GetBucks

Microfinance Bank

ANNUAL REPORT 2018

CONTENTS

The financial statements are expressed in the United States dollar ("US$").

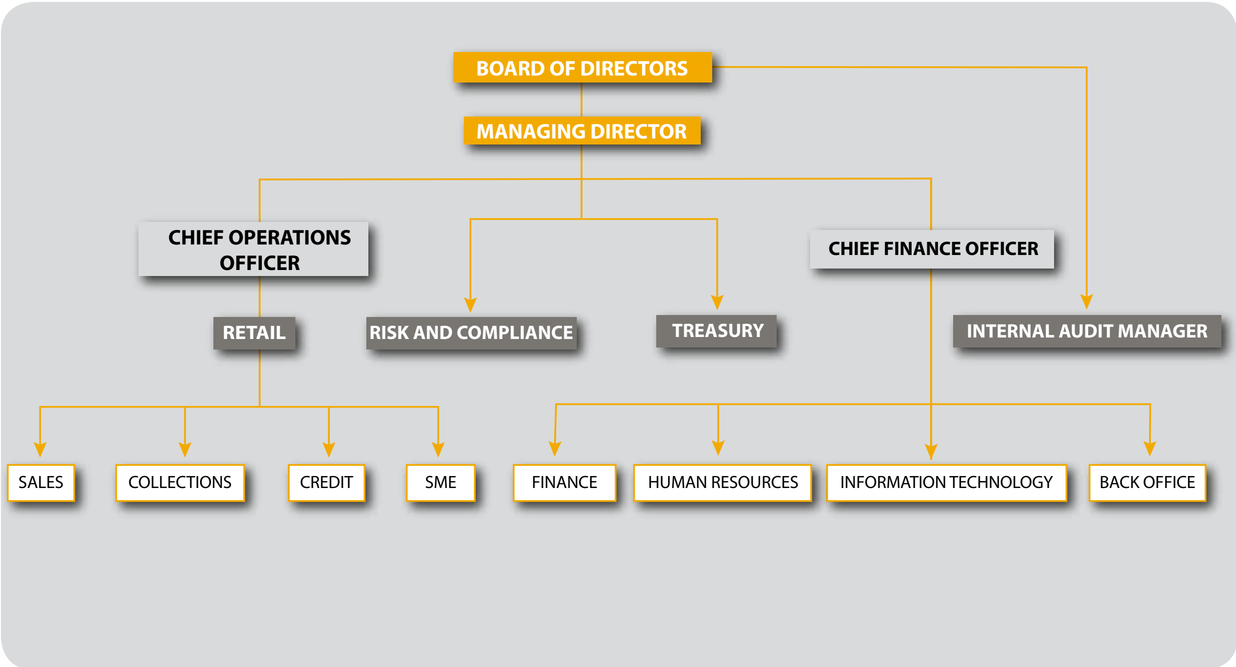
OUR MISSION STATEMENT

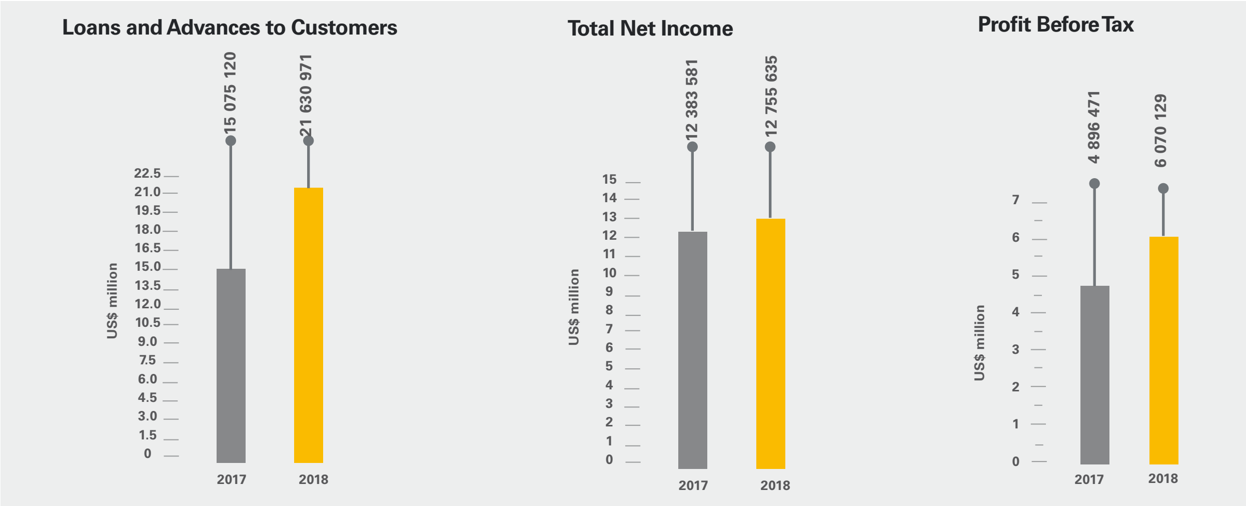
VISION

GetBucks vision is to break the paradigm of clients having to visit a location to access services and achieve financial inclusion in all its markets.

MISSION

We will achieve our vision by leveraging technology in order to make these banking services a nd products attainable. We will tailor our products and services to the needs of our clients, and empower our employees to back it up with service excellence.





SALIENT FEATURES

	2018 US$	2017 US$
Interest income	9 202 222	9 372 196
Interest expense	(875 835)	(766 968)
Net interest income	8 326 387	8 605 228
Fee and commission Income	4 057 194	4 150 407
Total net income	12 383 581	12 755 635
Impairment and allowances	(198 714)	(999 687)
Operating expenses	(6 114 738)	(6 859 477)
Profit before taxation	6 070 129	4 896 471
Income tax expense	(1 521 454)	(1 260 943)
Profit for the year	4 548 675	3 635 528

PRODUCTS AND SERVICES

School Fee Loans

- The tenor of the loans varies between 1 to 6 months
- Turn around time of 24 hours

Consumer Loans

- These are salary linked loans
- The tenor of the loans varies between 1 to 18 months
- Turn around time of 24 hours
- Open to both private and public sector

SME Bank Products

- Order financing
- Invoice discounting
- Contract financing
- Receivables financing
- Transactional Banking

Home Plan Loans

- Covers constrution, purchase of land, existing property and home improvement
- The tenor of the loan varies between 1 to 120 months
- No deposit required

MaRounds

- Fixed monthly deposits
- The tenors vary from 3 to 12 months
- Earns 8% interest per annum
- One free withdrawal per month
- Earns one extra "round"

Savings Account

- No monthly service fees
- Earns interest at 5% per annum, on daily balance
- No minimum balance

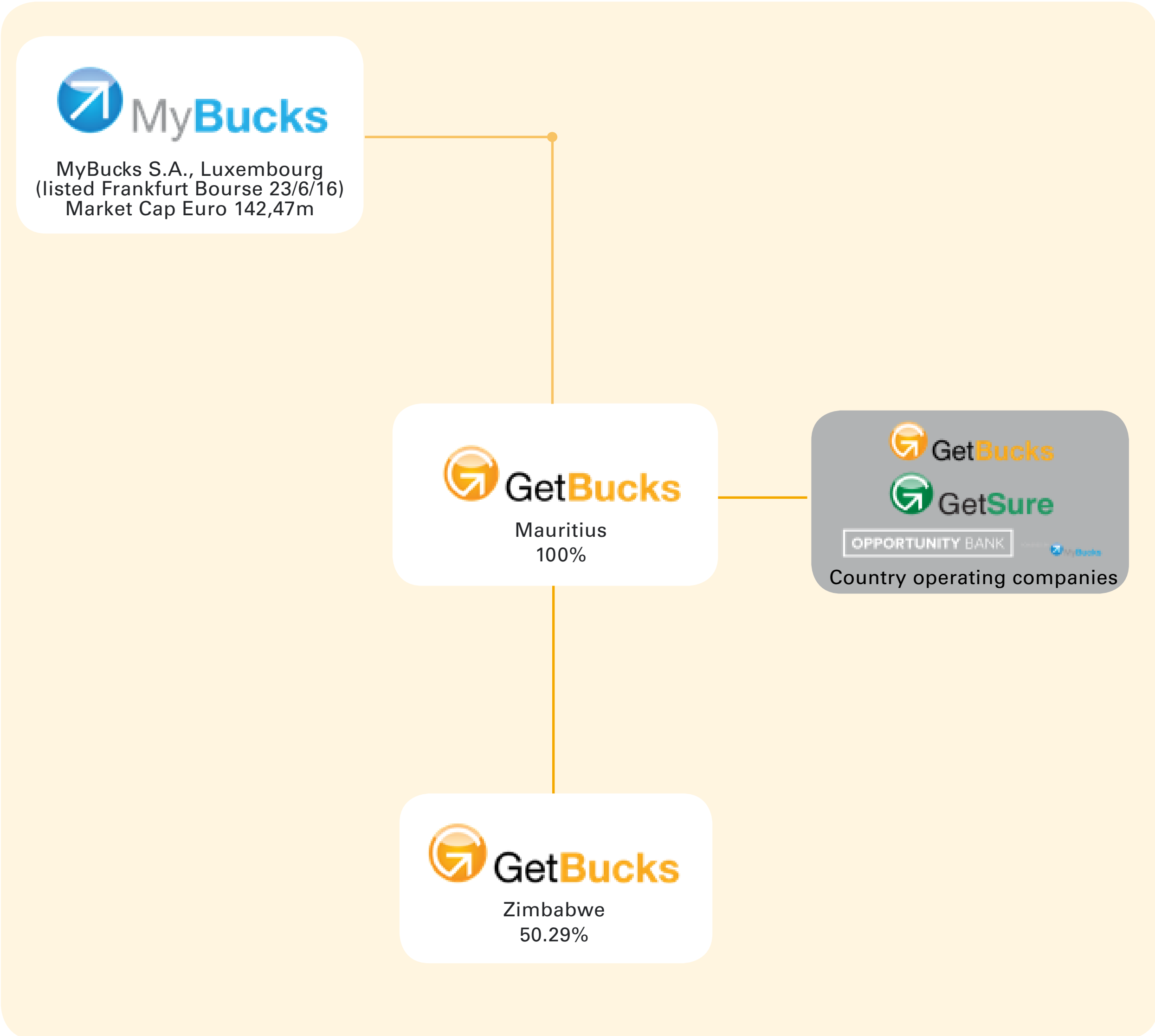
Money Markets

- Fixed deposit on a 30, 60, 90, 180, 270 and 360 day basis calculated on simple interest, with interest being paid on maturity of the contract
- Investment in promissory notes, these are 365 day investment calculated on simple interest
- Pay interest end of each calendar month

Other Services

- Other payment processing, e.g. salary processing, payment to suppliers, these can be effected quickly and efficiently
- Cash collection services for your added convenience at any given time
- Point of Sale (POS) terminals
- RTGS payment

ORGANISATION STRUCTURE



CHAIRMAN'S STATEMENT

Shareholders,
It is my pleasure to present the audited financial statements of GetBucks Microfinance Bank Limited ("the Bank") for the year ended 30 June 2018.

The country witnessed a leadership transition in November 2017 followed by renewed optimism and hope for improved economic conditions in the country. Elections were subsequently held in July 2018 and the new leadership has taken office with an ambition to improve the operating environment.

The results show that bank's thrust to grow its customer base in both the individual and SME segments whilst maintaining a streamlined cost base and disciplined risk management is yielding good results. Opportunities abound in the high levels of liquidity on the local market have also driven demand for transactional services which the bank is positioning itself to take advantage of.

RESULTS

Operating environment
Cash constraints and limited funding of bank Nostro accounts has created the opportunity for Zimbabwe to become the most cashless financial system in Africa. The demand for transactional services across all platforms has increased and transaction numbers and volumes continue to rise spurred by higher money supply as the government budget deficit widens.

The local market is still short of much needed foreign currency required to stabilize markets and create confidence, but record levels of tobacco and gold production continue to dominate foreign currency earnings for the country.

Strategy
With technology at the core of strategy, the Bank successfully launched its retail offerings including Point of Sale machines, Zimswitch enabled debit cards and ZIPIT for its individual and corporate clients. Internet banking, a mobile banking application with USSD capability will be rolled out shortly to complete the full repertoire of banking services for customers. These channels will be used to deliver additional innovative products to clients using efficient and low-cost platforms.

The bank continues to increase accessibility to credit in the underserved markets for both individuals and SME's and improve credit scoring capacity required to ensure pricing remains competitive.

Operating results
The bank posted a profit after tax of $4.5 million (2017: $3.6 million). This growth was driven by lower impairments of $0.2 million (2017: $1 million) and reduced operating expenses of $6.1million (2017: $6.7 million). Impairments improved significantly due to better repayment collection efforts, increased collection channels and improved credit scoring models. Operating expenses declined as management fees decreased due to continued localization of services that were being obtained from our group. The institution continues to build capacity to deliver services from internal resources due to foreign currency shortages and consequently, staff costs increased due to higher headcount.

To ensure better access to credit for our customers the bank restructured its product offering which resulted in more affordable products thereby slightly decreasing overall revenue, however the bank managed to disburse 38% more loans up to 47 000 (2017: 33 860) in the current period with the trend looking to continue into the coming year as we continue to see improved loan volumes as clients respond to the new offerings and competitive pricing.

Financial Position
Total assets grew by 41% to $31 million (2017: $22 million) driven by an increased loan book of $21.6 million (2017: $15 million). The bank also invested in treasury bills to manage liquidity and earn income and combined with cash resources of $3.1 million , a capital adequacy ratio of 35% against a minimum regulation of 15%, the bank is well poised to continue a growth trajectory. The Bank continues to access additional lines of credit and $5 million was raised in the just ended financial period.

Capital
The Company was adequately capitalized with a net equity position of $17 021 955. This capital position is well above the minimum regulatory threshold of $5 million for microfinance banks.

Dividend
Shareholder returns continue to be an important consideration in our business therefore the bank in keeping with this policy proposed and paid an interim dividend of $0.00044 per share. Based on the results attained at the end of the year the Board recommends an additional and final dividend of $0.00038 per share. This will bring the total dividend for the year to $0.00082 per share which the Board recommends as the final dividend for the year ended 30 June 2018.

CHAIRMAN'S STATEMENT (CONTINUED)

Corporate social responsibility
The Board and Management remain committed to improving the social wellbeing of the communities that we serve. During the period the Company was involved in corporate social responsibility initiatives in education, sports and culture across provinces in the country.

One of the initiatives taken by the Company to identify vulnerable groups across the country, was the outreach to the child headed families in the rural areas. GetBucks donated foodstuffs, blankets and educational materials to the beneficiaries. The Company will continue these initiatives across the country throughout the year including adopting a school.

Outlook
The launch of our retail offering continues to be an important aspect of the business and is expected to generate new revenue streams. The bank will focus on using technology to deliver these services and embedding its products with various retailers and service providers.

