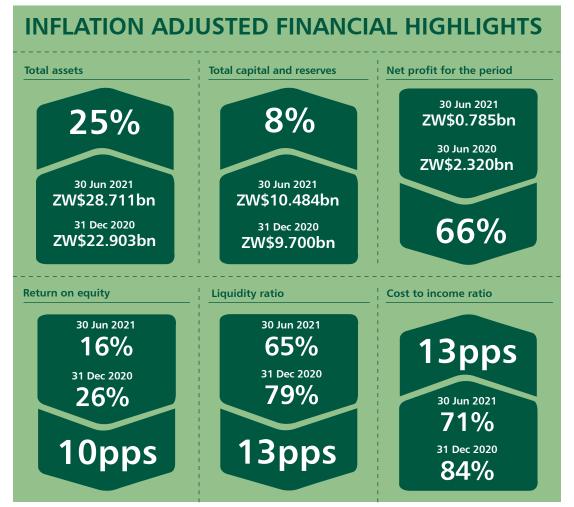


Investments Savings Loans Mortgages Insurance Financial Advisory

ZB FINANCIAL HOLDINGS LIMITED

## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021



pps - percentage points

#### **CHAIRMAN'S STATEMENT**

#### Operating environment:

The COVID-19 health and social pandemic remained an albatross on the neck for world economies as they attempted to chart a sustainable course to recovery following a contraction in 2020 estimated by the International Monetary Fund (IMF) in their January 2021 World Economic Outlook Update at 3.5%. In the period under review, Zimbabwe, like many other countries, grappled with the effects of a second and third wave of the pandemic, with each subsequent wave characterised by a more rapid rate of infections and increased morbidity and mortality. Consequently, the country endured heightened lock-down measures as the Government took measures to limit the spread of the virus. The restrictive measures, whilst having a negative impact on business, combined with the national vaccination program rolled out by Government resulted in a vastly improved health environment.

Cost pressure remained high, with year-on-year inflation closing the period at 106.64% in June 2021, having improved from a high of 362.63% in January 2021. General prices increased by an average of 3.19% over the six-month period. The improved inflation trend is largely attributed to the continued stability observed on the Foreign Exchange Auction Trading System which saw the local currency depreciating against the United States by only 4% between December 2020 and June 2021, closing at ZWL85.4234:USD1.

#### **Group Performance:**

Despite the challenges in the macroeconomic environment, the Group posted a profitable outturn, which is detailed by the Group Chief Executive in his report.

#### **Capital Requirements:**

As at 30 June 2021, all Group companies were in compliance with prescribed minimum capital requirements. The Group remains confident that it will continue to meet the new minimum capital requirements for banking operations, which come into effect from 31 December 2021. This will be achieved mainly through the planned merger of the banking operations within the Group, being ZB Bank Limited and ZB Building Society.

#### Dividends:

The Board has not declared a dividend for the period under review.

Messrs Peter B. Nyoni and Alexio Z. Mangwiro resigned from the Board on 16 July 2021 and 30 July 2021 respectively. Messrs Sydney T. Bvurere and Olatunde Akerele resigned from the Board on 3 May 2021. Mr Ronald Mutandagayi resigned as Group Chief Executive from the Board and Company on 31 May 2021. On behalf of the Board, I extend gratitude for their service and wish them success in their future endeavours.

#### **Executive appointments:**

Mr. Shepherd T. Fungura was appointed as the substantive Group Chief Executive Officer with effect from 1 August 2021. I welcome Shepherd to the Group and wish him success in his career with the Group.

The Government of Zimbabwe revised the forecast for the growth of the economy in 2021 from 7.4% to 7.8% regardless of the debilitating effects of COVID-19. This projection is underpinned by anticipated recovery across all sectors, with agriculture projected to achieve a record 34% growth in 2021.

