treasury bills portfolio could end up being less than anticipated at the point of initial recognition. Consequently, no impairment adjustment arose from the assessment.

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	
3 (b) Contingent treasury bill assets					
In respect of treasury bills held in trust on behalf of clients	-	9 773 843	-	1 573 494	

The Group held balances in respect of foreign currency amounts that were surrendered to the RBZ for parastatals, corporates and tobacco farmers. As part of the debt assumption process in terms of the Reserve Bank of Zimbabwe (Debt Assumption) Act 2015, treasury bills were issued in respect of the capital portion only of the balances held at the Reserve Bank. The Group received treasury bills amounting to ZW\$6.8 million with tenures ranging from 3 to 5 years at interest rates ranging from 2% to 3.5% p.a. All the treasury bills falling under this category (2018: ZW\$6.796 million) had been passed on to customers as at 31 December 2019. This category of treasury bills was accounted for as off-balance sheet assets during the period they were held by the Group.















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4. MORTGAGES AND OTHER ADVANCES

	Inflation	n Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
4.1 Gross loan book				
Mortgage advances	28 326 402	132 199 494	28 326 402	21 282 838
Other advances: Loans, overdraft and other accounts Finance leases Bills discounted Insurance advances Total other advances	423 450 746 10 548 374 13 288 171 41 929 954 489 217 245	621 519 191 43 989 914 7 308 347 40 976 521 713 793 973	423 450 746 10 548 374 13 288 171 41 929 954 489 217 245	100 058 570 7 081 950 1 176 573 6 596 823 114 913 916
Gross advances	517 543 647	845 993 467	517 543 647	136 196 754
Off balance sheet exposures In respect of guarantees In respect of letter of credit In respect of loan commitment Gross credit exposure	141 807 400 64 981 111 100 353 711 824 685 869	99 621 062 - 142 597 768 1 088 212 297	141 807 400 64 981 111 100 353 711 824 685 869	16 038 026 - 22 956 859 175 191 639
Gross advances Less: Allowance for loan impairments	517 543 647 (66 962 832)	845 993 467 (88 759 352)	517 543 647 (66 962 832)	136 196 754 (14 289 396)
Net advances	450 580 815	757 234 115	450 580 815	121 907 358
4.2 Maturity analysis				
On demand Within 1 month Between 1 and 6 months Between 6 and 12 months After 12 months	164 814 832 15 594 853 78 695 257 79 789 280 485 791 647 824 685 869	203 578 035 18 314 810 86 063 085 167 122 005 613 134 362 1 088 212 297	164 814 832 15 594 853 78 695 257 79 789 280 485 791 647 824 685 869	32 774 092 2 948 507 13 855 323 26 905 024 98 708 693 175 191 639
4.3 Non-performing loans				
Included in the above are the following; Non-performing loans Less: Allowance for loan impairments	6 191 431 (2 566 650)	43 175 225 (20 391 239)	6 191 431 (2 556 650)	6 950 793 (3 282 792)
Value to be received from security held	3 624 781	22 783 986	3 624 781	3 668 001

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZW\$3 624 781 as at 31 December 2019 (2018: ZW\$6 750 809).

Non performing loans with a net carrying value of ZW\$9 599 374 were transferred to a Special Purpose Vehicle called Credsave (Private) Limited (Credsave) on 31 December 2016, in a transaction that did not meet conditions of a "clean sale". Resultantly, these assets are still recognised in the statement of financial position of the Group. The Group plans to offer the Credsave pool of assets as a "block" to interested investors upon which the assets will meet conditions for derecognition from the statement of financial position. In the meantime, recovery efforts continue with any recoveries resulting in the adjustment of the net exposure to the Group.

As at 31 December 2019, the carrying value of these assets stood at ZW\$1.8 million (December 2018: ZW\$5.3 million) with a security value of ZW\$2.7 million (December 2018: ZW\$6.7 million), thus implying a security coverage of 150% (December 2018: 126%).

126 779 223 96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	15% 12% 11% 2% 5% 11% 4% 0% 63%	416 451 755 75 537 645 38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467	38% 7% 4% 3% 4% 3% 6% 6% 6% 78%	126 779 223 96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	15% 12% 11% 26% 55% 11% 46% 63%	67 044 699 12 160 829 6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025 136 196 754	38% 7% 4% 33% 2% 12% 6% 0%
126 779 223 96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	15% 12% 11% 2% 5% 1% 11% 4% 63% 17% 63%	416 451 755 75 537 645 38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467	38% 7% 4% 3% 4% 3% 2% 6% 0% 78%	126 779 223 96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	15% 12% 11% 2% 5% 1% 11% 4% 0% 63%	67 044 699 12 160 829 6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	38% 7% 4% 3% 4% 3% 2% 12% 6%
96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 1% 4% 0% 63%	75 537 645 38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	7% 4% 3% 4% 3% 2% 12% 6% 0% 78%	96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 11% 4% 0% 63%	12 160 829 6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	7% 4% 3% 4% 3% 2% 12% 6% 0%
96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 1% 4% 0% 63%	75 537 645 38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	7% 4% 3% 4% 3% 2% 12% 6% 0% 78%	96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 11% 4% 0% 63%	12 160 829 6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	7% 4% 3% 4% 3% 2% 12% 6% 0%
96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 1% 4% 0% 63%	75 537 645 38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	7% 4% 3% 4% 3% 2% 12% 6% 0% 78%	96 997 499 87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	12% 11% 2% 5% 1% 11% 4% 0% 63%	12 160 829 6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	7% 4% 3% 4% 3% 2% 12% 6% 0%
87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	11% 2% 5% 1% 1% 11% 4% 0% 63%	38 973 705 30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	4% 3% 4% 3% 2% 12% 6% 0% 78%	87 290 799 14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	11% 2% 5% 1% 11% 44% 0%	6 274 389 4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	4% 3% 4% 3% 2% 12% 6% 0%
14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647 140 875 600 516 800 415 000	2% 5% 1% 11% 4% 0% 63%	30 723 358 40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	3% 4% 3% 2% 12% 6% 0% 78%	14 702 057 44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	2% 5% 1% 1% 11% 4% 0%	4 946 163 6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	3% 4% 3% 2% 12% 6%
44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647 140 875 600	5% 1% 11% 41% 0% 63%	40 109 972 29 677 910 21 410 350 129 117 134 62 264 671 726 967 845 993 467 73 979 606 186 347	4% 3% 2% 12% 6% 0% 78%	44 747 950 8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	5% 1% 1% 11% 4% 0%	6 457 317 4 777 856 3 446 859 20 786 608 10 024 009 278 025	4% 3% 2% 12% 6% 0%
8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647 140 875 600	1% 1% 11% 4% 0% 63%	29 677 910 21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	3% 2% 12% 6% 0% 78%	8 165 653 7 175 312 94 463 275 36 501 214 720 665 517 543 647	1% 1% 11% 4% 0% 63%	4 777 856 3 446 859 20 786 608 10 024 009 278 025	3% 2% 12% 6% 0%
7 175 312 94 463 275 36 501 214 720 665 517 543 647 140 875 600 - - 516 800 415 000	1% 11% 4% 0% 63%	21 410 350 129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	2% 12% 6% 0% 78%	7 175 312 94 463 275 36 501 214 720 665 517 543 647	1% 11% 4% 0% 63%	3 446 859 20 786 608 10 024 009 278 025	2% 12% 6% 0%
94 463 275 36 501 214 720 665 517 543 647 140 875 600 - 516 800 415 000	11% 4% 0% 63% 17% 0% 0%	129 117 134 62 264 671 1 726 967 845 993 467 73 979 606 186 347	12% 6% 0% 78%	94 463 275 36 501 214 720 665 517 543 647	11% 4% 0% 63%	20 786 608 10 024 009 278 025	12% 6% 0%
36 501 214 720 665 517 543 647 140 875 600 - - 516 800 415 000	4% 0% 63% 17% 0% 0%	62 264 671 1 726 967 845 993 467 73 979 606 186 347	6% 0% 78%	36 501 214 720 665 517 543 647	4% 0% 63%	10 024 009 278 025	6% 0%
720 665 517 543 647 140 875 600 - - 516 800 415 000	0% 63% 17% 0% 0%	1 726 967 845 993 467 73 979 606 186 347	0% 78% 7%	720 665 517 543 647	0% 63%	278 025	0%
517 543 647 140 875 600 - 516 800 415 000	17% 0% 0%	73 979 606 186 347	78% 7%	517 543 647	63%		
140 875 600 - - 516 800 415 000	17% 0% 0%	73 979 606 186 347	7%			.50 .50 /57	,3/0
516 800 415 000	0% 0%	186 347		140 875 600	17%		
516 800 415 000	0% 0%	186 347		140 6/5 600	1/%	11 910 000	7%
415 000	0%		0%		0%	30 000	7% 0%
415 000		2 / 1 / 402	0%		0%	437 485	0%
415 000	0%	22 737 647	2%	516 800	0%	3 660 541	2%
	0%	22 /3/ 64/	2% 0%	415 000	0%	3 000 541	2% 0%
	17%	99 621 062	9%	141 807 400	17%	16 038 026	9%
		33 02. 002	3,0	557 155	.,,,	.0 050 020	3,
15 748 597	2%	35 736 930	3%	15 748 597	2%	5 753 300	3%
313 563	0%	33 /30 930	0%	313 563	0%	5 / 55 500	0%
		2 520 026				-	0%
							0%
		2 392 030				303 090	0%
		1 600 025				270.612	0%
							0%
							1%
							8%
							0%
	12%		13%		12%		13%
	1270		.5.0		.270		.570
64 981 111	8%		0%	64 981 111	8%		
64 981 111	8%	-	0%	64 981 111	8%	-	
824 685 869	100%	1 088 212 297	100%	824 685 869	100%	175 191 639	100%
	129 813 13 247 307 4 923 901 3 840 211 38 289 691 2 695 143 100 353 711 64 981 111	129 813 0% 13 247 307 2% 4 923 901 1% 3 840 211 0% 38 289 691 5% 35 723 0% 21 129 762 2% 2 695 143 0% 100 353 711 12% 64 981 111 8%	129 813 0% 3 529 826 13 247 307 2% 2 392 058 4 923 901 1% - 3 840 211 0% 1 680 925 38 269 691 5% 2 158 951 35 723 0% 8 447 208 21 129 762 2% 87 955 133 2 695 143 0% 696 737 100 353 711 12% 142 597 768 64 981 111 8% - 64 981 111 8% -	129 813 0% 3 529 826 0% 13 247 307 2% 2 392 058 0% 4 923 901 1% - 0% 6 3 840 211 0% 1 680 925 0% 38 289 691 5% 2 158 951 0% 35 723 0% 8 447 208 1% 2 1 129 762 2% 87 955 133 8% 2 695 143 0% 696 737 0% 100 353 711 12% 142 597 768 13% 64 981 111 8% - 0% 64 981 111 8% - 0%	129 813 0% 3 529 826 0% 129 813 13 247 307 2% 2 392 058 0% 13 247 307 4 923 901 1% - 0% 4 923 901 3 840 211 0% 1 680 925 0% 3 840 211 38 289 691 5% 2 158 951 0% 38 289 691 35 723 0% 8 447 208 1% 35 723 21 129 762 2% 87 955 133 8% 21 129 762 2 695 143 0% 696 737 0% 2 695 143 100 353 711 12% 142 597 768 13% 100 353 711 64 981 111 8% - 0% 64 981 111 64 981 111 8% - 0% 64 981 111	129 813 0% 3 529 826 0% 129 813 0% 13 247 307 2% 2 39 058 0% 13 247 307 2% 4 923 901 1% - 0% 4 923 901 1% 3 840 211 0% 1 680 925 0% 3 840 211 0% 38 289 691 5% 2 158 951 0% 38 289 691 5% 35 723 0% 8 447 208 1% 35 723 0% 21 129 762 2% 87 955 133 8% 21 129 762 2% 2 695 143 0% 696 737 0% 2 695 143 0% 100 353 711 12% 142 597 768 13% 100 353 711 12% 64 981 111 8% - 0% 64 981 111 8% 64 981 111 8% - 0% 64 981 111 8%	129 813 0% 3 529 826 0% 129 813 0% 568 268 13 247 307 2% 2 39 058 0% 13 247 307 2% 385 098 4 923 901 1% - 0% 4 923 901 1% - 3 840 211 0% 1 680 925 0% 3 840 211 0% 270 613 38 289 691 5% 2 158 951 0% 38 289 691 5% 347 570 35 723 0% 8 447 208 1% 35 723 0% 1359 919 21 129 762 2% 87 955 133 8% 21 129 762 2% 14 159 924 2 695 143 0% 696 737 0% 2 695 143 0% 112 167 100 353 711 12% 142 597 768 13% 100 353 711 12% 22 956 859 64 981 111 8% - 0% 64 981 111 8% - 64 981 111 8% - 0% 64 981 111 8% -

4.6 Finance lease receivables

Loans and advances to customers include the following finance lease receivables for leases of certain equipment where the Group is the lessor:

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Gross investment in finance leases:				
Less than 1 year	2 082 872	3 086 484	2 082 872	496 894
Between 1 and 5 years	12 406 145	48 145 418	12 406 145	7 750 946
Gross investment in finance leases	14 489 017	51 231 902	14 489 017	8 247 840
Unearned finance charges	(3 940 643)	(7 241 989)	(3 940 643)	(1 165 890)
Net investment in finance leases	10 548 374	43 989 913	10 548 374	7 081 950
Less than 1 year	1 889 116	2 928 791	1 889 116	471 507
Between 1 and 5 years	8 659 258	41 061 122	8 659 258	6 610 443
	10 548 374	43 989 913	10 548 374	7 081 950
5. INVESTMENT PROPERTIES				
5.1 Made up as follows: Land stock held for capital appreciation and				
completed properties available for lease: -Residential	42 523 737	67 063 240	42 523 737	10 796 532
-Commercial	471 888 780	127 626 932	471 888 780	20 546 700
-Industrial	13 209 084	12 298 896	13 209 084	1 980 000
Balance at end of year	527 621 601	206 989 068	527 621 601	33 323 232
5.2 Reconciliation of carrying amount				
Carrying amount at beginning of year	206 989 068	264 335 764	33 323 232	29 971 963
Effects of changes in functional currency	-		50 044 851	
Additions Transfer to inventories	-	4 010 024 (3 875 991)	-	645 575 (624 000)
Fair value adjustments	320 632 533	(57 480 729)	444 253 518	3 329 694
Balance at end of year	527 621 601	206 989 068	527 621 601	33 323 232

	Inflation	n Adjusted	Histori	ical Cost
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
6. RIGHT OF USE ASSETS				
Balance at the beginning of year Initial adoption of IFRS 16 Arising from lease reassessment Depreciation Effects of inflation adjustment	39 786 213 - 1 621 936 (3 171 523) (31 590 904)	48 366 903 - (8 580 690) -	6 405 194 - 1 621 936 (1 381 408)	7 786 602 - (1 381 408) -
Balance at end of year	6 645 722	39 786 213	6 645 722	6 405 194

7. PROPERTY AND EQUIPMENT

Inflation adjusted

inflation adjusted							
			Equipment		Marine assets		
	Freehold	Leasehold	furniture	Computer		Capital work	
	properties	improvements	& fittings	equipment		in progress	Total
31 December 2019	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
GROUP							
Cost or valuation							
	196 736 617	61 865 648	55 631 066	116 351 929	65 542 283	5 213 191	501 340 734
Balance at 1 January 2019 Additions							
	3 738 731	1 230 950	6 695 586	3 878 707	11 663 345	6 029 230	33 236 549
Disposals			(110 609)	(212 196)	(3 307 563)	-	(3 630 368)
Surplus on revaluation	209 749 363	25 551 898	24 585 587	50 564 847	43 039 382	-	353 491 077
Balance at 31 December 2019	410 224 711	88 648 496	86 801 630	170 583 287	116 937 447	11 242 421	884 437 992
Accumulated depreciation and							
impairment							
Balance at 1 January 2019	62 722 344	44 168 278	40 098 076	80 447 967	42 541 420	1 653 557	271 631 642
Recognised in statement of							
profit or loss	379 363	3 856 580	6 194 068	16 211 734	7 853 642	-	34 495 387
Disposals	-	-	(35 300)	(156 542)	(607 806)	-	(799 648)
Impairment	-	-	111 612	26 390	35 999	3 504 689	3 678 690
Balance at 31 December 2019	63 101 707	48 024 858	46 368 456	96 529 549	49 823 255	5 158 246	309 006 071
Carrying value at							
31 December 2019	347 123 004	40 623 638	40 433 174	74 053 738	67 114 192	6 084 175	575 431 921
Restated carrying value at	_						
31 December 2018	134 014 273	17 697 370	15 532 990	35 903 962	23 000 863	3 559 634	229 709 092

Inflation adjusted

	Freehold properties	Leasehold improvements	Equipment furniture & fittings	Computer equipment		Capital work in progress	Total
31 December 2018	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
GROUP							
Cost or valuation							
Balance at 1 January 2018	196 736 617	58 707 038	54 995 811	100 590 675	47 097 230	1 969 956	460 097 327
Additions	-	905 584	1 783 427	17 535 751	21 335 952	6 260 570	47 821 284
Disposals	_	_	(2 207 953)	(2 745 907)	(1 867 520)	_	(6 821 380)
Transfers between categories	-	2 253 026	714 287	50 022	` -	(3 017 335)	` -
Surplus on revaluation	-	-	345 494	921 388	(1 023 379)	-	243 503
Balance at 31 December 2018	196 736 617	61 865 648	55 631 066	116 351 929	65 542 283	5 213 191	501 340 734
Accumulated depreciation							
Balance at 1 January 2018	3 769 355	30 306 278	31 038 233	65 803 588	32 832 717	_	163 750 171
Recognised in statement of	3 703 333	30 300 270	31 030 233	05 005 500	32 032 717		103 730 171
profit or loss	43 505	4 564 227	3 948 378	12 168 647	3 730 992	_	24 455 749
Disposals	-	-	(1 979 665)	(2 415 722)	(1 525 662)	_	(5 921 049)
Impairment	58 909 484	9 297 773	7 091 130	4 891 454	7 503 373	1 653 557	89 346 771
Balance at 31 December 2018	62 722 344	44 168 278	40 098 076	80 447 967	42 541 420	1 653 557	271 631 642
Carrying value at 31							
December 2018	134 014 273	17 697 370	15 532 990	35 903 962	23 000 863	3 559 634	229 709 092

Historical cost

	Freehold properties	Leasehold improvements	Equipment furniture & fittings	Computer equipment	Marine assets and motor C vehicles	Capital work	Total
31 December 2019	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
GROUP							
Cost or valuation							
Balance at 1 January 2019	22 078 625	7 309 752	6 348 458	13 501 475	8 176 521	357 320	57 772 151
Effects of changes in functional							
currency	32 362 498	4 267 983	3 604 179	8 648 590	5 732 956	-	54 616 206
Additions	2 243 818	971 719	2 676 338	1 340 234	6 767 200	5 511 115	19 510 424
Disposals	-	-	(21 629)	(35 343)	(745 114)	-	(802 086)
Surplus on revaluation	291 002 758	34 182 349	33 690 201	64 854 831	54 369 815	-	478 099 954
Balance at 31 December 2019	347 687 699	46 731 803	46 297 547	88 309 787	74 301 378	5 868 435	609 196 649
Accumulated depreciation							
Balance at 1 January 2019	503 623	4 315 198	3 777 393	7 721 341	4 473 656	-	20 791 211
Recognised in statement of							
profit or loss	61 074	1 667 243	1 917 423	6 568 348	2 828 465	_	13 042 553
Disposals	-	-	(6 195)	(25 512)	(135 182)	_	(166 889)
Impairment	_	_	74 951	2 618	20 284	_	97 853
Balance at 31 December 2019	564 697	5 982 441	5 763 572	14 266 795	7 187 223	-	33 764 728
Carrying value at 31							
December 2019	347 123 002	40 749 362	40 533 975	74 042 992	67 114 155	5 868 435	575 431 921
Restated carrying value at							
31 December 2018	21 575 002	2 994 554	2 571 065	5 780 134	3 702 865	357 320	36 980 940

Historical cost

			Equipment		Marine assets		
	Freehold	Leasehold	furniture	Computer	and motor (Capital work	
	properties	improvements	& fittings	equipment		in progress	Total
31 December 2018	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
GROUP							
Cost or valuation							
Balance at 1 January 2018	22 338 396	6 898 589	6 147 540	10 072 703	5 664 226	-	51 121 454
Additions	-	104 530	209 727	2 073 590	2 506 689	709 345	5 603 881
Disposals	-	(2 664)	(368 876)	(400 441)	(259 962)	-	(1 031 943)
Transfers between categories	-	261 028	85 075	5 922	-	(352 025)	-
Surplus on revaluation	(259 771)	48 269	274 992	1 749 701	265 568	-	2 078 759
Balance at 31 December 2018	22 078 625	7 309 752	6 348 458	13 501 475	8 176 521	357 320	57 772 151
Accumulated depreciation							
Balance at 1 January 2018	498 694	3 638 937	3 453 211	6 501 274	4 175 680	-	18 267 796
Recognised in statement of							
profit or loss	4 929	618 744	531 367	1 560 648	531 941	-	3 247 629
Disposals	-	-	(282 314)	(352 860)	(233 965)	-	(869 139)
Impairment		57 517	75 129	12 279	-	-	144 925
Balance at 31 December 2018	503 623	4 315 198	3 777 393	7 721 341	4 473 656	-	20 791 211
Carrying value at 31							
December 2018	21 575 002	2 994 554	2 571 065	5 780 134	3 702 865	357 320	36 980 940
Restated carrying value at		·			·		
31 December 2017	21 839 702	3 259 652	2 694 329	3 571 429	1 488 546	-	32 853 658

















ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

INTANGIBLE ASSETS

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	zw\$
Computer software				
Carrying amount at beginning of year	70 019 143	62 242 655	10 938 773	6 599 837
Effects of changes in functional currency	-	-	16 214 327	-
Additions at cost	20 651 766	29 044 980	14 030 889	3 276 535
Surplus on revaluation	54 682 512	5 429 382	66 193 426	3 009 949
Amortisation	(26 872 672)	(16 126 751)	(12 892 720)	(1 942 806)
Exchange rate movements	-	-	23 880 447	-
Impairment	(115 607)	(10 571 123)	-	(4 742)
Balance at end of year	118 365 142	70 019 143	118 365 142	10 938 773
9. DEPOSITS AND OTHER ACCOUNTS				
9.1 Summary of deposits by type Balances of banks	15 436 329	91 821 288	15 436 329	14 782 338
Current accounts	418 123 193	517 596 779	418 123 193	83 328 068
Savings and call accounts	801 263 510	1 354 606 247	801 263 510	218 078 485
Fixed deposits	137 291 989	725 618 858	137 291 989	116 817 608
rixed deposits	1 372 115 021	2 689 643 172	1 372 115 021	433 006 499
	1 3/2 113 021	2 003 043 172	1 3/2 113 021	433 000 433
9.2 Maturity analysis				
On demand	1 000 467 203	1 820 465 721	1 000 467 203	293 077 348
Within 1 month	338 807 415	413 074 224	338 807 415	66 500 949
Between 1 and 6 months	21 175 406	362 957 240	21 175 406	58 432 600
Between 6 and 12 months	7 456 605	26 273 382	7 456 605	4 229 760
After 12 months	4 208 392	66 872 605	4 208 392	10 765 842
	1 372 115 021	2 689 643 172	1 372 115 021	433 006 499

		Inflat	ion Adjusted			Hi	storical Cost	
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2019	%	31 Dec 2018	%
	ZW\$	Contribution	zw\$	Contribution	ZW\$	Contribution	ZW\$	Contribution
9.3 Deposit concentration								
Private individuals	206 205 280	15%	436 822 933	16%	206 205 280	15%	70 324 261	16%
Agriculture	74 054 459	5%	186 296 718	7%	74 054 459	5%	29 991 967	7%
Mining	75 583 068	6%	14 243 379	1%	75 583 068	6%	2 293 046	1%
Manufacturing	111 058 092	8%	273 572 881	10%	111 058 092	8%	44 042 584	10%
Distribution	39 328 020	3%	69 285 138	3%	39 328 020	3%	11 154 236	3%
Construction	15 746 372	1%	29 556 766	1%	15 746 372	1%	4 758 353	1%
Transport	12 305 956	1%	24 494 605	1%	12 305 956	1%	3 943 394	1%
Services	511 431 535	37%	957 740 103	35%	511 431 535	37%	154 186 881	35%
Financial	145 902 818	11%	349 246 751	13%	145 902 818	11%	56 225 344	13%
Communication	180 499 421	13%	348 383 898	13%	180 499 421	13%	56 086 433	13%
	1 372 115 021	100%	2 689 643 172	100%	1 372 115 021	100%	433 006 499	100%

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
9.4 Secured and unsecured deposits analysis				
Secured deposits	57 461 457	338 617 859	57 461 457	54 514 195
Unsecured deposits	1 314 653 564	2 351 025 313	1 314 653 564	378 492 304
	1 372 115 021	2 689 643 172	1 372 115 021	433 006 499

For secured deposits security was provided in the form of treasury bills which are included in the note 3.

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	zw\$	zw\$	zw\$	zw\$
10. LEASE LIABILITIES				
Balance at the beginning of year	40 757 651	-	6 561 587	-
Initial adoption of IFRS 16	-	49 238 092	-	7 926 856
Add accrued interest posted				
to profit or loss	1 028 907	3 705 242	448 157	596 508
Less lease commitments paid during the year	(6 469 189)	(12 185 683)	(2 817 760)	(1 961 777)
Arising from lease reassessment	2 453 738	-	2 453 738	-
Arising from monetary adjustments	(31 125 385)	-	-	-
Balance at end of year	6 645 722	40 757 651	6 645 722	6 561 587
11. LONG TERM BORROWINGS				
TI. LONG TERMI BORROWINGS				
Comprising:				
Face value of loan	20 000 000	124 231 076	20 000 000	20 000 000
Valuation discount	(4 627 963)	(33 293 708)	(4 627 963)	(5 359 965)
Balance at end of year	15 372 037	90 937 368	15 372 037	14 640 035
And the second second				
Valuation discount:		27.624.052		
Balance at beginning of the year	33 293 708	37 624 053	5 359 965	6 057 109
Amortisation during the year	(1 680 576)	(4 330 345)	(732 002)	(697 144)
Effects of monetary adjustments	(26 985 169) 4 627 963	33 293 708	4 627 963	5 359 965
Balance at end of year	4 627 963	33 293 706	4 627 963	2 329 902
12. LIFE ASSURANCE FUNDS				
Listed equities	23 151 454	74 800 096	23 151 454	12 042 091
Unlisted equities	32 006 434	16 796 153	32 006 434	2 704 018
Gold fund	5 003 638	2 332 308	5 003 638	375 479
Government and public utilities stock	4 397 427	26 494 277	4 397 427	4 265 322
Investment properties	21 689 679	9 211 486	21 689 679	1 482 960
Funds on deposit	6 377 722	33 116 527	6 377 722	5 331 440
Equity accounted investments	150 956 992	59 641 797	149 928 982	11 776 387
Trade and other receivables	1 581 241	1 533 887	1 643 521	246 941
Gross assets	245 164 587	223 926 531	244 198 857	38 224 638
Less: Deferred tax liabilities	(3 019 088)	(1 749 745)	(3 019 088)	(281 692)
Trade and other payables	(2 179 351)	(2 912 181)	(2 179 351)	(468 833)
Income tax payable	(344 449)	(213 665)	(344 449)	(34 398)
Net assets	239 621 699	219 050 940	238 655 969	37 439 715

The assets and liabilities indicated above are included under appropriate sections in the consolidated statement of financial

13. INTEREST AND RELATED INCOME										
	Inflation	Adjusted	Histori	cal Cost						
	31 Dec 2019 31 Dec 2018		31 Dec 2019	31 Dec 2018						
	ZW\$	ZW\$	ZW\$	ZW\$						
Interest and related income comprises interest on:										
Advances	92 055 218	64 723 951	43 799 916	7 027 483						
Mortgages	9 090 675	15 518 742	3 254 181	1 912 765						
Overdraft accounts	6 425 416	6 132 894	3 262 047	749 880						
Trading income	66 602 591	150 508 194	26 348 060	16 029 812						
Cash and short-term funds	852 142	3 870 552	441 915	135 647						
Loans to other banks	295 669	7 752 552	67 571	886 250						
Other	13 003 615	4 034 660	4 311 322	3 830 216						
Total interest and related income	188 325 326	252 541 545	81 485 012	30 572 053						

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	zw\$	ZW\$	ZW\$	ZW\$
14. INTEREST AND RELATED EXPENSES				
Interest and related expenses comprise interest on:				
Retail deposits	20 846 904	10 419 501	1 998 192	890 552
Fixed deposits	7 497 925	36 446 039	7 231 664	4 486 646
Other interest payable categories	13 424 280	6 606 639	5 935 904	1 181 618
Total interest and related expenses	41 769 109	53 472 179	15 165 760	6 558 816
Net interest and related income	146 556 217	199 069 366	66 319 252	24 013 237
15. ANALYSIS OF NET IMPAIRMENT POSTED IN STATEMENT OF PROFIT OR LO	ss			
Loans and advances	(59 304 548)	(46 789 127)	(40 196 625)	(6 091 086)
Insurance debtors	(18 933 835)	6 781 580	(11 170 139)	394 943
Loans and other advances	(78 238 383)	(40 007 547)	(51 366 764)	(5 696 143)
Other financial assets Guarantees	38 923 139 443	(774 670) 2 537 255	25 427 91 550	(110 295) 361 246
Loan committments	(349 635)	2 115 746	(229 550)	301 233
Net recoveries during the year	86 872	4 594 249	57 035	654 114
Write offs during the year	2 673 611	(3 023 810)	1 755 465	(430 520)
	(75 649 169)	(34 558 777)	(49 666 837)	(4 920 365)
16. OPERATING EXPENSES				
Commission and fees	9 045 960	16 214 945	3 537 671	1 958 700
Staff expenses	182 531 859	221 357 561	66 998 173	24 964 120
Communication expenses	18 962 479	9 699 961	11 495 609	1 146 059
National Social Security Authority expenses		3 806 071	526 598	462 805
Pension fund expenses	5 838 160	10 457 440	1 884 332	1 261 033
Computers and information technology expenses	54 921 514	44 002 647	21 810 453	2 742 340
Occupation expenses	28 736 078	26 135 851	6 626 189	2 788 827
Transport expenses	14 123 670	8 339 181	5 823 703	1 011 669
Travelling expenses	10 015 241	6 252 892	4 192 682	764 282
Depreciation of property and equipment	34 495 387	24 455 749	13 042 553	3 247 629
Amortisation of intangible assets	26 872 672	16 126 751	12 892 720	1 942 806
Depreciation of right of use asset	3 171 523	8 580 690	1 381 408	1 381 408
Finance cost on operating lease liabilities	1 028 907	3 705 242	448 157	596 508
Impairment of property and equipment	3 678 690	89 346 771	97 853	144 925
Impairment of intangible assets Administration expenses	115 607 99 102 940	10 571 123 63 158 592	61 343 134	4 742 11 530 519
Amortisation of valuation discount	33 102 340	05 150 552	01 242 124	11 330 313
on the long term borrowings	(1 680 576)	(4 330 345)	(732 002)	(697 144)
Directors fees	2 473 477	3 382 174	934 938	419 224
Audit fees	6 168 339	4 882 008	2 838 477	525 867
	501 435 814	566 145 304	215 142 648	56 196 319
17. INCOME TAX EXPENSE				
Current income tax	49 146 985	11 882 934	17 553 698	1 482 917
Deferred tax expense	28 243 988	9 582 374	23 794 551	670 462
	77 390 973	21 465 308	41 348 249	2 153 379
18. CONTINGENT LIABILITIES				
18.1 Contingent liabilities				
In respect of treasury bills held in				
trust on behalf of customers	-	239 735	-	38 595
In respect of guarantees	141 807 400	99 621 062	141 807 400	16 038 026
In respect of letters of credit	64 981 111	1/2 507 700	64 981 111	-
In respect of loan commitments	100 353 711	142 597 768	100 353 711	22 956 859

18.2 Legal contingencies

The Company acquired a controlling interest in Intermarket Holdings Limited (IHL) between 2006 and 2007 through a series of transactions that provided a rescue package to deal with liquidity and solvency challenges that affected IHL at the time. Transnational Holdings Limited (THL), previously a controlling shareholder in IHL, has been contesting this acquisition since 2007 and the matter remains to be resolved at the Supreme Court having been determined in favour of the Company at the

307 142 222

242 458 565

307 142 222

In May 2016, the Government of Zimbabwe, then a significant shareholder in the Company, brokered a resolution framework in which it ceded part of its shareholding on the understanding that the Company would allocate another parcel of shares to THL. The latter proposal was rejected by the Shareholders resulting in the need for an alternative resolution framework to be

A resolution framework including the possible unbundling of the contentious assets remains a possibility. Should that be the preferred route this could lead to considerations to account for the contentious assets in terms of International Financial Reporting Standard ("IFRS") 5 – Non-current Assets Held for Sale and Discontinued Operations. Through a series of technical consultations, management are satisfied that as at the reporting date, any proposed means of resolving the matter had not triggered the requirements of IFRS 5 hence the financial results of IHL and its subsidiaries were fully consolidated in the Group's financial results up to and at 31 December 2019.

19. EARNINGS PER SHARE

Basic and fully diluted earnings / (loss) per share (ZW cents)

The Inflation adjusted calculation of basic and fully diluted profit / (loss) per share for the year ended 31 December 2019 of ZW189 cents (2018: loss of ZW60 cents) is based on the attributable profit / (loss) after tax of ZW\$298 403 687 (2018: loss of ZW\$93 739 853) and weighted average number of shares of 157 522 902 (2018: 157 522 902).

The historical cost calculation of basic and fully diluted profit per share for the year ended 31 December 2019 of ZW345 cents (2018: ZW13 cents) is based on the attributable profit after tax of ZW\$543 967 157 (2018: ZW\$19 717 014) and weighted average number of shares of 157 522 902 (2018: 157 522 902).

20. RISK MANAGEMENT

20.1 Capital risk management

The Group's capital consists of equity attributable to the shareholders of the parent Company, comprising the issued share capital, reserves, retained income and debt, which includes direct loans plus the residual funding from deposit taking activities after deducting the associated liquid or near-liquid assets.

The Group's target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict the demand on shareholders' equity for operational funding. This objective was met during the course of the period under review. Gearing was maintained at above 18% and this is due to the borrowing made in 2015 with a maturity value of ZW\$20 million in 2025.

The banking and insurance operations in the Group are subject to prescribed minimum regulatory capital requirements and minimum capital adequacy and solvency ratios as prescribed from time to time.

Management of the Group monitors the level of capital adequacy on a continual basis, employing techniques adopted from the guidelines developed by the Basel Committee and contained in the Basel II capital accord as implemented by the supervisory authorities for each of the affected entities. For the life assurance business, regular actuarial reviews are undertaken to establish the solvency of the business.

An Internal Capital Adequacy Assessment Plan (ICAAP) has been developed for banking operations and defines capital targets which are generally set above regulatory levels, stress test scenarios and risk appetite across different lines of operations.

















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20.2 Financial risk management

The Group maintains active trading positions in a variety of non-derivative financial instruments in anticipation of customer demand. The Group manages its trading activities by the type of risk involved and on the basis of the categories of trading instruments held. Regular feedback on risk related matters is provided to the Board through the Board Governance, Risk and Compliance Committee.

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is not a reasonable approximation of fair value.

20.2.1 Classification and measurement of financial assets and liabilities

Inflation adjusted 2019

31 December 2019			CARRYING AM	OUNT				FAIR VALUE	
		Designated	Designated	Designated					
		at FVTPL	at AMCO	at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	Note	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured									
at fair value									
Listed equity securities	9	67 902 718	-	-	67 902 718	67 902 718	-	-	67 902 718
Government public utility stock	9	25 999 261	-	-	25 999 261	-	-	25 999 261	25 999 261
Unit trusts	9	7 237 963	-	-	7 237 963	-	7 237 963	-	7 237 963
Unlisted equity investments	9	38 872 180	-	-	38 872 180	-	-	38 872 180	38 872 180
Treasury bills	7	62 896 699	-	111 906 738	174 803 437	-	62 896 699	111 906 738	174 803 437
Total		202 908 821	-	111 906 738	314 815 559				
Financial assets not									
measured at fair value									
Trade and other receivables	11	-	60 018 874	-	60 018 874				
Cash and cash equivalents	5	-	960 702 956	-	960 702 956				
Treasury bills	7	-	42 245 433	-	42 245 433				
Total		202 908 821	1 062 967 263	111 906 738	1 377 782 822				
Financial liabilities									
Deposit and other accounts	17	-	(1 372 115 021)	-	(1 372 115 021)				
Trade and other payables	18	-	(203 109 391)	-	(203 109 391)				
Total			(1 575 224 412)	-	(1 575 244 412)				

Inflation adjusted 2018

31 December 2018			CARRYING AM	OUNT		FAIR VALUE			
	Note	Designated at FVTPL ZW\$	Designated at AMCO ZW\$	Designated at FVTOCI ZW\$	Total ZW\$	Level 1	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
Financial assets measured	_								
at fair value									
Listed equity securities	9	144 822 142		_	144 822 142	144 822 142	_		144 822 142
Government public utility stock	9	154 145 392	-	_	154 145 392	-	_	154 145 392	
Unit trusts	9	3 373 774	_	_	3 373 774	_	3 373 774	-	3 373 774
Unlisted equity investments	9	48 693 675	_	-	48 693 675	_	-	48 693 675	48 693 675
Freasury bills	7	141 298 768	-	837 121 963	978 420 731	-	141 298 768	837 121 963	978 420 731
Total		492 333 751	-	837 121 963	1 329 455 714				
Financial assets not									
measured at fair value									
Trade and other receivables	11		74 860 608	-	74 860 608				
Cash and cash equivalents	5	-	893 651 588	-	893 651 588				
Treasury bills	7	-	228 778 298	-	228 778 298				
Total		492 333 751	1 197 290 494	837 121 963	2 526 746 208				
Financial liabilities									
Deposit and other accounts	17	-	(2 689 643 172)	-	(2 689 643 172)				
Trade and other payables	18	-	(257 662 151)	-	(257 662 151)				
Total		-	(2 947 305 323)	-	(2 947 305 323)				

Historical cost 2019

Historical cost 2019									
31 December 2019			CARRYING	AMOUNT				FAIR VALU	IE .
		Designated	Designated	Designated					
		at FVTPL	at AMCO	at FVTOCI	Total	Level 1	Level 2	Level 3	Total
		ZW\$	ZW\$	zw\$	zw\$	ZW\$	zw\$	ZW\$	zw\$
Financial assets measured									
at fair value									
isted equity securities	9	67 902 718	-	-	67 902 718	67 902 718	-	-	67 902 718
Government public utility stock	9	25 999 261	-	-	25 999 261	-	-	25 999 261	25 999 261
Jnit trusts	9	7 237 963	-	-	7 237 963	-	7 237 963	-	7 237 963
Inlisted equity investments	9	38 872 180	-	-	38 872 180	-	-	38 872 180	38 872 180
reasury bills	7	62 896 699	-	111 906 738	174 803 437	-	62 896 699	111 906 738	174 803 437
Total .		202 908 821	-	111 906 738	314 815 559				
Financial assets not									
measured at fair value									
Frade and other receivables	11	-	46 081 440	-	46 081 440				
ash and cash equivalents	5	-	960 702 956	-	960 702 956				
reasury bills	7	-	42 245 433	-	42 245 433				
Total Total		202 908 821	1 049 029 829	111 906 738	1 363 845 388				
Financial liabilities									
Deposit and other accounts	17	-	-	(1 372 115 021)	(1 372 115 021)				
Frade and other payables	18	-	-	(203 109 391)	(203 109 391)				
Total			-	(1 575 224 412)	(1 575 224 412)				

Historical cost 2018

31 December 2018			CARRYING AM	IOUNT				FAIR VALUE	
		Designated	Designated	Designated					
		at FVTPL	at AMCO	at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	Note	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured									
at fair value									
Listed equity securities	9	23 314 962	-	-	23 314 962	23 314 962	-	-	23 314 962
Government public utility stock	9	21 361 580	-	-	21 361 580	-	-	21 361 580	21 361 580
Unit trusts	9	543 145	-	-	543 145	-	543 145	-	543 145
Unlisted equity investments	9	7 839 210	-	-	7 839 210	-	-	7 839 210	7 839 210
Treasury bills	7	22 747 733	-	134 768 528	157 516 261	-	22 747 733	134 768 528	157 516 261
Total		75 806 630	-	134 768 528	210 575 158				
Financial assets not									
measured at fair value									
Trade and other receivables	11	-	2 510 497	-	2 510 497				
Cash and cash equivalents	5	-	143 869 250	-	143 869 250				
Freasury bills	7	-	36 831 090	-	36 831 090				
Total		75 806 630	183 210 837	134 768 528	393 785 995				
Financial liabilities									
Deposit and other accounts	17	_	(433 006 499)	_	(433 006 499)				
rade and other payables	18	_	(13 904 205)	-	(13 904 205)				
Total			(446 910 704)		(446 910 704)				

Definition of financial risk

The Group defines financial risk collectively to include liquidity risk, market risk and credit risk.