Audit statement
These abridged Annual financial statements should be read in conjunction with the complete set of the annual financial statements for the year ended 30 June 2018. The annual financial statements have been audited by PriceWaterhouseCoopers Chartered Accountants (Zimbabwe), who have issued an unmodified opinion thereon and have included a section on key audit matters in their report. The key audit matters covered the impairment of loans and advances due to the use of actuarial methods to estimate default. The auditor's report on the annual financial statements, from which these abridged annual financial statements are extracted, is available for inspection at the companies registered office.

Directorate
On 15 May 2018 Mr. Madzima and Mr. Saungweme resigned from our board September 2016. Mrs Mercy Murevesi our Managing Director also left the bank on 31 August 2018. Their contributions to the bank were extremely important during the stage of growth and development. Two new members were appointed on 24 August 2018, Mr. G Nyengedza and Dr. S Moyo both of whom have immense commercial experience and will add greatly to our board. Dr. R Mbire was appointed chairman of the board on 14 September 2018. The Bank also appointed Terrence Mudangwe as Managing Director effective 1 September 2018.

Appreciation
I would like to thank our clients, management and staff, regulatory authorities and fellow Directors for their contribution during the year and the achievement of these excellent results in a tough environment.

Dr. R Mbire
CHAIRMAN

28 September 2018

DIVIDEND DECLARATION NOTICE

Notice is hereby given that on 14 September 2018, the Board of Directors of GetBucks Financial Services Limited has declared a final dividend of US$ 0.00038 (0.038 cents) per share payable in respect of all ordinary shares of the company.

This dividend is in respect of the year ended 30 June 2018 and will be payable in full to all shareholders of the company registered at close of business on 19 October 2018.

The payment of this dividend will take place on or about 31 October 2018.

The shares of the company will be traded cum-dividend ("with dividend") on the Stock Exchange up to the market day of 16 October 2018 and ex-dividend as from 17 October 2018. Non-resident shareholders tax and resident shareholder tax will be deducted from the gross dividends where applicable.

By Order of the Board

Mr. P. Soko
Company Secretary

28 September 2018

BOARD OF DIRECTORS

RUNGAMO MBIRE
NON-EXECUTIVE DIRECTOR (APPOINTED CHAIRMAN ON 14 SEPTEMBER 2018)
Rungamo is a Chartered Accountant and holds a Masters in Business Leadership with the University of South Africa. He also holds a Bachelor of Science in Economics from the University of Zimbabwe, Bachelor of Accounting Science with the University of South Africa and is a registered estate agent.

Rungamo is the Managing Partner of PACE Chartered Accountants.

TERRY MUDANGWE
MANAGING DIRECTOR (APPOINTED ON 1 SEPTEMBER 2018)
Terry Mudangwe is a career banker with more than 25 years banking experience which has seen him working for several financial institutions that include Standard Chartered Bank Zimbabwe, Barclays Bank Zimbabwe, Heritage Investment Bank Zimbabwe, First Merchant Bank Zimbabwe, Standard Chartered Bank Uganda and BancABC in Botswana, Mozambique, Tanzania and Zambia in various capacities including Managing Director. On his return to Zimbabwe from his 10-year stint in Botswana in 2008 he assumed the position of Group Deputy Managing Director for BancABC Zimbabwe.

Terrence has a Msc. graduate in Strategic Management with the University of Derby United Kingdom. He also attended an Executive Leadership Development Programme with Gordon Institute of Business Science (GIBS) University of Pretoria.

GERT THOMAS FOURIE
EXECUTIVE DIRECTOR
Gert currently works for GetBucks Zimbabwe as Operations Director.

Gert has been part of the microfinance industry for the past 10 years and has been employed by two leading MFIs namely Kagisano Financial Services later known as Credit-U and Blue Financial Services. After his success within Blue Financial Services in the South African credit department and ensuring the company's compliance throughout Africa, he was employed as country manager for Blue Uganda.

WALTER TINEYI KABWANJI
NON-EXECUTIVE DIRECTOR
Mr. Walter Kambwanji co-founded Brainworks and is the Company's Chief Financial Officer. He is a Chartered Accountant with significant experience in finance and operations in Zimbabwe and internationally. Prior to co-founding Brainworks Zimbabwe in 2009, he was a professional in the finance department of HSBC in London. Mr. Kambwanji has previously been Finance Director of various institutions in Zimbabwe

MILANDA MANJENGWAH
NON-EXECUTIVE DIRECTOR
Milanda is a partner at Dube, Manikai & Hwacha Legal Practitioners, in the commercial and financial services group. She holds a Bachelor of Laws (Hons) degree from the University of Zimbabwe. She has practiced with the law firm, Dube, Manikai and Hwacha Legal Practitioners since September 2005.

Milanda's experience covers a broad range of corporate and financial services transactions and structures. Her practice areas include, general corporate and commercial law, banking and finance, mergers and acquisitions and business rescue. In her formative years of practice, she also spent some time in the litigation unit of the Firm where she successfully litigated in commercial mandates and worked as part of the advisory team for private companies and parastatals engaged in arbitrations both locally and regionally.

GEORGE MANYERE
NON-EXECUTIVE DIRECTOR AND DEPUTY BOARD CHAIRMAN
Mr. George Manyere (Zimbabwean) is Founder & CEO of MHMK Capital Limited, an alternative investment management & advisory firm that manages and provides advice on investments across multiple sectors & markets in selected markets in Africa. Mr. Manyere is also Founder & Deputy Chairman of Invest Solar Africa Limited, a renewable energy company focused on developing, financing and managing income generating renewable energy projects in selected markets within Africa and he is also the Deputy Chairman of JSE listed financial services/investment firm, Ecsponent Limited.

Mr. Manyere also founded Brainworks Limited in 2008 and was its Company CEO from formation till 2017. During his tenure and leadership of Brainworks, the private equity firm grew to be recognised as a leading investment and corporate advisory company in Zimbabwe, with a strong presence in the following sectors: (i) financial services; (ii) hotels; (iii) real estate; (iv) transport logistics; and (v) advisory services. He stepped down as company CEO and exited Brainworks via a listing/IPO on the Johannesburg Stock Exchange in 2017.

Before founding Brainworks in 2008, Mr. Manyere was previously an investment professional with the International Finance Corporation (IFC), headquartered in Washington D.C and part of the Wold Bank Group. While at IFC, he was responsible for investing in excess of USD600 million in sub-Saharan Africa, managing a portfolio of investments in excess of USD400 million. He also represented IFC on several investee company boards.

Mr Manyere is an Investment Banker holds a Bachelor and Honours degree in Accounting Science and a Certificate in Theory of Accounting from Institute of Chartered Accountants in Zimbabwe.

Mr. Manyere sits on several company boards of directors, including some which are listed on the Frankfurt Stock Exchange, Johannesburg Stock Exchange, Botswana Stock Exchange and Zimbabwe Stock Exchange.

DAVE VAN NIEKERK
NON-EXECUTIVE DIRECTOR
With 21-years' experience in the microFinance industry, Dave van Niekerk is one of the founding members and current Executive Chairman of MyBucks. Dave began his micro-Finance career working at one of the founding companies of the one-time South African financial giant, African bank founding Blue financial Services and founding MyBucks. Established in 2012 with international backing, MyBucks is Africa's first fintech company, successfully delivering seamless financial services to consumers using technology platforms. Based in Luxembourg, MyBucks holds the brands Haraka, GetBucks, GetSure, GetBanked, Oportunity Bank and New Finance Bank. MyBucks listed on the Frankfurt Stock Exchange in June 2016, making it the first African Fintech company to list on the Exchange. The MyBucks Group's global footprint has grown to seven MFI operations, five banking operations, with operations in eleven African countries as well as operations in Europe and Australia. As an African micro-Finance pioneer, Dave has witnessed Africa first-hand and its growth over the last 21 years, fuelling his passion for pioneering the promotion of investment in many African countries, particularly in the financial and micro-Finance sector. He continues to create innovating business models that make financial inclusion for people across the African continent a reality.

PATIENCE SIBONGILE MOYO
NON-EXECUTIVE DIRECTOR (APPOINTED ON 24 AUGUST 2018)
Sibongile is a seasoned banker and professional member of the Institute of Bankers in South Africa (IOBSA) with eleven years of financial service experience.

Sibongile was the first Southern African national to be appointed to an affiliate Board of Directors by the Ecobank Transnational Incorporated Group – a pan-African financial institution where she also served as member of the Board Governance Committee. Sibongile brings immense expertise in Commercial Banking and Strategy to the board having held senior roles in the Southern Africa Region including Executive Director for Corporate and investment Banking, Head of Domestic Banking, Head of Financial Markets, Treasury and Structured Finance and Project Manager for the integration of a foreign Bank acquisition for Ecobank.

She is director of a UK registered financial service business with interests in Financial Advisory and Payments Fintech and holds professional qualifications in Credit Risk Management, International Trade Finance and Treasury. Sibongile was awarded a PHD in Resource Economics in 2006 by the University of Alberta in Canada.

GODWIN NYENGEDZA
NON-EXECUTIVE DIRECTOR (APPOINTED ON 24 AUGUST 2018)
Godwin is an associate partner with Scanlen & Holderness, having joined the distinguished law firm from the United Kingdom in 2012. His practice is mainly related but not limited to all aspects of corporate/commercial law, banking and financial services law and regulation. As an advocate by training he also takes very keen interest in civil litigation

Godwin brings in to the role 25 years' experience gained from Customs & Excise (now ZIMRA), cross-border transport and logistics, shipping and UK Border and Immigration consultancy. He has previously interned with a UK based magic circle law firm and is currently taking part on a Fulbright fellowship with a Washington DC based international law firm.

He holds a Bachelor of Laws and Master of Laws degree, both from London. He is currently a Ph.D. candidate with the University of Zimbabwe.

Godwin is a Barrister (England & Wales) and is a member of Lincoln's Inn. He is a registered Legal Practitioner, Notary Public and Conveyancer in Zimbabwe. He is also an associate member of the Chartered Institute of Arbitrators (UK).

Godwin has previously served with distinction on the board of an insurance entity where he chaired the Governance committee and was also a member of the Investments committee.

A fitness enthusiast, Godwin, who is a firm believer of access to justice also takes part in pro-bono initiatives, charitable and benevolent causes.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Zimbabwe Companies Act (Chapter 24:03) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the financial position of the bank as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the bank and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the bank and all employees are required to maintain the highest ethical standards in ensuring the bank's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the bank is on identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, control, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanation given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and providing an opinion on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 16 to 19.

The annual financial statements set out on pages 20 to 71, which have been prepared on the going concern basis, were approved by the directors on 14 September 2018 and were signed on its behalf by:

DR. R. MBIRE
Chairman

MR. T.W. MUDANGWE
Managing Director

28 SEPTEMBER 2018

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the annual financial statements of GetBucks Microfinance Bank Limited for the year ended 30 June 2018. The bank completed a stock exchange listing and commenced as a Deposit taking Microfinance Institution in January 2016.

1 Incorporation

The Company was incorporated on 17 January 2012 and obtained its certificate to commence business on the same day. The company started trading from August 2012 as a microlensing institution. The company was listed on the Zimbabwe Stock Exchange as a public company in January 2016 following an Initial Public Offer. On 21 June 2017 shareholders approved the change of name to GetBucks Microfinance Bank to better reflect the nature of the company's operations.

2 Nature of business

Following the issuance of a licence by the Reserve Bank of Zimbabwe in January 2016, the company changed from a lending only Microfinance Institution to a Deposit Taking Microfinance Institution. All the Company's operations are in Zimbabwe.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Registered office	5 Central Avenue MIPF House, Ground Floor, Harare, Zimbabwe
Business address	5 Central Avenue MIPF House, Ground Floor, Harare, Zimbabwe

3 Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Zimbabwe Companies Act (Chapter 24:03), the Reserve Bank of Zimbabwe and Zimbabwe Stock Exchange Regulations. The accounting policies have been applied consistently compared to the prior year.

4 Share Capital

	2018 US$	2017 US$	2018 Shares	2017 Shares
Authorised				
Ordinary shares	2 000	2 000	20 000 000 000	20 000 000 000
Issued				
Ordinary shares	109	109	1 093 567 251	1 093 567 251

Refer to note 11 of the annual financial statements for detail of the movement in authorised and issued share capital.

5 Dividends

During the financial year the Company paid an interim dividend of $0.00044/share amounting to US$481,170 in respect of the current financial year. The Directors recommend a final dividend of $0.00038/share for the year bringing the total dividend to $0.00082/share for the year.

6 Directors

The directors in office at the date of this report are as follows:

6.1 Directors

Directors		Nationality	Changes
M. Manjengwah	Chairperson	Zimbabwean	Resigned as Acting Chairperson 14 September 2018)
M. Murevesi	Managing Director	Zimbabwean	(Resigned 31 August 2018)
G. Fourie	Operations Director	South African	No Change
W. T. Kambwanji	Non-Executive	Zimbabwean	No Change
G. Manyere	Non-Executive	Zimbabwean	No Change
R. Mbire	Non-Executive	Zimbabwean	Appointed Chairman 14 September 2018
D. Van Niekerk	Non-Executive	South African	No Change
T. W. Mudangwe	Executive	Zimbabwean	1 September 2018 - Appointed Managing Director
G. Nyengedza	Non-Executive	Zimbabwean	Appointed 24 August 2018
S. Moyo	Non-Executive	Zimbabwean	Appointed 24 August 2018

6.2 Meeting Attendance

Main Board	Total meetings	Total present	Total absent
M. Manjengwah	4	4	-
M. Murevesi	4	4	-
G. Fourie	4	4	-
W. T. Kambwanji	4	4	-
G. Manyere	4	3	1
R. Mbire	4	4	-
D. Van Niekerk	4	4	-
M. Manjengwah	4	4	-
P. Saungweme	4	3	1
G. Nyengedza	-	-	-
S. Moyo	-	-	-
Audit and Risk Committee			
R. Mbire	4	4	-
G. Manyere	4	3	1
P. Saungweme	4	3	1
M. Manjengwah	4	3	1
Loans Review Committee			
P. Saungweme (resigned 15 May 2018)	4	3	1
G. Manyere	4	3	1
R. Mbire	4	4	-
Remuneration Committee			
M. Manjengwah	4	4	-
W. T. Kambwanji	4	4	-
D. Van Niekerk	4	2	2
Credit Committee			-
M. Manjengwah	4	4	-
D. Van Niekerk	4	-	4
M. Manjengwah	4	4	-

7 Corporate Governance

Getbucks Microfinance Bank Limited adheres to governance practices as stipulated by the Reserve Bank of Zimbabwe Corporate Governance Guideline. The Board has set up the Audit and Risk Committee, Remuneration Committee, Credit Committee and Loans Review Committee to assist in the discharge of its duties and responsibilities. The Board has also appointed management committees to assist in the execution of its mandate namely, the Asset and Liability Committee (ALCO) and the Executive Committee.

Board of Directors

The Board of Directors is comprised of nine members. The board consists of 2 executive and 7 non-executive members. of the 7 non-executive members 3 are independent non-executive directors. The chairpersons of the board and all board committees are independent non-executive directors. .