In the outlook, Government is projecting a growth forecast of 5.4% in 2022, underpinned by resurgence in the productive sectors of the economy, improvement in the energy situation, as well as significant progress towards taming the COVID-19 pandemic particularly through heightened roll out of the national vaccination program,

The chances of attaining the growth projections for 2021 and 2022 have been enhanced by the injection of US\$961 million into the economy from the IMF Special Drawing Rights (SDRs).

The Group will continue to be cautiously optimistic and stands ready to support and partner with the Government in initiatives to resuscitate the economy, including inter alia sustainable infrastructure development, retooling and capacitating the productive sectors and promoting financial inclusion. Focus will continue to be placed on the preservation of the capital and asset base from value erosion attendant to inflation, as well as building digital capacities for customer service delivery in a sustainable and cost-effective manner.

P. Chiromo Chairman

I wish to extend my appreciation to all our stakeholders, for the support and commitment to the ZBFH Group. I am greatly indebted to Board colleagues, management and staff, for their varied contributions during the period under review.

15 September, 2021

#### **GROUP CHIEF EXECUTIVE'S REPORT**

#### Introduction:

The Group's primary financial results are adjusted for inflation in terms of International Accounting Standards (IAS) 29 - Financial Reporting in Hyperinflationary Economies.

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

#### **Performance Outturn:**

The Group recorded a 29.8% decline in total income from ZW\$4.128bn for the period to 30 June 2020 to ZW\$2.897bn for the comparable period to 30 June 2021. The decline in revenue performance was mainly underpinned by a 67% decrease in fair value credits, from ZW\$1.571bn in 2020 to ZW\$0.519bn in 2021 and an 80% decline in other operating income from ZW\$1.706bn in 2020 to ZW\$0.336bn in 2021.

Net interest income rose by 148.6%, from ZW\$0.366bn in 2020 to ZW\$0.909bn in 2021, whilst banking commissions and fees also rose in real terms by 115.6%, from ZW\$0.533bn in 2020 to ZW\$1.15bn in 2021.

 $Loan\ impairment\ charges\ to\ the\ income\ statement\ rose\ from\ ZW\$0.164bn\ in\ 2020\ to\ ZW\$0.256bn\ in\ 2021.$ 

Net insurance related earnings rose from ZW\$0.116bn in 2020 to ZW\$0.239bn in 2021, on the back of a favourable claims experience. Gross premiums increased by 18.4% from ZW\$0.592bn in 2020 to ZW\$0.701bn in 2021, whilst there was a 3.1% decrease in insurance related expenses from ZW\$0.477bn to ZW\$0.462bn

Operating costs increased by 73.5% from ZW\$1.180bn in 2020 to ZW\$2.048bn in 2021, largely as a result of the catch-up adjustment on the cost base in tandem with the inflation profile.

The cost to income ratio improved from 84% in 2020 to 71% in 2021. The Group continues to monitor the sustainability of its operations, especially in light of continued upward pressure on the cost base exerted by the inflationary environment.

Profit from ordinary activities declined by 71.2% from ZW\$2.948bn in 2020 to ZW\$0.849bn in 2021.

An increased transfer to the life fund of ZW\$0.226bn, compared to ZW\$0.028bn in 2020 was made, underpinned by sustained strong performance of the underlying assets.

The Group earned ZW\$0.357bn as its share of profits reported by its associate companies for 2021, compared to a loss of ZW\$0.234bn in 2020. The share of profits from associates continues to be driven mainly by the revaluation of investment properties which constitute the bulk of the assets at a significant listed investee

The Group posted a net profit of ZW\$0.785bn in 2021, representing a 66.2% decline from the ZW\$2.320bn attained in 2020.

Meanwhile, the Group's total assets increased by 25.4% in real terms, from ZW\$22.903bn as at 31 December 2020 to ZW\$28.711bn as at 30 June 2021.

Deposits and other related funding account balances grew by 45.8%, from ZW\$8.578bn as at 31 December 2020 to ZW\$12.510bn as at 30 June 2021.

The Group maintained a comfortable liquidity margin of safety, with the ratio of liquid assets to customer deposits being 65.44% as at 30 June 2021, down from 78.9% reported on 31 December 2020. This compares favourably against a regulatory benchmark of 30%.