20.2.2 Liquidity risk

Definition

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes the risk of being unable to fund liabilities at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Identification techniques

This risk is identified through gap and maturity analysis.

Measurement methods

 $Liquidity\ risk\ is\ measured\ using\ the\ gap\ analysis\ techniques\ and\ the\ term\ structure\ of\ assets\ and\ liabilities.$

The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities.

Liquidity gap analysis as at 31 December 2019

Inflation adjusted

				(Gross nominal	
	Up to 1	2 to 6	7 to 12	Above 12	inflow/	Carrying
	month	months	months	months	(outflow)	amount
	zw\$	zw\$	ZW\$	ZW\$	ZW\$	zw\$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	759 643 196	43 802 208	144 405 357	-	947 850 761	960 702 956
Money market investments	27 034 835	6 637 686	.	-	33 672 521	32 002 494
Treasury bills	11 430 817	26 952 521	86 312 516	115 855 444	240 551 298	217 048 870
Mortgages and other advances	45 312 335	104 639 211	86 781 787	276 257 960	512 991 293	450 580 815
Investment securities		-	-	178 719 675	178 719 675	140 012 122
	843 421 183	182 031 626	317 499 660	570 833 079	1 913 785 548	1 800 347 257
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(1 329 191 767)	(26 398 720)	(7 432 189)	(102 782 080)	,	(1 372 115 021)
Trade and other payables	(87 952 086)	(35 452 488)	(21 949 727)	(57 755 090)	(203 109 391)	(203 109 391)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(15 372 037)
Offshore borrowings	-	(17 030 102)	(17 030 102)	(48 465 855)	(82 526 059)	(74 817 920)
Current tax liabilities	(5 152 672)	-	-	-	(5 152 672)	(5 152 672)
Lease payments		-		(4 048 358)	(4 048 358)	(4 048 358)
	(1 422 296 525)	(78 881 310)	(46 412 018)	(233 051 384)	(1 780 641 236)	(1 674 615 399)
Period gap	(578 875 342)	103 150 316	271 087 642	337 781 696	133 144 312	125 731 858
Cumulative gap	(578 875 3412)	(475 725 026)	(204 637 384)	133 144 312	-	-

Liquidity gap analysis as at 31 December 2018

Inflation adjusted

				(Gross nominal	
	Up to 1	2 to 6	7 to 12	Above 12	inflow/	Carrying
	month	months	months	months	(outflow)	amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	381 628 413	231 354 844	284 415 335	_	897 398 592	893 651 588
Money market investments	65 034 260	310 578	-	1 242 311	66 587 149	66 556 090
Treasury bills	12 426 512	286 824 411	266 095 835	782 239 918	1 347 586 676	1 207 199 029
Mortgages and other advances	150 320 981	69 293 448	54 109 249	533 245 677	806 969 355	757 234 115
Investment securities	-	-	-	351 034 983	351 034 983	351 034 983
	609 410 166	587 783 281	604 620 419	1 667 762 889	3 469 576 754	3 275 675 805
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(2 222 503 225)	(398 551 878)	(24 428 656)	(49 438 422)	(2 694 922 181)	(2 689 643 172)
Trade and other payables	(101 646 618)	(49 126 167)	(9 566 451)	(97 321 607)	(257 660 843)	(257 662 151)
Long term loan	-	-	-	(124 231 076)	(124 231 076)	(90 937 368)
Offshore borrowings	-	-	-	(46 383 567)	(46 383 567)	(36 942 265)
Current tax liabilities	(836 143)	-	-	-	(836 143)	(836 143)
Lease payments	-	-	-	(17 729 067)	(17 729 067)	(17 729 067)
	(2 324 985 987)	(447 678 045)	(33 995 107)	(335 103 738)	(3 141 762 877)	(3 093 748 858)
	·					
Period gap	(1 715 575 821)	140 105 236	570 625 312	1 332 659 151	327 813 878	181 926 947
Cumulative gap	(1 715 575 821)	(1 575 470 584) (1 004 845 273)	327 813 878	-	-

Liquidity gap analysis as at 31 December 2019

Historical cost

				(Gross nominal	
	Up to 1	2 to 6	7 to 12	Above 12	inflow/	Carrying
	month	months	months	months	(outflow)	amount
	month	months	months	months	(outriow)	amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	759 643 196	43 802 208	144 405 357	-	947 850 761	960 702 956
Money market investments	27 034 835	6 637 686	-	-	33 672 521	32 002 494
Treasury bills	11 430 817	26 952 521	86 312 516	115 855 444	240 551 298	217 048 870
Mortgages and other advances	45 312 335	104 639 211	86 781 787	276 257 960	512 991 293	450 580 815
Investment securities	-	-	-	178 719 675	178 719 675	140 012 122
	843 421 183	182 031 626	317 499 660	570 833 079	1 913 785 548	1 800 347 257
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(1 329 191 767)	(26 398 720)	(7 432 189)	(102 782 080)	(1 465 804 756)	(1 372 115 021)
Trade and other payables	(87 952 086)	(35 452 488)	(21 949 727)	(57 755 090)	(203 109 391)	(203 109 391)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(15 372 037)
Offshore borrowings	-	(17 030 102)	(17 030 102)	(48 465 855)	(82 526 059)	(74 817 920)
Current tax liabilities	(5 152 672)	-	-	-	(5 152 672)	(5 152 672)
Lease payments		-		(4 048 358)	(4 048 358)	(4 048 358)
	(1 422 296 525)	(78 881 310)	(46 412 018)	(233 051 384)	(1 780 641 236)	(1 674 615 399)
Period gap	(578 875 342)	103 150 316	271 087 642	337 781 696	133 144 312	125 731 858
Cumulative gap	(578 875 3412)	(475 725 026)	(204 637 384)	133 144 312	-	-

Liquidity gap analysis as at 31 December 2018

Historical cost

<u>Installed Cost</u>						
				G	iross nominal	
	Up to 1	2 to 6	7 to 12	Above 12	inflow/	Carrying
	month	months	months	months	(outflow)	amount
	zw\$	ZW\$	ZW\$	ZW\$	zw\$	ZW\$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	61 438 478	37 245 889	45 788 114	-	144 472 481	143 869 250
Money market investments	10 469 886	50 000	-	200 000	10 719 886	10 714 886
Treasury bills	2 000 548	46 175 952	42 838 852	125 933 050	216 948 402	194 347 351
Mortgages and other advances	24 200 222	11 155 574	8 711 065	85 847 389	129 914 250	121 907 358
Investment securities	-	-	-	56 513 232	56 513 232	56 513 232
	98 109 134	94 627 415	97 338 031	268 493 671	558 568 251	527 352 077
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(357 801 492)	(64 162 992)	(3 932 777)	(7 959 107)	(433 856 368)	(433 006 499)
Trade and other payables	(16 364 121)	(7 908 837)	(1 540 106)	(15 667 836)	(41 480 900)	(41 480 900)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(14 640 035)
Offshore borrowings	-	-	-	(7 467 305)	(7 467 305)	(5 947 347)
Current tax liabilities	(134 611)	-	-	· -	(134 611)	(134 611)
Lease payments	-	-	-	(2 854 208)	(2 854 208)	(2 854 208)
	(374 300 224)	(72 071 829)	(5 472 883)	(53 948 456)	(505 793 392)	(498 063 600)
5	(275.404.000)	22 555 506	04.055.440	244545245	52 774 050	20 200 477
Period gap	(276 191 090)	22 555 586	91 865 148	214 545 215	52 774 859	29 288 477
Cumulative gap	(276 191 090)	(253 635 504)	(161 770 356)	52 774 859	-	-

Liquidity risk

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Liquidity ratios				
Total liquid assets	1 209 754 320	2 167 406 707	1 209 754 320	348 931 486
Total liabilities to the public	1 372 115 021	2 689 643 174	1 372 115 021	433 006 499
Liquidity ratio	88.17%	80.58%	88.17%	80.58%
Average for the year	87%	81%	87%	81%
Maximum for the year	78%	83%	78%	83%
Minimum for the year	71%	79%	71%	79%
Minimum statutory liquidity ratio	30%	30%	30%	30%

















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20.2.3 Market risk

Market arises from adverse movements in the market place which cause interest rate, foreign exchange and equity price fluctuations in the market in which the Group operates.

20.2.3.1 Interest rate risk

Interest rate gap analysis as at 31 December 2019

Inflation adjusted

	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	960 702 956	-	_	-	960 702 956
Money market investments	32 002 494	-	_	-	32 002 494
Treasury bills	11 404 015	24 444 016	84 307 420	96 893 419	217 048 870
Advances and other accounts	52 123 844	73 991 952	83 653 524	240 811 495	450 580 815
	1 056 233 309	98 435 968	167 960 944	337 704 914	1 660 335 135
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(1 345 966 748)	(6 151 668)	(12 393 678)	(7 602 927)	(1 372 115 021)
Long term borrowings	-	-	-	(15 372 037)	(15 372 037)
Offshore borrowings	-	(17 030 102)	(9 321 963)	(48 465 855)	(74 817 920)
	(1 345 966 748)	(23 181 770)	(21 715 641)	(71 440 819)	(1 462 304 978)
Period gap	(289 733 439)	75 254 198	146 245 303	266 264 095	198 030 157
Cumulative gap	(289 733 439)	(214 479 241)	(68 233 938)	198 030 157	_

Interest rate gap analysis as at 31 December 2018

Inflation adjusted

	Up to 1	2 to 6	7 to 12	Above 12	Carrying
	month	months	months	months	amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ACCETC BY TYPE					
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	893 651 588	-	-	-	893 651 588
Money market investments	66 245 513	310 577	-	-	66 556 090
Mortgages and other advances	12 423 108	284 753 179	254 375 608	655 647 134	1 207 199 029
Treasury bills	150 292 283	67 678 711	51 964 785	487 298 335	757 234 115
•	1 122 612 492	352 742 467	306 340 393	1 142 945 470	2 924 640 821
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(2 258 193 186)	(395 766 152)	(24 246 831)	(11 437 003)	(2 689 643 172)
Long term borrowings	-	-	-	(90 937 368)	(90 937 368)
Offshore borrowings	-	-	-	(36 942 265)	(36 942 265)
, and the second	(2 258 193 186)	(395 766 152)	(24 246 831)	(139 316 636)	(2 817 522 805)
Period gap	(1 135 580 694)	(43 023 685)	282 093 561	1 003 628 834	107 118 016
Cumulative gap	,	(1 178 604 379)	(896 510 817)	107 118 016	
3 ,	, ,	,	, ,		

Interest rate gap analysis as at 31 December 2019

Historical cost

	Up to 1	2 to 6	7 to 12	Above 12	Carrying
	month	months	months	months	amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE: Cash and cash equivalents Money market investments Treasury bills Advances and other accounts	960 702 956 32 002 494 11 404 015 52 123 844 1 056 233 309	- 24 444 016 73 991 952 98 435 968	84 307 420 83 653 524 167 960 944	96 893 419 240 811 495 337 704 914	960 702 956 32 002 494 217 048 870 450 580 815 1 660 335 135
FINANCIAL LIABILITIES BY TYPE Deposits and other accounts Long term borrowings Offshore borrowings Period gap	(1 345 966 748)	(6 151 668)	(12 393 678)	(7 602 927)	(1 372 115 021)
	-	-	-	(15 372 037)	(15 372 037)
	-	(17 030 102)	(9 321 963)	(48 465 855)	(74 817 920)
	(1 345 966 748)	(23 181 770)	(21 715 641)	(71 440 819)	(1 462 304 978)
	(289 733 439)	75 254 198	146 245 303	266 264 095	198 030 157
Cumulative gap	(289 733 439)	(214 479 241)	(68 233 938)	198 030 157	-

Interest rate gap analysis as at 31 December 2018

Historical cost

	Up to 1	2 to 6	7 to 12	Above 12	Carrying
	month	months	months	months	amount
	zw\$	ZW\$	zw\$	zw\$	zw\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	143 869 250	-	-	-	143 869 250
Money market investments	10 664 886	50 000	-	-	10 714 886
Mortgages and other advances	24 195 602	10 895 617	8 365 827	78 450 312	121 907 358
Treasury bills	2 000 000	45 842 504	40 952 009	105 552 838	194 347 351
•	180 729 738	56 788 121	49 317 836	184 003 150	470 838 845
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(363 547 230)	(63 714 517)	(3 903 505)	(1 841 247)	(433 006 499)
Long term borrowings	-	-	-	(14 640 035)	(14 640 035)
Offshore borrowings	-	-	-	(5 947 347)	(5 947 347)
	(363 547 230)	(63 714 517)	(3 903 505)	(22 428 629)	(453 593 881)
	·	· · · · · · · · · · · · · · · · · · ·	,	· · · · · ·	
Period gap	(182 817 492)	(6 926 396)	45 414 331	161 574 521	17 244 964
Cumulative gap	(182 817 492)	(189 743 888)	(144 329 557)	17 244 964	-
	,	,	,		

20.2.3.2 Foreign exchange risk

Foreign currency position
The carrying amount of the Group's non United States dollar monetary assets and liabilities as at 31 December 2019 were as follows:

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	zw\$	ZW\$
Botswana pula British pound Malawian kwacha Euro South African rand Zambian kwacha USD Total assets	71 694 288 553 878 653 7 823 266 068 406 1 242 496 725 4 320 177 25 019 658 2 138 466 072	534 746 916 117 2 944 4 295 153 6 350 612 1 882 - 12 101 454	71 694 288 553 878 653 7 823 266 068 406 1 242 496 725 4 320 177 25 019 658 2 138 466 072	86 089 147 486 474 691 478 1 022 387 303 - 1 948 217
Botswana pula British pound Euro South African rand Total liabilities	(71 034 058) (271 590 933) (254 088 698) (1 248 026 474) 651 312 785 (2 789 778 857)	(1 407 259) (200 416) (294 900) (8 102 463) (10 005 038) 2 096 416	(71 034 058) (271 590 933) (254 088 698) (1 248 026 474) 651 312 785 2 789 778 857	(226 555) (32 265) (47 476) (1 304 418) (1 610 714) 337 503

The Group's main exposure to foreign currency risk arises from the commitments for licence and support fees for information technology platforms that were sourced from foreign suppliers.

20.2.4 Credit risk

The table below shows the credit quality and the maximum exposure for credit risk based on the Bank's internal credit rating system and

		Inflation	adjusted 2019			Inflation	adjusted 2018	
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3	TOTAI ZW:
Total loans and advances	451 906 701	20 029 074	3 677 918	475 613 693	744 241 035	24 922 090	35 853 821	805 016 946
Guarantees Loan commitments	141 807 400	-	-	141 807 400	99 621 062	-	-	99 621 062
Letters of credit	100 353 711 64 981 111			100 353 711 54 981 111	142 597 768 -			142 597 768
Treasury bills	217 048 870	-	-	217 048 870	1 207 199 029	-	-	1 207 199 029
Insurance debtors Other financial assets	29 499 099 11 095 143	- 861 716	12 430 855 -	41 929 954 11 956 859	33 145 516 152 101 387		7 831 005 5 183 206	40 976 52° 157 284 593
Total financial assets	016 692 035	20 890 790	16 108 773	1 053 691 598	2 378 905 797	24 922 090	48 868 032	2 452 695 919
Total loans and advances Performing								
Good (AAA to- BBB-)	451 906 701	202 490	79 291	452 188 482	742 388 290	721 771	971 965	744 082 026
Special Mention (BB+ to CCC-) Non performing (CC TO D)	-	19 826 584	9 649 3 588 978	19 836 233 3 588 978	1 852 745	24 200 319	46 375 34 835 481	26 099 43 34 835 48
Total loans and advances	451 906 701	20 029 074	3 677 918	475 613 693	744 241 035	24 922 090	35 853 821	805 016 94
Corporate Lending								
Good (AAA to- BBB-) Special Mention (BB+ to CCC-)	312 422 061	- 19 033 094	-	312 422 061 19 033 094	342 060 399 -	- 10 957 280	-	342 060 399 10 957 280
Non performing (CC TO D)	312 422 061	19 033 094	2 390 544 2 390 544	2 390 544 333 845 699	342 060 399	10 957 280	25 006 020 25 006 020	25 006 02 378 023 69
Total corporate lending	312 422 061	19 033 094	2 390 544	333 845 699	342 060 399	10 957 280	25 006 020	378 023 69
Small business lending Good (AAA to- BBB-)	6 351 238	11	44	6 351 293	6 320 554	10 939		6 331 49
Special Mention (BB+ to CCC-)	1 779	243 959	-	245 738	-	745 772	-	745 77
Non performing (CC TO D) Total small business lending	6 353 017	243 970	158 255 158 299	158 255 6 755 286	6 320 554	756 711	565 966 565 966	565 96 7 643 23
Consumer Lending								
Good (AAA to- BBB-)	105 459 474	77 492	25 175	105 562 141	270 231 307	546 530	130 882	270 908 71
Special Mention (BB+ to CCC-) Non performing (CC TO D) -	219 198	502 841 -	6 515 719 351	728 554 719 351	-	10 612 185 -	25 579 5 604 039	10 637 76 5 604 03
Total consumer lending	105 678 672	580 333	751 041	107 010 046	270 231 307	11 158 715	5 760 500	287 150 52
Mortgage Lending								
Good (AAA to- BBB-) Special Mention (BB+ to CCC-)	27 673 928 102 763	124 987 46 690	54 072 3 134	27 852 987 152 587	123 776 030 1 852 745	164 302 1 885 082	841 083 20 796	124 781 41 3 758 62
Non performing (CC TO D) Total mortgage lending	27 776 691	171 677	320 828	320 828	125 620 775	- 2.040.394	3 659 456 4 521 335	3 659 45
	27 776 691	171 677	378 034	28 326 402	125 628 775	2 049 384	4 321 333	132 199 49
Guarantees Good (AAA to- BBB-)	141 807 400	_		141 807 400	99 621 062			99 621 06
Special Mention (BB+ to CCC-)		-	-	-	-	-	-	
Non performing (CC TO D) Total guarantees	141 807 400	-	-	141 807 400	99 621 062	-		99 621 06
Loan commitments								
Good (AAA to- BBB-)	100 353 711	-	-	100 353 711	142 597 768	-	-	142 597 76
Special Mention (BB+ to CCC-) Non performing (CC TO D)		-	-	-	-	-	-	
Total loan commitments	100 353 711	-	-	100 353 711	142 597 768	-	-	142 597 76
Letters of credit Good (AAA to- BBB-)	64 981 111			64 981 111				
Special Mention (BB+ to CCC-)		-	-	-	-	-	-	
Non performing (CC TO D) Total letters of credit	64 981 111	-	-	64 981 111	-	-	-	
Other financial assets								
Debentures		064 746		054.745			5 402 20C	5 402 20
Non perfoming (CC to D) Bonds	-	861 716	-	861 716	-	-	5 183 206	5 183 20
Good (AAA to BBB-) Total other financial assets	11 095 143	- 861 716	-	11 095 143	152 101 387	-	5 183 206	152 101 38
iotal other imancial assets	11 095 143	001710	-	11 956 859	152 101 387	-	3 183 206	157 284 59
		Historical	cost 2019		Historical	cost 2018		
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTA ZW
Total loans and advances								
Total loans and advances Guarantees	451 906 701 141 807 400	20 029 074	3 677 918 -	475 613 693 141 807 400	119 815 598 16 038 026	4 012 215 -	5 772 118 -	129 599 93 16 038 02
Loan commitments Letters of credit	100 353 711 64 981 111	-	-	100 353 711 64 981 111	22 956 859 -	-	-	22 956 85
Treasury bills Insurance debtors	217 048 870 29 499 099	-	- 12 430 855	217 048 870 41 929 954	194 347 351 5 336 107		- 1 260 716	194 347 35
Other financial assets	11 095 143	861 716	-	11 956 859	5 336 107 24 486 850	-	834 446	6 596 82 25 321 29
	016 692 035	20 890 790	16 108 773	1 053 691 598	382 980 791	4 012 215	7 867 280	394 860 28
Total loans and advances Performing								
C I (AAA (DDD)				452 188 482	119 517 324	116 198	156 477	119 789 99 4 201 75
	451 906 701	202 490 19 826 584	79 291 9 649		298 274	3 896 017		
Special Mention (BB+ to CCC-) Non performing (CC TO D)	<u> </u>	19 826 584 -	9 649 3 588 978	19 836 233 3 588 978	298 274	3 896 017 - 4 012 215	7 466 5 608 175 5 772 118	
Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances			9 649	19 836 233	298 274 - 1119 815 598	3 896 017 - 4 012 215		
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-)	451 906 701 312 422 061	19 826 584 - 20 029 074	9 649 3 588 978	19 836 233 3 588 978 475 613 693 312 422 061	-	4 012 215	5 608 175	129 599 93 55 068 41
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)	451 906 701 312 422 061	19 826 584 - 20 029 074 - 19 033 094	9 649 3 588 978 3 677 918 - 2 390 544	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544	55 068 411 -	4 012 215 - 1 764 016	5 608 175 5 772 118 - - 4 025 727	55 068 41 1 764 01 4 025 72
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending	451 906 701 312 422 061	19 826 584 - 20 029 074	9 649 3 588 978 3 677 918	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094	1119 815 598	4 012 215	5 608 175 5 772 118 - -	55 068 41 1 764 01 4 025 72
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending	451 906 701 312 422 061	19 826 584 - 20 029 074 - 19 033 094	9 649 3 588 978 3 677 918 - 2 390 544	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544	55 068 411 -	4 012 215 - 1 764 016	5 608 175 5 772 118 - - 4 025 727	55 068 41 1 764 01 4 025 72 60 858 15
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total Corporate lending Small business lending Good (AAA to- BBB-)	451 906 701 312 422 061 312 422 061 6 351 238 1 779	19 826 584 - 20 029 074 - 19 033 094 - 19 033 094 - 11 243 959	9 649 3 588 978 3 677 918 - 2 390 544 2 390 544 44 - 158 255	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255	1119 815 598 55 068 411 55 068 411 1 017 548	4 012 215 	5 608 175 5 772 118 - 4 025 727 4 025 727	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Special Mention (BB+ to CCC-) Non performing (CC TO D)	451 906 701 312 422 061 312 422 061 6 351 238	19 826 584 - 20 029 074 - 19 033 094 - 19 033 094	9 649 3 588 978 3 677 918 - 2 390 544 2 390 544	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738	1119 815 598 55 068 411 	4 012 215 - 1 764 016 - 1 764 016	5 608 175 5 772 118 - 4 025 727 4 025 727	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Consumer Lending	451 906 701 312 422 061 312 422 061 6 351 238 1 779	19 826 584 - 20 029 074 - 19 033 094 - 19 033 094 - 11 243 959	9 649 3 588 978 3 677 918 - 2 390 544 2 390 544 44 - 158 255	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255	1119 815 598 55 068 411 55 068 411 1 017 548	4 012 215 	5 608 175 5 772 118 - 4 025 727 4 025 727	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Consumer Lending Cood (AAA to- BBB-) Special Mention (BB+ to CCC-) Special Mention (BB+ to CCC-)	451 906 701 312 422 061 312 422 061 6 351 238 1 779 6 353 017	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970	9 649 3 588 978 3 677 918 2 390 544 2 390 544 44 158 255 158 299 25 175 6 515	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286	1119 815 598 55 068 411 55 068 411 1 017 548 1 017 548	1 764 016 1 764 016 1 764 016 1 20 062 121 823	5 608 175 5 772 118 - 4 025 727 4 025 727 - 91 115 91 115 21 071 4 118	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to-BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to-BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Consumer Lending Good (AAA to-BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Special Mention (BB+ to CCC-) Non performing (CC TO D) -	451 906 701 312 422 061 312 422 061 6 351 238 1 779 6 353 017	19 826 584 - 20 029 074 - 19 033 094 - 19 033 094 - 11 243 959 - 243 970 - 77 492	9 649 3 588 978 3 677 918 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286	1119 815 598 55 068 411 55 068 411 1 017 548 1 017 548	4 012 215 1 764 016 1 764 016 1 764 02 1 20 062 1 21 823	5 608 175 5 772 118 - 4 025 727 4 025 727 - 91 115 91 115	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) - Total consumer lending Mortgage Lending	451 906 701 312 422 061 312 422 061 6 351 238 1 779 6 353 017 105 459 474 219 198	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 580 333	9 649 3 588 978 3 677 918 2 390 544 2 390 544 44 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046	1119 815 598 55 068 411 55 068 411 1 017 548 1 017 548 43 504 623	4 012 215 1 764 016 1 764 016 1 761 120 062 121 823 87 986 1 708 459 1 796 445	5 608 175 5 772 118 - 4 025 727 4 025 727 91 115 91 115 21 071 4 118 902 196 927 385	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) - Total consumer lending Mortgage Lending Good (AAA to- BBB-)	451 906 701 312 422 061 312 422 061 6 351 238	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 - 580 333	9 649 3 588 978 3 677 918 2 390 544 2 390 544 44 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046	1119 815 598 55 068 411 55 068 411 1 017 548 1 017 548 43 504 623 43 504 623 19 926 742	1 764 016 1 764 016 1 764 016 1 20 062 1 21 823 87 986 1 708 459 1 796 445	5 608 175 5 772 118 - 4 025 727 4 025 727 - 91 115 - 91 115 - 21 071 4 118 902 196 927 385	129 599 93 55 068 41 1 764 01 4 025 26 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total consumer lending Mortgage Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)	451 906 701 312 422 061 312 422 061 6 351 238 1 779 6 353 017 105 459 474 219 198 105 678 672 27 673 928 102 763	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 580 333 124 987 46 690	9 649 3 588 978 3 677 918 2 390 544 2 390 544 2 390 544 44 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046 27 852 987 152 587 320 828	1119 815 598 55 068 411 1 017 548 1 017 548 43 504 623 19 926 742 298 274	4 012 215 1 764 016 1 764 016 1 761 120 062 121 823 87 986 1 708 459 1 796 445 26 451 303 480	5 608 175 5 772 118 	5 608 17 129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45 20 088 59 605 10 589 13 21 28 28
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total consumer Lending Mortgage Lending Mortgage Lending Mortgage Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total consumer Lending Mortgage Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total mortgage lending	451 906 701 312 422 061 312 422 061 6 351 238	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 - 580 333	9 649 3 588 978 3 677 918 2 390 544 2 390 544 44 158 255 158 299 25 175 6 515 719 351 751 041	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046	1119 815 598 55 068 411 55 068 411 1 017 548 1 017 548 43 504 623 43 504 623 19 926 742	1 764 016 1 764 016 1 764 016 1 20 062 1 21 823 87 986 1 708 459 1 796 445	5 608 175 5 772 118 - 4 025 727 4 025 727 - 91 115 91 115 21 071 4 118 902 196 927 385	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45 20 088 59 605 10 589 13
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total consumer lending Mortgage Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total mortgage lending Guarantees Good (AAA to- BBB-)	451 906 701 312 422 061 312 422 061 6 351 238	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 580 333 124 987 46 690	9 649 3 588 978 3 677 918 2 390 544 2 390 544 2 390 544 44 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046 27 852 987 152 587 320 828	1119 815 598 55 068 411 1 017 548 1 017 548 43 504 623 19 926 742 298 274	4 012 215 1 764 016 1 764 016 1 761 120 062 121 823 87 986 1 708 459 1 796 445 26 451 303 480	5 608 175 5 772 118 	129 599 93 55 068 41 1 764 01 4 025 72 60 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45 20 088 59 605 10 589 13 21 282 83
Special Mention (BB+ to CCC-) Non performing (CC TO D) Total loans and advances Corporate Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D) Total corporate lending Small business lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total small business lending Consumer Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)- Total consumer lending Mortgage Lending Good (AAA to- BBB-) Special Mention (BB+ to CCC-) Non performing (CC TO D)	451 906 701 312 422 061 312 422 061 6 351 238	19 826 584 20 029 074 19 033 094 19 033 094 11 243 959 243 970 77 492 502 841 580 333 124 987 46 690	9 649 3 588 978 3 677 918 2 390 544 2 390 544 2 390 544 44 	19 836 233 3 588 978 475 613 693 312 422 061 19 033 094 2 390 544 333 845 699 6 351 293 245 738 158 255 6 755 286 105 562 141 728 554 719 351 107 010 046 27 852 987 152 587 320 828 28 326 402	1119 815 598 55 068 411 1 017 548 1 017 548 43 504 623 43 504 623 19 926 742 298 274 20 225 016	4 012 215 1 764 016 1 764 016 1 761 120 062 121 823 87 986 1 708 459 1 796 445 26 451 303 480	5 608 175 5 772 118 	129 599 93 55 068 41 1 764 01 4 025 260 858 15 1 019 30 120 06 91 11 1 230 48 43 613 68 1 712 57 902 19 46 228 45 20 088 59 605 10

861 716

861 716

100 353 711

100 353 711

64 981 111

11 095 143

11 095 143

An analysis of changes in the	ECLS In relatio	n to loans and a	dvances are as	Ollows:				
		Inflation	adjusted 2019		Inflation adjusted 2018			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL
	zw\$	ZW\$	ZW\$	ZW\$	ZW\$	zw\$	ZW\$	ZW\$
Total loans and advances Insurance debtors	49 548 363	2 200 977	2 782 637 12 430 855	54 531 977 12 430 855	75 548 061 -	2 920 860	2 459 425 7 831 006	80 928 346 7 831 006
Total impairment allowances	49 548 363	2 200 977	15 213 492	66 962 832	75 548 061	2 920 860	10 290 431	88 759 352
In respect of guarantees In respect of loan commitments In respect of other	139 817 744 517		:	139 817 744 517	1 437 149 3 198 745	:	:	1 437 149 3 198 745
financial assets Total	759 50 433 456	90 539 2 291 516	- 15 213 492	91 298 67 938 464	269 948 80 453 903	2 920 860	455 096 10 745 527	725 044 94 120 290

100 353 711

64 981 111

64 981 111

861 716

11 095 143 11 956 859

22 956 859

24 486 850 24 486 850

22 956 859

834 446

24 486 850 25 321 296

834 446

Loan commitments Good (AAA to- BBB-)

Letters of credit Good (AAA to- BBB-)

Other financial assets Debentures Non perfoming (CC to D)

Bonds

Good (AAA to BBB-)

Total other financial assets

Special Mention (BB+ to CCC-)

Special Mention (BB+ to CCC-)

















Digital banking

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

20.2.4	Credit	risk ((continued)	
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		Inflation	adjusted 2019			Inflation a	ndjusted 2018	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL
	zw\$	ZW\$	ZW\$	zw\$	zw\$	zw\$	zw\$	zw\$
Total loans and advances								
Good (AAA to- BBB-)	49 493 008	67 015	31 830	49 591 853	75 204 059	66 625	332 119	75 602 803
Special Mention (BB+ to CCC-)	55 355	2 133 962	4 833	2 194 150	344 002	2 854 235	8 908	3 207 145
Non performing (CC TO D)	33 333	2 133 302	2 745 974	2 745 974	344 002	2 034 233	2 118 400	2 118 400
Non performing (CC 10 b)	49 548 363	2 200 977	2 782 637	54 531 977	75 548 061	2 920 860	2 459 427	80 928 348
Impairment allowance for	49 340 303	2 200 377	2 702 037	34 33 1 377	73 340 001	2 320 000	2 433 427	00 920 340
loans and advances by lending category: Corporate Lending								
Good (AAA to- BBB-)	33 784 674			33 784 674	43 558 956	_		43 558 956
Special Mention (BB+ to CCC-)	33 704 074	1 953 379		1 953 379	-5 550 550	2 093 760	_	2 093 760
Non performing (CC TO D)		1 933 379	2 304 445	2 304 445		2 093 700	17 249	17 249
	-	-	2 304 443	2 304 443	-	-	17 249	17 243
Impairment allowance for	33 784 674	1 953 379	2 304 445	38 042 498	43 558 956	2 093 760	17 249	45 669 965
corporate lending	33 704 074	1 955 579	2 304 445	36 042 496	43 336 936	2 093 760	17 249	45 009 903
Small business Lending								
Good (AAA to- BBB-)	629 354	11	10	629 375	606 906	814	-	607 720
Special Mention (BB+ to CCC-)	2 338	21 983	557	24 878	-	100 056	-	100 056
Non performing (CC TO D)	-	-	47 715	47 715	-	-	230 647	230 647
Impairment allowance for								
small business lending	631 692	21 994	48 282	701 968	606 906	100 869	230 647	938 423
Consumer lending								
Good (AAA to- BBB-)	11 615 536	22 333	8 618	11 646 487	12 704 193	22 678	32 722	12 759 593
Special Mention (BB+ to CCC-)	37 733	139 254	2 967	179 954	72 520	151 730	2 572	226 822
	37 733	139 234			72 320	131 /30		
Non performing (CC TO D)	-	-	245 024	245 024	-	-	759 189	759 189
Impairment allowance for _ consumer lending	11 653 269	161 587	256 609	12 071 465	12 776 713	174 408	794 483	13 745 604
consumer lending	11 033 209	101 307	230 009	12 07 1 403	12 770 713	174 408	7 34 403	13 743 004
Mortgage Lending								
Good (AAA to- BBB-)	3 463 444	44 671	23 202	3 531 317	18 334 004	43 133	299 397	18 676 534
Special Mention (BB+ to CCC-)	15 284	19 346	1 309	35 939	271 482	508 689	6 336	786 507
Non performing (CC TO D)	-	-	148 790	148 790	-	-	1 111 315	1 111 315
Impairment allowance for								
mortgage lending	3 478 728	64 017	173 301	3 716 046	18 605 486	551 822	1 417 048	20 574 356
Impairment allowances on								
guarantees and loan								
Commitments included in								
provisions under other								
liabilities								
Guarantees								
Good (AAA to- BBB-)	139 817			139 817	1 437 149			1 437 149
Special Mention (BB+ to CCC-)	-							
Non performing (CC TO D)				_	_	_		
Impairment allowances for								
guarantees	139 817	-	-	139 817	1 437 149	-	-	1 437 149
Loan commitments					2.402.5.5			2 /
Good (AAA to- BBB-)	744 517	-	-	744 517	3 198 745	-	-	3 198 745
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	
Non performing (CC TO D)	-	-	-	-	-	-	-	
Impairment allowances for loan commitments	744 517			744 517	3 198 745			3 198 745
					2			2 ,50 , 4.
Other financial assets								
Debntures								
Non performing (CC TO D)	759	-	-	759	-	-	455 096	455 096
Bonds								
Good (AAA to BBB-)	-	90 539	-	90 539	269 948	-	-	269 948
Impairment allowances								
for other financial assets	759	90 539	-	91 298	269 948	-	455 096	725 044

		Historica	l cost 2019		Historical cost 2018			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL
	ZW\$	ZW\$	zw\$	zw\$	zw\$	ZW\$	zw\$	zws
Total loans and advances	49 548 363	2 200 977	2 782 637	54 531 977	12 162 506	470 230	395 944	13 028 680
Insurance debtors	-	-	12 430 855	12 430 855	-	-	1 260 716	1 260 71
Other financial assets	-	-	-	-	-	-	-	
Total impairment allowances	49 548 363	2 200 977	15 213 492	66 962 832	12 162 506	470 230	1 656 660	14 289 39
In respect of guarantees	139 817	-	-	139 817	231 367	-	-	231 36
In respect of loan commitments In respect of other	744 517	-	-	744 517	514 967	-	-	514 96
financial assets	759	90 539	-	91 298	43 459	-	73 266	1176 72
Total	50 433 456	2 291 516	15 213 492	67 938 464	12 952 299	470 230	1 729 926	15 152 45

Treasury bills were assessed for impairment at 31 December 2019 and, having been considered to carry low credit risk, no IFRS 9 impairment charge was raised.