Audit and Risk Committee

The Committee oversees the company's financial reporting process, monitoring the integrity and appropriateness of the Company's financial statements, evaluating the adequacy of the company's financial and operational processes, compliance, internal controls and risk management processes and the selection, compensation, independence and performance of the company's external and internal auditors. The Committee meets at least four times a year. The Committee meets regularly with the Company's internal and external auditors. Both the internal and external auditors have unrestricted access to the committee to ensure their independence and objectivity.

Composition	
Mr R. Mbire	Chairman
Mr G. Manyere	
Mrs. M. Manjengwah	

Loans Review

The Loans Review Committee assesses compliance of the loan book with the lending policy and regulations.
The Committee conducts loan reviews independent of any person or Committee responsible for sanctioning credit.

Composition	
Mr G. Nyengedza	Chairman
Mr R. Mbire	
Mr G. Manyere	

Credit Committee

The Credit Committee's main responsibilities are to consider loan applications beyond the discretionary limits of the Executive Credit Committee and to direct the formulation of, review and monitor the credit principles and policies of the Company.

Composition	
Mrs. M. Manjengwah	Chairperson
Mr. D. Van Niekerk	
Ms. S. Moyo	

Remuneration Committee

The Committee is responsible for setting the company's remuneration philosophy and reviews the overall remuneration structures of the company, including all material remuneration proposals and packages for Executive Directors and senior personnel.

Composition	
Mrs. M. Manjengwah	Chairperson
Mr. D. Van Niekerk	
Mr W. Kambwanji	

7 Corporate Governance (continued)

Executive Committee

The Executive Committee is the operational management forum responsible for the delivery of the Company's operational plans. The Executive Committee acts as a link between the Board and management and is responsible for implementation of operational plans, annual budgeting and periodic review of strategic plans, as well as identification and management of key risks. The Executive committee is made up of the Managing Director, Operations Director and Chief Finance Officer.

Assets and Liabilities Committee (ALCO)

The ALCO's objective is to derive the most appropriate strategy for the company in terms of the mix of assets and liabilities given its expectations of the future and potential consequences of interest rate movements, liquidity constraints and capital adequacy within acceptable risk frameworks.

The committee is made up of executive committee members and heads of departments.

8 Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company have an interest and which significantly affected the business of the company.

9 Holding company

The Company's holding company is GetBucks Limited which holds 50.3% (2017: 50.3%) of the Company's equity. GetBucks Limited is incorporated in Mauritius as from 2011. GetBucks Limited is a wholly owned subsidiary of MyBucks S.A which is listed on the Frankfurt Stock Exchange.

10 Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

11 Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12 Auditors

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) continued in office as auditors of the Company for 2018 in accordance with the Companies Act of Zimbabwe (Chapter 24:03). At the AGM the directors recommend the continuation and remuneration of the auditors.

13 Financial Statements

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended 30 June 2018, together with the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and legislative and regulatory requirements.

The information contained in these financial statements has been prepared on a going concern basis and is in accordance with the provisions of the Companies Act of Zimbabwe (Chapter 24:03) and International Financial Reporting Standards (IFRSs).

14 Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 14 September 2018. No authority was given to anyone to amend the annual financial statements after the date of issue.

For and on behalf of the Board of Directors
28 SEPTEMBER 2018

CERTIFICATE BY THE COMPANY SECRETARY

It is hereby certified in terms of the Companies Act (Chapter 24.03) that GetBucks Microfinance Bank Limited (formerly GetBucks Financial Services Limited) has for the year ended 30 June 2018 lodged with the Registrar of Companies all such returns required by the Act and that all the returns are correct and up to date.

By Order of the Board

MR. P. SOKO
Company Secretary

28 SEPTEMBER 2018

Independent Auditor's Report

To the shareholders of GetBucks Microfinance Bank Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GetBucks Microfinance Bank Limited ("the Company / Bank") as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and in the manner required by the Zimbabwe Companies Act (Chapter 24:03).

What we have audited

GetBucks Microfinance Bank Limited's financial statements, set out on pages 20 to 71 comprise:

- statement of financial position as at 30 June 2018;
- statement of comprehensive income for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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 Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Overall materiality:

US$242,800, which represents 4% of profit before tax.

Key audit matter:

Impairment of loans and advances to customers.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

PriceWaterHouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
PO Box 453, Harare, Zimbabwe
T:+263 (4) 338362-8, F:+263 (4) 338395, www.pwc.com

TI Rwodzi - Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Zimbabwe Partner's Names is available for inspection.

Independent Auditor's Report (continued)

Our audit approach (continued)

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$242,800
How we determined it	4% of profit before tax
Rationale for the materiality the benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We have applied 4% in determining overall materiality, which is lower than commonly used rules of thumb, because the entity has significant external levels of debt, primarily the listed bond that is in excess of $5 million.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers As at 30 June 2018, gross loans and advances to customers comprising of consumer loans, SME loans and mortgage loans amount to US$22,357,295 against which an impairment allowance of US$726,324 was recognised. Refer to Note 5 in this regard. In determining whether an impairment allowance should be recorded in the statement of financial position, management apply judgement as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. Estimates are made based on historical loss experience for assets with similar credit risk characteristics.	We obtained an understanding of management's process for determining the impairment allowance for loans and advances to customers. We compared actual write-offs in the current year to management's prior year provision to consider the reasonableness of management's estimation process and the results were comparable. We evaluated the design and implementation of controls management implemented in determining the impairment allowance. We verified securities in place by inspecting customer files for surety bonds registered in favour of the bank and assessed the security values by reference to valuation reports made by independent valuers for reasonability and no inconsistencies were noted.

Independent Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
Therefore the assessment of the allowance for impairment losses requires management to apply significant assumptions to assess the recoverability of the loans and advances to customers. The impairment of loans and advances to customers was considered to be a matter of most significance during the current year audit due to the high level of judgement and estimation applied by management in determining the impairment allowance. Disclosure is provided in note 3.2 (Critical accounting estimates and judgements) and note 5.6 (Impairment loss on loans and advances) to the financial statements that relates to the impairment losses on loans and advances to customers.	We obtained management's assessment of the impairment allowance for the current year and performed, amongst others, the following procedures to evaluate the reasonableness of the allowance: • Our actuarial expert was involved in assessing the reasonability of the actuarial model used by management to develop the estimate. In performing the assessment, the actuarial expert considered the appropriateness of significant assumptions, including the Loss Given Default ("LGD"), Probability of Default ("PD"), current exposures to the counterparty ("EAD"), projection of LGDs resulting in Incurred But Not Reported ("IBNR") default, evaluation of the Effective Interest Rate ("EIR") utilised to discount future expected cash flows and curing of defaulted debt to fully performing. We found the assumptions used by management to be reasonable with reference to historical data; • We assessed the Bank's adherence to its accounting policy and to the regulatory requirements on impairment of loans and advances to customers by testing the inputs to the computation, recalculating the impairment provision in line with the policy and comparing the policies to prior year. No exceptions were noted; and • We assessed the level of collections made subsequent to year end and noted that they were consistent with management's expectations and had no significant impact on the year end impairment allowance balance. Based on the audit procedures performed, we found the Bank's estimates and judgements applied in determining the impairment allowance to be supported by the available evidence.

Other information

The directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibilities and Approval and the Directors' Report, which we obtained prior to the date of this auditor's report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Zimbabwe (Chapter 24:03), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

Responsibilities of the directors for the financial statements (continued)

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 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.

Tinashe I Rwodzi
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Registration Number 100
Institute of Chartered Accountants of Zimbabwe, public practice certified number 253568

28 September 2018

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 US$	2017 US$
ASSETS			
Cash and cash equivalents	4	3 127 535	2 890 378
Loans and advances to customers	5	21 630 971	15 075 120
Amounts due from related parties	6	-	3 051 768
Financial assets held to maturity	7. 1	1 921 499	-
Other assets	7. 2	3 502 379	442 819
Tax receivable		311 487	231 897
Deferred tax assets	8	32 342	102 111
Intangible assets	9	88 055	85 782
Equipment	10	269 362	245 451
Investment property	11	539 411	-
Total assets		**31 423 041**	**22 125 326**
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	12	109	109
Share application funds reserve		999 900	999 900
Share premium		2 883 628	2 883 628
Regulatory reserve		382 193	-
Other Reserves		58 278	42 190
Retained profits		12 697 847	9 570 254
Total equity		**17 021 955**	**13 496 081**
LIABILITIES			
Other financial liabilities	14	830 619	1 583 550
Deposits from customers	15	1 996 538	1 531 424
Borrowings	13	11 573 929	5 514 271
Total liabilities		**14 401 086**	**8 629 245**
Total equity and liabilities		**31 423 041**	**22 125 326**

The above statement of financial position should be read in conjunction with accompanying notes.

The financial statements were approved by the Board of Directors and are signed on its behalf by:

DR. R. MBIRE
Chairman

MR. T.W. MUDANGWE
Managing Director

28 SEPTEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 US$	2017 US$
Interest income	16	9 202 222	9 372 196
Interest expense	17	(875 835)	(766 968)
Net interest income		**8 326 387**	**8 605 228**
Fee and commission Income	18	4 057 194	4 150 407
Total net income		**12 383 581**	**12 755 635**
Impairment and allowances	5.6	(198 714)	(999 687)
Operating expenses	19	(6 114 738)	(6 859 477)
Profit before taxation		**6 070 129**	**4 896 471**
Income tax expense	20	(1 521 454)	(1 260 943)
Profit for the year		**4 548 675**	**3 635 528**
Other comprehensive income			
Items that will not be reclassified to profit or loss:		-	-
Items that may be subsequently reclassified to profit or loss:		-	-
Total comprehensive income for the year, net of tax		**4 548 675**	**3 635 528**
Earnings per share (cents)	12	0.42	0.33
Diluted earnings per share (cents)	12	0.42	0.33

The above statement of comprehensive income should be read in conjunction with accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share capital US$	Share premium US$	Share application fund reserve US$	Retained Earnings US$	Regulatory reserves US$	Other reserves US$	Total equity US$
Balance at 1 July 2016	**109**	**2 883 628**	**999 900**	**6 536 188**	**-**	**-**	**10 419 825**
Profit for the year	-	-	-	3 635 528	-	-	**3 635 528**
Total comprehensive income for the period	**-**	**-**	**-**	**3 635 528**	**-**	**-**	**3 635 528**
Transactions with owners in their capacity as owners							
Dividends declared and paid	-	-	-	(601 462)	-	-	**(601 462)**
Value of employee services	-	-	-	-	42 190	42 190	**42 190**
	-	-	-	(601 462)	42 190	42 190	**(559 272)**
Balance at 30 June 2017	**109**	**2 883 628**	**999 900**	**9 570 254**	**42 190**	**42 190**	**13 496 081**
Balance at 1 July 2017	**109**	**2 883 628**	**999 900**	**9 570 254**	**42 190**	**42 190**	**13 496 081**
Profit for the year	-	-	-	4 548 675	-	-	**4 548 675**
Total comprehensive income for the period	**-**	**-**	**-**	**4 548 675**	**-**	**-**	**4 548 675**
Transactions with owners in their capacity as owners							
							-
Dividends declared and paid	-	-	-	(1 038 889)	-	-	**(1 038 889)**
Value of employee services	-	-	-		-	16 088	**16 088**
Statutory provision for impairment loss	-	-	-	(382 193)	382 193	-	**-**
	-	-	-	(1 421 082)	382 193	16 088	**(1 022 801)**
Balance at 30 June 2018	**109**	**2 883 628**	**999 900**	**12 697 847**	**382 193**	**58 278**	**17 021 955**

The above statement of changes in equity should be read in conjunction with accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 US$	2017 US$
Cash flows from operating activities			
Cash generated from operations	22	(9 402 054)	(3 359 068)
Interest received		9 352 706	8 903 586
Interest paid		(623 949)	(1 133 765)
Income tax paid	23	(1 531 275)	(1 397 395)
Net cash flows generated from operating activities		**(2 204 572)**	**3 013 358**
Cash flows from investing activities			
Purchase of equipment	10	(140 329)	(100 288)
Purchase of assets held to maturity		(1 921 499)	-
Purchase of software	9	(25 643)	(90 150)
Purchase of investment property	11	(539 411)	
Net cash flows utilised in investing activities		**(2 626 882)**	**(190 438)**
Cash flows from financing activities			
Proceeds from borrowings	13	6 107 500	-
Payments of other financial liabilities	13	-	(2 701 640)
Dividends paid		(1 038 889)	(601 462)
Net cash flows generated from/(used in) financing activities		**5 068 611**	**(3 303 102)**
Net increase in cash and cash equivalents		**237 157**	**(480 182)**
Cash and cash equivalents at the beginning of the year		2 890 378	3 370 560
Cash and cash equivalents at the end of the year	**4**	**3 127 535**	**2 890 378**

The above statement of cash flows should be read in conjunction with accompanying notes.

1 GENERAL INFORMATION

GetBucks Microfinance Bank Limited ("Getbucks", "the Bank" or "the Company") is registered as Deposit Taking Microfinance Bank by the Reserve Bank of Zimbabwe, under the Zimbabwe Money Lending and Interest Rates Act (Chapter 14:41), and is a subsidiary of GetBucks Limited which holds 50.3%, (2017 :50.3%) of the Company's ordinary shares. The Bank was listed on the Zimbabwe Stock exchange on 15 January 2016 and obtained its Deposit Taking Licence during the same month.

The Company is a limited liability company incorporated and domiciled in Zimbabwe.

The address of its registered office is 1st Floor, MIPF House, 5 Central Avenue, Harare, Zimbabwe.

On 21 June 2017 shareholders approved the change of name to Getbucks Microfinance Bank to better reflect the nature of the operations being undertaken.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The GetBucks financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and International Financial Reporting Interpretations Committee (''IFRIC") interpretations and in the manner required by the Zimbabwe Companies Act (Chapter 24:03). The financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The 2017 statement of financial position and statement of cash flows have been restated to seperately disclose the income tax receivable balance and interest received amount respectively (refer to note 31)

2.1.1 Changes in accounting policy and disclosures

(a) International Financial Reporting Standards and amendments effective for the first time for 30 June 2018 year-end

Number	Effective date	Executive Summary
Amendment to IAS 7 – Cash flow statements Statement of cash flows on disclosure initiative	Annual periods beginning on or after 1 January 2017 (published Feb 2016)	In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(a) International Financial Reporting Standards and amendments effective for the first time for 30 June 2018 year-end (continued)

Number	Effective date	Executive Summary
Amendment to IAS 12 – Income taxes Recognition of deferred tax assets for unrealised losses.	Annual periods beginning on or after 1 January 2017 (published Feb 2016)	The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets. The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets.
Annual improvements 2014-2016 (part)	Annual periods beginning on or after 1 January 2017 (published December 2016)	These amendments impact 3 standards, one being effective from 1 January2017. • IFRS 12,'Disclosure of interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017.

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective

Number	Effective date	Executive Summary
IFRS 9 – Financial Instruments (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	Annual periods beginning on or after 1 January 2018 (published July 2014)	This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. (refer note 33).