The Group's total equity increased by 8.3%, from ZW\$9.7bn as at 31 December 2020 to ZW\$10.484bn as at 30 June 2021, driven mainly by the positive performance for the period.

#### **Operations Review:**

#### **Banking Operations:**

ZB Bank Limited posted a profit of ZW\$0.506bn for the six months to 30 June 2021, 66.4% down from ZW\$1.504bn in the corresponding period in 2020. This was mainly on the back a 72.7% increase in operating expenses from ZW\$0.976bn in 2020 to ZW\$1.686bn in 2021.

The Bank's total assets stood at ZW\$19.769bn as at 30 June 2021, from ZW\$15.006bn as at 31 December 2020.

ZB Building Society posted a profit of ZW\$0.066bn in 2021, 73% down from ZW\$0.243bn in 2020. The Society's total assets stood at ZW\$1.639bn as at 30 June 2021, from ZW\$1.35bn as at 31 December 2020.

The banking operations have continued to leverage on established strategic partnerships to drive performance and will widen this base going forward.

#### **Insurance Operations:**

ZB Reinsurance Limited posted a profit of ZW\$0.1bn for the first six months in 2021 compared to ZW\$0.266bn in the corresponding period 2020. Its total assets increased in real terms from ZW\$1.013bn as at 31 December

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

ZB Life Assurance Limited posted a profit of ZW\$0.21bn in the first six months to 30 June 2021, compared to ZW\$0.09bn in the corresponding period in 2020. Its total assets increased in real terms from ZW\$3.93bn as at 31 December 2020 to ZW\$4.378bn as at 30 June 2021.

The company has rolled out interesting products including the funeral service facility, which is being offered as an add-on to its bouquet of services.

#### **Other Strategic Operations:**

The Group, through its investment banking unit, ZB Capital (Private) Limited, continues to offer fund-raising and advisory services to a wide range of partners, including but not limited to Government, State-Owned Enterprises and the private sector.

The Group is progressing the digitalisation agenda in order to enhance its operational efficiencies and most importantly, offer improved service delivery to its customers.

I would like to express my appreciation to our valued customers for their continued support.

I also extend my gratitude to staff and the management team for their contributions to the performance outturn during this review period.

Finally, I remain grateful to the Board for its invaluable oversight.

S. T. Fungura **Group Chief Executive** 

15 September, 2021



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

#### **AUDITOR'S STATEMENT**

These condensed consolidated inflation adjusted interim financial results of ZB Financial Holdings Limited and its subsidiaries, incorporating the following condensed inflation adjusted interim financial results for ZB Bank Limited, ZB Building Society, ZB Life Assurance Limited and ZB Reinsurance Limited for the half year financial period ended 30 June 2021, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). An adverse review conclusion has been expressed for both ZB Financial Holdings Limited and ZB Life Assurance Limited's because of non-compliance with International Accounting Standard 28, Investments in Associates and Joint Ventures, IAS 8, Accounting policies, Changes in Accounting Estimates and Errors and IFRS 13 Fair Value Measurement, whilst unmodified review conclusions have been expressed for ZB Bank Limited, ZB Building Society and ZB Reinsurance Limited. A copy of the auditor's review conclusion is available for inspection at the ZB Financial Holdings' registered office. The engagement partner for this review is Michael de Beer (PAAB Practicing Certificate Number 0369).

#### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2021

|  |                    | Inflation   | adjusted   | Historic  | al cost   |
|--|--------------------|---|--|---|---|
|  | Notes              | Reviewed<br>30 Jun 2021<br>ZW\$   | Audited<br>31 Dec 2020<br>ZW\$   | Unreviewed<br>30 Jun 2021<br>ZW\$   | Unaudited<br>31 Dec 2020<br>ZW\$  |
| ACCETC   |                    |   |  |   |   |
| ASSETS Cash and cash equivalents Treasury bills Mortgages and other advances Financial assest at fair value through profit or loss Financial assets held   | 3<br>4.1           | 6 985 981 279<br>1 200 308 690<br>6 382 953 754<br>1 857 697 607  | 6 139 030 851<br>625 302 767<br>3 798 472 833<br>1 148 958 381   | 6 985 981 279<br>1 200 308 690<br>6 382 953 754<br>1 857 697 607  | 5 086 686 008<br>518 114 164<br>3 147 343 462<br>952 005 400  |
| at amortised cost<br>Investments in associates<br>Inventories<br>Trade and other receivables<br>Investment properties<br>Right of use assets<br>Property and equipment<br>Intangible assets                          | 5.1<br>6<br>7<br>8 | 46 164 336<br>4 162 433 236<br>216 474 571<br>1 462 791 605<br>2 684 849 294<br>99 860 834<br>3 370 389 739<br>240 791 544                  | 55 714 916<br>3 811 652 688<br>61 417 234<br>731 566 782<br>2 628 586 860<br>79 936 705<br>3 561 927 627<br>260 927 403                    | 46 164 336<br>3 654 629 490<br>42 760 326<br>1 462 791 605<br>2 224 615 851<br>66 700 654<br>2 779 649 328<br>27 670 283                    | 46 164 336<br>2 902 113 354<br>36 230 398<br>606 162 537<br>2 177 997 851<br>66 234 057<br>2 951 346 535<br>28 389 024                    |
| Total assets   |                    | 28 710 696 489  | 22 903 495 047   | 26 731 923 203  | 18 518 787 126  |
| LIABILITIES  Deposits and other accounts Trade and other payables Current tax liabilities Deferred tax liabilities Lease liabilities Long term borrowings Life assurance funds Offshore borrowings Total liabilities | 9<br>10<br>11      | 12 510 431 827<br>2 314 608 696<br>348 917 977<br>526 336 752<br>73 107 113<br>16 544 155<br>2 245 912 870<br>190 515 971<br>18 226 375 361 | 8 578 256 846<br>1 424 945 667<br>111 978 938<br>670 867 486<br>83 971 911<br>19 479 850<br>2 020 026 521<br>293 521 765<br>13 203 048 984 | 12 510 431 827<br>2 314 608 696<br>348 917 977<br>426 926 995<br>73 107 113<br>16 544 155<br>2 245 912 870<br>190 515 971<br>18 126 965 604 | 7 107 782 993<br>1 180 683 296<br>92 783 651<br>498 499 777<br>69 577 553<br>16 140 639<br>1 673 756 150<br>243 206 638<br>10 882 430 697 |
| EQUITY Share capital Share premium Other components of equity Retained income Functional currency translation reserve Attributable to equity holders of parent Non-controlling interests                             |                    | 87 753 501<br>1 356 529 999<br>2 409 379 273<br>4 984 163 226<br>-<br>8 837 825 999<br>1 646 495 129  | 87 753 501<br>1 356 529 999<br>2 410 032 583<br>4 342 449 037<br>-<br>8 196 765 120<br>1 503 680 943                                       | 1 751 906<br>27 081 696<br>2 409 802 293<br>4 673 634 814<br>101 292 105<br>7 213 562 814<br>1 391 394 785                                  | 1 751 906<br>27 081 696<br>2 410 826 591<br>3 844 673 945<br>101 292 105<br>6 385 626 243<br>1 250 730 186                                |
| Total equity<br>Total equity and liabilities   |                    | 10 484 321 128<br>28 710 696 489  | 9 700 446 063<br>22 903 495 047  | 8 604 957 599<br>26 731 923 203   | 7 636 356 429<br>18 518 787 126   |

#### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2021

|  |       | Inflation                       | adjusted                                     | Historical cost                   |  |  |  |
|--|-------|---------------------------------|--|-----------------------------------|--|--|--|
|  | Notes | Reviewed<br>30 Jun 2021<br>ZW\$ | *Restated<br>Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | *Restated<br>Unreviewed<br>30 Jun 2020<br>ZW\$ |  |  |
| Interest and related income  | 12    | 1 102 278 532                   | 418 820 941                                  | 1 033 337 017                     | 124 815 443                                    |  |  |
| Interest and related expenses  | 13    | (193 584 234)                   | (53 245 387)                                 | (184 345 525)                     | (15 336 613                                    |  |  |
| Net interest and related income  |       | 908 694 298                     | 365 575 554                                  | 848 991 492                       | 109 478 830                                    |  |  |
| Loan impairment charges,   | 4.4   | (256,462,754)                   | (454.045.725)                                | (2.40, 526, 662)                  | (50,000,004                                    |  |  |
| net recoveries<br>Net income from lending activitie  | 14    | (256 192 754)<br>652 501 544    | (164 016 726)<br>201 558 828                 | (248 526 662)<br>600 464 830      | (58 999 264<br>50 479 566                      |  |  |
| vet income from lending activities   | :5    | 032 301 344                     | 201 338 828                                  | 000 404 630                       | 30 479 300                                     |  |  |
| Gross insurance premium income<br>Fotal insurance expenses   |       | 701 174 982<br>(461 744 716)    | 592 285 778<br>(476 732 717)                 | 657 733 728<br>(434 342 587)      | 203 236 813<br>(169 498 381                    |  |  |
| Net insurance premium income   |       | 239 430 266                     | 115 553 061                                  | 223 391 141                       | 33 738 432                                     |  |  |
| Commissions and fees   |       | 1 150 175 051                   | 533 399 825                                  | 1 079 790 767                     | 151 968 488                                    |  |  |
| Other operating income   |       | 335 682 915                     | 1 706 487 731                                | 326 138 026                       | 836 908 099                                    |  |  |
| Fair value adjustments   |       | 518 961 587                     | 1 571 199 885                                | 696 335 798                       | 1 761 560 155                                  |  |  |
| Гotal income   |       | 2 896 751 363                   | 4 128 199 330                                | 2 926 120 562                     | 2 834 654 740                                  |  |  |
| 0  | 45    | (2.047.727.205)                 | (4.400.404.503)                              | (4.066.506.03.0)                  | (264 272 622                                   |  |  |
| Operating expenses  Profit from ordinary activities  | 15    | (2 047 737 295)<br>849 014 068  | (1 180 401 502)<br>2 947 797 828             | (1 866 586 034)<br>1 059 534 528  | (361 273 620<br>2 473 381 120                  |  |  |
| Movement in life assurance funds<br>Share of associate companies   |       | (225 886 349)                   | (27 717 764)                                 | (572 156 719)                     | (282 053 348                                   |  |  |
| profit / (losses) net of tax   |       | 356 886 483                     | (233 857 456)                                | 760 205 256                       | 224 651 938                                    |  |  |