There was no objective evidence to suggest that future cash flows on the treasury bills could end up being less than those anticipated at the point of initial recognition.

		Historica	l cost 2019					
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTA
	zw\$	zw\$	zw\$	zw\$	zw\$	zw\$	zw\$	ZW
otal loans and advances								
Good (AAA to- BBB-)	49 493 008	67 015	31 830	49 591 853	12 107 125	10 726	53 468	12 171 31
Special Mention (BB+ to CCC-)	55 355	2 133 962	4 833	2 194 150	55 381	459 504	1 434	516 31
Non performing (CC TO D)	49 548 363	2 200 977	2 745 974 2 782 637	2 745 974	12 162 506	470 230	341 042 395 944	341 04 13 028 68
-	49 548 363	2 200 977	2 /82 63/	54 531 977	12 162 506	470 230	395 944	13 028 68
mpairment allowance for loans and advances by lending category: Corporate Lending								
Good (AAA to- BBB-)	33 784 674	-	-	33 784 674	7 012 570	-	-	7 012 57
Special Mention (BB+ to CCC-)		1 953 379		1 953 379		337 075	-	337 07
Non performing (CC TO D)	-	-	2 304 445	2 304 445	-	-	2 777	2 77
Impairment allowance for _ corporate lending	33 784 674	1 953 379	2 304 445	38 042 498	7 012 570	337 075	2 777	7 352 42
Small business Lending	620.254	1.1	10	620.275	07.700	424		07.00
Good (AAA to- BBB-)	629 354	11	10	629 375	97 706	131	-	97 83
Special Mention (BB+ to CCC-) -	2 338	21 983	557	24 878	-	16 108	-	16 10
Non performing (CC TO D)	-	-	47 715	47 715	-	-	37 132	37 13
Impairment allowance for _ small business lending	631 692	21 994	48 282	701 968	97 706	16 239	37 132	151 07
-								
Consumer lending								
Good (AAA to- BBB-)	11 615 536	22 333	8 618	11 646 487	2 045 252	3 651	5 268	2 054 17
Special Mention (BB+ to CCC-)	37 733	139 254	2 967	179 954	11 675	24 427	414	36 51
Non performing (CC TO D)	-	-	245 024	245 024	-	-	122 222	122 22
mpairment allowance for	11 653 269	161 587	256 609	12 071 465	2 056 927	28 078	127 904	2 212 90
consumer lending	11 055 209	101 507	250 009	12 07 1 405	2 050 927	20 070	127 904	2 212 90
Mortgage Lending								
Good (AAA to- BBB-)	3 463 444	44 671	23 202	3 531 317	2 951 597	6 944	48 200	3 006 74
Special Mention (BB+ to CCC-)	15 284	19 346	1 309	35 939	43 706	81 894	1 020	126 62
Non performing (CC TO D) Impairment allowance for	-	-	148 790	148 790	-	-	178 911	178 91
mortgage lending	3 478 728	64 017	173 301	3 716 046	2 995 303	88 838	228 131	3 312 27
mpairment allowances on guarantees and loan commitments included in provisions under other liabilities Guarantees								
Good (AAA to- BBB-) mpairment allowances	139 817	-	-	139 817	231 367	-	-	231 36
for guarantees	139 817	-	-	139 817	231 367	-	-	231 36
oan commitments Good (AAA to- BBB-)	744 517	-	-	744 517	514 967	-	-	514 96
mpairment allowances for loan commitments	744 517			744 517	514 967			514 96
-	744 317	•		744 317	314 307		•	314 90
Other financial assets Debntures Non performing (CC TO D)	759			759			73 266	73 26
Bonds Good (AAA to BBB-)		90 539		90 539	43 459			43 45
Impairment allowances for		50 555		50 555	.5 455			75 4.

20.2.4 Credit risk (continued)

An analysis of changes in the gross carrying amount are as follows:

		Inflation	adjusted 2019			Inflation	adjusted 2018	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL
	zw\$	ZW\$	ZW\$	zw\$	zw\$	zw\$	ZW\$	ZW\$
Total financial assets								
Total loans and advances	451 906 701	20 029 074	3 677 918	475 613 693	744 241 035	24 922 090	35 853 821	805 016 946
Guarantees	141 807 400	-	-	141 807 400	99 621 062	-	-	99 621 062
Loan commitments Letters fo credit	100 353 711 64 981 111	-	-	100 353 711 64 981 111	142 597 768	-	-	142 597 768
Treasury bills	217 048 870	-	-	217 048 870	1 207 199 029	-	-	1 207 199 029
Insurance debtors Other financial assets	29 499 099	- 061 716	12 430 855	41 929 954	33 145 516	-	7 831 005 5 183 206	40 976 521
Total financial assets	11 095 143 1 016 692 035	861 716 20 890 790	16 108 773	11 956 859 1 053 691 598	152 101 387 2 378 905 797	24 922 090	48 868 032	157 284 593 2 452 695 919
Balance at 31 December 2018 Effects of inflation adjustments	2 378 905 797 (1 989 354 717)	24 922 090 (20 909 874)	48 868 032 (47 571 042)	2 452 695 919 (2 057 835 633)	1 419 316 711	357 988 624 -	90 808 848	1 868 114 183
New assets	881 365 359	29 826 217	8 699 650	919 891 226	956 372 059	70 110 654	16 122 708	1 042 605 421
Repayments	(248 921 865)	(7 538 917)	(2 086 312)	(258 547 094)	(218 222 097)	(164 976 925)	(50 483 621)	(433 682 643)
Stage reassigments Stage 1	_	(148 817)	5 451 356	5 302 539	_	(235 977 309)	14 538 185	(221 439 124)
Stage 2	148 817	-	5 259 909	5 408 726	235 977 309	-	2 222 954	238 200 263
Stage 3	(5 451 356)	(5 259 909)	-	(10 711 265)	(14 538 185)	(2 222 954)	-	(16 761 139)
Write-offs Balance at 31 December 2019	1 016 692 035	20 890 790	(2 512 820) 16 108 773	(2 512 820) 1 053 691 598	2 378 905 797	24 922 090	(24 341 042) 48 868 032	(24 341 042) 2 452 695 919
Impairment allowance on total financial assets								
Total loans and advances	49 548 363	2 200 977	2 782 637	54 531 977	75 548 061	2 920 860	2 459 425	80 928 346
Insurance debtors	-5 540 505	- 200 9//	12 430 855	12 430 855	7 3 340 001	- 220 000	7 831 006	7 831 006
Total Loans and other advances	49 548 363	2 200 977	15 213 492	66 962 832	75 548 061	2 920 860	10 290 431	88 759 352
In respect of guarantees In respect of Loan commitments	139 817 744 517	-	-	139 817 744 517	1 437 149 3 198 745		-	1 437 149 3 198 745
In respect of other financial assets		90 539	-	91 298	269 948	-	455 096	725 044
Total impairment allowances	50 433 456	2 291 516	15 213 492	67 938 464	80 453 903	2 920 860	10 745 527	94 120 290
Balance at 31 December 2018	80 453 903	2 920 860	10 745 527	94 120 290	15 222 810	1 413 924	30 675 454	47 312 188
Effects of inflation adjustments	(63 385 557)	(2 450 651)	3 797 106	(62 039 102)	-	-	-	-
Initial adoption of IFRS 9	45 542 267	- 2 444 020	-	40.674.742	13 713 111	30 898 337	(16 895 532)	27 715 916
New assets Repayments	45 543 267 (11 045 052)	3 441 920 (480 052)	686 526 (533 868)	49 671 713 (12 058 972)	100 500 214 (28 459 010)	2 640 073 (24 837 227)	2 782 788 (11 883 982)	105 923 075 (65 180 219)
Stage reassigments	(,	(,	(,	(,	(== :== : : : ,	(= : ==: ,	(** ,	(,
Stage 1	- (22.204)	33 381	1 099 724	1 133 105	-	(7 635 658)	28 158 880	20 523 222
Stage 2 Stage 3	(33 381) (1 099 724)	- (1 173 942)	1 173 942 -	1 140 561 (2 273 666)	7 635 658 (28 158 880)	- 441 411	(441 424)	7 194 234 (27 717 469)
Write-offs			(1 755 465)	(1 755 465)		-	(21 650 657)	(21 650 657)
Balance at 31 December 2019	50 433 456	2 291 516	15 213 492	67 938 464	80 453 903	2 920 860	10 745 527	94 120 290
		Histor	ical cost 2019			Historical	cost 2018	
	STAGE 1	Histori STAGE 2	ical cost 2019 STAGE 3	TOTAL	STAGE 1	Historical STAGE 2	cost 2018 STAGE 3	TOTAL
	STAGE 1 ZW\$			TOTAL ZW\$	STAGE 1 ZW\$			TOTAL ZW\$
		STAGE 2	STAGE 3			STAGE 2	STAGE 3	
Total financial assets		STAGE 2	STAGE 3			STAGE 2	STAGE 3	
Total financial assets Total loans and advances		STAGE 2	STAGE 3			STAGE 2	STAGE 3	
Total loans and advances Guarantees	ZW\$ 451 906 701 141 807 400	STAGE 2 ZW\$	STAGE 3 ZW\$	ZW\$ 475 613 693 141 807 400	ZW\$ 119 815 598 16 038 026	STAGE 2 ZW\$	STAGE 3 ZW\$	ZW\$ 129 599 931 16 038 026
Total loans and advances Guarantees Loan commitments	ZW\$ 451 906 701 141 807 400 100 353 711	STAGE 2 ZW\$	STAGE 3 ZW\$	ZW\$ 475 613 693 141 807 400 100 353 711	ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	ZW\$
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills	ZW\$ 451 906 701 141 807 400	STAGE 2 ZW\$	STAGE 3 ZW\$ 3 677 918 - -	ZW\$ 475 613 693 141 807 400	ZW\$ 119 815 598 16 038 026	STAGE 2 ZW\$	5 772 118	ZW\$ 129 599 931 16 038 026
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099	20 029 074 	STAGE 3 ZW\$	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107	STAGE 2 ZW\$	5 772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870	STAGE 2 ZW\$	STAGE 3 ZW\$ 3 677 918 - -	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870	ZW\$ 119 815 598 16 038 026 22 956 859 - 194 347 351	STAGE 2 ZW\$	5 772 118	2W\$ 129 599 931 16 038 026 22 956 859 - 194 347 351
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035	20 029 074 	3 677 918 	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791	STAGE 2 ZW\$ 4 012 215	5 772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035	20 029 074	3 677 918	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243	4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035	20 029 074 	3 677 918 	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791	STAGE 2 ZW\$ 4 012 215	5 772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094)	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638	4 012 215	5772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644)	4 012 215 4 012 215 1 11 287 136	5772 118 5 772 118 1 260 716 834 446 7 867 280 14 619 345 2 595 600	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094)	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638	4 012 215	5 772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644)	4 012 215	5 772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820)	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644)	4 012 215	5 772 118 5 772 118 1 260 716 834 446 7 867 280 14 619 345 2 595 600 (8 127 374) 2 340 507 357 874	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265)	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644)	4 012 215	5 772 118 5 772 118 1 260 716 834 446 7 867 280 14 619 345 2 595 600 (8 127 374) 2 340 507 357 874	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507)	STAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507)	STAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672)
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Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507)	STAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 - 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672)
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Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances In respect of guarantees In respect of Joan commitments In respect of Loan commitments In respect of Joan commitments In respect of Loan commitments In respect of Joan commitments In respect of Loan commitments In respect of Joan commit	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020 1 053 691 598	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459	\$TAGE 2 ZWS 4 012 215	5 772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage reassigments Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total Loans and advances Insurance debtors Total Loans and other advances In respect of guarantees In respect of other financial assets Total impairment allowances In respect of other financial assets Total impairment allowances Balance at 31 December 2018 New assets	2W\$ 451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) 8 921 020 1 016 692 035 49 548 363 139 817 744 517 759 50 433 456	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 217 048 870 41 929 954 11 953 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459 12 952 299	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672)
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances Insurance debtors Total Loans and other advances In respect of guarantees In respect of other financial assets Total impairment allowances In respect of other financial assets Total in pairment allowances In respect of other financial assets Total in pairment allowances In spect of other financial assets Total inpairment allowances	2W\$ 451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) - 8 921 020 1 016 692 035 49 548 363 139 817 744 517 759 50 433 456	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459 12 952 299 2 450 725	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672) 394 860 386
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances In respect of guarantees In respect of oun commitments In respect of other financial assets Total impairment allowances Balance at 31 December 2018 New assets Repayments Stage reassigments	2W\$ 451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) 8 921 020 1 016 692 035 49 548 363 139 817 744 517 759 50 433 456	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464 15 152 455 49 671 713 (12 058 972)	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459 12 952 299 2 450 725 16 179 559	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672) 394 860 386
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances Insurance debtors Total Loans and other advances In respect of guarantees In respect of other financial assets Total impairment allowances Sin respect of other financial assets Total impairment allowances Balance at 31 December 2018 New assets Repayments Stage reassigments Stage reassigments Stage 1 Stage 2	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) 8 921 020 1 016 692 035 49 548 363 19 817 744 517 759 50 433 456 12 952 299 48 270 182 (11 045 052)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 7711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464 15 152 455 49 671 713 (12 058 972) 1 133 105 1 140 561	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459 12 952 299 2 450 725 16 179 559 (4 581 625)	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672) 394 860 386
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances In respect of guarantees In respect of guarantees In respect of other financial assets Total inpairment allowances In respect of toan commitments In respect of suarantees Total impairment allowances Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 1 Stage 2 Stage 3	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) 8 921 020 1 016 692 035 49 548 363 139 817 744 517 759 50 433 456 12 952 299 48 270 182 (11 045 052)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464 15 152 455 49 671 713 (12 058 972) 1 133 105 1 140 561 (2 273 666)	2W\$ 119 815 598 16 038 026 22 956 859 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644)	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672) 394 860 386
Total loans and advances Guarantees Loan commitments Letters fo credit Treasury bills Insurance debtors Other financial assets Total financial assets Balance at 31 December 2018 New assets Repayments Stage reassigments Stage 2 Stage 3 Write-offs Effects of changes in functional currency Balance at 31 December 2019 Impairment allowance on total financial assets Total loans and advances Insurance debtors Total Loans and other advances In respect of guarantees In respect of other financial assets Total impairment allowances Sin respect of other financial assets Total impairment allowances Balance at 31 December 2018 New assets Repayments Stage reassigments Stage reassigments Stage 1 Stage 2	451 906 701 141 807 400 100 353 711 64 981 111 217 048 870 29 499 099 11 095 143 1 016 692 035 382 980 791 879 014 628 (248 921 865) 148 817 (5 451 356) 8 921 020 1 016 692 035 49 548 363 19 817 744 517 759 50 433 456 12 952 299 48 270 182 (11 045 052)	20 029 074	3 677 918	2W\$ 475 613 693 141 807 400 100 353 711 64 981 111 217 048 870 41 929 954 11 956 859 1 053 691 598 394 860 286 910 970 206 (258 547 094) 5 302 539 5 408 726 (10 7711 265) (2 512 820) 8 921 020 1 053 691 598 54 531 977 12 430 855 66 962 832 139 817 744 517 91 298 67 938 464 15 152 455 49 671 713 (12 058 972) 1 133 105 1 140 561	2W\$ 119 815 598 16 038 026 22 956 859 - 194 347 351 5 336 107 24 486 850 382 980 791 228 496 243 153 966 638 (35 131 644) - 37 990 061 (2 340 507) - 382 980 791 12 162 506 231 367 514 967 43 459 12 952 299 2 450 725 16 179 559 (4 581 625)	\$TAGE 2 ZWS 4 012 215	5772 118	129 599 931 16 038 026 22 956 859 194 347 351 6 596 823 25 321 296 394 860 286 300 748 289 167 849 374 (69 818 705) (35 649 554) 38 347 935 (2 698 381) (3 918 672) 394 860 386

Inflation Adjusted	5 152 455 2 2018 ZW\$ 6 804
## Section	ZW\$ 6 804 51 994
## Section	ZW\$ 6 804 51 994
## Section	ZW\$ 6 804 51 994
ZW\$ ZW\$ ZW\$ ZW\$	ZW\$ 6 804 51 994
ECL Movement Balance at beginning of year 88 759 352 47 312 188 14 289 396 7 60 Impact of changes in functional currency at 1 Jan 2019 2 115 832 - 1 389 132 Impact of IFRS 9 adoption at 1 Jan 2018 - 27 715 915 - 4 46 Increase / (decrease) in respect of impairments are:	6 804 - 51 994
Balance at beginning of year 88 759 352 47 312 188 14 289 396 7 6 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2	- 51 994 -
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	6 143
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Effects of inflation movements (99 428 786) (4 625 648) -	-
<u>66 962 832</u> 88 759 352 66 962 832 14 26	39 396
Analysis of ECL on loans and advances	
	51 145
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Impact of changes in functional	
currency at 1 Jan 2019 - 1 389 132	-
	1 086
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34 331 377 00 320 340 34 331 377 13 00	0 000
Analysis of ECL on insurance debtors	
Balance at beginning of year 7 831 006 10 284 215 1 260 716 1 69	55 659
	94 943)
Effects on inflation movements (14 333 986) 4 328 371 -	-
Balance at end of year 12 430 855 7 831 006 12 430 855 1 26	0 716
Analysis of ECL on guarantees	
and letters of credit	
Guarantees	
Balance at beginning of year 1 437 149 - 231 367	-
	92 613
	51 246)
Effects of inflation movements (1 157 889) 293 356 - Balance at end of year 139 817 1 437 149 139 817 23	- 31 367
5507 15507 E.	1 307
Analysis of ECL on loan commitments	
Balance at beginning of year	-
	6 200
)1 233)
Effects of inflation movements (2 803 863) 244 621 - Balance at end of year 744 517 3 198 745 744 517 5'	4 967
Datatice at end of year 744 517 5 150 745 744 517 5	4 307
Analysis of ECL on other financial assets	
Balance at beginning of year 725 044 - 116 725	-
	6 725
Effects of inflation movements 594 823 (49 626) -	-
Balance at end of year 91 298 725 044 91 298 11	6 725



















Digital banking

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

20.3 Other business risks

Other business risks faced by the Group are;

- Operational risk
- Legal, reputational and compliance risks
- Technological risks
- Solvency risk
- Underwriting risks

The Group has put in place a framework for the management of the above risks. Regular reviews are undertaken to evaluate the adequacy of risk management processes against a changing operating environment.

20.4 Risk rating

20.4.1 Regulatory risk rating

The Reserve Bank of Zimbabwe conducts regular offsite and onsite examinations of the institutions that it regulates. The last on-site examination of the banking operations was concluded on 9 December 2014 using data as at 30 September 2014.

ZB Bank Limited and ZB Building Society were assessed using the Risk Assessment System (RAS) and the CAMELS rating model. The individual components of the rating systems were rated as follows

CAMELS Component	Latest F	Latest Rating			
	ZB Bank Limited	ZB Building Society			
apital Adequacy	4	4			
Asset Quality	4	2			
Management	3	3			
Earnings	4	3			
Liquidity and Funds Under Management	2	2			
Sensitivity to Market Risk	2	2			
Composite rating	4	3			

Key: 1 = Strong; 2 = Satisfactory; 3 = Fair; 4 = Weak; 5 = Critical

Summary of Risk Assessment

RAS Component	Lat	Latest Rating			
	ZB Bank Limited	ZB Building Society			
Aggregate inherent risk	High	Moderate			
Quality of aggregate risk management systems	Acceptable	Acceptable			
Overall composite risk	High	Moderate			
Direction of overall composite risk	Increasing	Stable			

Overall Risk Matrix - ZB Bank Limited

Type of Risk	Level of Aggregate Inherent Risk	Adequacy of Aggregate Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	High	Inadequate	High	Increasing
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Increasing
Operational Risk	High	Acceptable	Moderate	Stable
Legal & Compliance Risk	High	Inadequate	High	Increasing
Reputational Risk	High	Acceptable	High	Stable
Overall Risk	High	Acceptable	High	Increasing

Overall Risk Matrix - ZB Building Society

Type of risk	Level of Aggregate Inherent Risk	Adequacy of Aggregate Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Low	Acceptable	Low	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Low	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	High	Increasing
Legal & Compliance Risk	High	Weak	High	Increasing
Reputational Risk	Moderate	Acceptable	Moderate	Stable
Overall Risk	Moderate	Acceptable	Moderate	Stable

20.4.2 External credit ratings

Some of the Group's significant trading companies subscribe to an internationally recognised rating agency, Global Credit Rating Group (GCR). The ratings for the last three (3) years were as follows: Long-term debt rating scale:

Entity	2019	2018	2017
ZB Bank Limited	BB	BB	BB-
ZB Building Society	BB-	BB-	BB
ZB Reinsurance Company	BBB	A-	A-

Ratings for ZB Bank Limited and ZB Building Society expire in September 2020 whilst the rating for ZB Reinsurance Company will expire in May 2021.

COMPLIANCE WITH REGULATIONS

21.1

Regulatory capital requirements

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW\$25 million and ZW\$20 million respectively as at 31 December 2019. ZB Bank Limited and ZB Building Society (ZBBS) met these requirements as at 31 December 2019.

21.2

Other compliance issues
The directors are not aware of any other material cases of non-compliance with regulations governing the operations of all companies within the Group.

SUBSEQUENT EVENTS

The Monetary Policy Committee of the Reserve Bank of Zimbabwe, at its meeting of 17 January 2020, revised minimum capital requirements for banking institutions with effect from 31 December 2020. The revised limit for Tier 1 Banks is the ZW\$ equivalent of US\$30m, reckoned with reference to the exchange rate ruling at that time.

The Group currently has two active banking licenses under ZB Bank Limited and ZB Building Society. Intermarket Banking Corporation Limited is currently inactive. The Group intends to merge its banking entities as part of its capital management plan which also envisages organic growth and the retention of reserves as other ways through which future capital requirements will be met.

The continued devaluation of the Zimbabwe Dollar and performance risks related to COVID-19 may have a negative impact on the Group's capital plan. The impact of COVID-19 was not yet known as at the reporting date and will not have an adjusting effect on the financial statements as at 31 December 2019 as this only occured after the reporting period. The Group is unable to reliably estimate the impact of COVID-19 on the future results of the Group

The Board undertakes regular rigorous assessment of whether the Group is a going concern in the light of current

The projections for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these financial statements including performing sensitivity analyses. These analyses have been updated to include the ongoing developments related to the COVID-19 pandemic which has been declared a global health and societal emergency by the World Health Organisation and a state of national disaster by the Government of 7imbabwe

In response to the virus pandemic, the Government of Zimbabwe, through Statutory Instrument (SI) 83 of 2020 (Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, 2020) implemented a nationwide lockdown for an initial period of 21 days from 30 March, 2020 to 19 April 2020. Periodic reviews of the lockdown and trade restrictions have been undertaken with formal commercial and industrial sectors having been allowed to resume operations from 4 May, 2020 subject to them meeting prescribed minimum safety and health conditions.

The future impact of the virus pandemic on the Group's operations will depend on the extent to which its partners and

Whilst the full COVID-19 impact is yet to unravel, risks in the following areas have been assessed as having increased:

- Credit Risk changed operating models and market dynamics may affect the ability of borrowers to service their obligations. The Group may consider loan forbearance to mitigate against the risk of loss. Probability of default computations done by the Group may need to be recalibrated in order to take account of new credit performance
- patterns. This is likely to affect computed expected credit losses in the future; Liquidity Risk mismatches may arise between assets and liabilities due to changed business models for the suppliers of critical funding. The Group is forced to maintain a significant liquidity buffer in the short-term and this may affect asset creation activities; Insurance Risk – funeral insurance claims may increase beyond normal levels as a result of COVID-19-related deaths.
- Current claims levels have been in line with expected trends.

 Market risk the valuation of equity investments maybe affected through an unfavourable underlying performance fundamentals as a result of COVID-19. This may have an effect of reducing the carrying value for investments designated as fair value instruments. The Group does not hold any derivative instruments which may be exposed to secondary risks related to CIVID-19. Additionally, there may be a market wide requirement to re-price instruments which may affect the Group's investment portfolio of interest rate sensitive instruments. This may result in a repricing gap between assets and liabilities. The Group's interest sensitive inblitties were higher than interest sensitive assets and Inabilities. The Group's interest sensitive in likely to reduce the Group's not interest care. as at 31 December 2019. A market wide increase in interest rates is likely to reduce the Group's net interest earnings in the short-term

23. BOARD ATTENDANCE DURING THE YEAR

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
TOTAL MEETINGS	5	4	4	4	4
PROF C MANYERUKE*****	4	Х	Х	Х	Х
R MUTANDAGAYI	5	3	3	2	4
O AKERELE	4	Х	Х	X	Х
T S BVURERE	5	Χ	X	X	Х
P CHIROMO	4	Χ	Х	X	X
F KAPANJE	5	Χ	Х	X	X
A Z MANGWIRO	4	Χ	Х	X	Х
J MUTEVEDZI	3	Χ	X	X	Х
B P NYONI	5	Х	Х	X	Х
A MAKAMURE	5	Χ	Х	X	Х
K MAUKAZUVA	5	Х	Х	Х	Х
T SIBANDA	5	Χ	X	X	Х
S A SIBANDA****	Х	3	2	Х	Х
P M MATUPIRE	X	3	X	X	Х
C MANDIZVIDZA*****	Х	4	Х	X	4
G N MAHLANGU	X	3	X	X	Х
G CHIKOMO	Х	4	Х	Х	Х
G NHEWEYEMBWA***	X	3	X	X	Х
F NYAMBIRI****	X	3	Х	X	Х
K J LANGLEY*	X	2			
P MURENA**	X	-			
C SANDURA****	X	Χ	3	X	Х
S K CHIGANZE	X	Х	3	X	Х
C MAKONI****	X	Χ	3	X	4
M T SACHAK****	X	Х	1	Х	Х
T KAPUMHA****	X	Χ	4	X	Х
J KATSIDZIRA****	Х	Х	4	X	Х
O MANDIMIKA****	X	Χ	4	X	Х
F B CHIRIMUUTA	Х	Х	X	4	Х
P MURAMBINDA	X	Χ	X	4	Х
A G CHINEMBIRI******	Х	Х	Х	Х	1
E T Z CHIDZONGA	Х	Х	X	Χ	4
M MKUSHI*****	Х	Х	Х	Х	2
L MAWIRE	Х	Χ	Х	Χ	4
B SHUMBA	Х	Х	Х	4	Х

* K J Langley was appointed on 1 July 2019. ** P Murena was appointed on 22 July 2019.

*** G Nheweyembwa resigned from the Board with effect from 1 September 2019.

**** Messrs T Kapfumha, J Katsidzira, O Mandimika and F Nyambiri were appointed to the Board with effect

********* Mr A G Chinembiri resigned from the ZB Life Board on 31 July 2019.

ZB Reinsurance Company Board

ZB Life Assurance Board

ZB Financial Holdings Limited Board **ZBBL** ZB Bank Limited Board ZB Building Society Board



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ZBRE















ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

BANK LIMITED

AUDITED FINANCIAL RESULTS

for the year ended 31 December 2019

STATEMENTS OF FINANCIAL POSITION As at 31 December 2019

		Inflation	Adjusted	Historical Cost*		
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	Notes	ZW\$	zw\$	zw\$	zws	
ASSETS						
Cash and cash equivalents	1	919 331 624	774 955 176	919 331 624	124 760 277	
Money market investments	2	10 000 000	62 115 538	10 000 000	10 000 00	
Treasury bills	3	217 048 870	1 207 199 029	217 048 870	194 347 35	
Advances and other accounts	4	407 699 259	705 613 993	407 699 259	113 597 01	
Inventories, trade and other		107 033 233	703 013 333	107 033 233	113 337 01	
receivables	5	48 874 160	109 879 621	38 563 716	17 482 86	
Investment securities	6	99 809 886	158 055 205	99 809 886	25 500 81	
Investment in subsidiary	· ·	22 222 300	.55 555 205	55 555 566	25 555 61	
company	7	355 488 871	142 248 562	347 762 808	22 636 58	
Right of use assets	8	13 250 979	36 968 921	13 250 979	5 951 63	
Intangible assets	9	86 293 664	63 516 941	86 293 664	10 225 61	
Property and equipment	10	201 682 048	82 984 254	201 682 048	13 359 66	
Deferred tax assets	11	-	5 057 683	-	442 06	
Total assets		2 359 479 361	3 348 594 923	2 341 442 854	538 303 88	
LIABILITIES						
Deposits from customers	12	1 345 052 006	2 641 912 886	1 345 052 006	425 322 38	
Offshore borrowings	13	74 817 920	36 942 265	74 817 920	5 947 34	
Trade and other payables	14	162 014 435	187 527 934	162 014 435	30 190 18	
Lease liabilities	15	13 250 979	37 425 325	13 250 979	6 025 11	
Current tax liabilities		3 593 620	-	3 593 620		
Deferred tax liabilities	11	27 267 305	-	27 237 952		
Total liabilities		1 625 996 265	2 903 808 410	1 625 966 912	467 485 03	
FOURTY AND DECEDIVES						
EQUITY AND RESERVES Share capital	24	16 750 283	16 750 283	1 810 402	1 810 40	
Share capital Share premium	24	304 935 853	304 935 853	32 958 032	32 958 03	
Functional currency translation	24	304 333 633	304 933 633	32 930 U32	32 930 03	
reserve		-	-	57 470 363		
Property revaluation reserves	24	129 765 660	9 453 558	163 630 780	4 190 02	
Other reserves	24	19 849 055	25 686 567	(2 987 053)	2 850 45	
Retained income	24	262 182 245	87 960 252	462 593 418	29 009 94	
Total equity		733 483 096	444 786 513	715 475 942	70 818 85	
Total equity and liabilities		2 359 479 361	3 348 594 923	2 341 442 854	538 303 88	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

			n Adjusted	Historical Cost*			
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018		
Not	es	ZW\$	ZW\$	ZW\$	ZW\$		
Interest and related income	16	173 874 953	232 178 635	76 340 859	28 077 895		
Interest and related expenses	16	(40 939 041)	(52 921 388)	(14 939 299)	(6 539 842)		
Net interest and related income		132 935 912	179 257 247	61 401 560	21 538 053		
Laan insuainneant abanna							
Loan impairment charges, net of recoveries	17	(54 214 395)	(22 901 215)	(27.765.701)	(4 007 256)		
net of recoveries	17	(54 2 14 595)	(33 801 215)	(37 765 701)	(4 907 256)		
Net income from lending activities		78 721 517	145 456 032	23 635 859	16 630 797		
-							
	18	255 568 219	302 003 814	119 122 747	36 404 398		
	19	119 363 774	27 226 795	113 004 803	3 874 612		
·	20	253 054 247	(74 374 144)	349 807 006	(66 839)		
Total income		706 707 757	400 312 497	605 570 415	56 842 968		
Operating expenses	21	(370 068 539)	(392 016 166)	(167 548 282)	(43 237 557)		
Operating expenses Operating profit before	Z I	(570 000 559)	(332 010 100)	(107 340 202)	(43 237 337)		
taxation		336 639 218	8 296 331	438 022 133	13 605 411		
	22	(38 049 879)	(10 199 056)	2 213 218	(301 665)		
Net monetary loss		(83 048 878)	(39 168 971)	-	-		
Profit / (loss) for the year		215 540 461	(41 071 696)	440 235 351	13 303 746		
Other comprehensive income							
Items that will not be							
reclassified to profit or loss Gain on revaluation on property							
	10	123 677 206		162 679 400	1 862 841		
Gain on revaluation –intangible	10	123 0// 200		102 079 400	1 002 041		
assets	9	35 560 775	5 429 382	35 853 903	3 009 949		
Items that may be							
reclassified to profit or loss							
Fair value (loss) / gains on							
FVTOCI financial assets		(7 806 926)	3 698 588	(7 806 926)	595 437		
Related tax		(36 956 465)	(2 350 454)	(37 123 135)	(1 408 068)		
Other comprehensive							
income net of tax		114 474 590	6 777 516	153 603 242	4 060 159		
Total comprehensive income / (loss)		117777550	0 777 310	133 003 242	7 000 133		
for the year		330 015 051	(34 294 180)	593 838 593	17 363 905		
			,				
Earnings / (loss) per share (ZW cents)							
Basic earnings / (loss) per share (ZW\$)		1.19	(0.23)	2.43	0.07		

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI reserve ZW\$	Retained income ZW\$	Total ZW\$
Inflation adjusted						
Restated balance at 1 January 2018	16 750 283	304 935 853	7 034 626	22 940 367	171 510 181	523 171 310
Profit or loss						
Profit for the year		-	-		(41 071 696)	(41 071 696
Other comprehensive income, net of tax						
Fair value gains on FVTOCI financial assets	-	-	-	2 746 200	-	2 746 200
Revaluation of property		-	4 031 316		-	4 031 316
Distributions						
Dividend to shareholders		-	-	-	(44 090 617)	(44 090 617
Other movements						
Transfer to retained income		-	(1 612 384)	-	1 612 384	
Balance at 31 December 2018	16 750 283	304 935 853	9 453 558	25 686 567	87 960 252	444 786 513
Profit or loss						
Profit for the year		-	-		215 540 461	215 540 461
Other comprehensive income, net of tax						
Fair value gains on FVTOCI financial assets	-		-	(5 837 512)	-	(5 837 512
Revaluation of property	-		120 312 102	-		120 312 102
Distributions						
Dividend to shareholders	-	-	-	-	(41 318 468)	(41 318 468
Balance as at 31 December 2019	16 750 283	304 935 853	129 765 660	19 849 055	262 182 245	733 483 096

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	Functional currency translation reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI reserve ZW\$	Retained income ZW\$	Total ZW\$
Historical Cost*							
Restated balance at 1 January 2018	1 810 402	32 958 032	-	754 668	2 408 347	20 519 132	58 450 581
Profit or loss Profit for the year Other comprehensive income, net of tax	-	-		-	-	13 303 746	13 303 746
Fair value gains on FVTOCI financial assets Revaluation of property Distributions	-	-	-	3 618 047	442 112	-	442 112 3 618 047
Dividend to shareholders Other movements Transfer to retained income	-	-	-	(182 689)	-	(4 995 627) 182 689	(4 995 627)
Balance as at 1 January 2019	1 810 402	32 958 032		4 190 026	2 850 459	29 009 940	70 818 859
Functional currency translation reserve	-	-	57 470 363	-	-	-	57 470 363
Profit or loss Profit for the year Other comprehensive income, net of tax	-	-	-	-	-	440 235 351	440 235 351
Fair value gains on FVTOCI financial assets Revaluation of property Distributions	:		:	159 440 754	(5 837 512) -		(5 837 512) 159 440 754
Dividend to shareholders Balance as at 31 December 2019	1 810 402	32 958 032	57 470 363	163 630 780	(2 987 053)	(6 651 873) 462 593 418	

STATEMENT OF CASH FLOWS For the year ended 31 December 2019

	Inflation	n Adjusted	Histori	ical Cost*
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	ZW\$	ZW\$	ZW\$	ZWS
Cash generated from				
operating activities	36 419 269	81 750 410	688 370 178	47 104 34
nterest and related income	173 874 953	232 178 635	76 340 859	28 077 89
nterest and related expenses	(40 939 041)	(52 921 388)	(14 939 299)	(6 539 84
ncome taxes paid	(39 087 737)	(4 664 218)	(10 105 509)	(1 005 62
meonie taxes para	(33 007 737)	(+ 00+ 210)	(10 103 303)	(1 003 02
Net cash generated from	120 267 444	256 242 420	720 666 220	67.626.7
operating activities	130 267 444	256 343 439	739 666 229	67 636 7
Cash flows from investing activities				
Dividends received	7 462 906	11 053 520	4 643 044	1 408 3
Proceeds on disposal of property				
and equipment	31 748	118 439	31 748	19 0
Purchase of property and				
equipment 10	(26 796 529)	(45 054 872)	(18 239 419)	(5 288 5
Purchase of intangible assets 9	(14 032 583)	(26 804 922)	(12 826 707)	(3 037 0
let cash used in investing activities	(33 334 458)	(60 687 835)	(26 391 334)	(6 898 2
Cash flows from financing activities				
ease liability payments	(8 650 920)	(27 720 345)	(2 636 467)	(4 462 7
Dividend paid	(41 318 468)	(44 090 617)	(6 651 873)	(4 995 6
The contract of the contract o	(11 313 133)	(11000011)	(0 03 : 075)	(.555.5
let cash used in financing activities	(49 969 388)	(71 810 962)	(9 288 340)	(9 458 3
let increase in cash and				
cash equivalents	46 963 598	123 844 642	703 986 555	51 280 1
Cash and cash equivalents				
at the beginning of the year	774 955 176	648 383 804	124 760 277	73 464 2
ffect of exchange rate				
fluctuations on cash and cash				
equivalents held	97 412 850	2 726 730	90 584 792	15 8
Cash and cash equivalents at				
end of the year	919 331 624	774 955 176	919 331 624	124 760 2
Cash on hand	158 211 207	61 024 106	158 211 207	9 824 2
Local bank accounts	566 607 457	697 679 724	566 607 457	112 319 6
Foreign bank accounts	194 512 960	16 251 346	194 512 960	2 616 3
	919 331 624	774 955 176	919 331 624	124 760 2

*The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

		Inflation	n Adjusted	Histor	ical Cost
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		ZW\$	ZW\$	ZW\$	ZW\$
1	. CASH AND CASH EQUIVALENTS				
	Balances with the Reserve				
	Bank of Zimbabwe	566 607 457	697 679 724	566 607 457	112 319 678
	Balances with other banks and cash	352 724 167	77 275 452	352 724 167	12 440 599
		919 331 624	774 955 176	919 331 624	124 760 277
2	. MONEY MARKET INVESTMENTS				
	Placements with other banks	10 000 000	62 115 538	10 000 000	10 000 000
		10,000,000	62 115 538	10 000 000	10 000 000

The Bank invested in money market placements which had maturities ranging from 2 days to 36 days (2018: 8 days to 270 days) and had average interest rates ranging from 4.65% to 9.1% (2018: 3% to 7.5%).