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective (continued)

Number	Effective date	Executive Summary
Amendment to IFRS 9 - 'Financial instruments', - on general hedge accounting	Annual periods beginning on or after 1 January 2018)	The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. Effective 1 January 2018. Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following: • The own credit risk requirements for financial liabilities. • Classification and measurement (C&M) requirements for financial assets. • C&M requirements for financial assets and financial liabilities. • The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting). Effective 1 January 2018.
Amendment to IFRS 9 -'Financial instruments', - prepayment features with negative compensation and - modification of financial liabilities	EAnnual periods beginning on or after 1 January 2019	The narrow-scope amendment covers two issues: • The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial services entities. • How to account for the modification of a financial liability. The amendmentconfirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have renegotiated borrowings.
IFRS 15 – Revenue from contracts with customers.	Annual periods beginning on or after 1 January 2018 (published May 2014)	The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective (continued)

Number	Effective date	Executive Summary
Amendment to IFRS 15 – Revenue from contracts with customers.	Annual periods beginning on or after 1 January 2018 (published April 2016)	The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.
IFRS 16 – Leases	Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied. (published January 2016)	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective (continued)

Number	Effective date	Executive Summary
Amendments to IFRS 2 – 'Share-based payments' Clarifying how to account for certain types of share-based payment transactions.	Annual periods beginning on or after 1 January 2018 (published June 2016)	This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.
IAS 40, 'Investment property' Transfers of investment property	Annual periods beginning on or after 1 January 2018 (published December 2016)	These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.
Annual improvements 2014-2016	Annual periods beginning on or after 1 January 2018 (published December 2016)	These amendments impact 2 standards at the end of 2018: • IFRS 1,' First-time adoption of IFRS', regarding the deletion of short term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018. • IAS 28,'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. Effective 1 January 2018.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective (continued)

Number	Effective date	Executive Summary
Annual improvements cycle 2015-2017	Annual periods beginning on or after 1 January 2019 (published December 2017)	These amendments include minor changes to: • IFRS 3, 'Business combination' - a company remeasures its previously held interest in a joint operation when it obtains control of the business. • IFRS 11,'Joint arrangements', - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. • IAS 12,' Income taxes' - The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. • IAS 23,' Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
IFRIC 22, 'Foreign currency transactions and advance consideration'	Annual periods beginning on or after 1 January 2018 (published December 2016)	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.
IFRIC 23, 'Uncertainty over income tax treatments'	Annual periods beginning on or after 1 January 2019 (published 7 June 2017)	IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

2.1.2 Going concern

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current financing. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in the United States of America dollar ("US$"), which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains or losses are presented in the statement of comprehensive income within 'other income'.

2.3 Financial Instruments

In accordance with IAS 39, 'Financial instruments recognition and measurement', all financial assets and liabilities have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.3.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term. The Company's loans and receivables comprise loans and advances to customers and cash and cash equivalents in the statement of financial position. Loans and receivables are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and receivables are stated net of impairment allowances.

c) Financial Assets Held to Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Bank intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortised cost.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

2.3.1 Financial assets (continued)

c) Financial Assets Held to Maturity (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date; the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value are initially recognised at fair value, and transaction costs are expensed within administrative expenses in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss and available-for-sale financial assets is recognised in the statement of comprehensive income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When these financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset (and for unlisted securities) is not available, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Company classifies the financial instruments into classes that reflect the nature of information and take into account characteristics of those financial instruments.

2.3.2 Financial liabilities

The Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include borrowings. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

2.3.2 Financial liabilities (continued)

Deposits and Other Liabilities

Deposits and other liabilities are non-trading financial liabilities payable on demand and at variable interest rates. Subsequent to initial measurement deposits and other liabilities are measured at amortised cost applying the effective interest method.

2.3.3 Categories of financial Instruments

The Company classifies its financial instruments into classes that reflect the nature of information and takes into account the characteristics of those financial instruments. The classification made can be seen in the table below:

Category (as defined by IAS 39) Financial Instruments: recognition and measurement		Class (as determined by the company)	Subclasses (as determined by the company)
	Held to maturity	Treasury Bills	
Financial assets	Loans and receivables	Cash and cash equivalents	
		Other receivables	
		Loans to individuals	Term loans
		Loans to SMEs	Term loans
Financial Liabilities	Financial liabilities at amortized cost	Borrowings	
		Other liabilities	
		Amounts due to group companies	
Contingent liabilities and commitments		Loan commitments	

2.3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains or losses arising from a group of similar transactions.

2.3.5 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably measured.

Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

(i) significant financial difficulty of the issuer or obligor;

(ii) a breach of contract, such as default or delinquency in interest or principal payments;

(iii) the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

(iv) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in a group including:

- adverse changes in the payment status of borrowers in a group; or
- national or local economic conditions that correlate with defaults on the assets in a group.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

2.3.5 Impairment of financial assets (continued)

Regulatory guidelines and International Financial Reporting Standards Requirements in respect of the Bank's activities

The Banking Regulations, Statutory Instrument, 205 of 2000 issued by the Reserve Bank of Zimbabwe (RBZ) gives guidance on allowance for doubtful debts and stipulate certain minimum percentages to be applied to the respective categories of the loan book.

IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) prescribes the allowance for impairment losses based on the actual loan losses incurred in the past applied to the sectoral analysis of book debts and the discounting of expected cash flows on specific problem accounts.

The two prescriptions are likely to give different results. The Board has taken the view that where the IAS 39 charge is less than the amount provided for in the Banking Regulations, the difference is recognised directly in equity as a transfer from retained earnings to a regulatory reserve and where it is more; the full amount will be recognised in profit or loss.

2.3.6 Assets carried at amortised cost

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Subsequent recoveries of amounts previously written off decrease the amount of the allowance for loan impairment in the statement of comprehensive income.

2.3.7 De-recognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Company tests controls to ensure that continuing involvement on the basis of any retained powers of control does not prevent de-recognition. The Company derecognises a financial liability when its contractual obligations have been discharged or cancelled or have expired.

Collateral furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for de-recognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a portion of the risks.

2.3.8 Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances are stated net of impairment allowances.

Non-performing loans

Interest on loans and advances is accrued to income until such time as reasonable doubt exists about its collectability, thereafter and until all or part of the loan is written-off, interest continues to accrue on customers' accounts but is not included in income. Such suspended interest is deducted from loans and advances in the statement of financial position.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial Instruments (continued)

2.3.8 Loans and advances to customers (continued)

Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are reset to performing loan status. These loans are subject to ongoing review to determine whether they are considered impaired or past due.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the statement of financial position.

2.5 Intangible assets

Software licenses

Separately acquired software licences are shown at historical cost, less accumulated amortisation. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over the useful lives not exceeding two years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.6 Equipment

a) Recognition and measurement

The cost of an item of equipment is recognised as an asset if, and only if; it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing working condition for its intended use, the cost of dismantling the asset and removing items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Where parts of equipment have different useful lives, they are accounted for (major components) as separate equipment.

b) Subsequent measurement

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income within 'administrative expenses' during the financial period in which they are incurred. Subsequent costs can also be recognised as separate assets.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Equipment (continued)

b) Subsequent measurement (continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Items	Average Useful life
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Leasehold improvements	Duration of the lease agreement

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income within other 'operating income'.

The carrying amounts of the Company's items of property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment allowance is recognised whenever the carrying amount exceeds its recoverable amount.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than the estimated recoverable amount.

c) De-recognition

The carrying amount of an item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

2.7 Investment Properties

a) Recognition criteria

Investment properties are those properties held for earning rental income and/or for capital appreciation. None of these properties are occupied by the bank for its business activities. In the case where property will be partly used for business and partly leased out under an operating lease, the property will be split according to its use.

Subsequent to initial recognition, investment properties are stated at fair value, based on valuations performed by independent professional valuers. Valuations should be carried out at least at each reporting date. Fair value gain or losses are recorded through profit or loss . Where the fair value of the investment property cannot be measured reliably , it is then measured at cost until the fair value becomes determinable.

b) Transfers to and from investment properties

Transfers are made to or from investment property only when there is a change in use and a revaluation is done first before the transfer. If a significant portion investment property becomes owner occupied where split is not possible, it is reclassified as property and equipment in accordance with IAS 16 (Property, plant and equipment) and its fair value at the date of its classification becomes its cost for subsequent accounting as property and equipment under IAS 16.

c) Derecognition

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Current income and deferred tax

Current income tax assets and liabilities

The income tax expense for the year comprises current income and deferred tax. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in Zimbabwe. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Share capital

Ordinary shares and Share Premium

Ordinary shares are classified as equity. Share premium is the difference between the nominal value and issue price paid for shares on subscription by shareholders.

2.10 Share application reserve

Proceeds received from investors for the purchases of shares not yet issued in their name are credited to the share application fund reserve and transferred to stated capital upon formal issue and registration of the purchased shares to the investor.

2.10.1 Share issue costs

Transaction costs incurred as a necessary part of completing an equity transaction are accounted for as part of that transaction and are deducted from equity. These transaction costs of an equity transaction are accounted for as a deduction from equity to the extent that they are directly attributable to the equity transaction that otherwise would have been avoided.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Revenue recognition

Revenue is derived substantially from the microfinance business and related activities and comprises interest income and non-interest income.

Revenue is measured at the fair value of the consideration received or receivable. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due and measurement of the associated costs incurred to earn the revenue. From the business of microfinance and related services, revenue comprises interest income and fees and commission income.

2.11.1 Interest income and interest expense

Interest income and interest expense are recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. Where financial assets have been impaired, interest income continues to be recognised on the impaired value, based on the original effective interest rate until it reaches the induplum limit. Interest income excludes fair value adjustments on interest-bearing financial instruments. Fair value adjustments on financial instruments are reported under other income.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of a financial asset or liability.

2.11.2 Fee and commission income

Fee and commission income is generally recognised on an accrual basis when the service has been provided. Loan commitment fees ("establishment fees") for loans that are likely to be drawn down are deferred over the life of the loan and set-off against acquisition costs that relate to the similar loans and tenures. Commission is earned on credit life insurance policies on loans.

2.12 Leases

Company as a lessor

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. The outstanding principal amounts less unearned finance charges, are included in advances to customers in the statement of financial position.

The finance charges earned are computed at the effective interest rates in the contracts and are in proportion to balances outstanding under each contract. The unearned portion of finance charges is shown as a deduction from loans and advances. The Company had no finance leases during the reporting period ended 30 June 2018 (30 June 2017: US$nil).

Lease income from operating leases is recognised in the statement of comprehensive income within 'other operating income' on a straight-line basis over the lease term.

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards incidental to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Employee benefits

a) Termination benefits

Termination benefits are benefits payable as a result of the Company's decision to terminate employment before the normal retirement date (or contractual date) or whenever an employee accepts voluntary redundancy in exchange of those benefits. Termination benefits are recognised as an expense at the earlier of the following dates :
(a) when the Company can no longer withdraw the offer for these benefits; and
(b) when the Company recognises costs for a restructuring that is within the scope of IAS 37, 'Provisions, contingent liabilities and contingent assets', and involves the payment of terminal benefits.

Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

b) Short-term benefits

Short-term employee benefits are employee benefits (other than termination benefits) which fall due wholly within twelve months after the end of the period in which the employees render service. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Wages , salaries , paid annual leave , bonus ad other monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees to the company.

c) Bonus plans

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

d) Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after completion of employment.

Obligations for contributions to a defined contribution pension plan are recognised as an expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

e) Pensions

The company operates a defined contribution plan. This is a plan under which the company pays fixed contributions into a separate entity. The company thus has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods

f) National Social Security Authority Scheme

The Group and its employees contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act (Chapter 17:04). The Group obligations under the scheme are limited to specific contributions as legislated from time to time.

g) Share Option Scheme

The Group issues share options to certain employees in terms of the Employee Share Option Scheme which is an equity settled share-based payment scheme. Share options are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and other behavioural considerations.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as an interest expense. Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave.

2.15 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared by the Company's Directors.

2.16 Segment information

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Company operates within the microfinance sector. The activities of the Company are mostly related to providing financial services to the low income earners in Zimbabwe who require funding for the daily consumption needs. The operating segment is reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker which is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Executive Committee, which makes strategic decisions.

For management purposes the Executive Committee has identified two segments
Consumer Lending: Individual public sector consumer loans
Small and Medium Enterprise (SME) Lending: Loans and other credit facilities for corporate clients

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Standards Issued and not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted; however, the Bank has not early adopted the following new or amended standards in preparing these financial statements.

2.17.1 IFRS 15 Revenues from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The bank has completed an initial assessment of the potential impact of the adoption of IFRS 15 on its financial statements. This focused on a review of fees and commission income. The Bank earns fee and commission income (other than fees included in the calculation of the effective interest rate) on provision of the following services:

- Retail banking;
- SME banking;
- Insurance Commission

The initial review indicates that IFRS 15 will not have a material impact on the timing of recognition or measurement of fees and commission income.

2.17.2 IFRS 9 Financial Instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on 1 July 2018, with early adoption permitted. The Bank is required to apply IFRS 9 initially on 1 July 2018. The new standard will require the Group to revise its accounting processes and internal controls related to reporting financial instruments and these changes are not yet complete. The Bank has performed a preliminary assessment of the potential impact on the following areas of adoption of IFRS 9 based on its positions at 1 July 2018

Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Based on its preliminary assessment, the Bank does not believe that the new classification requirements, if applied at 1 July 2018 , would have had a material impact on its accounting for loans and advances already measured at amortised cost and trade and other investments measured at amortised cost. The Bank's business model will determine classification of assets.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Standards Issued and not yet adopted (continued)

2.17.2 IFRS 9 Financial Instruments (continued)

Impairment – Financial assets and contract assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis (see notes 30.1 and 33).

The Bank has assessed the estimated impact that the initial application of IFRS 9 will have on its financial statements. The estimated impact of the adoption of IFRS 9 on the Bank's equity as at 1 July is based on assessments undertaken to date and is summarized below. The actual impact of adopting IFRS 9 at 1 July 2018 may change because:

- The Bank has not finalized the testing and assessment of controls over its new IT systems; and
- The new accounting policies are subject to change until the Bank presents its first financial statements that include the date of initial application.

	As reported 30 June 2018 US$	Estimated IFRS 9 adjustment US$	Estimated adjusted opening balance at 1 July 2018 US$
Equity			
Regulatory Reserve	382 193	(382 193)	-
Retained Earnings	12 697 847	(34 929)	12 662 918
Liabilities			
ECL on loans and advances to customers	-	726 324	726 324
IAS 39 provisions	726 324	(726 324)	-

A decrease of retained earnings and regulatory reserve respectively is due to the impairment losses on financial assets to be recognised on the initial application of IFRS 9. The regulatory reserve of US$382 193 will be transferred to retained earnings on adoption of IFRS 9 on 1 July 2018.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of the preparation of the financial statements experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality.

3.1 Impairment losses on loans and advances

The Company reviews its loan portfolios to assess impairment at least monthly. In determining whether an impairment allowance should be recorded in the statement of comprehensive income, the Company makes judgements as to whether there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. Management uses estimates based on historical loss experience for assets with credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

3.2 Principal assumptions underlying estimation of fair values for investment property

Fair values for investment property have been determined by using the sales comparison method . This method determines the fair value based on prices of similar assets, adjusted, if necessary, for any difference in the nature, location , condition and state of repair of the specific properties. Comparison for land prices was done using areas per square metre. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the investment property. A comparison was done between the cost of the investment property and its fair value and it has been identified that at the reporting date , the cost was a reasonable estimate of its fair value.

4 CASH AND CASH EQUIVALENTS

	2018 US$	2017 US$
Cash and cash equivalents consist of:		
Cash on hand	143 930	586 487
Balances with the Reserve Bank of Zimbabwe	2 105 105	268 556
Bank balances	878 500	2 055 335
	3 127 535	**2 890 378**

4 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit 'ratings (if available) or historical information about counterparty default rates:

	2018 US$	2017 US$
Credit rating		
AA-	12 747	7 854
A+	23 712	34 546
A	17 966	29 780
BBB	14 630	-
BBB-	308 238	196 127
BB+	161 368	1 379 478
B+	37 931	19 642
B-	-	-
unrated	2 407 013	636 464
	2 983 605	**2 303 891**

The company utilises various banks for financial services and deposits. In addition the use of several institutions further manages concentration risk. Deposits with the Reserve Bank Zimbabwe and other Banks are used to facilitate customer transactions including payments and withdrawals. The bank is not licensed to process foreign currency account payments for its customers. All cash balances are unencumbered and available for use.

5 LOANS AND ADVANCES TO CUSTOMERS

	2018 US$	2017 US$
5.1 Loans and advances maturities		
Consumer loans		
Maturing within 3 months	3 142 556	4 172 852
Maturing within 3 - 12 months	8 521 069	5 286 959
Maturing 1- 5 years	1 292 514	1 481 325
Maturing over 5 years	-	-
Gross carrying amount	12 956 139	10 941 136
Less credit impairment (note 5.6)	601 319	978 274
Specific impairment allowance (note 5.6)	-	-
Portfolio impairment allowance	601 319	978 274
Net carrying amount	**12 354 820**	**9 962 862**
Current (no more than 12 months after reporting period)	11 062 306	8 481 537
Non-current (more than 12 months after reporting period)	1 292 514	1 481 325
	12 354 820	**9 962 862**

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.1 Loans and advances maturities (continued)

	2018 US$	2017 US$
SME loans		
Maturing within 3 months	3 411 328	1 946 574
Maturing within 3 - 12 months	3 738 421	2 538 135
Maturing 1- 5 years	1 169 605	84 649
Gross carrying amount	8 319 354	4 569 358
Specific impairment	115 879	49 227
Net carrying amount	**8 203 475**	**4 520 131**
Mortgage loans		
Maturing within 3 months	81 151	27 346
Maturing within 3 - 12 months	248 441	100 604
Maturing 1- 5 years	425 235	126 665
Maturing over 5 years	326 975	337 512
Gross carrying amount	1 081 802	592 127
Specific impairment	9 126	-
Net carrying amount	**1 072 676**	**592 127**
Total Net carrying amount	**21 630 971**	**15 075 120**

The maturity analysis of loans and advances is based on the remaining period to contractual maturity from year end. The amount pledged as security by customers to GetBucks for mortgages and SME loans as at 30 June 2018 stood at US$11 407 739 (2017:US$6 001 928). Collateral comprises cession of book debts and mortgage bonds for SME loans (note 30.1). Included in loans and advances are staff loans of $696,762 (2017: $558,050). These loans are extended to staff at commercial, market related terms.

5.2 Irrecoverable commitments

There are no irrevocable commitments to extend credit, which can expose the Company to penalties or expense.

	2018 US$	2018 %	2017 US$	2017 %
5.3 Sectoral analysis				
Consumer loans	12 354 820	57%	9 962 862	66%
Small and Medium Enterprises ("SME")	8 203 475	38%	4 520 131	30%
Mortgage loans	1 072 676	5%	592 127	4%
	21 630 971	**100%**	**15 075 120**	**100%**

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.3 Sectorial Analysis (continued)

Consumer Loans: relates to deduction at source based loans to civil servants and public sector employee lending. SME: relates to loans and advances to small and medium enterprises. Mortgage loans are salary based loans advanced for the purchase of property.

	Single highest customer loan 2018 %	Single highest customer loan 2017 %	Top 10 highest loan 2018 %	Top 10 highest loan 2017 %
Customer concentration				
Consumer	0.04	0.05	0.40	0.05
SME	10.9	6.0	31.7	46.9
Mortgage	25.6	37.2	85.0	87.9

5.4 Analysis of Credit Quality by Sector

Pass relates to loans graded 1-3 (there is no distinction in credit quality between grade 1-3) - performing:
Special Mention relates to loans graded 4 -7 past due: Substandard relates to loans graded 8 - past due:
Doubtful relates to loans graded 9 - past due: Loss relates to loans in grade 10 - past due:
based on regulatory credit quality ratings.

	Pass US$	Special Mention US$	Sub-Standard US$	Doubtful US$	Loss US$	Total US$
As at 30 June 2017						
Consumer	10 693 926	52 117	35 831	41 417	531 345	11 354 636
SME	3 298 384	362 843	338 358	33 447	181 326	4 214 358
Mortgage	178 627	51 000	-	-	304 000	533 627
	14 170 937	**465 960**	**374 189**	**74 864**	**1 016 671**	**16 102 621**
As at 30 June 2018						
Consumer	11 995 297	225 043	85 266	54 342	596 191	12 956 139
SME	5 480 263	1 627 120	252 662	169 669	789 640	8 319 354
Mortgage	502 839	329 673	65 000	84 501	99 789	1 081 802
	17 978 399	**2 181 836**	**402 928**	**308 512**	**1 485 620**	**22 357 295**

	2018				2017			
	Mortgage US$	SME US$	Consumer US$	Total US$	Mortgage US$	SME US$	Consumer US$	Total US$
Performing Loans	502 839	5 480 263	11 995 297	17 978 399	178 627	3 119 757	10 872 553	14 170 937
Past due and unimpaired	329 673	859 450	-	1 189 123	355 000	712 577	-	1 067 577
Past due and impaired	249 291	1 979 641	960 841	3 189 773	-	203 397	660 710	864 107
	1 081 803	**8 319 354**	**12 956 138**	**22 357 295**	**533 627**	**4 035 731**	**11 533 263**	**16 102 621**

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.5 Exposure to credit risk

	2018 US$	2017 US$
Consumer loans at amortised cost		
Individually impaired		
Grade 8 - 10	735 799	857 063
Grade 4 - 7	225 043	122 979
Collectively impaired		
Grade 1- 3	11 995 297	10 553 221
Gross carrying amount	12 956 139	11 533 263
Less credit impairment allowance (note 5.6)	601 319	978 274
Carrying amount	**12 354 820**	**10 554 989**
SME loans		
Past due and impaired		
Grade 8 - 10	1 211 971	553 131
Grade 4 - 7	1 627 120	362 843
Grade 1- 3	5 480 263	3 119 757
Gross carrying amount	8 319 354	4 035 731
Less credit impairment allowance (note 5.6)	115 879	49 227
Carrying amount	**8 203 475**	**3 986 504**
Mortgage loans		
Past due and impaired		
Grade 8 - 10	249 290	304 000
Grade 4 - 7	329 673	51 000
Grade 1- 3	502 839	178 627
Gross carrying amount	1 081 802	533 627
Less credit impairment allowance (note 5.6)	9 126	-
Carrying amount	**1 072 676**	**533 627**
Gross carrying amount SME and Consumer Loans	22 357 295	16 102 621
Impairment	726 324	1 027 501
Net carrying amount	**21 630 971**	**15 075 120**
Impairment as a percentage of gross loans and advances	3.2%	6.4%

Amounts disclosed above as past due and impaired are the total amounts with a loan class where a portion of the loans and advances are considered impaired.

Not all past due amounts have been fully provided as there is a history of repayment in those classes that has been considered in determining possible impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

5 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

5.6 Impairment loss on loans and advances

	Specific Allowance US$	Portfolio Allowance US$	Total Allowance US$
Balances as at 1 July 2016	-	572 265	572 265
Increase/(decrease) in impairment allowance	49 227	950 460	999 687
Loans written off	-	(544 451)	(544 451)
Balances as at 30 June 2017	**49 227**	**978 274**	**1 027 501**
Balances as at 1 July 2017	49 227	978 274	1 027 501
Increase/(decrease) in impairment allowance	66 652	132 062	198 714
Loans written off	-	(499 891)	(499 891)
Balances as at 30 June 2018	**115 879**	**610 445**	**726 324**

All loans and advances are denominated in US$.

5.7 Credit risk impact

The table below lists the key risks affecting impairment of loans and advances, along with the anticipated impact on profit or loss should the risk materialise:

	2018 US$	2017 US$
Effect of increase in emergence period by 1 month		
Increase in provision (consumer)	3 922	5 549
Effect of increase in loss ratio by % of portfolio		
Increase in provision by 5% (consumer)	30 522	48 914
Increase in provision by 5% (SME)	3 333	2 461

6 LOANS TO RELATED PARTIES

	2018 US$	2017 US$
Brainworks Capital Management (Private) Limited	-	2 496 666
The loan was secured, bearing interest at 18% per annum and interest and capital were repayable by 30 June 2018 . The loan was secured by shares on the Zimbabwe Stock Exchange listed counters valued at US$3,4 million based on market values as at 30 June 2017. Some of the shares have been used as collateral to secure the NMB and TLG facilities in note 13.		
Brainworks Capital Equity Management (Private) Limited	-	555 102
The loan was secured, bearing interest at 18% per annum and interest and capital were repayable by 30 September 2017. The loan was secured by shares on the Zimbabwe Stock exchange listed counters valued at US$3,4 million based on market values as at 30 June 2017.		
Total	**-**	**3 051 768**
Current assets (no more than 12 months after the reporting period)	-	3 051 768
Non-current (no more than 12 months after the reporting period)	-	-
Total	**-**	**3 051 768**

Refer note 24 for loan movement

7 OTHER ASSETS

		2018 US$	2017 US$
7.1	**Financial Assets Held to maturity**		
	Treasury Bills	1 921 499	-

Treasury Bills accrue coupon interest of 5% per annum and mature on 20 June 2019

		2018 US$	2017 US$
7.2	**Other assets**		
	Prepayments	371 480	312 012
	Amount receivable from third parties	3 064 219	-
	Deposits	18 907	24 421
	Sundry receivables	47 773	106 386
	Total	**3 502 379**	**442 819**

Amounts receivable from the related party (note 6) of $3,064,219 were assigned to a third party pursuant to repayment received July 2018. Other assets are current and their carrying amounts approximate their fair values.

8 DEFERRED TAX

	2018 US$	2017 US$
Deferred tax liability		
Accelerated capital allowance for tax purposes	(62 943)	(5 359)
EIR Adjustment on Loan book	(91 455)	-
Prepayments	(174 096)	(167 975)
Total deferred tax liability	(328 494)	(173 334)
Deferred tax asset		
Share Options	15 008	10 864
Accrued Expenses	60 386	-
Impairment of loans and advances	285 442	264 581
Net deferred tax asset/(liability)	**32 342**	**102 111**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	102 111	(17 009)
Temporary differences recognised in the statement of comprehensive income	(69 769)	119 120
At end of year	**32 342**	**102 111**

9 INTANGIBLE ASSETS

	2018	2017
Software		
Opening net book amount	85 782	13 466
Additions	25 643	90 150
Amortisation charge	(23 370)	(17 834)
Closing net book amount	**88 055**	**85 782**
Cost	136 227	110 584
Accumulated amortisation	(48 172)	(24 802)
Net book amount	**88 055**	**85 782**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 EQUIPMENT

	Furniture and fittings US$	Motor vehicles US$	Office equipment US$	IT equipment US$	Leasehold Improvements US$	Total US$
Year ended 30 June 2017						
Opening net book amount	77 193	87 667	20 647	44 513	41 108	**271 128**
Additions	39 352	-	5 671	54 092	1 173	**100 288**
Depreciation charge	(22 871)	(31 061)	(6 759)	(29 949)	(35 325)	**(125 965)**
Closing net book amount	**93 674**	**56 606**	**19 559**	**68 656**	**6 956**	**245 451**
Cost	154 355	155 492	38 208	140 873	174 417	**663 345**
Accumulated depreciation	(60 681)	(98 886)	(18 649)	(72 217)	(167 461)	**(417 894)**
Net book amount	**93 674**	**56 606**	**19 559**	**68 656**	**6 956**	**245 451**
Year ended 30 June 2018						
Opening net book amount	93 674	56 606	19 559	68 656	6 956	**245 451**
Additions	11 514	-	4 111	109 745	14 959	**140 329**
Depreciation charge	(23 941)	(28 479)	(5 929)	(47 639)	(10 430)	**(116 418)**
Closing net book amount	**81 247**	**28 127**	**17 741**	**130 762**	**11 485**	**269 362**
Cost	165 869	155 492	42 319	250 618	189 376	**803 674**
Accumulated depreciation	(84 622)	(127 365)	(24 578)	(119 856)	(177 891)	**(534 312)**
Net book amount	**81 247**	**28 127**	**17 741**	**130 762**	**11 485**	**269 362**

11 INVESTMENT PROPERTIES

	2018 US$	2017 US$
Opening balance	-	-
Fair value adjustment	-	-
Transafer from property, plant and equipment	-	-
Additions	539 411	-
Closing Balance	**539 411**	**-**

The bank purchased investment properties during the year which are held for both capital appreciation and rentals. Investment properties are carried at fair value determined on an open market basis by an independent professional valuer as at 30 June 2018 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards.

There was no rental income generated from the investment properties during the year and there were no direct operating expenses (including repairs and maintenance) arising from investment properties.

12 SHARE CAPITAL

	2018 US$	2017 US$
Authorised		
20 000 000 000 ordinary shares with a normal value of US$0.0000001	2 000	2 000
Issued		
1 093 567 251 ordinary shares with a normal value of US$0.0000001	109	109
Basic earnings	4 548 675	3 635 528
Diluted earnings	4 548 675	3 635 528
Number of shares used to calculate basic and diluted earnings per share	1 093 567 251	1 093 567 251
Earnings per share (cents)	0.42	0.33
Diluted earnings per share (cents)	0.42	0.33

Number of shares in issue

A share split of authorised share capital was done on 12 October 2015. 2000 ordinary shares were split into 20 000 000 000 (twenty billion shares). The share split resulted in the issued share capital being 1 000 000 000 shares (one billion shares). The share split resulted in the issued share capital being 1 000 000 000 shares in October 2015 and following an initial public offering in January 2016 the number of shares in issue increase to 1 093 567 251.

Unissued share capital

The unissued share capital is under the control of the Directors subject to restrictions imposed by the Zimbabwe Companies Act (Chapter 24:03) and the Articles and Memorandum of Association of the Company.

Regulatory reserve

The reserve relates to an impaiment allowance adjustment that is created in order to match RBZ Regulatory requirements. The reserve is created when the IFRS provision is less than the statutory provision refer to note 2.3.5.

Share application reserve fund and share premium

Share Application Reserve represents additional capital paid in by shareholders (note 2.10). Share Premium arose from premium paid on ordinary shares for the Initial Public Offer.