3. TREASURY BILLS

3.1 Reported in the statements of financial position

The Reserve Bank of Zimbabwe (RBZ) has issued various forms of treasury bills which the Bank has participated in. The Bank has three categories of treasury bills classified as follows:

- a) as "at FVTPL";
- b) as "at FVTOCI"; and

c) as "at amortised cost (AMCO)".				
	Inflation	n Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Treasury bills include:				
Assets classified as " at FVTPL" 1				
Treasury bills acquired from				
the primary market Assets classified	62 896 699	141 298 767	62 896 699	22 747 733
as at "FVTOCI":				
Medium term treasury				
bills" acquired from the				
secondary market ²	111 906 738	837 121 965	111 906 738	134 768 528
Assets classified as " at AMCO":				
Treasury bills issued as				
substitution for debt				
instruments ³	25 336 191	137 207 037	25 336 191	20 727 050
Capitalisation treasury bills 4	16 909 242	91 571 260	16 909 242	16 104 040
	217 048 870	1 207 199 029	217 048 870	194 347 351







Investments



Asset finance



Insurance



Reinsurance



Secretarial services



Digital banking

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

3.1 Reported in the statements of financial position (continued)

- The Bank invested in treasury bills issued by the RBZ over a period ranging from 6 months to 24 months which were at rates ranging from 14.02% p.a. to 14.48% p.a. (December 2018: 7% p.a. to 10% p.a.).

 The Bank purchased treasury bills from the secondary market. These treasury bills have coupon rates of 8% p.a. (December 2018: 0% p.a. to 5% p.a.) with maturity periods ranging from 2 years to 15 years.

 The Bank received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% p.a. (December 2018: 5% p.a.) and maturity periods ranging from 2 to 14 years (December 2018: 2 to 15 years).

 Capitalisation Treasury Bills (CTBs) with a face value of ZW\$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% p.a. which is payable on maturity. The CTBs are carried at amortised cost, which cost having been established at fair value at initial recognition using a Discounted Cash Flow valuation technique in which an assessed discount rate of 5% p.a. was applied as a proxy for trade on similar instruments. trade on similar instruments.

Treasury bills amounting to ZW\$115 million (December 2018: ZW\$7 million) were used as security for the Bank to access fixed

3.2 Impairment assessment

The treasury bills carried at amortized cost are assessed for impairment annually. There was no objective evidence at 31 December 2019 to suggest that future cash flows on the AMCO Treasury Bill portfolio could end up being less than anticipated at the point of initial recognition. Consequently, no impairment adjustment arose from the assessment.

3.3 Contingent assets

The Bank previously held balances in respect of foreign currency amounts that were surrendered to the RBZ for parastatals, corporates and tobacco farmers. These balances were expunged through issuance of treasury bills in terms of the Reserve Bank of Zimbabwe (Debt assumption) Act, 2015. The Bank received treasury bills amounting to ZW\$6.8 million with tenures ranging from 3 to 5 years at interest rates ranging from 2% p.a. to 3.5% p.a. ZW\$6.8 million (2018: ZW\$6.76 million) of these treasury bills had been passed on to customers as at 31 December 2019.

These treasury bills have been accounted for contingent assets as at 31 December 2019 as the Bank is holding them on behalf

		Indication	O alizzata al	Histori	eel Cook
		31 Dec 2019	Adjusted 31 Dec 2018	31 Dec 2019	cal Cost 31 Dec 2018
		ZW\$	ZW\$	ZW\$	ZW\$
In respect of traceum bill	ls hold				
In respect of treasury bill in trust on behalf of cust		_	239 737	_	38 595
			255 757		30 333
4. ADVANCES AND OTHER	ACCOUNTS				
4.1. At amortised cost					
Loans, overdrafts and ot	her accounts	413 022 583	622 889 439	413 022 583	100 279 166
Mortgage loans		23 351 105	104 341 711	23 351 105	16 798 005
Finance leases Bills discounted		10 548 374 13 288 171	43 989 914 7 308 345	10 548 374 13 288 171	7 081 950 1 176 573
			7 300 343	13 200 17 1	1 170 373
Gross advances		460 210 233	778 529 409	460 210 233	125 335 694
Off balance sheet exposu	ures				
In respect of guarantees		141 807 400	99 621 060	141 807 400	16 038 026
In respect of letters of cr In respect of loan comm		64 981 111	142 507 769	64 981 111	- 22 956 859
Gross credit exposure	ittments	100 353 711 767 352 455	142 597 768 1 020 748 237	100 353 711 767 352 455	164 330 579
·					
Gross advances		460 210 233	778 529 409	460 210 233	125 335 694
Less: Allowance for loan	impairment	(52 510 974)	(72 915 416)	(52 510 974)	(11 738 676)
Net advances		407 699 259	705 613 993	407 699 259	113 597 018
4.2 Maturity analysis					
- On demand - Within 1 month		36 603 519 5 497 400	105 723 844 11 422 876	36 603 519 5 497 400	17 020 523 1 838 972
- Between 1 and 6 mont	hs	68 834 908	67 502 673	68 834 908	10 867 268
- Between 6 and 12 mon		78 089 714	56 959 250	78 089 714	9 169 888
- After 12 months		578 326 914	779 139 594	578 326 914	125 433 928
		767 352 455	1 020 748 237	767 352 455	164 330 579
4.3 Loans and advances to	customers				
by business line:		672 660 446	664 222 461	672 662 445	405 442 252
Corporate lending Small business lending		672 668 410 6 566 393	661 222 164 6 483 916	672 668 410 6 566 393	106 449 862 1 043 840
Consumer lending		64 766 547	248 700 446	64 766 547	40 038 872
Mortgage lending		23 351 105	104 341 711	23 351 105	16 798 005
		767 352 455	1 020 748 237	767 352 455	164 330 579
4.4 Mortgage loans					
Mortaga advances	o coroad				
Mortgage advances were as follows:	e spread				
Type of property:					
High density		1 234 671	6 983 940	1 234 671	1 124 347
Medium density Low density		1 573 810 12 403 055	8 717 323 52 825 093	1 573 810 12 403 055	1 403 405 8 504 328
Commercial		8 139 569	35 815 355	8 139 569	5 765 925
		23 351 105	104 341 711	23 351 105	16 798 005

4.5 Finance lease receivables

Gross advances include the following finance lease receivables for leases of certain equipment where the Bank is the lessor.

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	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
Gross investment in finance leases: Less than 1 year Between 1 and 5 years	2 082 872 12 406 145	3 086 484 48 145 420	2 082 872 12 406 145	496 894 7 750 946
Gross investment in finance leases Unearned finance charges	14 489 017 (3 940 643)	51 231 904 (7 241 990)	14 489 017 (3 940 643)	8 247 840 (1 165 890)
Net investment in finance leases	10 548 374	43 989 914	10 548 374	7 081 950
Less than 1 year Between 1 and 5 years	1 889 116 8 659 258 10 548 374	2 928 788 41 061 126 43 989 914	1 889 116 8 659 258 10 548 374	471 507 6 610 443 7 081 950

	Inflation Adjusted	Inflation Adjusted			Historical Cost	Н		
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2019	%	31 Dec 2018	9
	ZW\$	Contribution	ZW\$	Contribution	ZW\$	Contribution	ZW\$	Contributio
6 Sectoral analysis								
of advances								
Private	103 658 077	22.52%	346 583 075	44.52%	103 658 077	22.52%	55 796 518	44.529
Agriculture	96 997 499	21.08%	75 537 642	9.70%	96 997 499	21.08%	12 160 829	9.70
Mining	87 290 799	18.97%	38 973 704	5.01%	87 290 799	18.97%	6 274 389	5.01
Manufacturing	14 702 057	3.19%	30 648 473	3.94%	14 702 057	3.19%	4 934 107	3.94
Distribution	44 747 950	9.72%	40 109 970	5.15%	44 747 950	9.72%	6 457 317	5.15
Construction	8 165 653	1.77%	29 677 913	3.81%	8 165 653	1.77%	4 777 856	3.81
Transport	7 175 312	1.56%	21 410 347	2.75%	7 175 312	1.56%	3 446 859	2.75
Communication Services	720 664	0.17%	126 602 178	16.26%	720 664	0.17%	278 025	0.22
Financial	59 707 501	12.97% 8.05%	67 259 141 1 726 966	8.64% 0.22%	59 707 501	12.97% 8.05%	20 381 724 10 828 070	16.26 8.64
rmanciai	37 044 721 460 210 233	100%	778 529 409	100%	37 044 721 460 210 233	100%	125 335 694	100
	400 210 233	10070	770 323 403	10070	400 210 233	10070	123 333 034	100
7 Sectoral analysis of guarantees								
Manufacturing	140 875 600	99.34%	74 003 210	74%	140 875 600	99.34%	11 913 800	74.28
Distribution	48 300	0.03%	340 865	7470	48 300	0.03%	54 876	0.34
Construction	40 300	0.0376	2 662 800	3%	46 300	0.0376	428 685	2.67
Transport			81 371	J/0			13 100	0.33
Communications			18 479 265	19%			2 974 983	18.55
Services	468 500	0.33%	4 053 549	4%	468 500	0.33%	652 582	4.08
Financial	415 000	0.30%	4 055 545	-770	415 000	0.30%	052 502	4.00
T T T T T T T T T T T T T T T T T T T	141 807 400	100%	99 621 060	100%	141 807 400	100%	16 038 026	100
8 Sectorial analysis of								
letters of credit								
Manufacturing	64 981 111	100%	-	-	64 981 111	100%		
	64 981 111	100%		-	64 981 111	100%	-	
Sectorial analysis of								
loan committments	2 040 244	2 020/	1 600 035	1.100/	2 040 244	2 020/	270 642	1.10
Private	3 840 211	3.83%	1 680 925	1.18%	3 840 211	3.83%	270 613	1.18
Agriculture Mining	15 748 597 35 723	15.69% 0.04%	35 736 930 8 447 208	25.06% 5.92%	15 748 597 35 723	15.69% 0.04%	5 753 300 1 359 919	25.06 5.92
Manufacturing	38 289 691	38.15%		5.92% 1.51%	38 289 691	38.15%	347 570	1.51
Distribution	13 247 307	13.20%	2 158 951 2 392 058	1.68%	13 247 307	13.20%	347 570 385 098	1.51
Construction	13 247 307	0.13%	3 529 826	2.48%	13 247 307	0.13%	568 268	2.48
Transport	2 695 143	2.69%	696 737	0.49%	2 695 143	2.69%	112 167	0.49
Communication	313 563	0.31%	050 /3/	0.49%	313 563	0.31%	112 107	0.49
Services	21 129 762	21.06%	87 955 133	61.68%	21 129 762	21.06%	14 159 924	61.68
Financial Services	4 923 901	3.91%	07 933 133	01.00%	4 923 901	3.91%	14 133 324	01.00
i manciai Services	100 353 711	100%	1/12 507 768	100%	100 353 711	100%	22 056 850	100

	Inflation	Adjusted	Histori	ical Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
4.10 Non-performing debt				
Non-performing loans and advances	3 004 678	38 570 270	3 004 678	6 209 440
Less: Allowance for loan impairment	(2 566 670)	(980 389)	(2 566 670)	(157 832)
Value to be received from security held	438 008	37 589 881	438 008	6 051 608

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW\$10 024 217 as at 31 December 2019 (2018: ZW\$6 750 809).

Non-performing loans with an inflation adjusted net carrying value of ZW\$57 650 444 (historical net carrying amount of ZW\$9 599 374) were transferred to a Special Purpose Vehicle called Credsave (Private) Limited (Credsave) on 31 December 2016, in a transaction that did not meet conditions of a "clean sale". Resultantly, these assets are still recognised in the statement of financial position of the Bank.

		Adjusted	Historical Cost			
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018		
	ZW\$	ZW\$	ZW\$	ZW\$		
4.11 Loan impairment movement						
Balance at beginning of the year	72 915 416	47 120 102	11 738 676	5 338 878		
Impact of initial application of IFRS9	-	37 019 580	-	4 202 307		
Adjustment through FCTR	-	-	1 389 132	-		
Charge to statement of profit or loss	39 440 201	33 801 215	39 440 201	5 683 036		
Write offs charged to provision	(57 035)	(30 705 375)	(57 035)	(3 485 545)		
Effect of monetary adjustments	(59 787 608)	(14 320 106)	-	-		
Balance at end of the year	52 510 974	72 915 416	52 510 974	11 738 676		

4.12 Internal rating grade:

Loans and advances are carried at amortised cost using the effective interest rate.

				ECL STAGE	CLASSIFICATION			
		201	19			201	8	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	то
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	Z
nflation adjusted								
iood (AAA - A-) pecial mention (BBB+ - CCC-)	351 646 857 -	- 105 558 698	-	351 648 857 105 558 698	716 523 489	23 435 649	-	716 523 (23 435)
on performing (CC – D)		-	3 004 678	3 004 678	-	-	38 570 557	38 570
otal	351 646 857	105 558 698	3 004 678	460 210 233	716 523 489	23 435 649	38 570 557	778 529
orporate lending								
ood (AAA – A-) pecial mention (BBB+ - CCC-)	258 360 562	104 775 082	-	258 360 562 104 775 082	375 205 916	- 10 957 276	-	375 205 10 957
on performing (CC – D)	-	104 773 002	2 390 544	2 390 544	-	10 937 270	32 837 024	32 837
, ,	258 360 562	104 775 082	2 390 544	365 526 188	375 205 916	10 957 276	32 837 024	419 000
nall business lending								
ood (AAA – A-)	6 309 215		-	6 309 215	5 679 298		-	5 679
oecial mention (BBB+ - CCC-) on performing (CC – D)	-	234 722	22 456	234 722 22 456	-	745 770	- 58 798	745 58
on perionning (cc - b)	6 309 215	234 722	22 456	6 566 393	5 679 298	745 770	58 798	6 483
onsumer lending								
ood (AAA – A-)	63 819 156	-	-	63 819 156	233 978 228	-	-	233 978
pecial mention (BBB+ - CCC-)	-	502 204		502 204	-	10 565 496		10 565
on performing (CC – D)	63 819 156	502 204	445 187 445 187	445 187 64 766 547	233 978 228	10 565 496	4 159 890 4 159 890	4 159 248 703
l ortgage lending ood (AAA – A-)	23 157 924	_	_	23 157 924	101 660 048	_	_	101 660
pecial mention (BB+ - CCC-)	-	46 690	-	46 690	-	1 167 107	-	1 167
on performing (CC – D)	23 157 924	46 690	146 491 146 491	146 491 23 351 105	101 660 048	1 167 107	1 514 558 1 514 558	1 514 104 341
	23 137 924	40 090	140 491	23 331 103	101 000 048	1 107 107	1 314 330	104 341
istorical cost								
ood (AAA - A-)	351 646 858	_	_	351 646 858	115 353 341	_	_	115 353
pecial mention (BBB+ - CCC-)	-	105 558 697	-	105 558 697	-	3 772 913	-	3 772
on performing (CC – D) otal	-	-	3 004 678	3 004 678	115 353 341		6 209 440 6 209 440	6 209
otai	351 646 858	105 558 697	3 004 678	460 210 233	115 353 341	3 772 913	6 209 440	125 335
orporate lending								
ood (AAA – A-) pecial mention (BBB+ - CCC-)	258 360 563	104 775 082	-	258 360 563 104 775 082	60 404 518	1 764 016	-	60 404 1 764
on performing (CC – D)		-	2 390 544	2 390 544	-	-	5 286 443	5 286
	258 360 563	104 775 082	2 390 544	365 526 189	60 404 518	1 764 016	5 286 443	67 454
mall business lending								
ood (AAA – A-)	6 309 215	-	-	6 309 215	914 312	-	-	914
pecial mention (BBB+ - CCC-) on performing (CC – D)	-	234 722	- 22 456	234 722 22 456	-	120 062	9 466	120 9
, ,	6 309 215	234 722	22 456	6 566 393	914 312	120 062	9 466	1 043
onsumer lending								
ood (AAA – A-)	63 819 156		-	63 819 156	37 668 228	.	-	37 668
pecial mention (BBB+ - CCC-)	-	502 204	- 445 187	502 204 445 187	-	1 700 942	669 702	1 700 669
on performing (CC – D)	63 819 156	502 204	445 187	64 766 547	37 668 228	1 700 942	669 702	40 038
lortaga londina								
l ortgage lending ood (AAA – A-)	23 157 924		_	23 157 924	16 366 283			16 366
pecial mention (BBB+ - CCC-)	-	46 690	-	46 690	-	187 893	-	187
Ion performing (CC – D)			146 491	146 491			243 829	243

4.12.2 Financial guarantees and loan commitments

				ECL STAGE	CLASSIFICATION			
		201	9			2018	3	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
	zw\$	ZW\$	zw\$	zw\$	ZW\$	zw\$	ZW\$	ZW\$
Inflation adjusted								
Financial guarantees								
Good (AAA – A-)	141 807 400	-	-	141 807 400	99 621 060	-	-	99 621 060
Total	141 807 400	-	-	141 807 400	99 621 060	-	-	99 621 060
Loan commitments								
Good (AAA – A-)	100 353 711	_	_	100 353 711	142 597 768	_	_	142 597 768
Total	100 353 711	-	-	100 353 711	142 597 768	-	-	142 597 768
<u>Historical Cost</u>								
Financial guarantees								
Good (AAA – A-)	141 807 400	-	-	141 807 400	16 038 026	-	-	16 038 026
Total	141 807 400	-	-	141 807 400	16 038 026	-	-	16 038 026
Loan commitments								
Good (AAA – A-)	100 353 711	-	-	100 353 711	22 956 859	-	-	22 956 859
Total	100 353 711	-	-	100 353 711	22 956 859	-	-	22 956 859

4.12.3 Letters of credit

				ECL STAGE CL	ASSIFICATION			
		201	19		2018			
	STAGE 1	GE 1 STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL
	zw\$	zw\$	ZW\$	zw\$	zw\$	zw\$	zw\$	zw\$
Inflation adjusted								
Good (AAA – A-)	64 981 111	-	-	64 981 111	-	-	-	-
Total	64 981 111	-	-	64 981 111	-	-	-	-
<u>Historical Cost</u>								
Good (AAA – A-)	64 981 111	-	-	64 981 111	-	-	-	-
Total	64 981 111	-	-	64 981 111	-	-	-	-

4.12.4 Other financial assets

		ECL STAGE CLASSIFICATION										
		201	9			2018	3					
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE1	STAGE 2	STAGE 3	TOTAL				
	zw\$	ZW\$	ZW\$	zw\$	zw\$	zw\$	ZW\$	zw\$				
Inflation adjusted												
Debentures												
Special mention (BBB+ - CCC-)	-	861 716	-	861 716	-	110 768 545	-	110 768 545				
Bonds												
Good (AAA – A-)	11 095 143	-	-	11 095 143	5 195 026	-	-	5 195 026				
Total	11 095 143	861 716	-	11 956 859	5 195 026	110 768 545	-	115 963 571				
Historical Cost												
Debentures												
Specia mention (BBB+-CCC-) Bonds	-	861 716	-	861 716	834 446	-	-	834 446				
Good (AAA+ - A-)	11 095 143			11 095 143	_	17 890 027		17 890 027				

















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4.13 Impairment allowance for loans and advances

4.13.1 Total loans and advances

				ECL STAGE C	CLASSIFICATION			
		20	19			201	8	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTA
	zw\$	zw\$	zw\$	zw\$	zw\$	zw\$	ZW\$	ZW:
nflation adjusted								
Good (AAA to- A-) Special Mention (BBB+ to CCC-)	34 083 966	- 15 860 338	-	34 083 966 15 860 338	69 231 991	2 703 042	-	69 231 991 2 703 042
Non performing (CC TO D)	-	15 000 550	2 566 670	2 566 670	-	2 703 042	980 383	980 383
FOTAL	34 083 966	15 860 338	2 566 670	52 510 974	69 231 991	2 703 042	980 383	72 915 416
Corporate Lending								
Good (AAA to- A-)	23 949 667		-	23 949 667	43 558 857		-	43 558 857
Special Mention (BBB+ to CCC-)	-	15 682 076	-	15 682 076	-	2 093 756		2 093 756
Non performing (CC TO D)		-	2 304 445	2 304 445	-	-	17 251	17 25
TOTAL	23 949 667	15 682 076	2 304 445	41 936 188	43 558 857	2 093 756	17 251	45 669 964
Small business Lending								
Good (AAA to- A-)	621 780			621 780	592 592			592 592
Special Mention (BBB+ to CCC-)	021700	20 583		20 583	332 332	100 054		100 054
Non performing (CC TO D)		20 303	7 327	7 327		100 054	22 377	22 377
TOTAL	621 780	20 583	7 327	649 690	592 592	100 054	22 377	715 023
	-							
Consumer Lending								
Good (AAA to- A-)	6 737 559	-	-	6 737 559	9 954 391	-	-	9 954 391
Special Mention (BBB+ to CCC-)	-	138 332	-	138 332	-	151 731	-	151 731
Non performing (CC TO D)		-	190 277	190 277	-	-	599 066	599 066
TOTAL	6 737 559	138 332	190 277	7 066 168	9 954 391	151 731	599 066	10 705 188
Mortgage Lending								
Good (AAA to- BBB-)	2 774 961		_	2 774 961	15 126 051	_	_	15 126 051
Special Mention (BB+ to CCC-)	2771301	19 346		19 346	.5 .20 05 .	357 501	_	357 50°
Non performing (CC TO D)		15 540	64 621	64 621	_	337 301	341 689	341 689
TOTAL	2 774 961	19 346	64 621	2 858 928	15 126 051	357 501	341 689	15 825 241
Historical cost								
Good (AAA to- A-)	34 083 966	-	-	34 083 966	11 145 680	-	-	11 145 680
Special Mention (BBB+ to CCC-)	-	15 860 338	-	15 860 338	-	435 164	-	435 164
Non performing (CC TO D)		-	2 566 670	2 566 670	-	-	157 832	157 832
TOTAL	34 083 966	15 860 338	2 566 670	52 510 974	11 145 680	435 164	157 832	11 738 676
Corporate Lending								
Good (AAA to- A-)	23 949 667	_	_	23 949 667	7 012 570	_	_	7 012 570
Special Mention (BBB+ to CCC-)		15 682 076		15 682 076	-	337 075		337 075
Non performing (CC TO D)			2 304 445	2 304 445		_	2 777	2 777
TOTAL	23 949 667	15 682 076	2 304 445	41 936 188	7 012 570	337 075	2 777	7 352 422
Small business Lending	624 706			524 705	05.402			05.00
Good (AAA to- A-)	621 780		-	621 780	95 402	-		95 402
Special Mention (BBB+ to CCC-)	-	20 583		20 583	-	16 108		16 108
Non performing (CC TO D)	624.700	20.502	7 327	7 327	05.403	16 100	3 602	3 602
TOTAL	621 780	20 583	7 327	649 690	95 402	16 108	3 602	115 112
Consumer Lending								
Good (AAA to- A-)	6 737 559	-	-	6 737 559	1 602 560	-	-	1 602 560
Special Mention (BBB+ to CCC-)	-	138 332	-	138 332	-	24 427	-	24 427
Non performing (CC TO D)			190 277	190 277	_	-	96 444	96 444
TOTAL	6 737 559	138 332	190 277	7 066 168	1 602 560	24 427	96 444	1 723 431
Mortana Londina								
Mortgage Lending Good (AAA to- A-)	2 774 961			2 774 961	2 435 148			2 435 148
Special Mention (BBB+ to CCC-)	2 / / 4 901	19 346	-	19 346	2 433 140	57 554		2 435 146 57 554
		19 340	64 621	64 621		37 334	55 009	55 009
Non performing (CC TO D)	2774.000	40.242			2.425.446	-		
TOTAL	2 774 961	19 346	64 621	2 858 928	2 435 148	57 554	55 009	2 547 71

4.13.2 Financial guarantees and loan commitments

				ECL STAGE C	LASSIFICATION			
		201	19			2018	3	
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
	zw\$	ZW\$	zw\$	ZW\$	ZW\$	zw\$	zw\$	ZW\$
Inflation adjusted								
Guarantees								
Good (AAA to- A-)	139 817	-	-	139 817	1 437 146	-	-	1 437 146
TOTAL	139 817	-	-	139 817	1 437 146	-	-	1 437 146
Loan commitments								
Good (AAA to- A-)	744 516	-	-	744 516	3 198 742	-	-	3 198 742
TOTAL	744 516	-	-	744 516	3 198 742	-	-	3 198 742
Historical Cost								
Guarantees								
Good (AAA to- A-)	139 817	-	_	139 817	231 367	-	-	231 367
TOTAL	139 817	-	-	139 817	231 367	-	-	231 367
Loan commitments								
Good (AAA to- A-)	744 516	-	-	744 516	514 967	-	-	514 967
TOTAL	744 516	-	-	744 516	514 967	-	-	514 967

4.13.3 Other financial assets

		ECL STAGE CLASSIFICATION							
		2019			2018				
	STAGE 1	STAGE 2	STAGE 3	2019 TOTAL	STAGE 1	STAGE 2	STAGE 3	2018 TOTAL	
	zw\$	zw\$	ZW\$	zw\$	zw\$	zw\$	ZW\$	zw\$	
Inflation administral									
Inflation adjusted									
Debentures									
Special mention (BB+ - CCC-)	-	90 539	-	90 539	455 096	-	-	455 096	
Bonds									
Good (AAA to- A-)	759	-	-	759	-	269 947	-	269 947	
TOTAL	759	90 539	-	91 298	455 096	269 947	-	725 043	
<u>Historical Cost</u>									
Debentures									
Special mention (BB+ - CCC-)	-	90 539	-	90 539	-	73 266	-	73 266	
Bonds									
Good (AAA to- A-)	759	-	-	759	-	-	43 459	43 459	
TOTAL	759	90 539	-	91 298	-	73 266	43 459	116 725	

	Inflation	n Adjusted	Histori	cal Cost
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
5. INVENTORIES, TRADE AND OTHER RECEIVABLES				
Inventories Accrued interest Remittances in transit Advance payments and sundry assets Amounts clearing from other banks	11 636 869 796 368 558 629 33 121 244 2 761 050 48 874 160	5 867 918 4 188 155 38 457 026 54 547 134 6 819 388 109 879 621	3 641 281 796 368 558 629 30 806 388 2 761 050 38 563 716	793 443 608 151 6 191 209 8 792 202 1 097 855 17 482 860
6. INVESTMENT SECURITIES				
6.1 Carrying amounts				
Designated as at "Fair value through profit or loss"				
Unlisted equities Listed equity investments	6 139 566 72 270 928 78 410 494	6 788 559 31 807 997 38 596 556	6 139 566 72 270 928 78 410 494	1 092 892 5 120 778 6 213 670
Held at amortised cost				
Bank balances Debentures Bonds	9 442 533 861 716 11 095 143	3 495 078 5 195 026 110 768 545	9 442 533 861 716 11 095 143	562 674 834 446 17 890 027
55.145	99 809 886	158 055 205	99 809 886	25 500 817

The above have been valued in terms of accounting policy 3.4.1.3.

	Inflation	Adjusted	Histori	ical Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
6.2 Movement of investment securities				
Balance at 31 December 2018 Movements during the year	158 055 205	172 557 124	25 500 817	19 620 751
- on bonds - on bank balances	(6 791 667) -	63 227 656 (33 550 477)	(6 791 667) -	9 879 167 (3 801 391)
Fair value adjustments on investments	151 263 538	202 234 303	18 709 150	25 698 527
 on listed equity investments on unlisted equity investments 	40 462 931 (648 993)	(11 982 530) (4 666 067)	54 388 567 5 011 354	159 154 (204 854)
	191 077 476	185 585 706	78 109 071	25 652 827
Accrued interest on debentures and bonds - current period	64 729	410 596	64 729	66 102
- prior year received in current period	(66 102)	(636 858)	(66 102)	(102 528)
	191 076 103	185 359 444	78 107 698	25 616 401
Impairment charges	(56.677)	(505 400)	(4 = 2=2)	(72.255)
- on debentures - on bonds	(56 677) 140 110	(685 103)	(17 273) 42 700	(73 266) (43 459)
on ponds	191 159 536	184 674 341	78 133 125	25 499 676
Exchange gains/(losses)				
 On bank balances On unlisted equity investments 	8 879 860 35 320	7 740 (652)	8 879 860 35 320	1 246 (105)
- On listed equity investments	12 761 581	(652)	12 761 581	(105)
, ,	212 836 297	184 681 429	99 809 886	25 500 817
Effects of monetary adjustments - On bank balances	(2.022.404)	(1.467.721)		
- On debentures	(2 932 404) (10 333 086)	(1 467 731) (5 551 327)	-	-
- On bonds	(99 760 921)	(19 607 166)	-	-
Balance at 31 December 2019	99 809 886	158 055 205	99 809 886	25 500 817
6.3 Impairment movement on Debentures and Bonds				
Balance at 31 December 2018	725 043	_	116 725	-
Initial adoption of IFRS 9	-	39 940	-	6 430
Charge to statement of profit or loss (note 17) Balance at 31 December 2019	(83 433) 641 610	685 103 725 043	(25 427) 91 298	110 295 116 725
balance at 31 December 2019	041 010	725 043	91 298	110 /25

		Inflation	n Adjusted	Histor	ical Cost
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		ZW\$	ZW\$	ZW\$	ZW\$
7.	INVESTMENT IN SUBSIDIARY COMPANIES				
	Investment in Barcelona Investments Limited				
	Balance at 31 December 2018	142 248 562	199 974 109	22 636 583	22 657 722
	FCTR adjustment	-	-	34 719 140	-
	Fair value through profit or loss (note 20)	213 240 309	(57 725 547)	290 407 085	(21 139)
	Balance at 31 December 2019	355 488 871	142 248 562	347 762 808	22 636 583
8	RIGHT OF USE ASSET				
	Cost				
	Balance at 31 December 2018	57 390 350		9 239 290	
	Initial adoption of IFRS 16	4 0 40 227	57 390 350	4 0 40 227	9 239 290
	Additions	1 040 327	-	1 040 327	-
	Arising from lease reassesment Balance at 31 December 2019	8 119 243 66 549 920	57 390 350	8 119 243 18 398 860	9 239 290
	balance at 51 December 2019	00 349 920	37 390 330	10 390 000	9 239 290
	Accumulated depreciation				
	Balance at 31 December 2018	20 421 429	_	3 287 652	-
	Charge to statement of profit or loss (note 21)	4 200 160	20 421 429	1 860 229	3 287 652
	Impairment	28 677 352			
	Balance at 31 December 2019	53 298 941	20 421 429	5 147 881	3 287 652
	Carrying value at 31 December 2019	13 250 979	36 968 921	13 250 979	5 951 638

	Balance at 31 December 2018 Charge to statement of profit or loss (note 21)	20 421 429 4 200 160	- 20 421 429	3 287 652 1 860 229	- 3 287 652
	Impairment Balance at 31 December 2019	28 677 352 53 298 941	20 421 429	5 147 881	3 287 652
	Carrying value at 31 December 2019	13 250 979	36 968 921	13 250 979	5 951 638
		13 230 373	30 300 32.	15 250 575	3 331 030
9.	INTANGIBLE ASSETS				
			Computer	Capital work	
			software ZW\$	in progress ZW\$	Total ZW\$
			2004	244.0	200 \$
	Inflation adjusted				
	2019				
	Cost		106 700 252	10.005.207	206 672 450
	Balance at 1 January 2019 Additions		186 708 252 -	19 985 207 14 032 583	206 673 459 14 032 583
	Surplus on revaluation		9 703 771	25 857 004	35 560 775
	Transfer between categories Balance at 31 December 2019		<u>18 824 038</u> 215 236 061	(18 824 038) 41 050 756	256 286 817
			213 230 001	11 030 730	230 200 017
	Accumulated amortisation Balance at 1 January 2019		143 176 518	_	143 176 518
	Recognised in statement of profit or loss (note 21)	26 816 635	-	26 816 635
	Balance at 31 December 2019		169 993 153	-	169 993 153
	Carrying value at 31 December 2019		45 242 908	41 050 756	86 293 664
	2018				
	Cost Relance at 1 January 2019		180 978 388	3 927 393	184 905 781
	Balance at 1 January 2018 Additions		300 482	26 504 440	26 804 922
	Surplus on revaluation		5 429 382	<u>-</u>	5 429 382
	Balance at 31 December 2018		186 708 252	30 431 833	217 140 085
	Accumulated amortisation				
	Balance at 1 January 2018 Recognised in statement of profit or loss (note 21	\	127 261 051 15 915 467	-	127 261 051 15 915 467
	Impairment	,		10 446 626	10 446 626
	Balance at 31 December 2018		143 176 518	10 446 626 19 985 207	153 623 144
	Carrying value at 31 December 2018		43 531 734	19 983 207	63 516 941
	Historical Cost				
	2019				
	Cost Balance at 1 January 2019		22 864 535	3 217 426	26 081 961
	Effect of change in functional currency		10 512 280	5 685 739	16 198 019
	Additions Surplus on revaluation		- 35 853 903	12 826 707	12 826 707 35 853 903
	Transfer between categories		4 559 563	(4 559 563)	-
	Exchange rate movement Balance at 31 December 2019		73 790 281	23 880 447	23 880 447 114 841 037
	balance at 31 December 2019		73 790 201	41 050 756	114 041 037
	Accumulated amortisation		15 056 240		15 956 240
	Balance at 1 January 2019 Recognised in statement of profit or loss (note 21))	15 856 349 12 691 024	-	15 856 349 12 691 024
	Balance at 31 December 2019	,	28 547 373	-	28 547 373
	Carrying value at 31 December 2019		45 242 908	41 050 756	86 293 664
	2018				
	Cost Balance at 1 January 2018		19 820 540	214 377	20 034 917
	Additions		34 046	3 003 049	3 037 095
	Surplus on revaluation Balance at 31 December 2018		3 009 949	2 217 426	3 009 949
	balance at 31 December 2016		22 864 535	3 217 426	26 081 961
	Accumulated amortisation		42.027.402		12.027.402
	Balance at 1 January 2018 Recognised in statement of profit or loss (note 21)	13 937 482 1 918 867	-	13 937 482 1 918 867
	Balance at 31 December 2018		15 856 349	-	15 856 349
	Carrying value at 31 December 2018		7 008 186	3 217 426	10 225 612















Secretarial services



ZB FINANCIAL HOLDINGS

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9.1 Capital work in progress (CWIP)

Capital work in progress refers to the Bank's investment in various IT Projects that are still under development, and will be completed in 2020.

9.2 Impairment of intangible assets

A review of the carrying amounts of intangible assets was done as at 31 December 2019, and there was no indication of any impairment.