Other Reserves

This relates to a reserve used to recognise the value of equity settled share based payment transactions provided to employees as part of their remuneration. Refer to note 28.

13 BORROWINGS

	2018 US$	2017 US$
Held at amortised cost		
Medium Term Listed Bonds This liability consists of Listed Medium Term Bonds that were listed on 26 April 2017. Interest is charged at 11% per annum and paid monthly. The bonds are repayable at various dates up to November 2019.	5 597 297	5 492 157
TLG Capital The loan is secured with a bank guarantee using shares (note 6), bears interest at 11% per annum and is repayable in quarterly payments relating to interest and fees raised.	-	22 114
Zimbabwe Agricultural Development Trust The loan is a facility specifically to be issued to finance the agricultural sector on 26 January 2018 and is repayable on 31 January 2020. Interest is charged at 9.29% and is payable on maturity of the loan. The credit line has a limit of $2 million.	475 549	-
RBZ Facility The loan is a facility specifically to be issued to finance the agricultural sector on 20 February 2018 and is repayable on 07 March 2020. Interest is charged at 3.5% and is payable monthly. Details of the loan are as follows :- - Cession and Pledge of Treasury Bills , or any other Bonds as shall be acceptable to the Reserve Bank. - A first ranked mortgage Bond over the Borrower's immoveable property.	501 083	-
Everprosperous Promisory note The loan is a promisory note issue to Ever Prosperous Worldwide Limited on 14 May 2018. The note is payable on 13 May 2019 and has details as follows :- - Guarantee of $10 million from GetBucks Limited Mauritius - Irrevocable cession of Debtors book by GetBucks Microfinance Bank Limited to the value of $10 million. -Interest rate is at 17% per annum and paid monthly.	5 000 000	-
	11 573 929	5 514 271
Non-current liabilities (more than 12 months after reporting period)		
At amortised cost	6 573 929	22 114
Current liabilities (more than 12 months after reporting period)		
At amortised cost	5 000 000	5 492 157
	11 573 929	5 514 271

The Company was in compliance with all covenants during the financial period.

Fair value of other financial liabilities

Borrowings carrying amount approximates the fair values.

	2018 US$	2017 US$
Borrowings movement		
Balance at 1 July	5 514 271	8 215 911
Proceeds/(repayments)	6 107 500	(2 700 000)
Interest capitalised/(paid)	(47 842)	(1 640)
Closing balance	**11 573 929**	**5 514 271**

FOR THE YEAR ENDED 30 JUNE 2018

14 OTHER FINANCIAL LIABILITIES

	2018 US$	2017 US$
Payroll liabilities	248 385	37 050
Leave Pay provision	161 549	43 164
Accounting and Audit fees provision	92 035	86 541
Accruals and other liabilities	187 478	745 276
Statutory fees	141 172	671 519
	830 619	**1 583 550**

Fair value of other payables
Other payables carrying amounts approximates the fair value due to the short term nature of the payables. The carrying amounts of other payables are denominated in US$.

15 DEPOSITS FROM CUSTOMERS

	2018 US$	2017 US$
Deposits from customers are primarily composed of amounts payable on demand		
Individual		
Current accounts	235 606	95 267
Term deposits	-	578
	235 606	95 845
Small and medium enterprises		
Current accounts	1 551 344	1 225 991
Term deposits	209 588	209 588
	1 760 932	1 435 579
Total	**1 996 538**	**1 531 424**
Current (no more than 12 months after reporting period)	1 786 950	1 321 258
Non-current (more than 12 months after reporting period)	209 588	210 166
Total	**1 996 538**	**1 531 424**

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. Fair value of deposits approximates carrying amounts.

	2018 US$	2017 US$
16 INTEREST INCOME		
Interest on Consumer Loans	7 593 028	8 472 031
Interest on SME Loans	1 609 194	900 165
	9 202 222	**9 372 196**
17 INTEREST EXPENSE		
Interest on loans and payables	826 034	757 561
Interest on deposits	49 801	9 407
	875 835	**766 968**

FOR THE YEAR ENDED 30 JUNE 2018

18 FEE AND COMMISSION INCOME

	2018 US$	2017 US$
Administration fees	3 907 247	4 057 032
Commission on insurance	149 947	93 375
	4 057 194	**4 150 407**

Insurance commission is earned on credit life policies taken by customers and is recognised as soon as the loan is granted

19 OPERATING EXPENSES

	2018 US$	2017 US$
Accommodation	14 030	8 389
Accounting and auditing fees	75 842	82 579
Advertising, marketing and sales expenses	658 632	882 006
Bank charges	71 675	67 933
Collection costs	597 762	638 098
Consulting and professional fees	146 616	140 570
Depreciation and amortisation	139 787	143 799
Staff costs and directors remuneration	2 536 146	1 826 624
Funding origination costs	87 528	366 797
Lease rentals on operating lease	178 346	176 109
License fees	99 152	76 251
Management fees	936 100	2 070 000
Repairs and maintenance	48 490	35 164
Postage and courier	6 997	17 162
Printing and stationery	84 698	69 982
Staff welfare and refreshments	66 002	24 837
Telephone and fax	99 047	84 491
Travel	96 101	44 710
Insurance expenses	37 540	25 792
Other expenses	134 247	78 184
	6 114 738	**6 859 477**

20 TAXATION EXPENSE

	2018 US$	2017 US$
Major components of the tax expense		
Current		
Local income tax - current period	1 451 685	1 380 064
Deferred		
Deferred tax (note 8)	69 769	(119 121)
	1 521 454	**1 260 943**
Reconciliation between accounting profit and tax expense:		
Accounting profit before tax	6 070 129	4 896 466
Tax at the applicable tax rate of 25.75% (2017 : 25.75%)	1 563 058	1 260 840
Tax effect of adjustments on taxable income		
Tax effect of expenses that are not deductible in determining taxable profit : -		
Donations	7 515	5 445
Entertainment	200	262
Adjustments related to prior periods	(20 002)	-
Other	(29 317)	(5 604)
	1 521 454	**1 260 943**

21 AUDITORS' REMUNERATION

	2018 US$	2017 US$
Fees		
Fees	69 163	75 900
Tax and secretarial services	6 679	-
	75 842	**75 900**

22 CASH GENERATED FROM/(USED IN) OPERATIONS

	2018 US$	2017 US$
Profit before income tax	6 070 129	4 896 471
Adjustments for:		
Depreciation and amortisation	139 787	143 799
Net impairment	(301 177)	455 235
Interest received	(9 352 706)	(8 903 586)
Finance costs	875 835	766 968
Share based payment	16 088	42 190
Changes in working capital:		
Loans and advances to customers	(6 555 852)	(1 717 602)
Other assets	(87 381)	(283 556)
Increase in deposits from customers	465 114	873 536
Other financial liabilities	(671 891)	367 477
	(9 402 054)	**(3 359 068)**

23 TAX PAID

	2018 US$	2017 US$
Balance at beginning of the year	231 897	214 564
Current tax for the year recognised in profit or loss (note 20)	(1 451 685)	(1 380 064)
Balance at end of the year	(311 487)	(231 897)
	(1 531 275)	**(1 397 397)**

24 AMOUNTS DUE FROM/(TO) RELATED PARTY LOANS

	2018 US$	2017 US$
Opening balance	3 051 768	2 623 191
Payments to shareholders	-	-
Settlement by shareholders	(3 662 364)	-
Net interest charge	610 596	428 577
Amount due from shareholders	**-**	**3 051 768**

25 OPERATING LEASES

	2018 US$	2017 US$
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	137 550	179 726
- within one to five years	15 180	-

Operating lease payments represent rental payable for a number of branches and office premises occupied by the company. The lease agreements have terms up to a year. No contingent rent is payable.

26 OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Executive Committee (chief operating decision maker) which is responsible for allocating resources to the reportable segments and assesses its performance. The consumer loans and SME department are the only operating segment that meets the definition of a reportable segment. The consumer loans and SME Segments have been identified on the basis of their contribution to total assets of the operating segments. All revenue is derived from customers in Zimbabwe. The consumer loan segment offers payroll based loans to employed individuals whereas the SME department offers loans to Small and Medium Enterprises. There are no clients that account for more than 10% of revenue. There are no transactions between segments.

30 June 2018	Consumer US$	SME US$	Other US$	Total US$
Third party income	10 520 659	1 872 154	866 603	**13 259 416**
Impairment losses on loans and advances	(37 227)	(112 340)	(49 147)	**(198 714)**
Net operating income	**10 483 432**	**1 759 814**	**817 456**	**13 060 702**
Interest income	7 593 028	1 609 194	865 104	**9 202 222**
Interest expense	(694 930)	(123 663)	(57 242)	**(875 835)**
Net interest income	**6 898 098**	**1 485 531**	**807 862**	**8 326 387**
Fees and Commission Income	3 794 234	262 960	-	**4 057 194**
Total net income	**10 692 332**	**1 748 491**	**807 862**	**12 383 581**
Segment profit before tax	4 816 333	857 068	396 728	**6 070 129**
Income tax expense	(1 207 195)	(214 821)	(99 438)	**(1 521 454)**
Profit for the Year	**3 609 138**	**642 247**	**297 290**	**4 548 675**

30 June 2017	Consumer US$	SME US$	Other US$	Total US$
Third party income	11 955 528	1 129 705	437 370	**13 522 603**
Impairment losses on loans and advances	(978 274)	(49 227)	-	**(1 027 501)**
Net operating income	**10 977 254**	**1 080 478**	**437 370**	**12 495 102**
Interest income	8 034 661	900 165	437 370	**9 372 196**
Interest expense	(678 087)	(64 074)	(24 807)	**(766 968)**
Net interest income	**7 356 574**	**836 091**	**412 563**	**8 605 228**
Fees and Commission Income	3 920 867	229 540	-	**4 150 407**
Total net income	**11 277 441**	**1 065 631**	**412 563**	**12 755 635**
Segment profit before tax	4 329 041	409 061	158 369	**4 896 471**
Income tax expense	(1 114 818)	(105 342)	(40 783)	**(1 260 943)**
Profit for the Year	**3 214 223**	**303 719**	**117 586**	**3 635 528**

27 RELATED PARTIES

27.1 Relationships

Holding company	MyBucks SA (Luxembourg)
Intermediate holding company	GetBucks Limited (Mauritius)
Fellow subsidiaries	GetBucks (Proprietary) Limited (Botswana)
	BU Bucks (Proprietary) Limited
	CashCorp (Proprietary) Limited
	TU Loans (Proprietary) Limited
	GetBucks Limited (Malawi)
	EMU-INYA Enterprises :Limited Kenya
	GetSure Botswana (Proprietary) Limited (Botswana)
	GetBucks Invest GmbH (Austria)
	GetBucks Spain SL
	GetBucks Poland SP z.o.o.
	GetBucks Financial Services Limited (Zambia)
	Ligagu Investments (Proprietary) Limited (Swaziland)
Entities under common control	GetBucks (Proprietary) Limited (South Africa)
	VSS Financial Services (Proprietary) Limited (South Africa)
	GetSure (Proprietary) Limited (South Africa)

		2018 US$	2017 US$
27.2	**Related party balances**		
	Loan accounts - Owing by related parties		
	Brainworks Private Equity Managers (Private) Limited	-	555 102
	Brainworks Capital Management (Private) Limited (note 6)	-	2 496 666
	Related party receivables		
	GetBucks Limited (Mauritius)	44 836	102 365
	Related party payables		
	VSS Financial Services (Proprietary) Limited (South) Africa	(143 286)	-
27.3	**Related party transactions**		
	Interest paid to/(earned from) related parties		
	Brainworks Capital Management (Private) Limited	(610 596)	(436 578)
		(610 596)	(436 578)
	Management fees paid to related parties		
	GetBucks Limited (Mauritius)	936 100	2 070 000
	Marketing expenses paid to related parties		
	VSS Financial Services (Proprietary) Limited (South) Africa	15 624	-

Management fees are paid monthly. The fees relate to costs incurred for systems used in lending, collections and core banking infrastructure plus ongoing management support from the group.

27.4 Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include the Managing Director, Operations Director, Chief Finance Officer, Head of Risk, Head of Retail, Head of Internal Audit ,Head of SME , Head of Treasury and Head of Information Technology.

27 RELATED PARTIES (CONTINUED)

27.4 Key management personnel compensation (continued)

	2018 US$	2017 US$
Short term employment benefits	680 322	676 426
Post employment benefits	12 948	13 115
Termination benefits	3 518	-
	696 788	**689 541**

28 EMPLOYEE BENEFITS

a) Pension Fund

All eligible employees contribute to GetBucks pension fund which is a defined contribution pension fund. The Company has no legal or constructive obligation to pay should fund assets be insufficient to meet fund obligations. Contributions to the pension fund are expensed as part of staff costs.

All employees are members of the National Social Security Authority Scheme (NSSA), to which both the Company and the employees contribute. Contributions by the employer are charged to profit and loss.

	2018 US$	2017 US$
Pension expense	32 517	29 117
NSSA expense	12 152	11 123
	44 669	**40 240**

b) During the period ended 30 June 2016, Mybucks S.A. granted employees the following equity settled share-based payment arrangements:

Performance based employee share option plan

Date share option plan was adopted	1 May 2017	1 May 2018	1 May 2019	Total
Number of options granted	6 000	4 500	4 500	15 000
Contractual life	5 Years	5 Years	5 Years	-
Exercisable until	30 April 2021	30 April 2021	30 April 2021	-
Vesting date	30 April 2017	30 April 2017	30 April 2017	-
Total number of options granted				15 000

The estimated fair value of each share option granted in the performance based share option plan is EUR 3,6263. This was calculated by applying the Black Scholes Model. The model inputs were the share value of EUR 10.13 at grant date, the exercise price of EUR 9.00, the expected volatility of 37%, no expected dividends, a contractual life of five years and a risk-free interest rate of -0.29%.

Further details of the option plans are as follows:

	30 June 2018	30 June 2017
Outstanding at start of year		
Granted	15 000	15 000
Forfeited	-	-
Exercised	-	-
Outstanding at end of year	**15 000**	**15 000**
Exercisable at end of year	10 500	6 000
Effect on profit and loss	16 088	42 190

29 DIRECTORS' EMOLUMENTS

	2018 US$	2017 US$
No emoluments were paid to the directors or any individuals holding a prescribed office during the previous year.		
Non-executive		
Directors' fees for services as directors	82 000	78 700

30 RISK MANAGEMENT

Financial risk management

The Company's activities expose it to a number of financial risks. Taking risk is core to a financial services business and the company aims to achieve a balance between risk and return. The risk management policies are designed to identify, analyse these risks and set limits and controls and monitor the risk using up to date information systems. Risk management is carried our by management using board approved policies. The most important types of risks are credit, liquidity and market risk. Market risk includes currency and interest rate risk. Management is responsible for identifying, monitoring and mitigating financial risks faced by the company. The Group Board assists in ensuring compliance with these policies.

30.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's loans and advances to customers. For risk management purposes, the company considers and consolidates all elements of credit risk exposure such as individual obligor default employer and default risk. Credit risk and exposure to loss are inherent parts of the Company's business stemming from cash and cash equivalents (note 4) and loans and advances to customers and shareholders (note 5 and 6)

The provision of unsecured loans to individuals and business is the main activity of the company, hence exposure to credit risk and its management are key considerations of the business. Customer credit risk is mitigated by the utilisation of payroll collection models for unsecured individual loans which ensures that the loans are collectable during their tenure, and collateral security for SME loans.

The Board Credit Committee periodically reviews and approves the Company's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Company's activities. Limits are established to control these risks. Any facility exceeding established limits of management must be approved by the Board Credit Committee. Management evaluates the credit exposure and assures ongoing credit quality by reviewing individual loans and monitoring of any corrective action taken to address credit risk. These policies are contained in the Credit Policy.

The Company's Credit Department periodically prepares detailed reports on the quality of the customers and adequacy of loan impairment allowance for review. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Company generally provides for a loan or a portion thereof, when a loss is probable.

The objective of our credit risk management is to ensure that credit is granted to credit worthy clients so as to result in recovery of loans following disbursements.

The Company also has a Board Credit and Loans Review committees chaired by non-executive directors to monitor the risk using information prepared by management as detailed in this note 30.1 and recommending corrective action to management where necessary. This committee meets quarterly and reports to the Board of Directors.

The Company mainly provides loans to gainfully employed individuals that work for companies and mostly the public service that have concluded a deduction agreement. In terms of the agreement the employer deducts loan instalments from customers salaries based on pre-agreed terms. This mitigates the risk of default on consumer loans.

30 RISK MANAGEMENT (CONTINUED)

30.1 Credit risk (continued)

Credit policies, procedures and limits

The Company has sound and well-defined policies, procedures and limits which are reviewed and approved by the Board of Directors and strictly implemented by management. Credit risk limits include delegated approval and write-off limits for management and Board Credit Committee, individual account limits and concentration. During the year the minimum loan granted and limits were US$50 (2017:US$50) and the maximum was US$1 000 000 (2017: US$350 000) for up to 120 months (2017:120 months).

To ensure that the Company only lends to credit worthy customers, before loans are disbursed checks are conducted to verify identity, employment status and affordability of loan products being applied for. Where possible external credit checks are conducted. Similar checks are conducted for SME's and where deemed necessary collateral or credit insurance is obtained to mitigate risk of default.

Credit risk mitigation and hedging

As part of the Company's credit risk mitigation and hedging strategy, various types of collateral is taken by the Company. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed.

Collateral held for exposure

An estimate of the fair value of collateral and other credit enhancements held against loans and advances to customers are shown below;

	2018 US$	2017 US$
Value of collateral	11 407 739	6 001 928

Maximum Exposure to credit risk without taking into account collateral

Collateral comprises cession of book debts amounting to US$2 276 693 (2017:US$919 928) and mortgage bonds of US$7 082 146 (2017:US$4 389 100) on SME loans that amount to US$8 319 354 and US$2 048 900 (2017:US$692 900) mortgage bonds for mortgages of US$1 072 676. Credit risk on uncollateralised loans is managed by lending to SME's with verified receivables and also using credit insurance policies.

Customer credit risk is mitigated by the utilisation of payroll collection models. Employment of customers by vetted employers recovers the group loan instalment directly from the customer's salary.

In addition all consumer loans granted to customers are covered by credit life insurance that pays the company in case of death or permanent disability of the customer.

Impaired loans and securities

Impaired loans and securities are those for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past due but not impaired loans

These are loans and securities where contractual interest or principal payments are past due but the Company believes that impairment is not appropriate on the basis of the present value of security/collateral available and/or the stage of collection of amounts owed to the Company.

30 RISK MANAGEMENT (CONTINUED)

30.1 Credit risk (continued)

Loans with renegotiated terms
Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Company has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring. There were no renegotiated loans and advances to customers during the year (2017: nil).

Allowances for impairment
The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Other considerations to provisioning policy
The Company, though not required by Reserve Bank of Zimbabwe ("RBZ"), considers the provisioning requirements as set out in the Banking Regulation 2000 in order to align its policies to group accounting policies, and the provisions of International Accounting Standard (''IAS 39") – "Financial instruments: recognition and measurement" and makes the most prudent provision for its loans and advances based on the two methods. Where the regulatory provisions are higher than those required by the IAS 39 impairment losses, the excess is treated as an appropriation to a reserve.

Impairment and provisioning policies
In measuring credit risk of loans and advances the Bank reflects three components;
(i) the probability of default by the client or counterparty on its contractual obligations (PD);
(ii) current exposures to the counterparty (EAD); and
(iii) the likely loss in the event of a default (LGD).
Internal estimate of PDs and LGDs are based on model scores and observed historical data. In addition the entity takes into account forward looking information including expected changes in the macroeconomic environment in which it operates like lending rates and Gross Domestic Product (GDP) growth rates.

Under IFRS impairment allowances are recognised where there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition of the assets and where these events had an impact on estimated future cash flows of the financial assets or portfolio of financial assets. To determine if a loss event has occurred, historical economic information similar to the current economic climate, overall customer risk profile, payment record and the realisable value of any collateral are taken into consideration.

Unidentified impairment
Unidentified impairment allowances are raised to cover losses which are judged to be incurred but not yet specifically identified in customer exposures at the balance sheet date, and which have not been specifically reported. The calculation is based on the asset's probability of moving from performing to default within a given emergence period.

The emergence period is defined as the time lapse between the occurrence of trigger event (unidentified event) 'and the impairment being identified at an individual account level (identified impairment)
Unidentified impairment = Probability of Default (PD) x Loss Given Default (LGD) x Exposure

Identified impairment
Consumer loan identified impairment is triggered when a contractual payment is missed. The impairment is calculated as Probability of Default (PD) x Loss Given Default (LGD) x Outstanding Amount. Higher PDs are applied to those customers who will have missed more contractual payments.

SME identified impairment is calculated on an individual basis and is the difference between outstanding balance and present value of future cash flows including value of any collateral. In identifying impairment the company takes into account many factors including period of default and reasons for default.

30 RISK MANAGEMENT (CONTINUED)

30.1 Credit risk (continued)

Credit Risk Concentration

	Total US$	Past due/ impaired US$	Write offs US$	Impairment allowance US$
As at 30 June 2018				
Retail	3 788 854	1 526 405	47 244	**392 467**
Consumer	14 513 903	608 593	452 647	**311 729**
Construction	1 422 927	-	-	**-**
Agriculture	2 631 611	670 655	-	**22 128**
Other	-	-	-	**-**
	22 357 295	**2 805 653**	**499 891**	**726 324**
As at 30 June 2017				
Retail	1 939 606	-	-	**37 117**
Consumer	12 827 485	980 042	544 451	**950 460**
Construction	352 594	-	-	**-**
Agriculture	739 089	-	-	**3 577**
Other	243 847	-	-	**8 533**
	16 102 621	**980 042**	**544 451**	**999 687**

Also refer to note 5.3 for concentration information on loans

Write-off policy

The Company writes off a loan/security balance (and any related allowances for impairment losses) when the Credit Department determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, write off decisions are generally based on a product specific past due status.

The Company holds collateral against loans and advances to customers in the form of mortgage interest over property, other registered securities over assets, charges against receivables and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

30.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises when assets and liabilities have differing maturities.

The liquidity risk is managed by the Management Assets and Liabilities Committee ("ALCO") of the Company which reviews the Company's liquidity profile by monitoring the difference in maturities between assets and liabilities and analysing the future level of funds required based on various assumptions, including its ability to liquidate investments and participate in money markets.

Assumptions used take into account loan collections, loan maturities, and operational costs. The company's liquidity as a lending institution is dependent on the ability to collect instalments from advances made to customers. In case of shocks, delays or inability to collect instalments the company relies on loan facilities from other financial institutions to ensure that it can meet its obligations.

30 RISK MANAGEMENT (CONTINUED)

30.2 Liquidity risk (continued)

The table below analyses the Company's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Gap analyses are used to determine any periods of liquidity mismatch in order to take any necessary action in advance.

The amounts disclosed in the table are the contractual undiscounted cash flows:

Liquidity profiling 30 June 2018

	0-1 month US$	1-3 months US$	3-6 months US$	6-12 months US$	1-5 years US$	Total US$
Assets						
Cash and cash equivalents	3 127 535	-	-	-	-	3 127 535
Loan book	3 813 495	5 832 366	7 549 251	12 513 673	9 091 243	38 800 028
Loans to shareholders	-	-	-	-	-	-
Other receivables	3 111 993	-	-	1 921 499	-	5 033 492
	10 053 023	5 832 366	7 549 251	14 435 172	9 091 243	46 961 055
Liabilities						
Financial borrowings	126 203	248 381	415 627	5 619 390	6 827 851	13 237 452
Deposits from customers	1 424 145	262 802	-	162 927	372 150	2 222 024
Trade payables	2 068 156	-	-	-	-	2 068 156
	3 618 504	511 183	415 627	5 782 317	7 200 001	17 527 632
Asset and liability gap	**6 434 519**	**5 321 183**	**7 133 624**	**8 652 855**	**1 891 242**	**29 433 423**
Cumulative gap	**6 434 519**	**11 755 702**	**18 889 326**	**27 542 181**	**29 433 423**	**-**

Liquidity profiling 30 June 2017

	0-1 month US$	1-3 months US$	3-6 months US$	6-12 months US$	1-5 years US$	Total US$
Assets						
Cash and cash equivalents	2 890 378	-	-	-	-	2 890 378
Loan book	2 497 913	4 601 504	5 621 878	5 207 273	3 039 356	20 967 924
Loans to shareholders	-	3 051 768	-	-	-	3 051 768
Other receivables	-	-	-	-	-	-
	5 388 291	7 653 272	5 621 878	5 207 273	3 039 356	26 910 070
Liabilities						
Financial borrowings	49 887	103 100	151 325	300 987	6 275 865	6 881 164
Deposits from customers	1 321 258	-	-	-	234 396	1 555 654
Trade payables	1 610 015	-	-	-	-	1 610 015
	2 981 160	103 100	151 325	300 987	6 510 261	10 046 833
Asset and liability gap	**2 407 131**	**7 550 172**	**5 470 553**	**4 906 286**	**(3 470 905)**	**16 863 237**
Cumulative gap	**2 407 131**	**9 957 303**	**15 427 856**	**20 334 142**	**16 863 237**	

30 RISK MANAGEMENT (CONTINUED)

30.3 Market risk

The risk of a change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of the above.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates.

The company's main interest rate risk arises from long-term borrowings which are issued at fixed rates. These expose the group to cash flow interest rate risk which is partially offset by having a short term portfolio as the main asset in the company.

The table below indicates all interest bearing financial borrowings and all interest bearing financial assets (excluding cash and cash equivalents, other receivables and payables) at fixed rates.

	2018 US$	2017 US$
Fixed interest bearing assets	21 630 971	18 126 888
Fixed interest bearing borrowings	11 573 929	5 514 271

This risk is managed by the Company's Asset and Liabilities Committee ("ALCO") through the analysis of rate sensitive assets and liabilities, using such models as Scenario Analysis and control and management of the identified gaps.

Scenario analysis of net interest income

The Company's loan book is affected by interest rate movements on net interest income. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analysing the impact of a shift in the yield curve on the Company's interest income, the Company recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

	30 June 2018 US$	Effect on profit before tax 30 June 2018 US$	30 June 2017 US$	Effect on profit before tax 30 June 2017 US$
Interest rate change				
1% increase/ decrease				
Assets	21 630 971	92 022	18 126 888	93 722
Liabilities	11 573 929	8 758	5 514 271	7 670
Net effect		**83 264**		**86 052**

30 RISK MANAGEMENT (CONTINUED)

30.3 Market risk (continued)

The table below shows the interest rate repricing gap analysis;

Interest rate repricing gap analysis

	Up to 3 months US$	3 months to 1 year US$	Over 1 year US$	Total US$
As at 30 June 2018				
Assets				
Cash and cash equivalents	3 127 535	-	-	3 127 535
Loans and advances to customers	9 665 877	12 259 490	1 292 514	23 217 881
	12 793 412	12 259 490	1 292 514	26 345 416
Liabilities				
Deposits from customers	1 686 950	162 927	372 150	2 222 024
Borrowings	-	6 035 017	6 827 851	11 573 929
	2 061 531	6 197 944	7 200 001	15 459 476
Interest rate repricing gap	10 731 881	6 061 546	(5 907 487)	10 885 940
Cumulative gap	**10 731 881**	**16 793 428**	**10 885 940**	
As at 30 June 2017				
Assets				
Cash and cash equivalents	3 370 560	-	-	3 370 560
Loans and advances to customers	6 119 426	7 825 094	1 481 325	15 425 845
Amounts due from shareholders	-	2 496 666	-	2 496 666
	9 489 986	10 321 760	1 481 325	21 293 071
Liabilities				
Deposits from customers	1 321 258	-	234 396	1 555 654
Borrowings	49 887	-	5 464 384	5 514 271
	1 371 145	-	5 698 780	7 069 925
Interest rate repricing gap	8 118 841	10 321 760	(4 217 455)	14 223 146
Cumulative gap	**8 118 841**	**18 440 601**	**14 223 146**	

30.4 Foreign currency risk

The Company operates locally and has no foreign customers, therefore has limited foreign currency risk.

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency.

As at year end, the Company was not exposed to foreign currency risk because all amounts were denominated in the United States of America dollar (the "functional currency").

30 RISK MANAGEMENT (CONTINUED)

30.5 Capital risk management

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:
-to comply with the capital requirements set by the banking regulators;
-to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns;
-for shareholders and benefits to customers and other stakeholders and;
-to maintain a strong capital base to support the development of its business.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Company's capital resources should therefore be adequate to absorb losses such as operating losses, and capital losses on investments. So long as net losses can be fully offset against capital invested by the Company's owners, the legal claims of clients or other creditors are not compromised, and the Company can continue to function without interrupting its operations.

The Company has complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Company's management of capital during the period.

The Reserve Bank of Zimbabwe ("RBZ") regulates the minimum capital requirements of all microfinance lenders.

The shareholders' equity for the Company at year end of US$16 639 762, was in compliance with the RBZ's minimum capital requirement of US$5 000 000 by 31 December 2020.

Management determines capital requirements by analysing cash flow projections and taking into account growth and defined gearing ratios.