10. PROPERTY AND EQUIPMENT

	Freehold properties ZW\$	Leasehold improvements ZW\$	Equipment furniture & fittings ZW\$	Computer equipment ZW\$	Motor vehicles ZW\$	Capital work in progress ZW\$	Total ZW\$
Inflation Adjusted							
2019							
Cost Balance at 1 January 2019	-	59 741 545	39 028 254	89 541 344	47 296 123	3 559 640	239 166 906
Additions	2 355 774	1 230 950	4 686 869	2 049 573	10 444 132	6 029 231	26 796 529
Gain on revaluation	1 885 226	24 292 871	15 917 159	47 841 155	33 740 795	-	123 677 206
Disposals		-	(91 232)	(194 589)	(2 762 589)	-	(3 048 410)
Balance at 31 December 2019	4 241 000	85 265 366	59 541 050	139 237 483	88 718 461	9 588 871	386 592 231
Accumulated depreciation							
Balance at 1 January 2019	-	42 166 320	27 506 950	55 582 194	30 927 188	-	156 182 652
Charge to statement of profit							
or loss (note 21)	-	3 781 127	3 192 431	14 232 824	4 627 392	-	25 833 774
Disposals	-	-	(33 987)	(148 290)	(428 655)	.	(610 932)
Impairment		-	-	-	-	3 504 689	3 504 689
Balance at 31 December 2019	-	45 947 447	30 665 394	69 666 728	35 125 925	3 504 689	184 910 183
Net book value at	4 2 4 4 6 6 6 6	20 247 640	20.075.656	CO 570 755	F2 F02 F26	6.004.463	204 602 0 10
31 December 2019	4 241 000	39 317 919	28 875 656	69 570 755	53 592 536	6 084 182	201 682 048

	Leasehold improvements ZW\$	Equipment furniture & fittings ZW\$	Computer equipment ZW\$	Motor vehicles ZW\$	Capital work in progress ZW\$	Total ZW\$
Inflation Adjusted						
2018						
Cost						
Balance at 1 January 2018	56 735 039	38 399 539	74 394 377	28 433 884	1 969 962	199 932 801
Additions	753 480	1 242 756	17 000 441	19 797 625	6 260 570	45 054 872
Disposals	-	(1 328 328)	(1 903 496)	(935 386)	-	(4 167 210)
Transfer between categories	2 253 026	714 287	50 022	-	(3 017 335)	-
Balance at 31 December 2018	59 741 545	39 028 254	89 541 344	47 296 123	5 213 197	240 820 463
Accumulated depreciation						
Balance at 1 January 2018	29 060 611	20 539 291	46 259 715	22 625 132	_	118 484 749
Charge to statement of profit	29 000 011	20 333 231	70 233 713	22 023 132		110 704 743
or loss (note 21)	4 381 347	2 560 528	10 866 825	2 340 949	_	20 149 649
Disposals	- 301 347	(1 328 328)	(1 687 777)	(841 847)	_	(3 857 952)
Impairment	8 724 362	5 735 459	143 431	6 802 954	1 653 557	23 059 763
Balance at 31 December 2018	42 166 320	27 506 950	55 582 194	30 927 188	1 653 557	157 836 209
Net book value at						
31 December 2018	17 575 225	11 521 304	33 959 150	16 368 935	3 559 640	82 984 254

Freehold properties	Leasehold	Equipment			Capital	
	Leasehold					
	improvements	furniture & fittings	Computer equipment	Motor vehicles	work in progress	Total
ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
-	6 929 136	4 466 670	12 118 558	5 773 988	573 067	29 861 419
-	4 244 164	2 782 222	8 200 643	3 952 860	-	19 179 889
2 021 175	971 719	2 256 723	932 507	6 546 180	5 511 115	18 239 419
2 219 825	32 927 692	23 392 579	61 220 764	42 918 540	-	162 679 400
	-	(14 687)	(31 327)	(444 750)	-	(490 764)
4 241 000	45 072 711	32 883 507	82 441 145	58 746 818	6 084 182	229 469 363
_	4 099 696	2 611 850	6 651 463	3 138 746	_	16 501 755
	. 055 050	2 0	0 001 100	5 .50 / .0		
-	1 655 096	1 401 473	6 242 800	2 084 545	-	11 383 914
-	-	(5 472)	(23 873)	(69 009)	-	(98 354)
-	5 754 792	4 007 851	12 870 390	5 154 282	-	27 787 315
4 241 000	39 317 919	28 875 656	69 570 755	53 592 536	6 084 182	201 682 048
-	6 532 543	4 405 468	8 729 383	3 546 250	215 748	23 429 392
-	87 296	148 018	2 012 775	2 331 143	709 345	5 288 577
-	48 269	100 902	1 675 469	38 201	-	1 862 841
-	.	,	,	(141 606)	.	(719 391)
	6 929 136	4 466 671	12 118 557	5 773 988	573 067	29 861 419
-	3 501 673	2 449 432	5 432 360	2 910 080	_	14 293 545
-	598 023	371 597	1 489 484	356 111	-	2 815 215
-	-	(209 179)	(270 381)	(127 445)	-	(607 005)
-	4 099 696	2 611 850	6 651 463	3 138 746	-	16 501 755
	2 829 440	1 854 821	5 467 094	2 635 242	573 067	13 359 664
	2 021 175 2 219 825 - 4 241 000 - - - - - - - - - - - - - - - - - -	- 4 244 164 2 021 175 2 219 825 32 927 69 4 241 000 45 072 711 - 4 099 696 - 1 655 096 5 754 792 4 241 000 39 317 919 - 6 532 543 - 87 296 - 48 269 261 028 - 6 929 136 - 3 501 673 - 598 023 - 4 099 696	- 4 244 164 2 782 222 2 021 175 971 719 2 256 723 2 219 825 32 927 692 23 392 579 (14 687) 4 241 000 45 072 711 32 883 507 - 4 099 696 2 611 850 - 1 655 096 1 401 473 (5 472) - 5 754 792 4 007 851 4 241 000 39 317 919 28 875 656 - 6 532 543 4 405 468 - 87 296 148 018 - 48 269 100 902 - (272 792) - 261 028 85 075 - 6 929 136 4 466 671 - 3 501 673 2 449 432 - 598 023 371 597 - (209 179) - 4 099 696 2 611 850	- 4 244 164 2 782 222 8 200 643 2 021 175 971 719 2 256 723 932 507 2 219 825 32 927 692 23 392 579 61 220 764 -	- 4 244 164 2 782 222 8 200 643 3 952 860 2 021 175 971 719 2 256 723 932 507 6 546 180 2 219 825 32 927 692 23 392 579 61 220 764 42 918 540 -	- 4 244 164

11. DEFERRED TAX ASSETS / (LIABILITIES)

	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Recognised in OCI at ZW\$	Other movements ffecting equity ¹ ZW\$	Balance at 31 December ZW\$
Inflation Adjusted					
2019					
Property and equipment	(13 033 462)	9 055 494	(38 925 879)	-	(42 903 847)
Provisions and deferred income	24 596 496	(9 633 847)	-	-	14 962 649
Unrealised exchange losses	(25 534)	25 534	-	-	-
Fair value adjustments on					
investment securities	(339 428)	32 450	-	-	(306 978)
Fair value adjustments on FVTOCI					
financial assets	(6 140 389)	5 151 846	1 969 414	-	980 871
	<u>5 057 683</u>	4 631 477	(36 956 465)	-	(27 267 305)
2018					
Property and equipment	(11 178 642)	(456 754)	(1 398 066)	_	(13 033 462)
Provisions and deferred income	19 226 501	(7 396 754)	-	12 766 749	24 596 496
Unrealised exchange losses	72 601	(98 135)	_	_	(25 534)
Fair value adjustments on		(/			(== == -)
investment securities	(572 731)	233 303	-	-	(339 428)
Fair value adjustments on FVTOCI	, ,				,
financial assets	(7 371 503)	2 183 502	(952 388)	-	(6 140 389)
	176 226	(5 534 838)	(2 350 454)	12 766 749	5 057 683

¹This arises from initial application of IFRS 9

11. DEFERRED TAX ASSETS / (LIABILITIES) (continued)

	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Recognised in OCI a ZW\$	Other movements ffecting equity ZW\$	Balance at 31 December ZW\$
<u>Historical Cost</u>					
2019					
Property and equipment	(2 470 430)	5 253 393	(39 092 549)	-	(36 309 586)
Provisions and deferred income	3 959 978	12 083 677	-	-	16 043 475
Unrealised exchange losses	(4 111)	4 111	-	-	-
Fair value adjustments on	(5.4.5.45)	(252.222)			(205.070)
investment securities	(54 645)	(252 333)	-	-	(306 978)
air value adjustments on FVTOCI financial assets	(988 543)		1 969 414		980 871
CTR adjustment	(900)43)		1 303 414		300 07 1
rising from changes in					
unctional currency	-	-	-	(7 645 734)	(7 645 734)
•	442 069	17 088 848	(37 123 135)	(7 645 734)	(27 237 952)
2018					
Property and equipment	(1 190 933)	(24 754)	(1 254 743)	-	(2 470 430)
Provisions and deferred income	2 178 432	334 847	· -	1 446 519	2 513 279 [°]
Unrealised exchange losses Fair value adjustments on	8 226	(12 337)	-	-	(4 111)
investment securities	(64 893)	10 248	-	-	(54 645)
air value adjustments on					
FVTOCI financial assets	(835 218)		(153 325)		(988 543)
	95 61 <i>/</i> 1	308 004	/1 <i>/</i> /02 062\	1 //6 510	112 060

12. DEPOSITS FROM CUSTOMERS

	Inflation	n Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Current accounts	418 123 193	91 821 289	418 123 193	83 328 068
Savings and call accounts	776 350 852	517 596 779	776 350 852	210 791 058
Term deposits	135 141 632	1 309 334 647	135 141 632	116 420 921
Bank deposits	15 436 329	723 160 171	15 436 329	14 782 338
Barik deposits	1 345 052 006	2 641 912 886	1 345 052 006	425 322 385
Maturity analysis of deposits				
On demand	979 424 438	1 826 931 426	979 424 438	294 118 264
Within 1 month	336 708 125	393 260 557	336 708 125	63 311 141
Between 1 and 6 months	26 104 920	395 766 153	26 104 920	63 714 517
Between 6 and 12 months	2 789 154	25 769 465	2 789 154	4 148 634
After 12 months	25 369	185 285	25 369	29 829
	1 345 052 006	2 641 912 886	1 345 052 006	425 322 385
Secured and unsecured deposits analysis	F7 4C4 4F7	220 647 050	F7 4C4 4F7	E4 E44 40E
Secured deposits	57 461 457	338 617 859	57 461 457	54 514 195
Unsecured deposits	1 287 590 549	2 303 295 027	1 287 590 549	370 808 190
	1 345 052 006	2 641 912 886	1 345 052 006	425 322 385

	Inflation Adjusted	Inflat	Inflational Adjusted		Historical Cost	Historical Cost		
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2019	%	31 Dec 2018	%
	zw\$	Contribution	ZW\$	Contribution	ZW\$	Contribution	ZW\$	Contribution
Sectoral analysis of								
deposits								
Private	175 065 913	13%	352 125 286	13%	175 065 913	13%	56 688 760	13%
Agriculture	72 639 338	5%	178 761 153	7%	72 639 338	5%	28 778 814	7%
Mining	75 583 068	6%	14 243 378	1%	75 583 068	6%	2 293 046	1%
Manufacturing	111 023 580	8%	272 543 872	10%	111 023 580	8%	43 876 924	10%
Distribution	36 766 706	3%	50 609 098	2%	36 766 706	3%	8 147 575	2%
Construction	15 700 334	1%	29 556 767	1%	15 700 334	1%	4 758 353	1%
Transport	12 305 956	1%	24 494 605	1%	12 305 956	1%	3 943 394	1%
Services	508 189 821	38%	942 131 128	36%	508 189 821	38%	151 673 986	36%
Financial	157 382 990	12%	429 649 508	16%	157 382 990	12%	69 169 409	16%
Communication	180 394 300	13%	347 798 091	13%	180 394 300	13%	55 992 124	13%
	1 345 052 006	100%	2 641 912 886	100%	1 345 052 006	100%	425 322 385	100%

13 OFFSHORE BORROWINGS

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	ZW\$	ZW\$	ZW\$	zw\$	
	25.042.25				
Balance at beginning of year	36 942 265	-	5 947 347	-	
Effects of changes in functional currency	-	-	8 921 020	-	
New loans	-	36 942 265	-	5 947 347	
Repayments	(24 939 306)	-	(24 939 306)	-	
Effects of monetary adjustments	62 814 961	-	84 888 859	-	
Balance at 31 December 2019	74 817 920	36 942 265	74 817 920	5 947 347	

The offshore borrowings are in respect of loans advanced to ZB Bank Limited at interest rates ranging from 9.49% to 9.56%. The loans mature on 5 October 2022. The funds were used for on-lending to the Bank's customers.

14. TRADE AND OTHER PAYABLES

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	ZW\$	ZW\$	ZW\$	ZW\$	
Interest accrued on deposits Items in transit Accruals and sundries Provisions for loan impairment on loan commitments	9 768 277 42 218 322 90 303 496 884 333	5 372 306 24 291 614 146 838 713 4 635 888	9 768 277 42 218 322 90 303 496 884 333	864 889 3 910 715 23 639 612 746 333	
Amounts clearing to other	18 840 007	6 389 413	18 840 007	1 028 634	
Banks	162 014 435	187 527 934	162 014 435	30 190 183	

15. LEASE LIABILITIES

The Group leases various office buildings under non-cancellable operating lease agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The Group recognises a lease liability in respect of discounted future payment commitments and accrued notional interest cost, net of any actual payments made during the period for all non-cancellable operating lease commitments that are assessed as neither short-term nor low value leases.

The movement in the operating lease liability during the year was as follows:

	Inflation	n Adjusted	Histori	ical Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
	27 425 225		6.025.445	
Balance at the beginning of the year Arising from initial adoption of IFRS 16	37 425 325	57 390 350	6 025 115	9 239 290
Additions arising from new leases	1 040 327	57 390 350	1 040 327	9 239 290
Add accrued interest posted to	1 040 327	-	1 040 327	•
profit and loss	2 250 334	11 019 342	473 092	1 248 531
Less lease commitments paid				
during the year	(8 650 920)	(27 720 345)	(2 636 467)	(4 462 706)
Add lease liability reassessment	8 119 243	-	8 119 243	` <u>-</u>
Add loss on adjustment of lease liability	229 669	-	229 669	-
Arising from monetary adjustments	(27 162 999)	(3 264 022)	-	-
Balance at the end of the year	13 250 979	37 425 325	13 250 979	6 025 115

















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16. NET INTEREST AND RELATED INCOME

		Inflation A	Adjusted	Histori	cal Cost
		31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
_		200\$	200\$	ZVV.\$	200\$
6.	1 Interest and related income				
	Interest and related income comprises interest on:				
	-Advances -Overdrafts	83 207 883 6 369 548	64 925 006 6 132 894	39 110 811 3 206 180	6 131 870 739 869
	Establishment fees	11 457 915	7 662 724	5 509 604	1 884 867
	Placements with other banks Treasury bills	295 669 64 661 212	7 752 552 120 958 251	67 571 25 533 390	886 250 15 462 679
	Other interest receivable categories	7 882 726	24 747 208	2 913 303	2 972 360
	Total interest and related income	173 874 953	232 178 635	76 340 859	28 077 895
5.	2 Interest and related expenses				
	Interest and related expenses comprise				
	interest on: Customer deposits	27 379 167	46 291 815	9 806 275	5 598 594
	Placements from other banks	1 196 723	2 905 895	303 298	354 916
	Other interest expense categories Total interest and related expenses	12 363 151 40 939 041	3 723 678 52 921 388	4 829 726 14 939 299	586 332 6 539 842
	Net interest and related income	132 935 912	179 257 247	61 401 560	21 538 053
7.	ANALYSIS OF LOAN IMPAIRMENT				
	CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS				
	Impairment charges on loans and				
	overdrafts (note 4.11) Impairment (reversal) / charges on other	39 440 201	35 300 485	39 440 201	5 683 036
	financial assets (note 6.3) Impairment charges / (reversal) on	(83 433)	685 103	(25 427)	110 295
	guarantees and undrawn facilities (note 23.1.4)	452 813	(4 115 030)	138 000	(662 480
	Recoveries during the year Effects of changes in inflation	(1 787 073) 16 191 887	(4 063 071) 5 993 728	(1 787 073) -	(223 595
		54 214 395	33 801 215	37 765 701	4 907 256
3	COMMISSION AND FEE INCOME COMPRISES INCOME FROM:				
	Digital channels	105 863 009	134 850 854	49 343 743	16 255 305
	Management and service fees	129 282 052	127 499 064	60 259 579	15 369 099
	Other commissions	20 423 158 255 568 219	39 653 896 302 003 814	9 519 425 119 122 747	4 779 994 36 404 398
).	OTHER INCOME				
	Exchange income	104 027 627	4 286 533	104 027 626	690 090
	Dividends from other investments	7 462 906	11 053 520	4 643 044	1 408 341
	Rentals and recoveries Loss on sale of equipment	8 455 019 (2 405 728)	7 262 847 (190 818)	3 712 158 (360 662)	1 531 032 (216)
	Sundry	1 823 950 119 363 774	4 814 713 27 226 795	982 637 113 004 803	245 365 3 874 612
	EAID VALUE ADJUSTMENTS	119 303 774	21 220 133	113 004 003	3 074 012
J.	FAIR VALUE ADJUSTMENTS				
	Arising from fair value through profit or loss instruments				
	Investment securities	39 813 938	(16 648 597)	59 399 921	(45 700)
	Investment in subsidiary company	213 240 309 253 054 247	(57 725 547) (74 374 144)	290 407 085 349 807 006	(21 139) (66 839)
١.	OPERATING EXPENSES				, , , , , , ,
•		107 267 101	135 840 766	49 289 454	16 270 533
	Staff expenses Communication expenses	17 473 289	8 053 080	10 959 461	946 293
	Computer and information technology Occupation expenses	44 597 444	34 663 437 17 199 440	23 299 406 5 007 397	4 240 991 1 532 304
	Transport expenses	11 679 788 3 298 117	2 884 266	1 864 741	351 171
	Travelling expenses	3 615 130	2 786 877	2 104 513	344 522
	Administration expenses	182 137 670 370 068 539	190 588 300 392 016 166	75 023 310 167 548 282	19 551 743 43 237 557
	Included in administration expenses are the following:				
	Depreciation charges on property and				
	equipment	25 833 774	20 149 649	11 383 914	2 815 215
	Amortisation of intangible assets Depreciation charges on right of use	26 816 635	15 915 467	12 691 024	1 918 867
	asset	4 200 160	20 421 429	1 860 229 473 092	3 287 652
	Finance cost for lease liabilities Scrapping expense on assets	2 250 334	11 019 342	-	1 248 531 93 101
		1 964 842	1 092 083	895 564	139 215
	Auditors' remuneration				
2.	Auditors' remuneration INCOME TAX EXPENSE				
2.		42 681 356 (4 631 477)	4 664 218 5 534 838	14 875 630	609 669

23. CONTINGENT LIABILITIES

23.1 Impairment of financial guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment in relation to financial guarantees and commitments is as follows:

The table below shows the credit quality and the maximum exposure for credit risk based on the Bank's internal credit rating system and period-end stage classification.

system and pensa e								
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2019 TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2018 TOTAL ZW\$
Inflation adjusted								
Good (AAA – A-)	-		-	-	239 735	-	-	239 735
Total	-	-	-	-	239 735	-	-	239 735
<u>Historical Cost</u>								
Good (AAA - A-)		-	-	-	38 595	-	-	38 595
Total	-	-	-	-	38 595	-	-	38 595

23.1.2 Financial guarantees

The table below shows the credit quality and the maximum exposure for credit risk based on the Bank's internal credit rating system and period-end stage classification.

	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2019 TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2018 TOTAL ZW\$
Inflation adjusted								
Good (AAA – A-)	141 807 400	-	-	141 807 400	99 621 060	-	-	99 621 060
Total	141 807 400	-	-	141 807 400	99 621 060	-	-	99 621 060
Historical Cost								
Good (AAA – A-)	141 807 400	-	-	141 807 400	16 038 026	-	-	16 038 026
Total	141 807 400	-	-	141 807 400	16 038 026	-	-	16 038 026

23.1.2 Financial guarantees (continued)

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to financial guarantees is as

	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2019 TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2018 TOTAL ZW\$
Inflation adjusted								
Good (AAA – BBB-)	139 817	-	-	139 817	1 437 146	-	-	1 437 146
Total	139 817	-	-	139 817	1 437 146	-	-	1 437 146
Historical Cost								
Good (AAA – BBB-)	139 817	-	-	139 817	231 367	-	-	231 367
Special mention (BBB+ - CCC-)	-	-	-	-	-	-	-	-
Total	139 817	-	-	139 817	231 367	-	-	231 367

23.1.3 Other undrawn commitments

The table below shows the credit quality and the maximum exposure for credit risk based on the Bank's internal credit rating system and period-end stage classification.

								(
	STAGE 1	STAGE 2	STAGE 3	2019 TOTAL	STAGE1	STAGE 2	STAGE 3	2018 TOTAL
	zw\$	ZW\$	ZW\$	zw\$	zw\$	ZW\$	zw\$	ZW\$
Inflation adjusted								
Good (AAA – BBB-)	100 353 711	-	-	100 353 711	142 597 768	-	-	142 597 768
Total	100 353 711	-	-	100 353 711	142 597 768	-	-	142 597 768
<u>Historical Cost</u>								
Good (AAA – BBB-)	100 353 711	-	-	100 353 711	22 956 859	-	-	22 956 859
Total	100 353 711	-	-	100 353 711	22 956 859	-	_	22 956 859

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is as follows:

	STAGE 1	STAGE 2	STAGE 3	2019 TOTAL	STAGE1	STAGE 2	STAGE 3	2018 TOTAL
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Inflation adjusted								
Good (AAA – BBB-)	744 516		-	744 516	3 198 742		-	3 198 742
Total	744 516	-	-	744 516	3 198 742	-	-	3 198 742
Historical Cost								
Good (AAA – BBB-)	744 516	-	-	744 516	514 967	-	-	514 967
Total	7// 516			744 E16	E14.067			E14.067

23.1.4 Impairment movement on guarantees and undrawn commitments

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	
Opening balance	4 635 888	-	746 333	-	
Initial adoption of IFRS 9	-	8 750 918	-	1 408 813	
Charge / credit to profit or loss (note 17)		138 000	(662 480)		
Effects of monetary adjustment	(4 204 368)	-	-	-	
	884 333	4 635 888	884 333	746 333	

24 CAPITAL ADEQUACY

24	CAPITAL ADEQUACT				
		Inflation	Adjusted	Histori	cal Cost
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		ZW\$	ZW\$	ZW\$	ZW\$
	Capital adequacy				
	Ordinary share capital	16 750 283	16 750 283	1 810 402	1 810 402
	Share premium	304 935 853	304 935 853	32 958 032	32 958 032
	Reserves	411 796 960	123 100 377	680 707 508	36 050 425
	IFRS capital	733 483 096	444 786 513	715 475 942	70 818 859
	Add / (less) Regulatory adjustments:				
	Fair value adjustment on capitalization				
	treasury bills	3 090 759	24 199 972	3 090 759	3 895 961
	Interest in reserve	(1 401 509)	(14 428 152)	(1 401 509)	(2 322 793)
	Loans to group equities	(1 079 786)	(4 336 175)	(1 079 786)	(698 082)
	Revaluation reserve	(129 765 660)	(9 453 558)	(221 101 143)	(4 190 026)
	Tier 1 capital	604 326 900	440 768 600	494 984 263	67 503 919
	5 1	420 765 660	0.452.550	462 620 700	4.400.025
	Revaluation reserve	129 765 660	9 453 558	163 630 780	4 190 026
	Effect of change in functional currency	-	-	57 470 363	-
	Tier 2 capital	129 765 660	9 453 558	221 101 143	4 190 026
	ner 2 capital	123 7 03 000	3 433 330	221 101 143	4 130 020
	Total capital base	734 092 560	450 222 158	716 085 406	71 693 945
	Credit risk weighted assets	1 238 026 119	1 122 145 824	1 219 989 616	180 654 608
	Operational risk equivalent assets	905 087 197	514 685 820	475 214 067	82 859 432
	Market risk equivalent assets	234 319 928	101 202 213	234 319 928	16 292 576
	Total delications delicated according	2 277 422 244	4 720 022 057	1 020 522 644	270 000 646
	Total risk weighted assets	2 377 433 244	1 738 033 857	1 929 523 611	279 806 616
	Tier 1 capital ratio	25.42%	25.36%	25.65%	24.13%
	Tier 2 capital ratio	5.46%	0.54%	11.46%	1.50%
	Capital adequacy ratio	30.88%	25.90%	37.11%	25.62%
	. ,				

25 RISK MANAGEMENT

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

















ZB FINANCIAL HOLDINGS

Asset finance

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Audited Financial Results for the year ended 31 December 2019

25.1 Fair values and risk management - accounting classification and fair values (conti	nued)

				CARRYING AN	IOUNT			FAIR	VALUE	
		Designated			Other					
		at Fair	Designated	Designated	financial					
			_	_						
		Value P/L	at AMCO	at FVTOCI	liabilities	Total	Level 1	Level 2	Level 3	Tota
	Note	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	zw\$	ZW\$	ZW\$	ZW
Inflation Adjusted										
31 December 2019										
Financial assets measured										
at fair value										
Equity securities	6	78 410 494	-	-	-	78 410 494	72 270 928	-	6 139 566	78 410 49
Treasury bills	3	62 896 699		111 906 738	-	174 803 437	-	62 896 699	111 906 738	174 803 43
Money market investments	2	10 000 000		-	-	10 000 000	-	10 000 000	-	10 000 00
Investment in subsidiary company	7	355 488 871		-	-	355 488 871	-	-	355 488 871	355 488 87
Total		506 796 064	-	111 906 738	-	618 702 802	72 270 928	72 896 699	473 535 175	618 702 80
Financial assets not										
measured at fair value										
Cash and cash equivalents	1	-	919 331 624	-	-	919 331 624				
Treasury Bills	3	-	42 245 433	-	-	42 245 433				
Advances and other accounts	4	-	407 699 259	-	-	407 699 259				
Trade and other receivables	5	-	46 113 106	-	-	46 113 106				
Investment securities	6	-	21 399 392	-	-	21 399 392				
Right of use asset		-	13 250 979	-	-	13 250 979				
Amounts clearing from other banks	6	-	2 761 050	-	-	2 761 050				
Total		-	1 452 800 843	-	-	1 452 800 843				
Financial liabilities										
Deposits and other accounts	12	-	(1 345 052 006)	-		(1 345 052 006)				
Offshore borrowings	13	-	-	-	(74 817 920)					
Trade and other payables	14	-		-	(143 174 425)	(143 174 425)				
Lease liability	15	-	(13 250 979)	-	-	(13 250 979)				
Amounts clearing to other banks	14		(18 840 007)	-	-	(18 840 007)				
Total			(1 377 142 992)		(217 992 345)	(1 595 135 337)				
31 December 2018										
Financial assets measured										
at fair value										
Equity securities	6	38 596 556	-	-	-	38 596 556	31 807 997	-	6 788 559	38 596 55
Treasury bills	3	141 298 767	-	837 121 965	-	978 420 732	-	141 298 767	837 121 965	978 420 73
Money market investments	2	62 115 538	-	-	-	62 115 538	-	62 115 538	-	62 115 53
Investment in subsidiary	7	142 248 562	-	-	-	142 248 562	-	-	142 248 562	142 248 56
Total		384 259 423	-	837 121 965	-	1 221 381 388	31 807 997	203 414 305	986 159 086	1 221 381 38
Financial assets not measured										
at fair value										
Cash and cash equivalents	1		774 955 176			774 955 176				
Treasury Bills	3		228 778 296			328 778 296				
Advances and other accounts	4		705 613 993			705 613 993				
Trade and other receivables	5		103 126 339			103 126 339				
Investment securities	6		119 458 648			119 458 648				
Right of use assets	8		52 528 221			52 528 221				
Amounts clearing from other banks	5		6 819 388			6 819 388				
Total	,		1 991 280 061			2 991 280 061				
Financial liabilities										
Deposits and other accounts	12	-	(2 641 912 887)	-	-	(2 641 912 887)				
Offshore borrowings	15	-	-	-	(36 942 265)	(36 942 265)				
Trade and other payables	14	-	-	-	(181 138 516)	(181 138 516)				
Lease liability	15	-	-	-	(37 425 325)	(37 425 325)				
Amounts clearing to other banks	14	-	(6 389 418)		-	(6 389 418)				
			(2 648 302 305)		(255 506 106)					

				CARRYING AN	MOUNT			FAIR	VALUE	
		Designated			Other					
		at Fair	Designated	Designated	financial					
		Value P/L	at AMCO	at FVTOCI	liabilities	Total	Level 1	Level 2	Level 3	Total
	Note	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZWS
	Note	2443	2000	2000	2113	2003	2113	2003	2003	2004
Historical Cost_										
31 December 2019										
Financial assets measured										
at fair value										
Equity securities	6	78 410 494	-	-	-	78 410 494	72 270 928	-	6 139 566	78 410 494
Treasury bills	3	62 896 699	-	111 906 738	-	174 803 437	-	62 896 699	111 906 738	174 803 437
Money market investments	2	10 000 000	-	-	-	10 000 000	-	10 000 000	-	10 000 00
Investment in subsidiary company	7	347 762 808	-	-	-	347 762 808	-	-	347 762 808	347 762 80
Total		499 070 001	-	111 906 738	-	610 976 739	72 270 928	72 896 699	465 809 112	610 976 739
Financial assets not										
measured at fair value										
Cash and cash equivalents	1	-	919 331 624	-	-	919 331 624				
Treasury Bills	3	-	42 245 433	-	-	42 245 433				
Advances and other accounts	4	-	407 699 259	-	-	407 699 259				
Trade and other receivables	5	-	35 802 663	-	-	35 802 663				
Investment securities	6	-	21 399 392	-	-	21 399 392				
Right of use assets	8	-	13 250 979	-	-	13 250 979				
Amounts clearing										
from other banks	5		2 761 050	-	-	2 761 050				
Total	_	-	1 442 490 400	-	-	1 442 490 400				
inancial liabilities										
Deposits and other accounts	12	-	(1 345 052 006)	-		1 345 052 006)				
Offshore borrowings	13	-	-	-	(74 817 920)	(74 817 920)				
Trade and other payables	14	-	-	-	(143 174 428)	(143 174 428)				
Lease liability	15	-	(13 250 979)	-	-	(13 250 979)				
Amounts clearing										
to other banks	14	-	(18 840 007)	-	-	(18 840 007)				
Total		-	(1 377 142 992)	-	(217 992 348)	1 595 135 340)				
31 December 2018										
Financial assets measured										
at fair value										
Equity securities	6	6 213 670		_	_	6 213 670	5 120 778	_	1 092 892	6 213 670
Treasury bills	3	22 747 733		134 768 528		157 516 261	3 120 776	22 747 733	134 768 528	157 516 261
	2	10 000 000		134 /00 320		10 000 000		10 000 000		10 000 000
Money market investments			-	-	-		-	10 000 000		
Investment in subsidiary	7	22 638 583		124 769 520	-	22 638 583	F 120 770	22 747 722	22 638 583	22 638 583
Total		61 599 986		134 768 528	-	196 368 514	5 120 778	32 747 733	158 500 003	196 368 514
Financial assets not measured at fair value										
	1		124 760 277			124 760 277				
Cash and cash equivalents					-					
Treasury Bills	3	-	36 831 090	-	-	36 831 090				
Advances and other accounts	4		113 597 018	-	-	113 597 018				
Trade and other receivables	5		16 385 005	-	-	16 385 005				
Investment securities	6		19 287 147	-	-	19 287 147				
Right of use assets	8	-	5 951 638	-	-	5 951 638				
Amounts clearing from other banks	8		1 097 855	-	-	1 097 855				
Total			317 910 030	-	-	317 910 030				
Financial liabilities										
Deposits and other accounts	12		(425 322 385)		-	(425 322 385)				
Offshore borrowings	13		(123 322 303)	_	(5 947 347)	(5 947 347)				
Trade and other payables	14			-	(4 775 604)	(4 775 604)				
				-						
Lease liability	15				(6 025 115)	(6 025 115)				
Amounts clearing to other banks	14		(1 028 634)			(1 028 634)				
Total			(426 351 019)	_	(16 748 066)	(443 099 085)				

25.2 Interest rate risk

Inflation adjusted

Interest rate gap analysis	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
As at 31 December 2019					
ASSETS	404 542 064		400 000 000		204 542 064
Cash and short term funds Money market investments	194 512 961 10 000 000	-	100 000 000	-	294 512 961 10 000 000
Freasury bills	11 404 015	24 444 016	84 307 420	96 893 419	217 048 870
Advances and other accounts	42 100 919	68 834 908	78 089 714	218 673 718	407 699 259
Investment securities	-	-	-	99 809 886	99 809 886
	258 017 895	93 278 924	262 397 134	415 377 023	1 029 070 976
LIABILITIES					
Deposits and other accounts	1 316 132 562	26 104 920	2 789 154	25 370	1 345 052 006
Offshore borrowings	1310 132 302	15 576 619	15 576 619	43 664 682	74 817 920
Lease liability	-	-	-	13 250 979	13 250 979
,	1 316 132 562	41 681 539	18 365 773	56 941 031	1 433 120 905
Period gap	(1 058 114 667)	51 597 385	244 031 361	358 435 992	(404 049 929
Cumulative gap	(1 058 114 667)		(762 485 921)	(404 049 929)	(404 043 323
3.	,	,	,	,	
As at 31 December 2018					
ASSETS					
Cash and short term funds	16 251 346	-	155 288 846	-	171 540 192
Money market investments	62 115 538	-	-	-	62 115 538
Treasury bills	12 423 108	284 753 180	254 375 606	655 647 135	1 207 199 029
Advances and other accounts	117 146 770	67 502 623	56 959 250	464 005 350	705 613 993
nvestment securities	207 936 762	352 255 803	466 623 702	158 055 205 1 277 707 690	158 055 205 2 304 523 957
	207 930 702	332 233 003	-00 023 702	1 277 707 090	2 304 323 937
IABILITIES					
Deposits and other accounts	2 220 191 984	395 766 153	25 769 465	185 284	2 641 912 886
Offshore borrowings	-	-	-	36 942 265	36 942 265
ease liability	2 220 404 004	205 766 152	25.760.465	37 425 325	37 425 325
	2 220 191 984	395 766 153	25 769 465	74 552 874	2 716 280 476
Period gap	(2 012 255 222)	(43 510 350)	440 854 237	1 203 154 816	(411 756 519)
Cumulative gap	(2 012 255 222)			(411 756 519)	` -

25.2 Interest rate risk (continued)

Historical Cost

Interest rate gap analysis	Up to 1	2 to 6	7 to 12	Above 12	Carrying
	month	months	months	months	amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
As at 31 December 2019					
ASSETS Cash and short term funds Money market investments Treasury bills Advances and other accounts Investment securities	194 512 961 10 000 000 11 404 015 42 100 919 - 258 017 895	24 444 016 68 834 908 - 93 278 924	100 000 000 - 84 307 420 78 089 714 - 262 397 134	96 893 419 218 673 718 99 809 886 415 377 023	294 512 961 10 000 000 217 048 870 407 699 259 99 809 886 1 029 070 976
LIABILITIES Deposits and other accounts Offshore borrowings Lease liability	1 316 132 562	26 104 920	2 789 154	25 370	1 345 052 006
	-	15 576 619	15 576 619	43 664 682	74 817 920
	-	-	-	13 250 979	13 250 979
	1 316 132 562	41 681 539	18 365 773	56 941 031	1 433 120 905
Period gap	(1 058 114 667)	51 597 385	244 031 361	358 435 992	(404 049 929)
Cumulative gap	(1 058 114 667)	(1 006 517 282)	(762 485 921)	(404 049 929)	-
As at 31 December 2018					
ASSETS Cash and short term funds Money market investments Treasury bills Advances and other accounts Investment securities	2 616 309 10 000 000 2 000 000 18 859 495 - 33 475 804	45 842 504 10 867 268 - 56 709 772	25 000 000 - 40 952 009 9 169 888 - 75 121 897	- 105 552 838 74 700 367 25 500 817 205 754 022	27 616 309 10 000 000 194 347 351 113 597 018 25 500 817 371 061 495
LIABILITIES Deposits and other accounts Offshore borrowings Lease liability	357 429 405	63 714 517	4 148 634	29 829	425 322 385
	-	-	-	5 947 347	5 947 347
	-	-	-	6 025 115	6 025 115
	357 429 405	63 714 517	4 148 634	12 002 291	437 294 847
Period gap	(323 953 601)	(7 004 745)	70 973 263	193 751 731	(66 233 352)
Cumulative gap	(323 953 601)	(330 958 346)	(259 985 083)	(66 233 352)	-

25.3 Liquidity risk

Inflation adjusted

Inflation adjusted						
Liquidity gap analysis	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/ (outflow) ZW\$	Carrying amount ZW\$
As at 31 December 2019						
FINANCIAL ASSETS BY TYPE Cash and cash equivalents Money market investments Treasury bills Advances and other accounts Investment securities	728 449 990 10 002 396 11 430 817 42 128 224 	43 802 208 - 26 952 521 74 896 613 - 145 651 342	147 873 398 - 86 312 517 86 113 643 - 320 299 558	- 115 855 444 258 682 585 99 809 886 474 347 915	920 125 596 10 002 396 240 551 299 461 821 065 99 809 886 1 732 310 242	919 331 624 10 000 000 217 048 870 407 699 259 99 809 886 1 653 889 639
FINANCIAL LIABILITIES BY TYPE Deposits and other accounts Offshore borrowings Trade and other payables Lease liability	1 317 954 225 - 87 952 086 - 1 405 906 311	26 350 548 17 030 102 50 044 414 - 93 425 064	2 815 245 17 030 102 1 949 727 - 21 795 074	25 424 48 465 855 12 266 633 13 250 979 74 008 891	1 347 145 442 82 526 059 152 212 860 13 250 979 1 595 135 340	1 345 052 006 74 817 920 162 014 435 13 250 979 1 595 135 340
Period gap Cumulative gap	(613 894 884) (613 894 884)	52 226 278 (561 668 606)	298 504 484 (263 164 122)	400 339 024 137 174 902	137 174 902 -	58 754 299 -
As at 31 December 2018						
FINANCIAL ASSETS BY TYPE Cash and cash equivalents Money market investments Treasury bills Advances and other accounts Investment securities	266 678 502 62 146 596 12 426 511 117 175 466 - 458 427 075	231 354 349 - 286 824 413 69 117 362 - 587 296 124	280 668 829 - 266 095 837 59 103 717 - 605 868 383	782 239 917 498 721 308 158 055 205 1 439 016 430	778 701 680 62 146 596 1 347 586 678 744 117 853 158 055 205 3 090 608 012	774 955 176 62 115 538 1 207 199 029 705 613 993 158 055 205 2 907 938 941
FINANCIAL LIABILITIES BY TYPE Deposits and other accounts Offshore borrowings Trade and other payables Lease liability	2 222 503 224 - 59 654 374 - 2 282 157 598	398 551 878 - 46 144 009 - 444 695 887	25 951 292 - 520 054 - 26 471 346	185 493 46 383 570 81 209 508 37 425 325 165 203 895	2 647 191 887 46 383 570 187 527 945 37 425 325 2 918 528 727	2 641 912 886 36 942 265 187 527 934 37 425 325 2 903 808 410
Period gap Cumulative gap	(1 823 730 523) (1 823 730 523)	142 600 237 (1 681 130 286)	579 397 037 (1 101 733 249)	1 273 812 534 172 079 285	172 079 285 -	4 130 531 -

Historical Cost

<u>Historical Cost</u>						
Liquidity gap analysis	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/ (outflow) ZW\$	Carrying amount ZW\$
As at 31 December 2019						
FINANCIAL ASSETS BY TYPE Cash and cash equivalents	728 449 990	43 802 208	147 873 398	_	920 125 596	919 331 624
Money market investments	10 002 396	43 802 208	147 673 396	-	10 002 396	10 000 000
Treasury bills	11 430 817	26 952 521	86 312 517	115 855 444	240 551 299	217 048 870
Advances and other accounts	42 128 224	74 896 613	86 113 643	258 682 585	461 821 065	407 699 259
Investment securities		-		99 809 886	99 809 886	99 809 886
	792 011 427	145 651 342	320 299 558	474 347 915	1 732 310 242	1 653 889 639
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	1 317 954 225	26 350 548	2 815 245	25 424	1 347 145 442	1 345 052 006
Offshore borrowings	-	17 030 102	17 030 102	48 465 855	82 526 059	74 817 920
Trade and other payables	87 952 086	50 044 414	1 949 727	12 266 633	152 212 860	162 014 435
Lease liability		-	-	13 250 979	13 250 979	13 250 979
	1 405 906 311	93 425 064	21 795 074	74 008 891	1 595 135 340	1 595 135 340
Period gap	(613 894 884)	52 226 278	298 504 484	400 339 024	137 174 902	58 754 299
Cumulative gap	(613 894 884)	(561 668 606)	(263 164 122)	137 174 902	-	-
As at 31 December 2018						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	42 932 656	37 245 809	45 184 963	_	125 363 428	124 760 277
Money market investments	10 005 000	-	-	-	10 005 000	10 000 000
Treasury bills	2 000 548	46 175 952	42 838 852	125 933 050	216 948 402	194 347 351
Advances and other accounts	18 864 115	11 127 226	9 515 126	80 289 300	119 795 767	113 597 018
Investment securities		-	-	25 500 817	25 500 817	25 500 817
	73 802 319	94 548 987	97 538 941	231 723 167	497 613 414	468 205 463
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	357 801 492	64 162 992	4 177 907	29 863	426 172 254	425 322 385
Offshore borrowings	-	-	-	7 467 305	7 467 305	5 947 347
Trade and other payables	9 603 776	7 428 739	83 724	13 073 944	30 190 183	30 190 183
Lease liability			4 264 624	6 025 115	6 025 115	6 025 115
	367 405 268	71 591 731	4 261 631	26 596 227	469 854 857	467 485 030
Period gap	(293 602 949)	22 957 256	93 277 310	205 126 940	27 758 557	720 433
Cumulative gap	(293 602 949)	(270 645 693)	(177 368 383)	27 758 557	-	-

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2019 31 Dec 2018		31 Dec 2018	
	ZW\$	ZW\$	ZW\$	ZW\$	
Liquidity ratios					
Total liquid assets	1 156 566 575	2 152 249 716	1 156 566 575	346 085 563	
Total liabilities to the public	1 329 615 676	2 641 912 887	1 329 615 676	425 322 385	
Liquidity ratio	87%	81%	87%	81%	
Average for the year	78%	80%	78%	80%	
Maximum for the year	87%	83%	87%	83%	
Minimum for the year	71%	-	71%	72%	
Minimum statutory liquidity ratio	30%	30%	30%	30%	

















Secretarial services Digital banking

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019



AUDITED FINANCIAL RESULTS for the year ended 31 December 2019

STATEMENTS OF FINANCIAL POSITION As at 31 December 2019

		Inflation	n Adjusted	Histor	ical Cost*
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	Notes	ZW\$	ZW\$	ZW\$	ZW\$
ASSETS					
Cash and cash equivalents	1	11 977 982	112 251 980	11 977 982	18 071 482
Money market investments	2	2 003 562	-	2 003 562	
Loans and other advances	3	13 925 967	63 015 086	13 925 967	10 144 819
Inventories, trade and		47 575 647	5 275 427	47.446.050	707.024
other receivables	4	17 575 617	5 275 427	17 446 958	797 829
Investment securities	5	687 187	749 998	687 187	120 742
Right of use assets	6	143 471	577 299	143 471	92 940
Investment properties	7	104 421 716	46 887 914	104 421 716	7 548 50
Investments in subsidiaries	8	65 174 472	34 475 637	65 174 750	5 527 76
Property and equipment	9	16 541 331	6 575 928	16 541 331	1 058 66
Total assets		232 451 305	269 809 269	232 322 924	43 362 739
LIABILITIES					
Deposits from customers	10	38 731 407	129 420 487	38 731 407	20 835 44
Trade and other payables	11	2 921 916	19 608 311	2 921 916	3 156 74
Lease liabilities	12	143 471	577 903	143 471	93 03
Deferred tax liabilities	13	5 759 446	9 300 827	5 759 446	417 92
Total liabilities		47 556 240	158 907 528	47 556 240	24 503 15
EQUITY					
Share capital	14.1	8 834 175	8 834 175	954 814	954 81
Share premium	14.1	82 316 806	82 316 806	8 896 953	8 896 95
Reserves	14.2	93 744 084	19 750 760	174 914 917	9 007 81
Total equity		184 895 065	110 901 741	184 766 684	18 859 58

232 451 305

269 809 269

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2019

Total equity and liabilities

	Inflatio	on Adjusted	Histori	ical Cost*
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	ZW\$	ZW\$	ZW\$	ZW\$
Interest and related income 15.1	11 635 295	14 484 967	4 170 679	1 784 291
Interest and related expense 15.2	(1 243 354)	(2 974 669)	(389 898)	(360 144)
Net interest income 15	10 391 941	11 510 298	3 780 781	1 424 147
Allowance for loan impairment 16	(730 998)	(2 534 637)	(730 998)	(408 052)
Net income from lending activities	9 660 943	8 975 661	3 049 783	1 016 095
Trading and other income 17	21 852 149	29 890 504	10 137 453	3 671 643
Fair value adjustments 18	88 169 826	(23 648 405)	139 823 175	1 222 839
Total income	119 682 918	15 217 760	153 010 411	5 910 577
Total operating expenses 19	(33 301 494)	(46 149 870)	(14 407 210)	(5 438 075)
Operating profit / (loss)	86 381 424	(30 932 110)	138 603 201	472 502
Net monetary loss	(26 715 760)	(14 091 661)	-	-
Profit / (loss) before taxation	59 665 664	(45 023 771)	138 603 201	472 502
Income tax credit / (expense) 20	3 847 141	(6 086 215)	(4 274 470)	(45 997)
Profit / (loss) for the year	63 512 805	(51 109 986)	134 328 731	426 505
Other comprehensive income:				
Items that will not be				
reclassified to profit or loss				
Gains on property and				
equipment revaluation	11 581 047	254 575	14 084 921	207 051
Related tax	(305 760)	(12 729)	(440 164)	(10 353)
Other comprehensive income				
for the year, net of tax	11 275 287	241 846	13 644 757	196 698
Total comprehensive				
income / (loss) for the year	74 788 092	(50 868 140)	147 973 488	623 203
Earnings / (loss) per share				
Basic and fully diluted				
earnings / (loss) per share (ZW cents)	66.26	(53.53)	140.69	0.45

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Ordinary shares ZW\$	Share premium ZW\$	General reserve ZW\$	Revaluation reserve ZW\$	Retained income/ (loss) ZW\$	Total ZW\$
Inflation Adjusted						
Balance at 1 January 2018	8 834 175	82 316 806	242 503	272 396	72 072 881	163 738 761
Changes in accounting policy						
Changes on initial application of IFRS 9	-	-	-	-	(302 811)	(302 81
Changes on initial application of IFRS 16	-	-	-	-	(13 429)	(13 42
Restated balance at 1 January 2018	8 834 175	82 316 806	242 503	272 396	71 756 641	163 422 52
Changes in equity for 2018						
Profit or loss						
Loss for the year	-	-	-	-	(51 109 986)	(51 109 98
Other comprehensive income, net of tax						
Revaluation of property	-	-	-	241 846	-	241 84
Transactions with owners of the Society:						
Dividends paid	-	-	-	-	(1 652 640)	(1 652 64
Other movements						
Regulatory reserve in respect of doubtful debts	-	-	(242 503)	-	242 503	
Balance at 1 January 2019	8 834 175	82 316 806	-	514 242	18 236 518	110 901 74
Changes in equity for 2019						
Profit or loss						
Profit for the year	-	-	-	-	63 512 805	63 512 80
Other comprehensive income, net of tax						
Revaluation of property	-	-	-	11 275 287	-	11 275 28
Transactions with owners of the Society:						
Dividends paid	-	-	-	-	(794 768)	(794 76
Balance at 31 December 2019	8 834 175	82 316 806	-	11 789 529	81 954 555	184 895 06

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Ordinary shares ZW\$	Share premium ZW\$	Functional currency translation reserve ZW\$	General reserve ZW\$	Revaluation reserve ZW\$	Retained income/ (loss) ZW\$	Total ZW\$
Historical Cost*							
Balance at 1 January 2018 Changes in accounting policy	954 814	8 896 953	-	26 559	26 250	8 554 886	18 459 462
Changes on initial application of IFRS 9 Changes on initial application of IFRS 16	-	-	-	-	-	(34 310) (1 522)	(34 310) (1 522)
Restated balance at 1 January 2018	954 814	8 896 953	-	26 559	26 250	8 519 054	18 423 630
Changes in equity for 2018 Profit or loss							
Profit for the year Other comprehensive income, net of tax	-	-	-	-	-	426 505	426 505
Revaluation of property Transactions with owners of the Society:	-	-	-	-	196 698	-	196 698
Dividends paid Other movements	-	-	-	-	-	(187 250)	(187 250)
Regulatory reserve in respect of							
doubtful debts		-	-	(26 559)	<u>-</u>	26 559	<u> </u>
Balance at 1 January 2019 Effects of change in reporting currency	954 814 -	8 896 953 -	- 18 061 563	-	222 948	8 784 868 -	18 859 583 18 061 563
Changes in equity for 2019 Profit or loss							
Profit for the year	-	-	-	-	-	134 328 731	134 328 731
Other comprehensive income, net of tax Revaluation of property Transactions with owners of the Society:	-	-	-	-	13 644 757	-	13 644 757
Dividends paid		-	-	-	-	(127 950)	(127 950)
Balance at 31 December 2019	954 814	8 896 953	18 061 563	-	13 867 705	142 985 649	184 766 684

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019									
	Inflation	Adjusted	Histori	cal Cost*					
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018					
	ZW\$	ZW\$	ZW\$	ZW\$					
Cash (used in) / generated									
from operating activities	(109 922 484)	76 394 859	(10 274 552)	13 863 806					
Interest received	11 635 295	14 484 967	4 170 679	1 784 291					
Interest paid	(1 243 354)	(2 974 669)	(389 898)	(360 144)					
Net cash (used in) / generated	(00 520 542)	07.005.157	(6.402.771)	15 207 052					
from operating activities	(99 530 543)	87 905 157	(6 493 771)	15 287 953					
Cash flows from investing activities									
Proceeds from disposal of property and equipment	_	34 510	_	5 556					
Purchase of property and equipment	(190 695)	(222 271)	(30 700)	(25 184)					
Dividends received	`776 691 [′]	1 ³⁷⁵ 902	5 ⁶⁴ 138	179 194 [°]					
Net cash used in investing activities	585 996	1 188 141	533 438	159 566					
Cash flows from financing activities									
Dividend paid	(794 768)	(1 652 640)	(127 950)	(187 250)					
Interest expense on operating lease liabilities	(534 683)	(74 648)	(5 217)	(8 458)					
Net cash used in financing activities	(1 329 451)	(1 727 288)	(133 167)	(195 708)					
Net (decrease) / increase in									
cash and cash equivalents	(100 273 998)	87 366 010	(6 093 500)	15 251 811					
Cash and cash equivalents at beginning of year	112 251 980	24 885 970	18 071 482	2 819 671					
Cash and cash equivalents at end of year	11 977 982	112 251 980	11 977 982	18 071 482					

*The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

		Inflation	n Adjusted	Historical Cost		
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
		ZW\$	ZW\$	zw\$	zw\$	
1.	CASH AND CASH EQUIVALENTS					
	Cash on hand	1 002 420	1 176 614	1 002 420	189 423	
	Local bank accounts	9 351 683	3 770 887	9 351 683	607 077	
	Balances at the RBZ	1 623 879	107 304 479	1 623 879	17 274 982	
		11 977 982	112 251 980	11 977 982	18 071 482	
2.	MONEY MARKET INVESTMENTS					
	Fixed deposits	2 003 562	-	2 003 562	-	

Fixed deposits are investments in money market instruments on an unsecured basis. Fixed deposits on average run for 30 days on an average interest rate of 5.5% per annum (2018: 2%).

These money market investments are short term in nature and the carrying amount approximates the fair value, thus these

	Inflation	n Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	ZW\$	ZW\$	zw\$	ZW\$	
. LOANS AND ADVANCES					
.1 Categories of loans and advances					
Mortgages loans					
Residential properties	4 890 687	27 325 835	4 890 687	4 399 195	
Commercial properties	84 610	531 945	84 610	85 638	
	4 975 297	27 857 780	4 975 297	4 484 833	
Other loans and advances					
Loans and overdrafts	10 971 673	43 170 239	10 971 673	6 949 991	
Gross loans and advances	15 946 970	71 028 019	15 946 970	11 434 824	
Less: Allowance for loan impairment	(2 021 003)	(8 012 933)	(2 021 003)	(1 290 005	
Net advances	13 925 967	63 015 086	13 925 967	10 144 81	
.2 Maturity analysis Within 1 month Between 2 – 6 months Between 7 – 12 months After 12 months	3 171 990 192 285 1 148 534 11 434 161 15 946 970	9 094 789 2 181 475 5 661 592 54 090 163 71 028 019	3 171 990 192 285 1 148 534 11 434 161 15 946 970	1 464 174 351 196 911 46; 8 707 99; 11 434 824	
.3 Loans and advances to					
customers by business line Mortgage lending	4 975 297	27 857 780	4 975 297	4 484 83	
Consumer lending	10 782 780	42 010 888	10 782 780	6 763 34	
Small business lending	188 893	1 159 351	188 893	186 64	
, and the second se	15 946 970	71 028 019	15 946 970	11 434 82	
.4 Mortgage loans spread	4 440 272	2 4 4 5 000	4 440 000	240.57	
Residential high density Residential medium density	1 119 273 1 312 452	2 116 098 8 998 474	1 119 273 1 312 452	340 67 1 448 66	
Residential low density	2 458 962	16 211 263	2 458 962	2 609 85	
Commercial	84 610	531 945	84 610	85 63	
	4 975 297	27 857 780	4 975 297	4 484 83	
5 Non-performing debt					
Non-performing loans and advances	486 545	4 604 957	486 545	741 35	
Less: Allowance for loan impairment	(263 469)	(1 534 446)	(263 469)	(247 03	
	223 076	3 070 511	223 076	494 32	

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. In inflation adjusted terms the internally discounted value of security held in respect of the non-performing book amounted to ZW\$666 598 as at 31 December 2019 (2018: ZW\$3 941 647) and in historic cost terms it was ZW\$666 598 as 31 December 2019 (2018: ZW\$634 567).

















Digital banking

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

	Inflation	Adjusted	Historical Cost		
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 31 Dec 20 ZW\$ ZV		
3.6 Sectoral analysis					
Private	15 758 077	69 868 669	15 758 077	11 248 180	
Manufacturing	-	74 887	-	12 056	
Services	188 893	1 084 463	188 893	174 588	
	15 946 970 71 028 019		15 946 970 11 434 8		

3.7 Internal rating scale of advances and other accounts

The table below shows the credit quality and the maximum exposure for credit risk based on the Society's internal credit rating system and period end stage classification.

	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Total loans and advances								
Good (AAA to BBB-)	14 737 626	202 491	79 292	15 019 409	62 574 286	721 448	972 289	64 268 023
Special mention (BB+ to CCC-)	323 740	9 873	9 649	343 262	1 852 745	764 673	46 375	2 663 793
Non-performing (CC+ to D)	323 740	90/3	584 299	584 299	1 032 743	704 073	4 096 203	4 096 203
	15.001.200	242.264			C4 427 024	1 400 121		
Total	15 061 366	212 364	673 240	15 946 970	64 427 031	1 486 121	5 114 867	71 028 019
Mortgage lending								
Good (AAA to BBB-)	4 516 004	124 987	54 072	4 695 063	22 115 987	164 302	841 082	23 121 371
Special mention (BB+ to CCC-)	102 763	-	3 134	105 897	1 852 745	717 975	20 796	2 591 516
Non-performing (CC+ to D)	_		174 337	174 337			2 144 893	2 144 89
Total	4 618 767	124 987	231 543	4 975 297	23 968 732	882 277	3 006 771	27 857 78
Consumer lending	10 179 600	77 492	25 175	10 282 267	39 817 054	546 530	130 884	40 494 468
Good (AAA to BBB-)					39 017 034			
Special mention (BB+ to CCC-)	219 198	637	6 515	226 350	-	46 698	25 579	72 27
Non-performing (CC+ to D)			274 163	274 163			1 444 143	1 444 14
Total	10 398 798	78 129	305 853	10 782 780	39 817 054	593 228	1 600 606	42 010 88
Small business lending								
Good (AAA to BBB-)	42 022	11	45	42 078	641 245	10 616	323	652 18
Special mention (BB+ to CCC-)	1 779	9 237	75	11 016	0+12+3	10 010	525	032 10
	1773	3 231	135 799	135 799	-		507 167	507 16
			133 /33	133 /33				
Non-performing (CC+ to D)	43 801	9 248	135 844	188 893	641 245	10 616	507 490	1 159 35
Non-performing (CC+ to D)	43 801 STAGE 1		135 844 cal Cost 2019 STAGE 3	188 893 TOTAL	641 245 STAGE1	Historical (1 159 351 TOTAI
Non-performing (CC+ to D)		Histori	cal Cost 2019			Historical (Cost 2018	
Non-performing (CC+ to D) Total	STAGE 1	Histori STAGE 2	cal Cost 2019 STAGE 3	TOTAL	STAGE1	Historical (STAGE 2	Cost 2018 STAGE 3	TOTA
Non-performing (CC+ to D) Total Total loans and advances	STAGE 1 ZW\$	Histori STAGE 2 ZW\$	cal Cost 2019 STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	Historical (STAGE 2 ZW\$	Cost 2018 STAGE 3 ZW\$	TOTA ZW:
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-)	STAGE 1 ZW\$	Histori STAGE 2 ZW\$	cal Cost 2019 STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$ 10 073 855	Historical of STAGE 2 ZW\$	Cost 2018 STAGE 3 ZW\$	TOTA ZW: 10 346 53
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-)	STAGE 1 ZW\$	Histori STAGE 2 ZW\$	cal Cost 2019 STAGE 3 ZW\$ 79 292 9 649	TOTAL ZW\$ 15 019 409 343 262	STAGE1 ZW\$	Historical (STAGE 2 ZW\$	Cost 2018 STAGE 3 ZW\$ 156 530 7 466	TOTA ZW: 10 346 53 428 84:
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	STAGE 1 ZW\$	Histori STAGE 2 ZW\$	cal Cost 2019 STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$ 10 073 855	Historical of STAGE 2 ZW\$	Cost 2018 STAGE 3 ZW\$	TOTA ZW: 10 346 53 428 84: 659 44:
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total	STAGE 1 ZW\$ 14 737 626 323 740	Histori STAGE 2 ZW\$ 202 491 9 873	cal Cost 2019 STAGE 3 ZW\$ 79 292 9 649 584 299	TOTAL ZW\$ 15 019 409 343 262 584 299	STAGE1 ZW\$ 10 073 855 298 274	Historical (STAGE 2 ZW\$ 116 146 123 105	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448	TOTA ZW: 10 346 53 428 84 659 44:
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending	STAGE 1 ZW\$ 14 737 626 323 740 - 15 061 366	Histori STAGE 2 ZW\$ 202 491 9 873 - 212 364	79 292 9 649 584 299 673 240	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129	Historical STAGE 2 ZW\$ 116 146 123 105 - 239 251	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444	TOTA ZW: 10 346 53 428 84 659 44 11 434 82
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-)	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004	Histori STAGE 2 ZW\$ 202 491 9 873	79 292 9 649 584 299 673 240	TOTAL ZWS 15 019 409 343 262 584 299 15 946 970 4 695 063	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444	10 346 53 428 84 659 44 11 434 82
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-)	STAGE 1 ZW\$ 14 737 626 323 740 - 15 061 366	Histori STAGE 2 ZW\$ 202 491 9 873 - 212 364	cal Cost 2019 STAGE 3 ZW\$ 79 292 9 649 584 299 673 240 54 072 3 134	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129	Historical STAGE 2 ZW\$ 116 146 123 105 - 239 251	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763	Histori STAGE 2 ZWS 202 491 9 873 212 364 124 987	cal Cost 2019 STAGE 3 ZWS 79 292 9 649 584 299 673 240 54 072 3 134 174 337	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348 345 307	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004	Histori STAGE 2 ZW\$ 202 491 9 873 - 212 364	cal Cost 2019 STAGE 3 ZW\$ 79 292 9 649 584 299 673 240 54 072 3 134	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763	Histori STAGE 2 ZWS 202 491 9 873 212 364 124 987	cal Cost 2019 STAGE 3 ZWS 79 292 9 649 584 299 673 240 54 072 3 134 174 337	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348 345 307	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763	Histori STAGE 2 ZWS 202 491 9 873 212 364 124 987	cal Cost 2019 STAGE 3 ZWS 79 292 9 649 584 299 673 240 54 072 3 134 174 337	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348 345 307	10 346 53 428 84 659 44- 11 434 82- 3 722 31 417 20 345 30 4 484 83-
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767	Histori STAGE 2 ZW\$ 202 491 9 873 - 212 364 124 987 - 124 987	cal Cost 2019 STAGE 3 ZWS 79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543	TOTAL ZWS 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274 - 3 858 734	Historical (STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-)	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600	Histori STAGE 2 ZWS 202 491 9 873 - 212 364 124 987 - 124 987 77 492	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274 - 3 858 734	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038	Cost 2018 STAGE 3 ZW\$ 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83 6 519 21 11 63
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600	Histori STAGE 2 ZWS 202 491 9 873 - 212 364 124 987 - 124 987 77 492	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350	STAGE1 ZW\$ 10 073 855 298 274 - 10 372 129 3 560 460 298 274 - 3 858 734	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038	Cost 2018 STAGE 3 ZWS 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83 6 519 21 11 63 232 49
Non-performing (CC+ to D) Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600 219 198	Histori STAGE 2 ZWS 202 491 9 873 - 212 364 124 987 - 124 987 77 492 637	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543 25 175 6 515 274 165	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350 274 165	3 560 460 298 274 3 560 460 298 274 3 858 734 6 410 161	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038 87 986 7 518	Cost 2018 STAGE 3 ZWS 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118 232 492	10 346 53 428 84 559 44 11 434 82 417 20 345 30 4 484 83 6 519 21 11 63 232 49
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Small business lending	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600 219 198 10 398 798	Histori STAGE 2 ZWS 202 491 9 873 - 212 364 124 987 - 124 987 77 492 637 78 129	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543 25 175 6 515 274 165 305 855	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350 274 165 10 782 780	3 560 460 298 274 3 560 460 298 274 3 858 734 6 410 161	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038 87 986 7 518 - 95 504	Cost 2018 STAGE 3 ZWS 156 530 7 466 59 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118 232 492 257 681	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83 6 519 21 11 63 232 49 6 763 34
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600 219 198 10 398 798	Histori STAGE 2 ZWS 202 491 9 873	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543 25 175 6 515 274 165	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350 274 165 10 782 780	3 560 460 298 274 3 560 460 298 274 3 858 734 6 410 161	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038 87 986 7 518	Cost 2018 STAGE 3 ZWS 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118 232 492	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83 6 519 21 11 63 232 49 6 763 34
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Small business lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Special mention (BB+ to CCC-) Special mention (BB-)	STAGE 1 ZWS 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600 219 198 10 398 798	Histori STAGE 2 ZWS 202 491 9 873 - 212 364 124 987 - 124 987 77 492 637 78 129	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543 25 175 6 515 274 165 305 855	15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350 274 165 10 782 780	3 560 460 298 274 3 560 460 298 274 3 858 734 6 410 161	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038 87 986 7 518 - 95 504	Cost 2018 STAGE 3 ZWS 156 530 7 466 659 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118 232 492 257 681	10 346 53 428 84 659 44 11 434 82 3 722 31 417 20 345 30 4 484 83 6 519 21 11 63 232 49 6 763 34
Non-performing (CC+ to D) Total Total loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total Small business lending Good (AAA to BBB-)	STAGE 1 ZW\$ 14 737 626 323 740 15 061 366 4 516 004 102 763 4 618 767 10 179 600 219 198 10 398 798	Histori STAGE 2 ZWS 202 491 9 873	79 292 9 649 584 299 673 240 54 072 3 134 174 337 231 543 25 175 6 515 274 165 305 855	TOTAL ZW\$ 15 019 409 343 262 584 299 15 946 970 4 695 063 105 897 174 337 4 975 297 10 282 267 226 350 274 165 10 782 780	3 560 460 298 274 3 560 460 298 274 3 858 734 6 410 161	Historical of STAGE 2 ZW\$ 116 146 123 105 - 239 251 26 451 115 587 - 142 038 87 986 7 518 - 95 504	Cost 2018 STAGE 3 ZWS 156 530 7 466 59 448 823 444 135 406 3 348 345 307 484 061 21 071 4 118 232 492 257 681	TOTA

An analysis of changes in ECL in relation to loans and advances are as follows

	STAGE 1 ZW\$	Inflation A STAGE 2 ZW\$	Adjusted 2019 STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	Infaltion A STAGE 2 ZW\$	djusted 2018 STAGE 3 ZW\$	TOTAL ZW\$
	200.5	200.5	200.5	200.5	200.5	200.5	200.5	2003
Total ECL for loans and advance								
Good (AAA to BBB-)	1 680 346	67 015	31 829	1 779 190	5 972 071	66 488	332 256	6 370 815
Special mention (BB+ to CCC-) Non-performing (CC+ to D)	55 354	2 322	4 833 179 304	62 509 179 304	343 996	151 189	8 908 1 138 025	504 093 1 138 025
Total	1 735 700	69 337	215 966	2 021 003	6 316 067	217 677	1 479 189	8 012 933
10 tul	. , , , , , , , ,	03 33,	2.5500	2 02 1 003	0310007	217 077	1 175 105	0 0 1 2 3 3 3
ECL for mortgage lending								
Good (AAA to BBB-)	688 483	44 671	23 202	756 356	3 207 951	43 133	299 397	3 550 481
Special mention (BB+ to CCC-)	15 284	-	1 309 84 169	16 593 84 169	271 482	151 189	6 336 769 624	429 007 769 624
Non-performing (CC+ to D) Total	703 767	44 671	108 680	857 118	3 479 433	194 322	1 075 357	4 749 112
10 tal	703707	11071	100 000	037 110	3 173 133	13.1322	. 0,555,	1713112
ECL for consumer lending								
Good (AAA to BBB-)	984 288	22 333	8 618	1 015 239	2 749 809	22 678	32 722	2 805 209
Special mention (BB+ to CCC-)	37 733	922	2 967	41 622	72 514	-	2 572	75 086
Non-performing (CC+ to D) Total	1 022 021	23 255	54 747 66 332	54 747 1 111 608	2 822 323	22 678	160 003 195 297	160 003 3 040 298
iotai	1 022 021	23 233	00 332	1 111 000	2 022 323	22 076	133 237	3 040 236
ECL for small business lending								
Good (AAA to BBB-)	7 574	11	9	7 594	14 311	677	137	15 125
Special mention (BB+ to CCC-)	2 338	1 400	557	4 295		-		
Non-performing (CC+ to D) Total	9 912	1 411	40 388 40 954	40 388 52 277	14 311	677	208 398 208 535	208 398 223 523

Total	9 912	1 411	40 954	52 277	14 311	677	208 535	223 523
		Histori	cal Cost 2019			Historical C	Cost 2018	
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total ECL for loans and advance	es							
Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	1 680 346 55 354 -	67 015 2 322 -	31 829 4 833 179 304	1 779 190 62 509 179 304	961 446 55 380 -	10 704 24 340 -	53 490 1 434 183 211	1 025 640 81 154 183 211
Total	1 735 700	69 337	215 966	2 021 003	1 016 826	35 044	238 135	1 290 005
ECL for mortgage lending								
Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	688 483 15 284	44 671 - -	23 202 1 309 84 169	756 356 16 593 84 169	516 449 43 706	6 944 24 340	48 200 1 020 123 902	571 593 69 066 123 902
Total	703 767	44 671	108 680	857 118	560 155	31 284	173 122	764 561
ECL for consumer lending								
Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D)	984 288 37 733 -	22 333 922 -	8 618 2 967 54 747	1 015 239 41 622 54 747	442 693 11 674	3 651 - -	5 268 414 25 759	451 612 12 088 25 759
Total	1 022 021	23 255	66 332	1 111 608	454 367	3 651	31 441	489 459
ECL for small business lending								
Good (AAA to BBB-) Special mention (BB+ to CCC-)	7 574 2 338	11 1 400	9 557	7 594 4 295	2 304	109	22	2 435
Non-performing (CC+ to D)		-	40 388	40 388	-	-	33 550	33 550
Total	9 912	1 411	40 954	52 277	2 304	109	33 572	35 985

	·						
		Inflation Adjusted Hist			torical Cost		
		31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$		
4	INVENTORIES, TRADE AND OTHER RECEIVABLES						
	Interest receivable Sundry debtors and other accounts Inventories Intercompany balances Prepayments	6 020 200 803 661 348 240 10 403 516 17 575 617	10 274 2 263 241 1 996 788 10 928 994 196 5 275 427	6 020 202 675 000 348 240 10 403 516 17 446 958	1 654 364 360 270 000 1 759 160 056 797 829		
5	5. INVESTMENT SECURITIES						
5	5.1 Assets at fair value through profit or loss						
	Unlisted share investments						
	Balance at beginning of year Fair value (loss) / gain Balance at end of year	749 998 (62 811) 687 187	846 368 (96 370) 749 998	120 742 566 445 687 187	95 897 24 845 120 742		

5.2 Measurement of fair value

The fair value of investment securities has been categorised into Level 3 of the fair value hierarchy

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
6. RIGHT OF USE ASSETS				
Balance at beginning of year	577 299	-	92 940	-
Initial adoption of IFRS 16	-	769 732	-	123 920
Arising from lease reassessments	81 511	-	81 511	-
Depreciation charge	(71 608)	(192 433)	(30 980)	(30 980)
Impairment charge Balance at end of year	(443 731) 143 471	577 299	143 471	92 940
balance at end of year	143 4/1	377 299	143 47 1	92 940
7. INVESTMENT PROPERTIES				
7.1 Assets at fair value through profit or loss				
Balance at beginning of year	46 887 914	57 645 991	7 548 500	6 531 500
Effects of changes in functional currency	-	-	11 322 750	-
Fair value gain	57 533 802	(10 758 077)	85 550 466	1 017 000
Balance at end of year	104 421 716	46 887 914	104 421 716	7 548 500

7.2 Measurement of fair value

The fair value of investment properties has been categorised under level 3 in the fair value hierarchy based on the inputs to $the \ valuation \ technique \ used \ and \ the \ significant \ amount \ of \ judgement \ applied. \ The \ reconciliation \ of \ carrying \ amount \ shown$ above reconciles the opening balance and the closing balances for level 3 fair values.

	Inflation	Adjusted	Histori	cal Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
8. INVESTMENT IN SUBSIDIARIES8.1 Assets at fair value through profit or loss				
Balance at beginning of year	34 475 637	47 269 595	5 527 766	5 346 772
Effects of changes in functional currency	-	-	5 940 720	-
Fair value gain	30 698 835	(12 793 958)	53 706 264	180 994
Balance at end of year	65 174 472	34 475 637	65 174 750	5 527 766

8.2 Measurement of fair value

The fair value of investment in subsidiaries has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used and the significant amount of judgement applied. The reconciliation of carrying amount shown above reconciles the opening balance and the closing balances for level 3 fair values.

9. PROPERTY AND EQUIPMENT

	Freehold properties ZW\$	Leasehold improvements ZW\$	Motor vehicles ZW\$	Office furniture & equipment ZW\$	Computer equipment ZW\$	Total ZW\$
Inflation adjusted						
2019						
Cost / Valuation						
Balance at beginning of year Additions	6 607 834	1 915 127	1 911 577	4 112 222	2 718 182 190 695	17 264 942 190 695
Revaluation gains	6 115 204	1 099 737	814 374	3 146 706	405 026	11 581 047
Balance at end of year	12 723 038	3 014 864	2 725 951	7 258 928	3 313 903	29 036 684
balance at ena or year	12 723 030	3 014 004	2 723 331	7 230 320	3 3 13 303	23 030 004
Accumulated depreciation and impairment charges						
Balance at beginning of year	1 576 475	1 847 611	1 642 200	3 165 025	2 457 704	10 689 015
Charge to statement of profit or loss	379 363	52 827	437 737	745 285	191 126	1 806 338
Balance at end of year	1 955 838	1 900 438	2 079 937	3 910 310	2 648 830	12 495 353
Carrying amount at end of year	10 767 200	1 114 426	646 014	3 348 618	665 073	16 541 331
2018						
Cost / Valuation	6 607 024	4 706 042	4 604 045	4 24 4 64 4	2 027 022	47 420 220
Balance at beginning of year Additions	6 607 834	1 796 913 118 214	1 691 015	4 214 644 1 441	2 827 933 102 616	17 138 339 222 271
Revaluation gains	-	110 214	220 561	34 014	102 010	254 575
Disposals			220 301	(137 877)	(212 367)	(350 244)
Balance at end of year	6 607 834	1 915 127	1 911 576	4 112 222	2 718 182	17 264 941
Dalaines at cina or year					27.00.02	., 20.5
Accumulated depreciation and						
impairment charges	216 226	4 475 724	1 (42 200	2 072 022	2 207 006	0.204.005
Balance at beginning of year Charge to statement of profit or loss	216 236 43 505	1 175 731 164 913	1 642 200	2 872 832 401 698	2 397 006 40 299	8 304 005 650 415
Impairment charge	1 316 734	506 967		401 098	211 530	2 035 231
Disposals	1 3 10 7 34	500 907	-	(109 507)	(191 131)	(300 638)
Balance at end of year	1 576 475	1 847 611	1 642 200	3 165 023	2 457 704	10 689 013
Carrying amount at end of year	5 031 359	67 516	269 376	947 199	260 478	6 575 928

				Office		
	Freehold	Leasehold	Motor	furniture	Computer	
		mprovements		& equipment	equipment	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
<u>Historical Cost</u>						
2019						
Cost / Valuation						
Balance at beginning of year	838 610	210 190	223 219	500 225	297 277	2 069 521
Effects of changes in functional currency	1 214 998	16 305	174 836	213 722	37 992	1 657 853
Additions	-	-	-	-	30 700	30 700
Revaluation gains	8 803 276	1 095 758	498 282	3 102 388	585 217	14 084 921
Balance at end of year	10 856 884	1 322 253	896 337	3 816 335	951 186	17 842 995
A server related depressiation						
Accumulated depreciation and impairment charges						
Balance at beginning of year	28 610	199 319	179 853	347 735	255 343	1 010 860
Recognised in statement of profit or loss	61 074	8 505	70 471	119 985	30 769	290 804
Balance at end of year	89 684	207 824	250 324	467 720	286 112	1 301 664
Carrying amount at end of year	10 767 200	1 114 429	646 013	3 348 615	665 074	16 541 331
, ,						
2018						
Cost / Valuation						
Balance at beginning of year	723 681	196 796	185 198	461 583	309 712	1 876 970
Additions		13 394		163	11 627	25 184
Revaluation gains	114 929	-	38 021	54 101	(24.062)	207 051
Disposals Balance at end of year	838 610	210 190	223 219	(15 622) 500 225	(24 062) 297 277	(39 684) 2 069 521
balance at end of year	030 010	210 190	223 219	500 225	297 277	2 009 321
Accumulated depreciation and						
impairment charges						
Balance at beginning of year	23 681	128 764	179 853	314 629	262 517	909 444
Charge to statement of profit or loss	4 929	18 685	-	45 514	4 566	73 694
Impairment charge	-	51 870	-	-	9 916	61 786
Disposals		-	-	(12 408)	(21 656)	(34 064)
Balance at end of year	28 610	199 319	179 853	347 735	255 343	1 010 860
Carrying amount at end of year	810 000	10 871	43 366	152 490	41 934	1 058 661

	Inflation	on Adjusted Histori		cal Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	ZW\$	ZW\$	ZW\$	zw\$	
40. DEDOCITE EDOLA CUSTOLATOR					
10. DEPOSITS FROM CUSTOMERS					
10.1 Deposit by type					
Savings accounts	34 477 305	95 622 921	34 477 305	15 394 364	
Fixed deposits	4 254 102	33 797 566	4 254 102	5 441 081	
	38 731 407	129 420 487	38 731 407	20 835 445	
10.2 Maturity analysis					
On demand	27 734 895	75 207 665	27 734 895	12 107 705	
Within 1 month	2 099 291	19 813 668	2 099 291	3 189 809	
1 month to 6 months	46 748	135 679	46 748	21 843	
6 months to 12 months	4 667 451	503 919	4 667 451	81 126	
More than 1 year	4 183 022	33 759 556	4 183 022	5 434 962	
	38 731 407	129 420 487	38 731 407	20 835 445	

		Inflational Ad	djusted			Historica	l Cost	
	31 Dec 2019	%	31 Dec 2018	%	31 Dec 2019	%	31 Dec 2018	%
	ZW\$	Contribution	ZW\$	Contribution	ZW\$	Contribution	ZW\$	Contribution
0.3 Sectorial analysis								
Private individuals	31 139 367	80%	84 697 647	65%	31 139 367	80%	13 635 501	65%
Financial institutions	183 017	0%	1 136 821	1%	183 017	0%	183 017	1%
Communication	105 121	0%	585 795	0%	105 121	0%	94 307	0%
Manufacturing	34 512	0%	1 029 010	1%	34 512	0%	165 661	1%
Distribution	2 561 314	7%	18 676 037	14%	2 561 314	7%	3 006 661	14%
Construction	51 241	0%	150 629	0%	51 241	0%	24 250	0%
Agriculture	1 415 121	4%	7 535 567	6%	1 415 121	4%	1 213 153	6%
Services	3 241 714	8%	15 608 981	12%	3 241 714	8%	2 512 895	12%
	38 731 407	100%	129 420 487	100%	38 731 407	100%	20 835 445	100%

	Inflation	Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	zw\$	zw\$	zw\$	zw\$	
11. TRADE AND OTHER PAYABLES					
Creditors and other accounts	312 934	14 978 540	312 934	2 411 401	
Deferred income	350 271	1 901 979	350 271	306 200	
Intercompany balances	2 258 711	2 727 792	2 258 711	439 148	
	2 921 916	19 608 311	2 921 916	3 156 749	
12. LEASE LIABILITIES					
Balance at beginning of year	577 903	-	93 037	-	
Initial adoption of IFRS 16	-	863 897	-	125 441	
Accrued interest expense posted					
to profit or loss	534 683	74 648	5 217	8 458	
Lease liabilities reassessment	32 409	-	86 079	-	
Lease commitments paid during the year	(253 817)	(360 642)	(40 862)	(40 862)	
Effects of changes in the general price level	(747 707)	_	_		