The gearing ratios is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents as shown in the statement of financial position. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

	2018 US$	2017 US$
Total borrowings		
Other financial borrowings	11 573 929	5 514 271
	11 573 929	5 514 271
Less: cash and cash equivalents	3 127 535	3 370 560
Net debt	8 446 394	2 143 711
Total equity	17 021 955	13 496 081
Total capital	25 468 349	15 639 792
Gearing ratio	**33%**	**14%**

30 RISK MANAGEMENT AND CONTROL (CONTINUED)

30.5 Capital risk management (continued)

Capital adequacy and the use of regulatory capital are monitored daily by the Company's management and the Directors employing techniques based on guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe for supervisory purposes. The Company's regulatory capital is managed by management and comprises three tiers;

- **Tier 1 Capital:** comprises contributed capital, accumulated profits, capital reserves (comprising share premium and share allocation reserves)

- **Tier 2 Capital:** comprises impairment allowance

	2018 US$	2017 US$
Capital Adequacy		
Share capital	109	109
Share premium	2 883 628	2 883 628
Share application reserve	999 900	999 900
Accumulated profits	12 697 847	9 570 254
Other reserves	440 471	-
	17 021 955	13 453 891
Less: deductions		
Insider loan to shareholder	-	3 324 529
Total core capital	**17 021 955**	**10 129 362**
Supplementary capital		
General provisions	610 445	202 232
Core capital plus supplementary	17 632 400	10 331 594
Net capital base	17 632 400	10 331 594
Risk weighted assets	49 500 940	38 688 667
Tier 1 Ratio	34%	44%
Tier 2 Ratio	36%	27%
Capital adequacy ratio	36%	27%

Credit risk capital

Credit risk capital is subject to guidelines provided by the regulator which are based on Basel 1 principles. On this approach the Company's book exposures are categorised into broad classes of assets with different underlying risk characterised. Risk components are transformed into risk weighted assets using predetermined exposure and loss probability factors. Capital requirements for credit risk are derived from the risk weighted assets.

Market Risk Capital

Market risk capital is assessed using regulatory guidelines which consider the risk characteristics of the different trading book assets. Risk components are transformed into risk weighted assets and, therefore, capital requirements, based on predetermined exposure and loss probability factors.

30 RISK MANAGEMENT AND CONTROL (CONTINUED)

30.5 Capital risk management (continued)

Operational Risk Capital

This is the risk of losses arising from inadequate or failed internal processes, people and/or systems or from external events. Practices to minimise operational risk are embedded across all transaction cycles. Departmental key risk indicators are used for the purpose of identifying major risks in the operating environment and methods of mitigating the risks. The Company employs the standardised approach to determine capital required to cover operational risk. Each function carries out a risk and control assessment of their processes on a regular basis. The assessment results are reviewed by the executive committee of the Company. Internal Audit audits selected functions at given times.

Total Capital

Total capital for the Company is assessed to be sufficient to support current business and planned capital projects. Growth in advances will continue to be pursued in such a way as to achieve economic asset yields.

31 COMPARATIVE FIGURES

Where necessary the comparative figures have been reclassified to conform to current year presentation to present the business more appropriately.

Presentation restatement in prior year for tax receivable on the statement of financial position and interest received on the statement of cash flows amounting to $231 897 and $8 903 586 have been made. The tax receivable was previously presented as other assets disclosed in note 7 and the interest received was part of the working capital changes to the cash flow generated from/(used in) operations as disclosed in note 22. There is no quantitative effect of these restatements on the overall assets and cash flows of the Bank. A third statement of financial position has not been prepared as the amounts relating to the financial year ending 30 June 2016 were not material.

32 FAIR VALUE OF ASSETS AND LIABILITIES

IFRS 13 'Fair value measurement' requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below:

Quoted market prices - level 1

Assets and liabilities are classified as level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets of liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs - level 2

Assets and liabilities classified as level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique using significant and unobservable inputs - level 3

Assets and liabilities are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value of loans advanced to customers, lines of credit and amounts due to group companies approximate the carrying amount due to the short term nature of the financial assets and liabilities.

32 FAIR VALUE OF ASSETS AND LIABILITIES (continued)

Fair Value Heirachy

	Level 1 US$	Level 2 US$	Level 3 US$	30 June 2018 US$
As at 30 June 2018				
Loans and advances to customers and shareholders	-	-	21 630 971	21 630 971
Financial assets held to maturity	-	-	1 921 499	1 921 499
Investment property	-	-	539 411	539 411
Other assets	-	-	3 502 379	3 502 379
Total	**-**	**-**	**27 594 260**	**27 594 260**
Other financial liabilities	-	-	830 619	830 619
Deposits from customers	-	-	1 996 538	1 996 538
Borrowings	-	-	11 573 929	11 573 929
Total	**-**	**-**	**14 401 086**	**14 401 086**

	Level 1 US$	Level 2 US$	Level 3 US$	30 June 2017 US$
As at 30 June 2017				
Loans and advances to customers and shareholders	-	-	18 126 888	18 126 888
Investment Property	-	-	-	-
Other assets	-	-	674 716	674 716
Total	**-**	**-**	**18 801 604**	**18 801 604**
Other financial liabilities	-	-	1 583 550	1 583 550
Deposits from customers	-	-	1 531 424	1 531 424
Medium term bond	-	-	5 514 271	5 514 271
Other borrowings	-	-	-	-
Total	**-**	**-**	**8 629 245**	**8 629 245**

The fair values of other financial liabilities are based on cash flows discounted using rates based on the borrowing rate at which a third party would be lending. For loans from financial institutions the rate charged by these institutions has been applied to calculate their fair value. These loans are within level 3 of the hierarchy as the discount rates which take into account the company's credit risk are not based on obtainable market data due to the absence of such data.

Sensitivity analysis

Sensitivity analysis is performed on valuation of investment property with significant unobservable inputs (level 3) to generate a range of reasonable alternative valuations. The sensitivity methodologies applied take account of the nature of valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative methods. The valuation techniques and sensitivity analysis for investment classified in level 3 are described below:

Observability

Since each property is unique in nature, valuation inputs are largely unobservable. There are inter-relationships between unobservable inputs. Increases or decreases in construction costs that enhance the property's features may result in an increase in future rental values and/or replacement costs.

	30 June 2018 US$	30 June 2017 US$
Change in land value per square meter (sales comparison):		
5% change in replacement cost per square meter	26 971	-

33 IFRS 9 IMPLEMENTATION AND LOAN LOSS RESERVE

Financial instruments not at fair value

TThe IFRS foundation published IFRS 9 Financial Instruments in July 2014. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is mandatorily effective for financial periods commencing on 1 January 2018.

IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics.

Built upon this is a forward-looking expected credit loss (ECL) model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting.

At each reporting date an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses unless the financial asset was purchased or originated credit-impaired.

33.1 Classification of Financial Instruments

The banks business model is to issue loans principally for the collection of interest and principal. The bank does not sell these receivables.

	IAS 39 carrying amount US$	Remeasurement US$	IFRS 9 carrying amount US$
Amortised cost			
Cash and cash equivalents	3 127 535	-	3 127 535
Loans and advances to:-			
Consumer loans	12 354 820	-	12 354 820
SME Loans	8 203 475	-	8 203 475
Mortgage loans	1 081 802	-	1 081 802
Amount receivable from third parties	3 064 219	-	3 064 219
Treasury Bills	1 921 499	-	1 921 499
Other Assets	3 502 379	-	3 502 379

refer to note 2.17.2 for quantitative effect.

33.2 Expected Credit Losses

IFRS 9 requires an entity to recognise a loss allowance for Expected Credit Losses (ECL) on a financial asset that is measured at amortised cost of fair value. IFRS 9 outlines a 'three-stage' approach ('general approach') for impairment based on changes in credit quality since initial recognition:

Stage 1 - includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

33 FRS 9 IMPLEMENTATION AND LOAN LOSS RESERVE (continued)

33.2 Expected Credit Losses (continued)

Stage 2 - includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3 - includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

We determined the expected credit losses in terms of IFRS 9 in a way that reflects:
1. An unbiased and probability weighted amount that was determined by evaluating a range of possible outcomes,
2. The time value of money, and
3. Reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

ECL was calculated using a combination of Probability of Default (PD), Exposure At Default (ED) and Loss Given Default (LGD) figures as follows; ECL=PD*EAD*LGD

Probability of Default
The model used for PDs is a Logistic Regression Model. In the estimation of PDs, this model focuses on the binary response of whether a borrower turns out to be a good or bad payer (non-defaulter vs. defaulter). Criteria such as inflation rate, GDP growth rate and interest rates are considered in order to give rise to forward looking PD's. Their relevance is ascertained by computing their correlation to loan default rates.

Exposure at Default
Exposure at default is the outstanding balance at time of measurement.

Loss Given Default
LGD is usually defined as the amount of the credit that is lost by a financial institution when a borrower defaults. Typically, LGD is defined as the ratio of realized losses to the Exposure at Default

LGD can be calculated by the formula below;
LGD=1-Recovery Rate (RR)

Recovery Rate (RR) is the proportion of Exposure at Default (EAD) that is recovered less expenses incurred on recovery process given that a borrower has defaulted.

33.3 Calculation of Provisions

Under IFRS 9, Expected Credit Loss (ECL) for financial instruments should be anunbiased and probability-weighted amount.

All loans will start in Stage 1 on initial recognition. All loans in Stage 1 will attract a 12-month ECL (calculated using a 12-month Point In Time (PIT) PD) and interest income will be booked on the gross carrying amount.

Following a significant increase in credit risk, loans will migrate to Stage 2 where they will attract Lifetime ECL (calculated using a Lifetime PIT PD) and interest income will be booked on the gross carrying amount.

33 FRS 9 IMPLEMENTATION AND LOAN LOSS RESERVE (continued)

33.3 Calculation of Provisions (continued)

Where there is evidence of impairment, loans will migrate to Stage 3 and in this stage, we calculate Lifetime ECL (calculated using a Lifetime PIT PD) which is always 1 for defaulted loans). Interest will be booked on the net carrying amount.

Stage Assessment /Defining Significant Credit Risk
We assess stages by migrating all loans with an absolute increase in PD of 5% significant increase in credit risk), by comparing 12 months Inception PIT PDs and 12 months current PIT PDs, to Stage 2 and migrate all loans with objective evidence of impairment (these are loans that are more 90 days past due) to Stage 3. If there is no migration to Stage 2 because the PDs have not increased by the required absolute 5%, use the backstop of more than 30 days past due. In subsequent Stage Assessments, loans that had previously migrated to Stage 2 may migrate to Stage 1 if they do not experience a significant increase in credit risk from inception. The bank also assesses qualitative criteria in its assessment of credit quality to incorporate non-quantitative factors that may affect ECL on a periodic basis.

34 BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

35 CONTINGENT LIABILITIES

There were no contingent liabilities as at as at 30 June 2018 (30 June 2017: US$nil)

36 CAPITAL COMMITMENTS

There were no authorised and contracted or authorised but uncontracted capital expenditure as at 30 June 2018. (30 June 2017: US$nil)

37 EVENTS AFTER THE REPORTING DATE

During the financial year the Company paid an interim dividend of $0.00044/share amounting to US$481,170 in respect of the current financial year. After year end the Directors recommend a final dividend of $0.00038/share for the year bringing the total dividend to $0.00082/share for the year.

ANALYSIS OF SHAREHOLDERS

TOP 10 SHAREHOLDERS AS AT 30 JUNE 2018

Rank	Shareholder	Shares	% of total
1	GETBUCKS LIMITED,	550,000,000	50.29
2	GETSURE LIFE ASSURANCE PL	130,000,000	11.89
3	BRAINWORKS CAPITAL MANAGEMENT (PVT)LTD,	106,400,000	9.73
4	BRAINWORKS CAPITAL MNGT PL	78,088,950	7.14
5	DBF CAPITAL PARTNERS LIMITED	66,549,132	6.09
6	RED ROCK CAPITAL	40,378,561	3.69
7	BLUE AIR CAPITAL LTD	31,336,783	2.87
8	GETSURE LIFE ASSURANCE (PRIVATE) LIMITED,	26,099,550	2.39
9	BRAINWORKS GROUP PF - COMARTON	10,142,989	0.93
10	FINTRUST PENSION FUND-COMARTON	9,365,022	0.86
	Shares selected	1,048,360,987	95.87%
	Non-selected shares	45,206,264	4.13%
	Total shares	1,093,567,251	100%

COMPANY INFORMATION

GETBUCKS MICROFINANCE BANK LIMITED
(Incorporated in Zimbabwe)

BUSINESS:

Deposit Taking Microfinance Institution

DIRECTORS:

G. Madzima (Chairman) - Resigned 15 May 2018
M. Murevesi (Managing Director) - Resigned 31 August 2018
G. Fourie (Operations Director)
W. T. Kambwanji (Non-executive Director)
G. Manyere (Non-executive Director)
R. Mbire (Non-executive Director) - Appointed Chairman 14 September 2018
D. Van Niekerk (Non-executive Director)
M. Manjengwah (Non-executive Director) - Acting Chairperson 15 May 2018 (Resigned 14 September 2018)
P. Saungweme (Non-executive Director) - Resigned 15 May 2018
T. Mudangwe (Executive Director) - Appointed Managing Director 1 September 2018
G. Nyengedza (Non-executive Director) - Appointed 24 August 2018
S. Moyo (Non-executive Director) - Appointed 24 August 2018

SECRETARY and CHIEF FINANCE OFFICER:

P. Soko

REGISTERED OFFICE:

5 Central Avenue
MIPF House, Ground Floor,
Harare,
Zimbabwe

INDEPENDENT AUDITOR:

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Building No. 4, Arundel Office Park,
Norfolk Road, Mount Pleasant,
Harare,
Zimbabwe

LEGAL ADVISORS:

Honey & Blanckenberg
200 Herbert Chitepo Avenue,
Harare,
Zimbabwe

BANKERS:

Ecobank Zimbabwe Limited
NMB Bank Limited
Reserve Bank of Zimbabwe

NOTICE OF ANNUAL GENERAL MEETING

In terms of the Company's Memorandum and Articles of Association ("Memorandum and Articles"), notice is hereby given that an AGM of the shareholders of GetBucks Microfinance Bank Limited ("GetBucks") will be held at the Conference Room 1, Monomotapa Hotel, 54 Parklane, Harare, on Tuesday, 4 December 2018 at 10:00am, for the purpose of transacting the following business:

ORDINARY BUSINESS

To consider and, if deemed fit, to pass, with or without modification (s), the following resolutions as Ordinary Resolutions:

1. To receive and consider the financial statements for the financial year ended 30 June 2018 together with the reports of the Directors and Auditors thereon.
2. To elect Mr. G. Nyengedza and Ms. P. S. Moyo who were appointed by the Directors after the last General Meeting. Each director shall be separately elected.
3. To re-elect Mr. W. Kambwanji, Mr. G. Manyere, Mr R. Mbire and Mr D. van Niekerk who retire by rotation and being eligible offer themselves for re-election. Each director shall be separately elected.
4. To approve the declaration of dividends of US$0.00082 per share for the financial year ended 30 June 2018.
5. To approve Directors' fees for the financial year ended 30 June 2018.
6. To approve the remuneration of the auditors for the financial year ended 30 June 2018 and re-appoint Messrs. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as auditors of the Company until the conclusion of the next Annual General meeting.

ANY OTHER BUSINESS

To transact any other business competent to be dealt with at the Annual General Meeting.

NOTES

(i) Members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not be a member of the Company.

(ii) Proxy forms must reach the Company's registered office not less than 48 hours before the meeting.

By order of the Board

GETBUCKS MICROFINANCE BANK LIMITED
P. Soko
Company Secretary
Harare

13 November 2018

GetBucks

Microfinance Bank

Registered Office:
Ground Floor, MIPF House, 5 Central Avenue, Harare, Zimbabwe.