143 471

577 903

143 471

93 037

Balance at end of year

















ZB FINANCIAL HOLDINGS

Total tax expense recognised in statement of profit or loss

sults for the year ended 31 December 2019

B FINANCIAL HOLDING		dited F	inanc	ial Re
	Inflation 31 Dec 2019 ZW\$	n Adjusted 31 Dec 2018 ZW\$	Histori 31 Dec 2019 ZW\$	ical Cost 31 Dec 2018 ZW\$
13 DEFERRED TAX LIABILITIES				
Deferred tax movement		2 224 222		201
Balance at beginning of year Effects of change in functional currency	9 300 827	3 201 883	417 925 626 887	361 575
Charge to statement of profit or loss From revaluation of property	(3 847 141) 305 760	6 086 215 12 729	4 274 470 440 164	45 997 10 353
	5 759 446	9 300 827	5 759 446	417 925
Deferred tax comprises Property and equipment	538 360	357 447	538 360	40 500
Investment property	5 221 086 5 759 446	8 943 380 9 300 827	5 221 086 5 759 446	377 425 417 925
14 EQUITY AND RESERVES				
14.1 Share capital				
Authorised 100 000 000 ordinary shares of ZW\$0.01	each 1 000 000	1 000 000	1 000 000	1 000 000
Issued and fully paid 95 481 425 ordinary shares of ZW\$0.01 e	each 8 834 175	8 834 175	954 814	954 814
Share premium	82 316 806	82 316 806	8 896 953	8 896 953
14.2 Reserves				
Functional currency translation reserve Revaluation reserves	- 11 789 529	- 514 242	18 061 563 13 867 705	- 222 948
Retained income	81 954 555	19 236 518	142 985 649	8 784 868
Total reserves	93 744 084	19 750 760	174 914 917	9 007 816
14.3 Capital adequacy Share capital	8 834 175	8 834 175	954 814	954 814
Share premium Retained earnings	82 316 806 81 954 555	82 316 806 19 236 518	8 896 953 142 985 650	8 896 953 8 784 868
Tier 1 Capital	173 105 536	110 387 499	152 837 417	18 636 635
Functional currency translation reserve Revaluation reserves	- 11 789 529	- 514 242	13 867 705 18 061 563	- 222 948
Tier 2 Capital	11 789 529	514 242	31 929 268	222 948
Total capital base	184 895 065	110 901 741	184 766 685	18 859 583
Credit risk weighted assets Operational risk equivalent assets	220 030 133 82 191 015	137 705 986 53 505 548	220 030 133 82 191 015	22 169 330 8 613 875
Total risk weighted assets	302 221 148	191 211 535	302 221 148	30 783 205
Tier 1 ratio	57.28%	57.73%	50.57%	60.54%
Tier 2 ratio Capital adequacy ratio	3.90% 61.18%	0.27% 58%	10.56% 61.13%	0.72% 61.26%
15 NET INTEREST AND RELATED INCOME				
15.1 Interest and related income				
Mortgage advances Consumer loans	1 372 559 8 913 139	3 611 310 5 276 463	443 056 2 378 027	434 612 661 662
Short term funds and securities Other	1 322 423 27 174	4 418 706 1 178 488	1 322 423 27 173	667 001 21 016
	11 635 295	14 484 967	4 170 679	1 784 291
15.2 Interest and related expense Fixed deposits	601 403	2 335 443	289 091	282 802
Savings accounts	641 951 1 243 354	639 226 2 974 669	100 807 389 898	77 342 360 144
Net interest and related income	10 391 941	11 510 298	3 780 781	1 424 147
		11 510 298	3 700 701	1 424 147
16 LOAN IMPAIRMENT ALLOWANCE MOVEN		2 25 22 4		
Balance at beginning of year Initial adoption of IFRS 9	8 012 933	3 865 234 1 613 062	1 290 005 -	622 266 259 687
Effect of changes in the general price leve Charge to statement of profit or loss	el (6 722 928) 730 998	- 2 534 637	- 730 998	- 408 052
Balance at end of year	2 021 003	8 012 933	2 021 003	1 290 005
17 TRADING AND OTHER INCOME				
Commissions and fees Operating lease rental income	18 458 249 1 330 681	25 415 491 2 175 426	7 802 527 601 816	3 094 044 271 318
Exchange gains Loss on disposal of equipment	1 103 377 -	338 570 (15 098)	1 103 377 -	54 506 (65)
Dividend income Other	776 691 181 151	1 375 902 600 213	564 138 65 595	179 194 72 646
	21 852 149	29 890 504	10 137 453	3 671 643
18 FAIR VALUE ADJUSTMENT				
Fair value adjustment on;	(62.811)	(06.370)	F.G.C. 4.4.F.	24.945
Investment securities Investment properties	(62 811) 57 533 802	(96 370) (10 758 077)	566 445 85 550 466	24 845 1 017 000
Investments in subsidiaries	30 698 835 88 169 826	(12 793 958) (23 648 405)	53 706 264 139 823 175	180 994 1 222 839
19 OPERATING EXPENSES				
Operating expenses comprise of the follow	wing:			
Staff cost Communication expenses	5 023 314 126 270	8 566 208 138 512	1 753 523 65 916	1 059 622 16 851
Computer and information technology Occupation expenses	5 601 653 814 767	5 315 987 1 616 800	2 598 102 364 242	646 038 195 697
Transport costs Security	150 399 535 526	168 394 748 855	72 633 215 776	20 920 91 200
Administration expenses	21 049 565 33 301 494	29 595 114 46 149 870	9 337 018 14 407 210	3 407 747 5 438 075
Audit fees				
Directors fees	1 128 094 143 739	648 690 234 723	343 800 43 806	74 414 28 384
Depreciation of property and equipment Depreciation charge on right of use assets		650 415 192 433	290 804 30 980	73 694 30 890
Operating lease liabilities finance cost Impairment of assets	534 683	74 648 2 035 231	5 217 -	8 458 61 786
20 INCOME TAX EXPENSE				
Deferred tax expense	(3 847 141)	6 086 215	4 274 470	45 997
Total tax expense recognised in				

(3 847 141)

6 086 215

4 274 470

21 RISK MANAGEMENT

21.1 Financial assets and financial liabilities classification and fair value

The following table shows the carrying amounts and the fair value of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		CARRYIN	G AMOUNT		. <u> </u>		FAIR VALUE	
	Designated	Amortised	Financial					
	at fair value	cost	liabilities	Total	Level 1	Level 2	Level 3	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Inflation Adjusted								
As at 31 December 2019								
Financial assets								
measured at fair value								
Investment securities	687 187	-	-	687 187	-	-	687 187	687 187
Financial assets not								
measured at fair value								
Trade and other receivables	-	16 771 958	-	16 771 958				
Loans and advances	-	13 925 967	-	13 925 967				
Money market investments	-	2 003 562	-	2 003 562				
Cash and cash equivalents	-	11 977 982	-	11 977 982				
		44 679 469	-	44 679 469				
inancial liabilities not								
measured at fair value								
Trade and other payables	-	-	(2 921 916)	(2 921 916)				
Deposits from customers	-	-	(38 731 407)	(38 731 407)				
		-	(41 653 323)	(41 653 323)				
As at 31 December 2018								
Financial assets								
measured at fair value								
Investment securities	749 998	-	-	749 998	-	-	749 998	749 998
Financial assets not								
measured at fair value								
Trade and other receivables	-	3 278 639	-	3 278 639				
Loans and advances	-	63 015 086	-	63 015 086				
Cash and cash equivalents	-	112 251 980	-	112 251 980				
		178 545 705	-	178 545 705				
Financial liabilities not								
measured at fair value								
Trade and other payables	-	-	(19 608 311)	(19 608 311)				
Deposits from customers	-	-	(129 420 487)	(129 420 487)				
	-	-	(149 028 798)	(149 028 798)				

		CARRYIN	IG AMOUNT				FAIR VALUE	
	Designated	Amortised	Financial					
	at fair value	cost	liabilities	Total	Level 1	Level 2	Level 3	Tot
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW
<u>Historical cost</u>								
As at 31 December 2019								
Financial assets								
measured at fair value								
Investment securities	687 187	-	-	687 187	-	-	687 187	687 1
Financial assets not measured at fair value								
Trade and other receivables	_	16 771 958	_	16 771 958				
Loans and advances	_	13 925 967	_	13 925 967				
Money market investments	_	2 003 562	-	2 003 562				
Cash and cash equivalents	_	11 977 982	_	11 977 982				
'	-	44 679 469	-	44 679 469				
Financial liabilities not								
measured at fair value								
Trade and other payables	-	-	(2 921 916)	(2 921 916)				
Deposits from customers	-	-	(38 731 407)	(38 731 407)				
		-	(41 653 323)	(41 653 323)				
As at 31 December 2018								
Financial assets								
measured at fair value								
Investment securities	120 742	-	-	120 742	-	-	120 742	120 7
Financial assets not								
measured at fair value								
Trade and other receivables	-	527 829	-	527 829				
Loans and advances	-	10 144 819	-	10 144 819				
Cash and cash equivalents	-	18 071 482 28 744 130	-	18 071 482 28 744 130				
Financial liabilities not								
measured at fair value			(2.456.740)	(2.156.740)				
Trade and other payables	-	-	(3 156 749)	(3 156 749)				
Deposits from customers		-	(20 835 445)	(20 835 445)				

21.2 Interest rate risk

21.2.1 Interest rate gap analysis					
	1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
Inflation adjusted					
As at 31 December 2019					
Financial assets by type Local bank accounts Money market investments Loans and other advances	9 351 682 2 003 562 2 659 855 14 015 099	- - 157 044 157 044	1 107 320 1 107 320	- - 10 001 748 10 001 748	9 351 682 2 003 562 13 925 967 25 281 211
Financial liabilities by type Deposits from customers	29 834 186	46 748	4 667 451	4 183 022	38 731 407
Sensitivity gap Cumulative gap	(15 819 087) (15 819 087)	110 296 (15 708 791)	(3 560 131) (19 268 922)	5 818 726 (13 450 196)	(13 450 196
As at 31 December 2018					
Financial assets by type Local bank accounts Loans and other advances	105 305 967 9 094 793 114 400 760	4 666 097 4 666 097	5 785 823 5 785 823	- 43 468 373 43 468 373	105 305 967 63 015 086 168 321 053
Financial liabilities by type Deposits from customers	101 854 042	135 679	503 919	26 926 847	129 420 487
Sensitivity gap Cumulative gap	12 546 718 12 546 718	4 530 418 17 077 136	5 281 904 22 359 040	16 541 526 38 900 566	38 900 566 -

45 997

















ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

21.2.1 Interest rate gap analysis (continued)

21.2.1 interest rate gap analysis (continu	eu)				
	1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
Historical cost					
As at 31 December 2019					
Financial assets by type Local bank accounts Money market investments Loans and other advances	9 351 682 2 003 562 2 659 855 14 015 099	- - 157 044 157 044	- 1 107 320 1 107 320	10 001 748 10 001 748	9 351 682 2 003 562 13 925 967 25 281 211
Financial liabilities by type Deposits from customers	29 834 186	46 748	4 667 451	4 183 022	38 731 407
Sensitivity gap Cumulative gap	(15 819 087) (15 819 087)	110 296 (15 708 791)	(3 560 131) (19 268 922)	5 818 726 (13 450 196)	(13 450 196
As at 31 December 2018					
Financial assets by type Local bank accounts Loans and other advances	16 953 240 1 464 174 18 417 414	751 196 751 196	931 462 931 462	6 997 987 6 997 987	16 953 240 10 144 819 27 098 059
Financial liabilities by type Deposits from customers	16 397 514	21 843	81 126	4 334 962	20 835 44!
Sensitivity gap Cumulative gap	2 019 900 2 019 900	729 353 2 749 253	850 336 3 599 589	2 663 025 6 262 614	6 262 614

21.3 Liquidity risk

21.3.1 Liquidity gap analysis

	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/ (outflow) ZW\$	Carrying amount ZW\$
Inflation adjusted						
As at 31 December 2019						
Financial conta but on						
Financial assets by type Cash and cash equivalents	11 977 982	_	_	_	11 977 982	11 977 982
Money market investments	2 012 974	_	_	_	2 012 974	2 003 562
Loans and other advances	3 184 111	243 499	1 211 655	17 575 375	22 214 640	13 925 967
Investment securities		-	-	687 187	687 187	687 187
	17 175 067	243 499	1 211 655	18 262 562	36 892 783	28 594 698
Financial liabilities by type						
Deposits from customers	29 834 186	48 172	4 679 872	5 397 133	39 959 363	38 731 407
Trade and other payables	-	2 921 916		-	2 921 916	2 921 916
, ,	29 834 186	2 970 088	4 679 872	5 397 133	42 881 279	41 653 323
Canada da ana	(12 659 119)	(2.726.500)	(2.460.247)	12 865 429	(5 988 496)	(13 058 625)
Sensitivity gap Cumulative gap	(12 659 119)		(3 468 217)	(5 988 496)	(5 900 490)	(13 030 023)
Cumulative gap	(12 033 113)	(13 303 700)	(10 033 323)	(5 500 450)		
As at 31 December 2018						
Financial assets by type						
Cash and cash equivalents	112 251 980	_	_	_	112 251 980	112 251 980
Loans and other advances	9 094 791	2 181 475	5 661 592	128 715 797	145 653 655	63 015 086
Investment securities		-	-	749 998	749 998	749 998
	121 346 771	2 181 475	5 661 592	129 465 795	258 655 633	176 017 064
Financial liabilities by Ame						
Financial liabilities by type Deposits from customers	95 021 333	135 679	503 919	41 469 412	137 130 343	129 420 487
Trade and other payables		19 608 311	-	-11 405 412	19 608 311	19 608 311
said payables	95 021 333	19 743 990	503 919	41 469 412	156 738 654	149 028 798
Sensitivity gap	26 325 438	(17 562 515)		87 996 383	101 916 979	26 988 266
Cumulative gap	26 325 438	8 /62 923	13 920 596	101 916 979	-	-

21.3.1 Liquidity gap analysis (continued)

	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/ (outflow) ZW\$	Carrying amount ZW\$
Historical cost						
As at 31 December 2019						
Financial assets by type						
Cash and cash equivalents	11 977 982	-	-	-	11 977 982	11 977 982
Money market investments	2 012 974	-	-	-	2 012 974	2 003 562
Loans and other advances	3 184 111	243 499	1 211 655	17 575 375	22 214 640	13 925 967
Investment securities	-	-	-	687 187	687 187	687 187
	17 175 067	243 499	1 211 655	18 262 562	36 892 783	28 594 698
Financial liabilities by type						
Deposits from customers	29 834 186	48 172	4 679 872	5 397 133	39 959 363	38 731 407
Trade and other payables		2 921 916	-	-	2 921 916	2 921 916
	29 834 186	2 970 089	4 679 872	5 397 133	42 881 280	41 653 324
Sensitivity gap	(12 659 119)	(2 726 589)	(3 468 217)	12 865 429	(5 988 496)	(13 058 626)
Cumulative gap	(12 659 119)			(5 988 496)	(3 300 430)	(15 050 020
Camalative gap	(12 000 110)	(.5505,00)	(.0 033 323)	(3 300 130)		
As at 31 December 2018						
Financial assets by type						
Cash and cash equivalents	18 071 482	-	-	-	18 071 482	18 071 482
Loans and other advances	1 464 173	351 196	911 462	20 721 997	23 448 828	10 144 819
Investment securities	-	-	-	120 742	120 742	120 742
	19 535 655	351 196	911 462	20 842 739	41 641 052	28 337 043
Financial liabilities by type	45.005.5	24.0:-	04.40-	6 676 47	22.476.65-	20.025
Deposits from customers	15 297 514	21 843	81 126	6 676 174	22 076 657	20 835 445
Trade and other payables	45 207 544	3 156 749	- 04.435	-	3 156 749	3 156 749
	15 297 514	3 178 592	81 126	6 676 174	25 233 406	23 992 194
Sensitivity gap	4 238 141	(2 827 396)	830 336	14 166 565	16 407 646	4 344 849
, g-p	. 255 141	(2 32, 330)	050 550		. 0 . 0 . 0 10	. 5 045

	Inflation	Adjusted	Historical Cost		
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
	ZW\$	ZW\$	ZW\$	ZW\$	
21.3.2 Liquidity ratios					
Total liquid assets	13 981 544	112 251 980	13 981 544	18 071 482	
Deposits from customers	38 731 407	129 420 487	38 731 407	20 835 445	
Liquidity ratio	36%	87%	36%	87%	
Average for the year	56%	80%	56%	80%	
Maximum for the year	93%	112%	93%	112%	
Minimum for the year	35%	54%	35%	54%	
Minimum statutory liquidity ratio	30%	30%	30%	30%	



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ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019



AUDITED FINANCIAL RESULTS

for the year ended 31 December 2019

STATEMENTS OF FINANCIAL POSITION As at 31 December 2019

	Inflation	n Adjusted	Histori	ical Cost*
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	ZW\$	zw\$	ZW\$	ZW\$
ASSETS				
Non-current assets				
Cash and cash equivalents	172 638	81 451	172 638	13 113
Funds on deposit 1	2 468 553	17 159 020	2 468 553	2 762 436
Reinsurance claim receivable	217 453	31 058	217 453	5 000
Inventories trade and other				
receivables 2	1 711 281	6 209 368	1 711 281	999 646
Investment securities 3	103 628 544	119 583 673	103 628 544	19 251 813
Treasury Bills and Bonds 3	4 505 215	26 748 028	4 505 215	4 306 173
Investment properties 4	46 302 916	20 764 293	46 302 916	3 342 850
Right of use asset 5	1 083 460	3 922 118	1 083 460	631 423
Equity accounted investments 6	366 912 394	162 894 669	364 786 118	28 569 430
Intangible assets 7	32 078 478	6 646 980	32 078 478	736 468
Equipment 8	5 334 298	3 678 811	5 334 298	592 253
TOTAL ASSETS	564 415 230	367 719 469	562 288 954	61 210 605
LIABILITIES				
Life assurance funds 9	239 621 698	219 050 939	238 655 969	37 439 715
Operating lease liabilities 10	1 058 525	3 926 218	1 058 525	632 083
Deferred tax liability	24 074 891	8 926 988	11 831 124	986 149
Trade and other payables 11	6 495 984	16 516 840	6 495 984	2 659 051
Provisions	2 572 118	2 620 111	2 572 118	421 812
Reinsurance premium payable	172 513	599 062	172 513	96 443
Taxation	684 282	296 471	684 282	47 729
	274 680 011	251 936 629	261 470 515	42 282 982
EQUITY				
Share capital	2 147 857	2 147 857	231 908	231 908
Share premium	41 041 120	41 041 120	4 431 623	4 431 623
Investment reserve	117 351 328	-	117 351 328	9 217 528
Revaluation reserve	29 678 472	3 431 527	37 353 225	508 637
Foreign currency translation reserve	-		29 155 989	-
Retained earnings	99 516 442	69 162 336	112 294 366	4 537 927
Total equity	289 735 219	115 782 840	300 818 439	18 927 623
TOTAL EQUITY AND LIABILITIES	564 415 230	367 719 469	562 288 954	61 210 605

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2019

	Inflation	Adjusted	Histori	cal Cost*
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	zw\$	zw\$	zw\$	ZW\$
INCOME	56.007.045	442 722 707	24 020 006	42.750.460
Gross premium income 12	56 987 915	112 723 787	21 939 086	13 750 160
Premiums ceded to reinsurers 13	(2 928 621)	(5 735 152)	(1 012 390)	(712 899)
Net premiums	54 059 294	106 988 635	20 926 696	13 037 261
Fair value adjustments on fair value	54 055 254	100 300 033	20 320 030	15 057 201
through profit or loss financial				
instruments	(30 283 799)	(18 377 695)	75 117 355	3 092 676
Fair value adjustment on investment	(55 255 755)	(10 277 000)	75 555	5 052 07 0
properties	25 538 623	(3 816 782)	37 945 791	557 725
Investment income 14	6 837 951	17 402 472	3 204 391	2 234 643
Profit on disposal of listed equity				
investments	3 592 340	4 611 126	2 417 274	614 850
Other income 15	(297 195)	1 380 577	118 241	182 187
Total income	59 447 214	108 188 333	139 729 748	19 719 342
Expenses and Policyholder				
Benefits				
Policyholders' benefits 16	(21 225 178)	(43 468 459)	(8 909 062)	(5 222 195)
Changes to policyholder liabilities	(20 570 759)	26 787 547	(179 186 906)	(5 628 388)
Operating expenses 17	(44 047 432)	(37 110 097)	(16 465 172)	(4 556 083)
Commissions Profit share under bancassurance	(9 045 960)	(16 197 826)	(3 537 680)	(1 956 630)
agreements	(833 619)	(911 973)	(507 910)	(118 953)
Total expenses and policyholder	(033 019)	(911 975)	(507 910)	(110 955)
benefits	(95 722 948)	(70 900 808)	(208 606 729)	(17 482 249)
Selicino	(33 722 3 10)	(70 300 000)	(200 000 725)	(17 402 243)
Operating (loss) / profit before taxation	(36 275 734)	37 287 525	(68 876 982)	2 237 093
Share of profit/ (loss) of equity	,		,	
accounted investee net of tax 6	202 363 438	(64 475 234)	294 770 110	531 074
Operating lease finance charge	(93 937)	(475 185)	(28 628)	-
Net monetary gain/ (loss)	1 931 251	(13 221 754)	-	-
Profit / (loss) before taxation	167 925 018	(40 884 648)	225 864 501	2 768 167
Income tax expense 18	(17 772 232)	(3 677 605)	(9 580 262)	(427 652)
Profit / (loss) for the year	150 152 786	(44 562 253)	216 284 239	2 340 515
Other comprehensive income				
Revaluation of Property and	24 592 658	867 186	34 723 950	185 365
Equipment Share of other comprehensive	24 392 038	807 186	34 /23 950	100 305
income of equity accounted				
investee net of tax	1 654 287	(644 945)	2 120 638	(24 103)
Other comprehensive income	1 054 207	(077 545)	2 120 030	(24 103)
for the year	26 246 945	222 241	36 844 588	161 262
,				
Total comprehensive income / (loss) for				
the year	176 399 731	(44 340 012)	253 128 826	2 501 777

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	Revaluation reserve ZW\$	Investment reserve ZW\$	Retained earnings ZW\$	FCTR equity ZW\$	Total ZW\$
	244.5	200.5	200.5	200.5	200.5	2003	200.5
Inflation adjusted							
Balance at 31 December 2017	2 147 857	41 041 120	3 209 285	- 1	15 878 095	-	162 276 357
Loss for the year	-			- (44 562 253)	-	(44 562 253
Revaluation of property	-	-	222 242	- '	-	-	222 242
Dividend paid	-	-	-	-	(2 153 506)	-	(2 153 506
Balance at 31 December 2018	2 147 857	41 041 120	3 431 527	-	69 162 336	-	115 782 840
Profit for the year	-	-	-	- 1	50 152 786	-	150 152 786
Revaluation of property		-	26 245 945		-	-	26 245 94
Dividend paid		-	-	-	(2 447 352)	-	(2 447 35)
Transfer to investment reserve		-	-	117 351 328 (1	17 351 328)	-	
Balance at 31 December 2019	2 147 857	41 041 120	29 678 472	117 351 328	99 516 442	-	289 735 21

STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	Revaluation reserve ZW\$	Investment reserve ZW\$	Retained earnings ZW\$	FCTR equity ZW\$	Total ZW\$
Historical cost*							
Balance at 31 December 2017	231 908	4 431 623	347 375	9 020 442	2 648 835	-	16 680 183
Changes on early adoption of IFRS 16	-	-	-	-	(10 337)	-	(10 337)
Profit for the year	-	-	-	-	2 340 515	-	2 340 515
Revaluation of property Dividend paid			161 262 -		(244 000)		161 262 (244 000)
Transfer to investment reserve		-	-	197 086	(197 086)	-	-
Balance at 31 December 2018	231 908	4 431 623	508 637	9 217 528	4 537 927	-	18 927 623
Profit for the year	-	-	-	-	216 284 239	-	216 284 239
Reluation of property	-		36 844 588			-	36 844 588
Arising from change in currency	-	-	-	-	-	29 155 989	29 155 989
Dividend paid		-	-		(394 000)	-	(394 000)
Transfer to investment reserve	221 009	4 421 622	27 252 225		(108 133 800)	20 1EE 090	200 919 420

STATEMENT OF CASH FLOWS For the year ended 31 December 2019

Inflation Adjusted Historical Cost* 31 Dec 2019 31 Dec 2018 31 Dec 2019 31 Dec 20	018 ZW\$
71010 71010 71010	2W\$
ZW\$ ZW\$ ZW\$ Z	
Cash (used in) / generated from	000
operating activities (18 259 345) 7 383 831 (996 768) 2 926 Interest received 1 933 428 5 344 369 589 234 646	
Dividends received 3 444 125 9 914 517 1 971 424 1 329	
Taxation paid (2 236 518) (1 671 552) (163 241) (186	
Cash (used in) / generated from operating	,
activities (15 118 311) 20 971 165 1 400 649 4 716	067
Cash flows from investing	
activities	
Purchase of property and equipment (418 470) (2 211 072) (172 137) (252	,
Purchase of intangible assets (6 619 183) (2 240 058) (1 204 182) (239 Proceeds on disposal of equipment 45 137 58 276 45 137 3	440) 392
Proceeds on disposal of equipment 45 137 58 276 45 137 3 Purchase of financial assets at	392
amortised cost (966 363) (3 859 083) (966 363) (1 109	196)
Proceeds from maturity of financial	150)
assets at amortised cost 22 889 915 14 317 045 767 321 1 036	743
Purchase of equity investments (16 771 299) (27 955 382) (3 451 466) (3 747	541)
(Purchase) /maturity of funds on	
deposit 14 690 467 (632 495) 293 883 (889	919)
Proceeds on disposal of listed	
equity investments 6 354 230 6 590 253 4 089 829 873	428
Cash generated / (used in) from investing	004
activities 19 204 434 (15 932 516) (597 978) (4 324	891)
Cash flows from financing activities	
Operating Lease payment (1 547 585) (4 070 651) (249 146) (277	613)
Dividends paid (2 447 352) (2 153 506) (394 000) (244	,
Cash used in financing activities (3 994 937) (6 224 157) (643 146) (521	613)
Increase / (decrease) in cash and	
cash equivalents 91 187 (1 185 508) 159 525 (130 -	437)
Cook and and a minute at the	
Cash and cash equivalents at the beginning of the year 81 451 1 266 959 13 113 143	EE1
Cash and cash equivalents at the end	150
	113

*The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

	Inflation Adjusted		Historical Cost	
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
1. FUNDS ON DEPOSIT				
Fixed deposits	2 468 553	17 159 020	2 468 553	2 762 436

These are money market placements with terms of not more than a year with interest rates ranging from 2% to 8% per

	Inflation	n Adjusted	Histori	ical Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
2. INVETORIES TRADE AND OTHER RECEIVABLES				
Printing and stationery stock	25 887	98 537	25 887	15 860
Prepayments	33 866	79 761	33 866	12 841
Related party balances	38 036	165 950	38 036	26 716
Rent debtors	78 271	238 209	78 271	38 350
Sundry debtors	1 194 971	3 112 230	1 194 971	501 040
Advances for sales agents	451 466	2 902 103	451 466	467 210
Allowance for credit losses	(111 216)	(387 422)	(111 216)	(62 371)
	1 711 281	6 209 368	1 711 281	999 646
3. INVESTMENT SECURITIES				
Designated as fair value through				
profit and loss:-				
Equity securities – Listed	28 736 727	79 262 116	28 736 727	12 760 433
Equity securities – Unlisted	69 279 772	37 705 652	69 279 772	6 070 245
Gold Fund	5 612 045	2 615 905	5 612 045	421 135
Total	103 628 544	119 583 673	103 628 544	19 251 813
A. A. C. I				
At Amortised cost				
Bonds	905 726	10 392 230	905 726	1 673 048
Treasury bills	3 534 798	15 975 276	3 534 798	2 571 865
Debentures	20 769	123 336	20 769	19 856
Paid up Permanent	43 922	257 186	43 922	41 404
Total	4 505 215	26 748 028	4 505 215	4 306 173

Fair Value Measurement

The table below summarises the various assets measured at fair value and the level on the fair value hierarchy:

	Inflation	Adjusted	Historical Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 201
	ZW\$	zw\$	ZW\$	ZW
Level 1				
Quoted equities	28 736 727	79 262 116	28 736 727	12 760 43
Gold Fund	5 612 045	2 615 905	5 612 045	421 13
Level 3				
Unquoted equities	69 279 772	37 705 652	69 279 772	6 070 24
Bonds	905 726	10 392 230	905 726	1 673 04
Treasury bills	3 534 798	15 975 276	3 534 798	2 571 86
Debentures	20 769	123 336	20 769	19 85
Paid up Permanent	43 921	257 186	43 921	41 40

















ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

3.1 Reconciliation of carrying amount

	Equities	Equities		At amortised	
	listed	unlisted	Gold fund	cost	Total
	zw\$	zw\$	zw\$	zw\$	ZW\$
Inflation Adjusted 2019					
Opening Balance	79 262 121	37 705 652	2 615 905	26 748 032	146 331 710
Additions	16 771 299	-	-	966 363	17 737 662
Disposals	(2 761 895)	-	-	(767 309)	(3 529 204)
Fair value gains	(64 534 798)	31 574 120	2 996 140	(319 261)	(30 283 799)
Monetary adjustments	-	-	-	(22 122 610)	(22 122 610)
Closing balance	28 736 727	69 279 772	5 612 045	4 505 215	108 133 759
Inflation Adjusted 2018					
Opening Balance	56 006 537	51 874 251	3 944 151	37 366 164	149 191 103
Additions	27 955 382	-	-	3 859 083	31 814 465
Disposals	(1 979 122)	-	-	(14 317 041)	(16 296 163)
Fair value gains	(2 720 676)	(14 168 599)	(1 328 246)	(160 174)	(18 377 695)
Closing balance	79 262 121	37 705 652	2 615 905	26 748 032	146 331 710

	Equities	Equities		At amortised	
	listed	unlisted	Gold fund	cost	Total
	ZW\$	zw\$	zw\$	zw\$	zw\$
Historical Cost 2019					
Opening Balance	12 760 433	6 070 245	421 135	4 306 173	23 557 986
Additions	3 451 466	-	-	966 363	4 417 829
Disposals	(1 672 555)	-	-	(767 321)	(2 439 876)
Fair value gains	13 860 142	56 463 389	4 793 824	-	75 117 355
Foreign currency translation	337 241	6 746 138	397 086	-	7 480 465
Closing balance	28 736 727	69 279 772	5 612 045	4 505 215	108 133 759
Historical Cost 2018					
Opening Balance	6 345 744	5 877 541	446 889	4 233 722	16 903 896
Additions	3 747 541	-	-	1 109 196	4 856 737
Disposals	(258 578)	-	-	(1 036 745)	(1 295 323)
Fair value gains	2 925 726	192 704	(25 754)	-	3 092 676
Closing balance	12 760 433	6 070 245	421 135	4 306 173	23 557 986

		Adjusted		cal Cost
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
4. INVESTMENT PROPERTIES				
Reconciliation of carrying amount				
Opening balance as at 1 January	20 764 293	24 581 075	3 342 850	2 785 125
Fair value adjustment	25 538 623	(3 816 782)	37 945 791	557 725
Foreign currency translation	-	-	5 014 275	-
Closing balance as at 31 December	46 302 916	20 764 293	46 302 916	3 342 850
5. RIGHT OF USE ASSET				
Cost				
Balance at 1 January	6 536 859	-	841 897	-
Remeasurement of lease asset	622 025	6 536 859	622 025	841 897
Monetary adjustment	(2 404 796)	-	-	-
Balance at 31 December	4 754 088	6 536 859	1 463 922	841 897
Amortisation and impairment losses				
Balance as at 1 January	2 614 741	-	210 474	-
Amortisation	1 055 887	2 614 741	169 988	210 474
Balance as at 31 December	3 670 628	2 614 741	380 462	210 474
Net book value as at 31 December	1 083 460	3 922 118	1 083 460	631 423

6. EQUITY ACCOUNTED INVESTMENTS

	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
Inflation Adjusted 2019			
Balance at 1 January 2019	162 366 347	528 322	162 894 669
Share of profit /(loss) for the year	202 423 995	(60 557)	202 363 438
Share of other comprehensive income	-	1 654 287	1 654 287
Balance at 31 December 2019	364 790 342	2 122 052	366 912 394
Inflation Adjusted 2018			
Balance at 1 January 2018	226 839 036	1 175 812	228 014 848
Share of profit/(loss) for the year	(64 472 689)	(2 545)	(64 475 234)
Share of other comprehensive income	-	(644 945)	(644 945)
Balance at 31 December 2018	162 366 347	528 322	162 894 669

	Associate	Subsidiary	Total
	zw\$	zw\$	zw\$
<u>Historical Cost 2019</u>			
Balance at 1 January 2019	28 469 599	99 831	28 569 430
Share of profit /(loss) for the year	294 807 910	(37 800)	294 770 110
Share of other comprehensive income	-	2 120 638	2 120 638
Foreign currency translation reserve	39 178 163	147 777	39 325 940
Balance at 31 December 2019	362 455 672	2 330 446	364 786 118
Historical Cost 2018			
Balance at 1 January 2018	27 922 434	140 025	28 062 459
Share of profit/(loss) for the year	547 165	(16 091)	531 074
Share of other comprehensive income	-	(24 103)	(24 103)
Balance at 31 December 2018	28 469 599	99 831	28 569 430

		Inflation Advasted			Historical Cost		
		Inflation 31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	Histori 31 Dec 2019 ZW\$	31 Dec 2018 ZW\$		
7.	INTANGIBLE ASSETS						
	Cost						
	Balance at 1 January	9 942 678	7 702 620	1 104 983	865 543		
	Additions	6 619 183	2 240 058	1 204 182	239 440		
	Revaluation mvt	18 812 315	-	30 137 828	-		
	Write off	(3 925 698)	-	(368 515)	-		
	Balance at 31 December	32 078 478	9 942 678	32 078 478	1 104 983		
	Amortisation and impairment losses						
	Balance as at 1 January	3 925 698	3 925 698	368 515	368 515		
	Amortisation	309 421	-	201 696	-		
	Write off	(3 925 698)	-	(368 515)	-		
	Revaluation	(309 421)	-	(201 696)	-		
	Balance as at 31 December	-	3 925 698	-	368 515		
	Net book value as at 31 December	32 078 478	6 646 980	32 078 478	736 468		

8. EQUIPMENT

3.	EQUIPMENT				
			Equipment		
		Motor	furniture		
		vehicles	& fittings	Computers	Total
		ZW\$	zw\$	zw\$	zw\$
	Inflation Adjusted 2019				
	Cost or valuation				
	At 1 January 2019	4 506 109	3 741 622	3 504 210	11 751 941
	Additions	-		418 470	418 470
	Disposals	(1 455 459)	(25 501)	(8 150)	(1 489 110)
	Revaluation	(87 073)	(2 611 556)	(2 648 674)	(5 347 003)
	At 31 December 2019	2 963 576	1 104 565	1 266 156	5 334 298
	Assumulated depresentian and impairment				
	Accumulated depreciation and impairment Balance at 1 January 2019	2 684 992	2 583 732	2 804 406	8 073 130
	Charge for the year	1 304 972	808 919	890 458	3 004 349
	Disposal	(253 359)	(4 056)	(2 139)	(259 554)
	Revaluation	(3 736 605)	(3 388 595)	(3 692 725)	(10 817 925)
	Balance at 31 December 2019	- (3 7 3 0 003)	(3 300 333)	(3 032 723)	- (10 017 323)
	24.4				
	Carrying amount				
	Balance at 31 December 2019	2 963 576	1 104 565	1 266 156	5 334 298
	Balance at 31 December 2018	1 821 117	1 157 890	699 804	3 678 811
	Inflation Adjusted 2018				
	Cost or valuation				
	At 1 January 2018	3 915 000	3 370 159	2 335 139	9 620 298
	Additions	1 538 327	376 103	296 642	2 211 072
	Revaluation	(15 083)	9 840	872 429	867 186
	Disposals	(932 134)	(14 480)		(946 614)
	At 31 December 2018	4 506 110	3 741 622	3 504 200	11 751 942
	Accumulated depreciation and impairment				
	Balance at 1 January 2018	2 943 920	2 321 385	1 983 593	7 248 898
	Charge for the year	424 886	270 973	820 814	1 516 673
	Disposal	(683 814)	(8 626)	020 014	(692 440)
	Balance at 31 December 2018	2 684 992	2 583 732	2 804 407	8 073 131
			2 333 732	2 33 1 107	0 0,0 101
	Carrying amount				
	Balance at 31 December 2018	1 821 118	1 157 890	699 803	3 678 811
	Balance at 31 December 2017	971 080	1 048 774	351 546	2 371 400

Balance at 31 December 2017	971 080	1 048 774	351 546	2 371 400
		Equipment		
	Motor	furniture		
	vehicles	& fittings	Computers	Total
	ZW\$	ZW\$	ZW\$	ZW\$
Historical Cost 2019				
Cost or valuation				
At 1 January 2019	473 718	440 144	322 255	1 236 117
Additions	-	-	172 137	172 137
Disposals	(259 505)	(4 547)	(1 452)	(265 504)
Currency conversion	439 773	279 614	168 993	888 380
Revaluation	2 309 590	389 355	604 223	3 303 168
At 31 December 2019	2 963 576	1 104 566	1 266 156	5 334 298
Accumulated depreciation and impairment	100 536	252 724	200 504	642.064
Balance at 1 January 2019 Charge for the year	180 536 210 088	253 734 130 228	209 594 143 355	643 864 483 671
Disposal	(45 173)	(723)	(381)	(46 277)
Revaluation	(345 451)	(383 239)	(352 568)	(1 081 258)
Balance at 31 December 2019	(343 431)	(303 233)	(332 300)	(1 001 230)
Carrying amount				
Balance at 31 December 2019	2 963 576	1 104 566	1 266 156	5 334 298
Balance at 31 December 2018	293 182	186 410	112 661	592 253
Balance at 31 December 2016	293 102	180 410	112 001	392 233
Historical Cost 2018				
Cost or valuation				
At 1 January 2018	344 077	340 003	233 393	917 473
Additions	175 546	43 057	33 755	252 358
Revaluation	72 451	57 808	55 107	185 366
Disposals	(118 356)	(724)	-	(119 080)
At 31 December 2018	473 718	440 144	322 255	1 236 117
Accumulated depreciation and impairment				
Balance at 1 January 2018	234 050	221 172	193 562	648 784
Charge for the year	53 006	32 875	16 032	101 913
Disposal	(106 520)	(313)	-	(106 833)
Balance at 31 December 2018	180 536	253 734	209 594	643 864
Carrying amount				
Balance at 31 December 2018	293 182	186 410	112 661	592 253
Balance at 31 December 2017	110 027	118 831	39 831	268 689

















ZB FINANCIAL HOLDINGS

Asset finance

Audited Financial Results for the year ended 31 December 2019

		Inflation	Adjusted	Histori	ical Cost
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		ZW\$	ZW\$	ZW\$	zw\$
_	LIFE ACCURANCE FUNDS				
9.	LIFE ASSURANCE FUNDS				
	At 1 January	219 050 939	245 838 486	37 349 715	31 811 327
	Transfer (to) / from profit or loss	9 671 307	(26 787 547)	168 287 454	5 628 388
	Additional expense reserve Foreign currency translation reserve	10 899 452	-	10 899 452	-
	At 31 December	239 621 699	219 050 940	22 029 347 238 655 969	37 349 715
10.	OPERATING LEASE LIABILITIES				
	Balance as at 1 January	3 926 218	-	632 083	-
	Remeasurement	646 960	7 521 683	646 960	852 234
	Finance charge	177 827	475 186	28 628	57 462
	Monetary adjustment Lease payments	(2 144 895) (1 547 585)	- (4 070 651)	(249 146)	- (277 613)
	At 31 December	1 058 525	3 926 218	1 058 525	632 083
11.	TRADE AND OTHER PAYABLES				
	Policyholders claims intimated				
	but not paid	483 758	2 683 512	483 758	432 019
	Other liabilities	2 855 409	4 374 727	2 855 409	704 289
	Related parties Unearned Premium	904 485 2 252 332	5 408 769	904 485	870 759
	TOTAL	6 495 984	4 049 832 16 516 840	2 252 332 6 495 984	651 984 2 659 051
12.	GROSS PREMIUM INCOME				
	Individual life	18 252 688	49 192 971	5 706 270	6 019 924
	Group business	38 735 227	63 530 816	16 232 816	7 730 236
		56 987 915	112 723 787	21 939 086	13 750 160
12	PREMIUMS CEDED TO REINSURERS				
13.	PREIMIDINIS CEDED TO REINSURERS				
	Individual life	(382 923)	(1 020 641)	(124 815)	(121 900)
	Group business	(2 545 698)	(4 714 511)	(887 575)	(590 999)
		(2 928 621)	(5 735 152)	(1 012 390)	(712 899)
14.	INVESTMENT INCOME				
	Interest income on held to maturity financial instruments	1 933 428	5 344 369	589 234	646 272
	Rentals from investment properties	3 444 125	2 143 586	643 733	259 215
	Dividends from financial assets	5 125	2 1 13 300	3,3,33	233 213
	designated at fair value through				
	profit or loss	1 460 398 6 837 951	9 914 517 17 402 472	1 971 424 3 204 391	1 329 156 2 234 643
		0 03/ 931	17 402 472	3 204 391	2 234 043
15.	OTHER INCOME				
	Lace on disposal of programs and				
	Loss on disposal of property and equipment	(1 184 419)	(195 898)	(174 090)	(8 855)
	Sundry income	215 037	151 574	65 535	18 330
	Reinsurance commission	534 472	1 196 156	177 833	144 646
	Asset Management income	137 715	228 745	48 963	28 066
		(297 195)	1 380 577	118 241	182 187

	Inflation	n Adjusted	Historical Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	zw\$	zw\$	zw\$	ZW\$
16. POLICYHOLDERS' BENEFITS				
Claims during the year were as follows:-				
Death and disability benefits	9 040 311	18 503 115	2 984 614	2 248 838
Maturities	4 353 950	2 676 942	3 152 484	314 498
Annuities	547 257	1 353 265	187 441	162 706
Surrenders and pensions withdrawals	7 283 660	20 935 137	2 584 523	2 496 153
	21 225 178	43 468 459	8 909 062	5 222 195
17. OPERATING EXPENSES				
Staff expenses	12 721 437	18 032 911	5 505 942	2 180 643
Administration expenses	14 193 303	13 825 103	5 189 453	1 922 988
Amortization of software	309421	-	201 696	-
Depreciation of property and equipment	3 004 349	1 516 673	483 671	101 913
Depreciation of right of use asset	1 055 887	2 614 741	169 988	210 474
Foreign exchange loss	10 928 684	(16 371)	3 752 562	-
Directors Fees	252 321	401 996 [°]	94 158	48 516
Audit Fees	1 582 030	735 044	1 067 701	91 549
	44 047 432	37 110 097	16 465 171	4 556 083
18 INCOME TAX CHARGE				
Current taxation	2 624 329	1 438 605	799 794	173 964
Deferred taxation	15 147 903	2 239 000	8 780 468	253 688
	17 772 232	3 677 605	9 580 262	427 652

19. RISK MANAGEMENT

Liquidity risk gap analysis as at 31 December 2019

Elquidity fisk gap allalysis as at 51 December 2	.013			
	Up to 1 Month	2 to 12 Months	Above 12 Months	Total
	ZW\$	ZW\$	ZW\$	ZW\$
Assets				
Bank and cash	172 638			172 638
Funds on deposit	1 691 081	-	- 777 472	2 468 553
At Amortised cost	2 223	1 111 941	3 391 051	4 505 215
	2 223			
Investments-At Fair Value	-	34 348 772	69 279 772	103 628 544
Trade and other receivables	-	1 711 281	-	1 711 281
Reinsurance receivable	217 453	<u> </u>		217 453
Total	2 083 395	37 171 994	73 448 295	112 703 684
12.1.000				
Liabilities -				504.000
Taxation	-	684 282	-	684 282
Trade and other payables	-	6 495 984	-	6 495 984
Provisions	-	2 572 118	-	2 572 118
Reinsurance payable	172 513	-	-	172 513
Total	172 513	9 752 384	-	9 924 897
Period Gap	1 910 882	27 419 610	73 448 295	102 778 787
Cumulative Gap	1 910 882	29 330 492	102 778 787	-
				·











Asset finance







Secretarial services



ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

AUDITED FINANCIAL RESULTS for the year ended 31 December 2019 **ZB** REINSURANCE LIMITED

STATEMENT OF FINANCIAL POSITION As at 31 December 2019

		Inflation	Inflation Adjusted		Historical Cost*		
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018		
	Notes	ZW\$	ZW\$	ZW\$	ZW\$		
ASSETS							
Cash and cash equivalents	1	50 847 014	12 711 766	50 847 014	2 046 471		
Investments	2	21 918 961	54 152 230	21 918 961	8 717 985		
Balances receivable from	-	2.5.050.	552 255	2.5.555.	0,,,,		
Insurance companies	3	29 499 099	33 145 518	29 499 099	5 336 10		
Other financial assets			567 586	-	91 37		
Trade and other receivables		80 846	419 742	80 846	67 57		
Investment properties	4	44 689 728	14 025 378	44 689 728	2 257 95		
Rights of use assets	5	293 965	1 023 555	293 965	164 78		
Equipment	6	3 859 030	2 135 807	3 859 030	343 84		
Total assets		151 188 643	118 181 582	151 188 643	19 026 09		
LIABILITIES							
Unearned premium reserve	7	15 560 193	8 065 448	15 560 193	1 298 45		
Incurred but not reported	•	.5 500 .55	0 000 110	.5 500 .55	. 255 .5		
claims reserve (IBNR)	8	12 113 789	14 616 488	12 113 789	2 353 11		
Balances payable to							
insurance companies		5 672 958	5 661 850	5 672 958	911 50		
Taxation		633 467	190 709	633 467	76 58		
Trade and other payables	9	3 643 291	10 682 043	3 643 291	1 719 70		
Deferred tax liabilities	10	14 549 374	2 647 713	14 549 374	611 63		
Total liabilities		52 173 073	41 864 251	52 173 072	6 971 00		
EQUITY							
Share capital	11	45 654	45 654	5 000	5 000		
Share premium	11	22 781 471	22 781 471	2 495 000	2 495 00		
Non-distributable reserves		1 092 930	161 835	12 769 705	122 40		
Retained earnings		75 095 516	53 328 371	83 745 866	9 432 68		
Total shareholders' equity		99 015 571	76 317 331	99 015 571	12 055 08		

151 188 643

118 181 582 151 188 643 19 026 090

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2019

Total equity and liabilities

	Inflatio	n Adjusted	Histori	Historical Cost*	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	
Notes	ZW\$	zw\$	ZW\$	zw\$	
Gross premium	216 809 334	158 438 690	110 317 171	19 156 622	
Retrocession premium	(22 249 072)	(54 453 729)	(7 527 313)	(6 628 746)	
'	,	,	,	,	
Net premium income	194 560 262	103 984 961	102 789 858	12 527 876	
Unearned premium	(31 688 183)	(4 789 598)	(14 261 734)	(433 320)	
Nick control manufacture	162 072 070	00 105 363	00 520 424	12.004.556	
Net earned premium Net claims 12	162 872 079 (53 438 160)	99 195 363 (51 425 697)	88 528 124 (25 603 184)	12 094 556 (6 458 147)	
Net commission 13	(53 438 100)	(28 165 621)	(29 183 008)	(3 388 480)	
Operating expenses 14	(40 485 927)	(23 486 468)	(19 440 928)	(2 148 547)	
operating expenses	(40 403 327)	(23 400 400)	(13 440 320)	(2 140 547)	
Underwriting result	15 843 114	(3 882 423)	14 301 004	99 382	
•		` ,			
Investment and other income 15	24 640 009	5 862 435	23 061 582	722 993	
Fair value adjustment 16	14 455 004	(7 990 094)	52 641 302	1 432 898	
Operating profit/(loss)	54 938 127	(6 010 082)	90 003 888	2 255 273	
Net monetary loss	(15 346 347)	(10 842 229)	-	-	
Profit / (loss) before taxation	39 591 780	(16 852 311)	90 003 888	2 255 273	
riolit / (loss) before taxation	39 391 700	(10 032 311)	30 003 000	2 233 273	
Income tax expense 17	(14 328 158)	(49 591)	(15 127 811)	(378 943)	
·		, ,	, ,	, ,	
Profit / (loss) for the year	25 263 622	(16 901 902)	74 876 077	1 876 330	
Other comprehensive income:				4=0.540	
Revaluation of Equipment	1 236 842	92 298	2 998 126	150 610	
Income tax relating to components of other comprehensive income	(305 747)	(23 767)	(741 137)	(38 782)	
Other comprehensive income for the year	931 095	68 531	2 256 989	111 828	
Total comprehensive income / (loss) for the year	26 194 717	(16 833 371)	77 133 066	1 988 158	
Total comprehensive meaning (1000) for the year	20 13 17 17	(10 033 371)	77 133 300	1 300 130	
Earnings / (loss) per share					
Basic earnings / (loss) per share (ZW cents)	52.39	(33.67)	154.27	3.98	
		,			

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital ZW\$	Share premium ZW\$	Non distributable reserve ZW\$	Retained earnings ZW\$	Total equity ZW\$
Inflation Adjusted					
Balance at 1 January 2018	45 654	22 781 471	93 304	71 594 739	94 515 168
Changes on initial application of IFRS 16	-	-	-	(23 812)	(23 812)
Loss for the year	-	-	-	(16 901 902)	(16 901 902)
Revaluation of equipment	-	-	68 531	-	68 531
Dividend paid	-	-	-	(1 340 654)	(1 340 654)
Balance at 31 December 2018	45 654	22 781 471	161 835	53 328 371	76 317 331
Profit for the year	-	-	-	25 263 622	25 263 622
Revaluation of equipment	-	-	931 095	-	931 095
Dividend paid	-	-	-	(3 496 477)	(3 496 477)
Balance at 31 December 2019	45 654	27 781 471	1 092 930	75 095 516	99 015 571
Historical cost*					
Balance at 1 January 2018	5 000	2 495 000	10 572	7 710 957	10 221 529
Changes on initial application of IFRS 16	-	-	-	(2 698)	(2 698)
Profit for the year	-	-	-	1 876 330	1 876 330
Revaluation of equipment	-	-	111 828	-	111 828
Dividend paid	-	-	-	(151 901)	(151 901)
Balance at 31 December 2018	5 000	2 495 000	122 400	9 432 688	12 055 088
Translation gain	-	-	9 649 179	-	9 649 179
Profi for the year	-	-	-	74 876 077	74 876 077
Revaluation of equipment	-	-	2 998 126	-	2 998 126
Dividend paid	-	-	-	(562 899)	(562 899)
Balance at 31 December 2019	5 000	2 495 000	12 769 705	83 745 866	99 015 571

STATEMENT OF CASH FLOWS For the year ended 31 December 2019

	Laft t	. A discontrol	W 4 - 1	Historical Cost*		
		Adjusted				
	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$		
	2003	200\$	2003	2003		
Cash generated from operating activities	17 987 867	3 294 425	21 811 110	1 381 434		
Income taxes paid	(556 606)	(76 804)	(633 192)	(12 364)		
Interest received	1 002 323	1 939 321	414 845	233 948		
Dividend received received	(1 218 353)	(3 608 381)	(524 024)	(454 644)		
Operating lease expense	(9 251)	(1 024 626)	(9 251)	(161 955)		
Net cash generated from operating activities	17 205 980	523 935	21 059 488	986 419		
Cash flows from investing activities						
Purchase of equipment	(1 269 827)	(88 253)	(234 775)	(10 023)		
Decrease / (increase) of prescribed assets	2 590 652	(18 429 000)	815 459	(2 066 664)		
Purchase of equity investments	-	(6 269 948)	-	(740 726)		
Proceeds from disposal of equipment	17 049	` -	3 226	` <u>-</u>		
Dividend received	1 218 353	3 608 381	524 024	113 918		
Net cash generated from / (used in)						
investing activities	2 556 227	(21 178 820)	1 107 934	(2 703 495)		
Cash flows from financing activities						
Divided Paid	(3 496 477)	(1 340 654)	(562 899)	(151 901)		
Lease liabilities paid	(72 449)	(450 019)	(72 449)	(72 449)		
Interest expense	9251	93 125	` 9 251 [′]	14 996 [°]		
·						
Net cash used in financing activities	(3 559 675)	(1 697 548)	(626 097)	(209 354)		
Net decrease in cash and cash equivalents	16 202 531	(22 352 432)	21 541 325	(1 926 430)		
Cash and cash equivalents at the						
beginning of the year	12 711 766	35 064 198	2 046 471	3 972 901		
Effects in movement for exchange rates	21 932 717	33 004 138	27 259 218	3 372 301		
Effects in movement for exchange rates	21 332 / 17		2, 235 210			
Cash and cash equivalents at the end of the year	50 847 014	12 711 766	50 847 014	2 046 471		

*The historic amounts are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29:Financial Reporting for Hyperinflationary Economies and IAS 21 the Effect of Changes in Foreign Exchange Rates. As a result the auditors have not expressed an opinion on the historic financial information.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

	Inflation Adjusted		Histor	ical Cost
	31 Dec 2019 31 Dec 2018		31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
1. CASH AND CASH EQUIVALENTS				
Local banks	27 795 206	8 364 085	27 795 206	1 666 197
Foreign banks	23 051 808	4 347 681	23 051 808	380 274
	50 847 014	12 711 766	50 847 014	2 046 471

2. INVESTMENTS

	Quoted Shares ZW\$	Bonds & Bills ZW\$	Unquoted investment ZW\$	Total ZW\$
Inflation adjusted				
2019				
Opening balances	35 634 047	18 126 685	382 498	54 152 230
Fair value adjustments	(16 346 183)	-	136 837	(16 209 346)
Effect of monetary movement	-	(13 433 272)	-	(13 433 272)
Additions	-	229 211	-	229 211
Maturities		(2 819 863)	-	(2 819 863)
Closing Balances	19 296 864	2 102 762	519 335	21 918 961
2018	20 207 424	7.545.706	F 42, 402	27 256 222
Opening balances	29 297 134	7 515 706	543 482	37 356 322
Fair value adjustments Effect of monetary movement	75 965	(7 818 021)	- (160 984)	75 965 (7 979 005)
Additions	6 269 948	21 059 101	(160 964)	(7 979 005) 27 329 049
Maturities	0 209 940	(2 630 101)	-	(2 630 101)
Closing Balances	35 643 047	18 126 685	382 498	54 152 230
closing balances	33 043 047	10 120 003	302 430	34 132 230
<u>Historical cost</u>				
2019				
Opening balances	5 738 186	2 918 221	61 578	8 717 985
Translation gain	419 986	-	-	419 986
Fair value adjustments	13 138 692	-	457 757	13 596 449
Additions	-	2 076 202	-	2 076 202
Maturities	-	(2 891 661)	-	(2 891 661)
	19 296 864	2 102 762	519 335	21 918 961
2018				
Opening balances	3 319 472	851 557	61 578	4 232 607
Fair value adjustments	1 677 988	-	-	1 677 988
Additions	740 726	2 500 000	-	3 240 726
Maturities		(433 336)	-	(433 336)
	5 738 186	2 918 221	61 578	8 717 985

Fair value hierarchy

rair value nierarchy				
	Level 1 ZW\$	Level 2 ZW\$	Total fair Value ZW\$	Total carrying amount ZW\$
Inflation adjusted				
2019				
Quoted shares	19 296 864	_	19 296 864	19 296 864
Unquoted shares	-	519 335	519 335	519 335
Bonds	-	2 102 762	2 102 762	2 102762
Total financial assets measured at fair value	19 296 864	2 622 097	21 918 961	21 918 961
2018				
Quoted shares-	35 643 047		35 643 047	35 634 047
Unquoted shares	-	382 498	382 498	382 498
Bonds	-	18 126 685	18 126 685	18 126 685
Total financial assets measured at fair value	35 643 047	18 509 183	54 152 230	54 152 230
Historical cost				
2019				
Quoted shares	19 296 864	-	19 296 864	19 296 864
Unquoted shares	-	519 335	519 335	519 335
Bonds	-	2 102 762	2 102 762	2 102 762
Total financial assets measured at fair value	19 296 864	2 622 097	21 918 961	21 918 961
2018				
Quoted shares	5 738 186	-	5 738 186	5 738 186
Unquoted shares	-	61 578	61 578	61 578
Bonds	-	2 918 221	2 918 221	2 918 221
Total financial assets measured at fair value	5 738 186	2 979 799	8 717 985	8 717 985

The fair values of listed investments were determined using the quoted market prices provided by the Zimbabwe Stock Exchange at the reporting date. The entire fair value of the listed securities of ZW\$19 296 864.















Secretarial services



ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2019

3. BALANCES RECEIVABLE FROM INSURANCE COMPANIES

	Inflation Adjusted		Historical Cost	
	31 Dec 2019 31 Dec 2018		31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Balances receivable	41 929 954	40 976 521	41 929 954	6 596 823
Impairment allowance	(12 430 855)	(7 831 003)	(12 430 855)	(1 260 716)
	29 499 099	33 145 518	29 499 099	5 336 107

The Company has recognised an allowance for doubtful debts of 100% against all receivables over 120 days and a general allowance of 2% for receivables within 120 days.

4. INVESTMENTS PROPERTY

	Inflation Adjusted 31 Dec 2019 31 Dec 2018		Historical Cost	
			31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
Reconciliation of carrying amount				
Balance at 1 January 2019	14 025 378	22 091 437	2 257 950	2 503 040
Translation gain	-	-	3 386 925	-
Fair value adjustment	30 664 350	(8 066 059)	39 044 853	(245 090)
Balance at end of year	44 689 728	14 025 378	44 689 728	2 257 950

Investment properties comprises of a number of residential properties that are leased out to third parties to earn rental income. The Company recognises this rental income in the statement of profit and loss.

Measurement of fair value

Fair value hierarchy

An external, independent property valuer, Southbay Real Estate determined the fair value of investment properties. Southbay Real Estate has appropriate professional qualifications and experience to undertake this valuation exercise.

The fair value of investment properties has been categorised under level 3 in the fair value hierarchy based on the inputs of the valuation technique used.

	Inflation Adjusted		Historical Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
5. RIGHT OF USE ASSETS				
Balance at beginning of year	1 023 555	-	164 782	-
Initial adoption of IFRS 16	-	1 705 926	-	274 638
Arising from lease reassesment	184 111	-	184 111	-
Accumulated depreciation and impairments				
Depreciation	(180 233)	(682 370)	(54 928)	(109 856)
Impairment	(733 468)	-	-	-
Closing Balance	293 965	1 023 555	293 965	164 782

6.	EQUIPMENT				
		Office	Motor	Computer	
		Equipment ZW\$	vehicles ZW\$	equipment ZW\$	Total ZW\$
		Ζνν.φ	200\$	ZVV.\$	ZVV.Þ
	Inflation adjusted				
	2019				
	Cost /Valuation Balance as at 1 January 2019	479 051	4 803 873	12 097 062	17 379 986
	Additions	-	1 219 213	50 614	1 269 827
	Disposals Impairment	- (16 478)	(155 250)	(11 489)	(166 739) (16 478)
	Revaluation	<u> </u>	1 154 358	82 484	1 236 842
	Balance as at 31 December 2019	462 573	7 022 194	12 218 671	19 703 438
	Accumulated depreciation and				
	Impairment Balance as at 1 January 2019	248 050	2 984 535	12 011 594	15 244 179
	Current year depreciation	27 456	673 149	37 841	738 446
	Disposals Balance as at 31 December 2019	275 506	(130 410) 3 527 274	(7 807) 12 041 628	(138 217) 15 844 408
	balance as at 31 December 2019	275 500	3 327 274	12 041 020	15 044 400
	Carrying amount as at 31 December 2019	187 067	3 494 920	177 043	3 859 030
	2018				
	Cost /Valuation	220.452	E 200 E24	16 222 500	24 062 277
	Balance as at 1 January 2018 Additions	339 153 47 600	5 389 534 -	16 233 590 40 653	21 962 277 88 253
	Impairment	-	(585 661)	(4 177 181)	(4 762 842)
	Revaluation Balance as at 31 December 2018	92 298 479 050	4 803 873	12 097 062	92 298 17 379 986
	Accumulated depreciation and Impairment				
	Balance as at 1 January 2018	221 664	2 419 396	11 973 304	14 614 364
	Current year depreciation Balance as at 31 December 2018	26 386 248 050	565 139 2 984 535	38 290 12 011 593	629 815 15 244 179
	Carrying amount as at 31 December 2018	231 001	1 819 338	85 468	2 135 807
	<u>Historical cost</u>				
	2019				
	Cost /Valuation				500 477
	Balance as at 1 January 2019 Translation gain	75 354 113 031	534 166 801 248	78 955 118 432	688 475 1 032 711
	Additions	-	221 020	13 755	234 775
	Disposals Revaluation	- 220 827	(25 000) 5 689 899	(1 850) 845 529	(26 850) 6 756 255
	Balance as at 31 December 2019	409 212	7 221 333	1 054 821	8 685 366
	Accumulated depreciation and				
	Impairment				
	Balance as at 1 January 2019 Translation gain	38 165 57 247	241 270 361 904	65 195 97 793	344 630 516 944
	Current year depreciation	8 368	208 089	12 433	228 890
	Disposals Valuation	- 118 365	(21 000) 2 936 150	(1 257) 703 614	(22 257) 3 758 129
	Balance as at 31 December 2019	222 145	3 726 413	877 778	4 826 336
	Carrying amount as at 31 December 2019	187 067	3 494 920	177 043	3 859 030
			2 .3 1 320	, 0.13	5 555 656
	2018 Cost /Valuation				
	Balance as at 1 January 2018	36 977	500 908	50 150	588 035
	Additions Revaluation	5 400 32 977	- 33 258	4 623 24 182	10 023 90 417
	Balance as at 31 December 2018	75 354	534 166	78 955	688 475
	Accumulated depreciation and				
	Impairment				
	Balance as at 1 January 2018	24 112	264 998	39 056	328 166
	Current year depreciation Valuation	3 411 10 642	68 275 (92 003)	4 971 21 168	76 657 (60 193)
	Balance as at 31 December 2018	38 165	241 270	65 195	344 630
	Carrying amount as at 31 December 2018	37 189	292 896	13 760	343 845
	,gca as at 51 December 2010		252 050	.5 700	5.5015

	Inflation	Inflation Adjusted		ical Cost
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
7. UNEARNED PREMIUM RESERVE (UPR)				
Balance at beginning of year	8 065 448	7 635 584	1 298 459	865 139
Charge/ (credit) to profit or loss	31 688 183	4 789 598	14 261 734	433 320
Effects of monetary movement	(24 193 438)	(4 359 734)	-	_
Balance at end of year	15 560 193	8 065 448	15 560 193	1 298 459
8. INCURRED BUT NOT REPORTED				
CLAIMS RESERVE (IBNR)				
Opening balance	14 616 488	12 698 388	2 353 113	1 438 774
Charge / (Credit) to profit or loss	11 082 945	5 191 975	9 760 676	914 339
Effects of monetary movement	(13 585 644)	(3 273 875)	-	-
Closing balance	12 113 789	14 616 488	12 113 789	2 353 113

Sensitivity analysis

The industry average used in the re-computation of IBNR is 10% of net written premiums and has been used to assess the impact on reported profits to changes in key variables (with other assumptions remaining constant).

Calculating IBNR at 10% of net premiums rather than IBNR rates used by the Company would have resulted in an increase in reported profits of ZW\$1 834 803. Liability run off tests carried out over the preceding 5 year period have shown an average of prior year claims as a percentage of net written premium of 11% which is lower than the rate of 12% shown for the year ended 31 December 2019 after application of the above IBNR rates.

	Inflation Adjusted		Historical Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
9. TRADE AND OTHER PAYABLES				
Accrued expenses	3 208 616	9 317 412	3 208 616	1 500 013
Payroll liabilities	434 675	1 364 631	434 675	219 692
	3 643 291	10 682 043	3 643 291	1 719 705

Other payables are non interest bearing and are stated at their nominal value

	Inflation Adjusted		Historical Cost	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	ZW\$	ZW\$	ZW\$	ZW\$
10. DEFERRED TAX LIABILITIES				
Opening balance	2 647 713	4 211 480	611 636	391 881
Charge to profit and loss	11 901 661	(1 563 767)	13 937 738	180 973
Relating to other comprehensive Income	-	-	-	38 782
Closing balance	14 549 374	2 647 713	14 549 374	611 636
D ()				
Deferred tax comprises: Temporary differences arising from:				
lemporary differences arising from:				
Assets				
Equipment	943 958	755 108	943 958	72 544
Fair value assets	3 299 292	711 790	3 299 292	43 672
Balances receivable from insurance Companies	14 849 495	8 534 971	14 849 495	1 374 048
Prepayments	301 19 093 046	213 405 10 215 274	301 19 093 046	98 1 490 362
	19 093 046	10 215 274	19 093 046	1 490 362
Liabilities				
IBNR	(2 994 529)	(3 763 746)	(2 994 529)	(605 927)
Balances payable to insurance companies	(1 402 355)	(1 457 926)	(1 402 355)	(234 712)
Accrued expenses	(146 788)	(2 345 889)	(146 788)	(38 087)
	(4 543 672)	(7 567 561)	(4 543 672)	(878 726)
Net liability	14 549 374	2 647 713	14 549 374	611 636
Net liability	14 343 374	2 047 713	14 343 374	011 030
11. SHARE CAPITAL				
11.1 Authorised, issued and fully paid:	45.654	45.654	5 000	F 000
500 000 ordinary shares of ZW\$0.01 each	45 654 45 654	45 654 45 654	5 000	5 000 5 000
	45 054	45 054	3 000	3 000
11.2 Share premium				
Share premium of ZW\$4.99				
(2018: ZW\$4.99) per share	22 781 471	22 781 471	2 495 000	2 495 000
	22 781 471	22 781 471	2 495 000	2 495 000

	Fully paid ordinary shares carry one vote per sh	are and bear a right	to dividends.		
		Inflation Adjusted		Historical Cost	
		31 Dec 2019 ZW\$	31 Dec 2018 ZW\$	31 Dec 2019 ZW\$	31 Dec 2018 ZW\$
12.	NET CLAIMS				
	Gross claims Retrocession recoveries IBNR movement Outstanding claims movement	43 192 471 (2 454 265) 11 082 945 1 617 009 53 438 160	56 791 102 (9 278 675) 5 191 975 (1 278 705) 51 425 697	16 724 142 (881 634) 9 760 676 - 25 603 184	6 838 169 (1 144 362) 914 340 (150 000) 6 458 147
13.	NET COMMISSIONS				
	Gross commissions Retrocession commissions	59 924 527 (6 819 648) 53 104 879	44 200 913 (16 035 292) 28 165 621	31 530 408 (2 347 400) 29 183 008	5 362 232 (1 973 752) 3 388 480
14.	OPERATING EXPENSES				
	Staff expenses Impairment on balances receivable from	5 875 942	8 843 896	2 822 431	1 114 258
	insurance companies Administration expenses Depreciation of property and equipment Depreciation of right of use assets Directors' remuneration	20 703 776 11 470 719 738 446 180 233 146 067	(1 777 073) 9 898 449 629 815 341 185 225 364	11 170 139 4 827 608 228 890 54 928 58 938	(394 943) 1 197 554 76 655 54 928 27 292
	Current year audit fees Other expenses Impairment of right of use assets Impairment of property and equipment	580 547 40 251 733 468 16 478	468 843 93 148 - 4 762 842	261 709 16 286	57 807 14 996 -
		40 485 927	23 486 468	19 440 928	2 148 547
15.	INVESTMENT AND OTHER INCOME				
	Interest income Dividend income Foreign currency exchange gain / (loss) Loss on disposal of assets Rental income	1 002 323 1 218 353 21 932 717 (11 473) 498 089	1 939 321 3 608 381 (63 918) - 348 265	414 845 524 024 21 932 717 (1 367) 191 363	233 948 454 645 (9 960) - 40 884
	Sundry income	24 640 009	30 387 5 862 435	23 061 582	3 477 722 993
16.	FAIR VALUE ADJUSTMENT	24 040 003	3 002 433	25 001 302	722 333
	Fair value adjustment of equity investments Fair value adjustment of investment property	(16 209 346) 30 664 350 14 455 004	75 965 (8 066 059) (7 990 094)	13 596 449 39 044 853 52 641 302	1 677 988 (245 090) 1 432 898
17.	INCOME TAX EXPENSE				
	Current tax expense Deferred tax expense	2 426 497 11 901 661 14 328 158	1 613 358 (1 563 767) 49 591	1 190 073 13 937 738 15 127 811	197 970 180 972 378 943

18. REGULATORY FRAMEWORK

The Insurance and Pensions Commission (IPEC) requires reinsurers to maintain a minimum solvency level of 25%. The solvency ratio is calculated as shareholder's equity divided by net premium income .As at 31 December 2019 the company had a solvency margin of 94% (December 2018: 96%). The solvency ratio is not significantly affected by the application of IPEC asset admissibility guidelines for the calculation of regulatory capital given the company's strong liquidity position. The company is also compliant with the IPEC prescribed minimum capital requirement of ZW\$75 000 000.



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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ZB FINANCIAL HOLDINGS LIMITED
Report on the audit of the inflation adjusted consolidated and separate financial statements

Adverse opinion

We have audited the inflation adjusted financial statements of ZB Financial Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 12 to 169, which comprise the inflation adjusted consolidated and separate statement of financial position as at 31 December 2019, and the inflation adjusted consolidated and separate statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statement of changes in equity and the inflation adjusted consolidated and separate statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the accompanying inflation adjusted consolidated and separate financial statements do not present fairly, the inflation adjusted consolidated and separate financial position of the Group as at 31 December 2019, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03), the relevant Statutory Instruments ("SI") 33/99 and 62/96, the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02) and the Insurance Act (Chapter 24:07).

Basis for adverse opinion

Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates"

On 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to its effective date. The rate of 1:1 is consistent with the rate mandated by the RBZ at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates":

- The Group transacted using a combination of United States Dollars ("USD"), bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement (RTGS) system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, and RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.
- In October 2018, banks were instructed by the Reserve Bank of Zimbabwe ("RBZ") to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZB FINANCIAL HOLDINGS LIMITED Report on the audit of the inflation adjusted consolidated and separate financial statements

Basis for adverse opinion (continued)

Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

As noted above, the RTGS was not legally recognised as currency up until 22 February 2019, however in substance from an accounting perspective, the RTGS was suggested as a currency in October 2018.

As a result of these factors the Directors performed an assessment on the functional currency of the Group in accordance with IAS 21 and acknowledged that the functional currency of the Group is no longer USD. The directors used the date of 1 January 2019 date to effect the application of IAS 21. The Group Financial Statements were therefore adjusted for the effects of IAS 21 from 1 January 2019.

The Directors had not re-assessed the change in functional currency for the year ended 31 December 2018. Because the Group transacted using a combination of United States Dollars (USD), bond notes and coins, Real Time Gross Settlement (RTGS) system and mobile money platforms during the period from 1 October 2018 to 1 January 2019, the decision to change the functional currency was made from 1 January 2019. This resulted in a material misstatement to the financial performance and cash flows of the Group, as transactions denominated in USD were not appropriately translated during that period. An adverse opinion was issued on the financial statements for the year ended 31 December 2018.

If the assessment required by IAS 21 occurred in the correct period, the adjustments that were recognised in the 2018 and 2019 years would have been materially different. These misstatements are considered to be material and pervasive in the 2019 financial year.

<u>Impact of Incorrect Application of International Accounting Standard (IAS) 29- "Financial Reporting in Hyper-Inflationary Economies</u>

The Public Accountants and Auditors Board (PAAB) in their circular 01/19 communicated that the factors and characteristics to apply the International Accounting Standard ("IAS") 29, Financial Reporting in Hyper-Inflationary Economies had been met in Zimbabwe as such entities reporting in Zimbabwe were now required to apply the requirements of IAS 29 with effect from 1 July 2019.

IAS 29 refers to a "currency" in an economy being the underlying indicator of the hyper inflationary environment, based on that understanding the Group is required to identify the currency which is that of a hyper inflationary environment. As noted in the section above, the currency identified as currency in a hyper inflationary economy, RTGS dollars, was determined to be a functional currency from an accounting perspective from October 2018, only became legally recognised as currency on 22 February 2019, and was determined to have become hyperinflationary from 1 July 2019. The Directors opted to apply the principles of hyperinflation from 1 January 2009. During this period however, Zimbabwe was in a USD currency and economy predominantly and therefore was not operating in a hyper inflationary economy. It is therefore incorrect to apply hyperinflation from 1 January 2009 up to 30 September 2019. This would have impacted various elements of the financial statements namely equity and some non-monetary assets. This has been disclosed per Note 3.1.3.

If the hyperinflation adjustments required by IAS 29 occurred in the correct period, the values that were recognised in the 2018 and 2019 years would have been materially different. These misstatements are considered to be material and pervasive in the 2018 and the 2019 financial years.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZB FINANCIAL HOLDINGS LIMITED

Report on the audit of the inflation adjusted consolidated and separate financial statements

Basis for adverse opinion (continued)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements" section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code, together with the ethical requirements that are relevant to our audit of inflation adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the inflation adjusted consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Adverse Opinion* section of our report, we have determined the matters described below to be the key audit matters.

Key Audit Matter

How the matter was addressed in the audit

1. Valuation of expected credit losses (ECL) on financial assets

The impairment allowances reflected in the statement of financial position as at 31 December 2019 and determined in accordance with International Financial Reporting Standard 9 "Financial Instruments" ("IFRS 9") amounts to ZW\$ 67 million.

This was considered a key audit matter as the determination of the expected credit losses ("ECL") requires significant judgment.

The key areas where we identified greater levels of Director's judgement and therefore increased levels of audit focus in the Group's implementation of IFRS 9 included:

- The measurement of modelled provisions, which is dependent on key assumptions relating to probability of default ("PD") (the chance that the borrowers will fail to meet their contractual obligations in the future), loss given default ("LGD") (an estimate of the loss from a transaction given that default has occurred) and expected recoveries discounted to present value;
- The identification of exposures with a significant deterioration in credit quality; and
- Assumptions used in the expected credit loss model including forward looking information.

- Obtained an understanding of the business process with respect to the impairment of financial assets and evaluated the design and implementation of the relevant controls within that business process.
- We performed grading tests on a sample of loans to determine accuracy of their staging;
- We performed an assessment of the accuracy of the collateral values;
- We evaluated the competence, objectivity and independence of the experts engaged by management to continuously enhance the Group's credit loss model as well as perform validation thereof; and
- We reviewed the disclosures of the ECL balance to ensure adequacy of these in accordance with the requirements of IFRS 7 "Financial Instruments: Disclosures".

Using the assistance of an auditor's specialist, we performed the following procedures:

- Performed a review of the Group's ECL methodology to determine that this was in accordance with IFRS 9;
- Reviewed and assessed the reasonableness and accuracy of the forward-looking information incorporated into the model;
- Performed completeness and accuracy tests on the balances of financial assets being subjected to the model to compute the ECL as well as those whose ECL was following the simplified approach;

Key Audit Matter

Notes 2.2.2.8 and 3.4.1.5 to the inflation adjusted consolidated financial statements includes details on the accounting policies with respect to the expected credit losses. Notes 27.3 and 38.2 further provide detailed information with respect to the determination of the expected credit losses.

How the matter was addressed in the audit

- Performed assessment of the methods used to determine the probability of default, exposure at default ("EAD") and loss given default rates; and
- Inspected the ECL model to evaluate whether the ECL amount was being computed following the established methods and using the appropriate parameters as assessed above.

2. Valuation of Incurred But not Reported ("IBNR") claims provision

As disclosed in Notes 27.3 and 38.2 of the inflation adjusted consolidated and separate financial statements, the determination of the IBNR claims provision is an area of key judgement due to the level of subjectivity inherent in the estimation of the occurrence and severity of claims that would have been incurred at the reporting date but have not yet been reported to the Group as at that date.

Directors engaged an actuarial expert to assess the valuation of the IBNR that they had provided for.

The claims provision as at 31 December 2019 was ZW\$12.1 million (2018: ZW\$14.6 million) as further disclosed in Note 2.2.2.6 of the inflation adjusted consolidated financial statements.

- We established the assumptions with respect to the determination of the provision made in the current and prior year, and assessed these for consistency and reasonableness;
- We compared the prior year provision against the results of current year claims reported that related to the prior financial period to assess the prior year provision for reasonableness or bias;
- We assessed the accuracy of the provision raised at the end of the current year to confirm management's processes in preparing the provision;
- We engaged our own internal actuarial specialist to interrogate the methodology and assumptions of the Group's actuary used in the IBNR assessment;
- We assessed the completeness and accuracy of the amounts used in the computation of the IBNR claim provision;
- We reviewed the disclosures in the financial statements, paying particular attention to the disclosure of the assumptions used and judgements made computing the claims provision; and
- We reviewed the disclosures regarding the sensitivity of the IBNR claims provision and the related factors that influence this.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act (Chapter 24:03) and the historical cost consolidated financial information which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZB FINANCIAL HOLDINGS LIMITED Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements

Responsibilities of the directors for the inflation adjusted consolidated and separate financial statements

Other information (continued)

As described in the Basis for Adverse Opinion section above, the Group changed its functional currency to the RTGS Dollar effective 1 January 2019. The date of change in functional currency as determined in accordance with IFRS is 1 October 2018. Consequently the measurement of transactions between 1 October 2018 and 1 January 2019 does not comply with the requirements of IAS 21 and as such, transactions have not been appropriately translated in accordance with these Standards. Furthermore, the Group applied hyperinflation from 1 January 2009 in the preparation of the inflation adjusted financial statements. Had the Group applied the hyperinflation adjustments required by IAS 29 from 1 July 2019 in the correct period, the values that were recognised in the 2018 and 2019 years would have been materially different. We have determined that the other information is misstated for these reasons.

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies Act (Chapter 24:03), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02) and the Insurance Act (Chapter 24:07) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZB FINANCIAL HOLDINGS LIMITED Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements

Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate financial statements

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche Registered Auditor Per: Brian Mabiza

Partner

PAAB Practice Certificate Number 0447

29 May 2020