| Net monetary gain or (loss)  |       | 19 796 400                      | (237 250 443)                                | 1 247 502 005                     | 2 415 979 710                                  |  |  |
| Profit before taxation ncome tax expense   | 16    | 999 810 602<br>(215 282 229)    | 2 448 972 165<br>(129 306 172)               | 1 247 583 065<br>(277 957 597)    | (51 140 733                                    |  |  |
| let profit for the period  |       | 784 528 373                     | 2 319 665 993                                | 969 625 468                       | 2 364 838 977                                  |  |  |
| Profit attributable to:<br>Dwners of parent  |       | 641 714 189                     | 2 144 190 419                                | 828 960 869                       | 1 826 180 460                                  |  |  |
| Non-controlling interests  |       | 142 814 184                     | 175 475 574                                  | 140 664 599                       | 538 658 517                                    |  |  |
| Profit for the period  |       | 784 528 373                     | 2 319 665 993                                | 969 625 468                       | 2 364 838 977                                  |  |  |
| Other comprehensive income:<br>tems that will not be<br>reclassified to profit or loss<br>Gains on property and<br>equipment revaluation |       | -                               | 525 605 149                                  |                                   | 829 716 919                                    |  |  |
| Fair value (losses) / gains on<br>financial assets at FVTOCI   |       | (1 360 652)                     | 10 085 265                                   | (1 360 652)                       | 4 880 502                                      |  |  |
| Income tax relating to   |       |                                 |  |                                   |  |  |  |
| components of other  |       |                                 |  |                                   |  |  |  |
| comprehensive income   |       | 336 354                         | (31 479 134)                                 | 336 354                           | (45 851 879                                    |  |  |
| Other comprehensive income /<br>(loss) for the period net of tax   |       | (1 024 298)                     | 504 211 280                                  | (1 024 298)                       | 788 745 542                                    |  |  |
| (1033) for the period fiet of tax  |       | (1 024 250)                     | 304 211 200                                  | (1 024 230)                       | 700 743 342                                    |  |  |
| Total comprehensive income for the period  |       | 783 504 075                     | 2 823 877 273                                | 968 601 170                       | 3 153 584 519                                  |  |  |
| otal comprehensive income  |       |                                 |  |                                   | <del></del>                                    |  |  |
| attributable to:<br>Owners of parent<br>Non-controlling interests  |       | 640 689 891<br>142 814 184      | 2 640 050 934<br>183 826 339                 | 827 936 571<br>140 664 599        | 2 597 264 886<br>556 319 633                   |  |  |
| Total comprehensive income for the period  |       | 783 504 075                     | 2 823 877 273                                | 968 601 170                       | 3 153 584 519                                  |  |  |
| income for the period  |       | 703 304 075                     | 2 023 8// 2/3                                | 900 001 170                       | 210 304 519 ככו כ                              |  |  |
| Earnings per share<br>Basic and fully diluted earnings   | 17    | 407                             | 4.364  | 526                               | 4.450  |  |  |
| per share (ZW cents)   | 17    | 407                             | 1 361  | 526                               | 1 159  |  |  |

CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY

| For t | he h | alf vea | r ended | 30 Ju | ne 2021 |
|-------|------|---------|---------|-------|---------|
|       |      |         |         |       |         |

|   |                          |                          |                            |   | Reviewed inf                             | lation adjusted               | i   |   |                       |
|---|--------------------------|--------------------------|----------------------------|---|--|-------------------------------|---|---|-----------------------|
|   | Share<br>capital<br>ZW\$ | Share<br>premium<br>ZW\$ | General<br>reserve<br>ZW\$ | Property and<br>equipment<br>revaluation<br>reserve<br>ZW\$ | Financial<br>assets<br>at FVTOCI<br>ZW\$ | Retained<br>income<br>ZW\$    | Attributable<br>to equity<br>holders of<br>parent<br>ZW\$ | Non<br>controlling<br>interests<br>ZW\$ | Tota<br>ZW            |
| 30 June 2021  |                          |                          |                            |   |  |                               |   |   |                       |
| Balance at 31 December 2020   | 87 753 501               | 1 356 529 999            | 15 854 950                 | 2 396 341 852   | (2 164 219)                              | 4 342 449 037                 | 8 196 765 120   | 1 503 680 945                           | 9 700 446 06          |
| Changes in equity for 2021  |                          |                          |                            |   |  |                               |   |   |                       |
| Profit or loss<br>Profit for the period<br>Other comprehensive income, net of tax | -                        | -                        | -                          | -   | -  | 641 714 189                   | 641 714 189   | 142 814 184                             | 784 528 37            |
| Fair value loss on financial assets at FVTOCI Other movements                     | -                        | -                        | -                          | -   | (1 024 298)                              | -                             | (1 024 298)   | -                                       | (1 024 2              |
| Effects of monetary adjustments   | -                        | -                        | -                          | -   | 370 988                                  | -                             | 370 988   | -                                       | 370 98                |
| Balance at 30 June 2021   | 87 753 501               | 1 356 529 999            | 15 854 950                 | 2 396 341 852   | (2 817 529)                              | 4 984 163 226                 | 8 837 825 999   | 1 646 495 129                           | 10 484 321 1          |
| 30 June 2020  |                          |                          |                            |   |  |                               |   |   |                       |
| Balance at 31 December 2019   | 87 752 809               | 1 356 519 302            | 15 854 950                 | 2 026 872 623   | 107 458 987                              | 3 020 548 644                 | 6 615 007 315   | 1 539 911 708                           | 8 154 919 0           |
| *Prior period error   | -                        | -                        | -                          | (226 511 487)   | -  | (121 268 047)                 |   | 128 550 916                             | (219 228 6            |
| Restated balance 1 January 2020   | 87 752 809               | 1 356 519 302            | 15 854 950                 | 1 800 361 136   | 107 458 987                              | 2 899 280 597                 | 6 267 227 781   | 1 668 462 624                           | 7 935 690 4           |
| Changes in equity for 2020  |                          |                          |                            |   |  |                               |   |   |                       |
| Profit or loss  |                          |                          |                            |   |  |                               |   |   |                       |
| Profit for the period   |                          | -                        | -                          | -   | -  | 2 144 190 419                 |   | 175 475 574                             | 2 319 665 9           |
| Profit for the period as previously reported                                      | -                        | -                        | -                          | -   | -  | 1 977 423 243                 | 1 977 423 243   | 357 767 833                             | 2 335 191 0           |
| *Prior period error   |                          |                          |                            | -   | -  | 166 767 176                   | 166 767 176   | (182 292 259)                           | (15 525 0             |
| Other comprehensive income, net of tax  |                          |                          |                            | 470 262 720   |  |                               | 470 262 720   | 47.256.255                              | 400 040 0             |
| Revaluation of property<br>Fair value gain on financial assets at FVTOCI          | -                        | -                        | -                          | 479 362 738   | 7 592 188                                | -                             | 479 362 738<br>7 592 188                                  | 17 256 355                              | 496 619 09<br>7 592 1 |
| Pair value gain on financial assets at FVTOCI Dividends paid                      |                          |                          |                            |   | 7 392 188                                | (EE 246 646)                  | (55 346 646)  | (780 918)                               | (56 127 5             |
|   |                          | 1 356 519 302            | 15 854 950                 | 2 279 723 874   | 115 051 175                              | (55 346 646)<br>4 988 124 370 |   | 1 860 413 635                           |                       |
| Balance at 30 June 2020   | 87 752 809               |                          |                            |   |  |                               |   |   |                       |

| Balance at 30 June 2020   | 87                                       | 752 809 1 35             | 6 519 302 15   | 854 950 2 2                | 79 723 874 115  |  | 88 124 370 8               | 843 026 480 1          | 860 413 635 1                           | 10 703 440 115 |
|---|--|--------------------------|--|----------------------------|---|--|----------------------------|------------------------|---|----------------|
|   |  |                          |  |                            |   |  |                            |                        |   |                |
|   | Unreviewed and Unaudited Historical cost |                          |  |                            |   |  |                            |                        |   |                |
|   | Share<br>capital<br>ZW\$                 | Share<br>premium<br>ZW\$ | Functional<br>currency<br>translation<br>reserve<br>ZW\$ | General<br>reserve<br>ZW\$ | Property and<br>equipment<br>revaluation<br>reserve<br>ZW\$ | Financial<br>assets<br>at FVTOCI<br>ZW\$ | Retained<br>income<br>ZW\$ | Attributable to equity | Non<br>controlling<br>interests<br>ZW\$ | Total<br>ZW\$  |
| 30 June 2021  |  |                          |  |                            |   |  |                            |                        |   |                |
| Balance at 31 December 2020   | 1 751 906                                | 27 081 696               | 101 292 105  | 5 817 958                  | 2 406 801 864   | (1 793 231)                              | 3 844 673 945              | 6 385 626 243          | 1 250 730 186                           | 7 636 356 429  |
| Changes in equity for 2021  |  |                          |  |                            |   |  |                            |                        |   |                |
| Profit or loss Profit for the period Other comprehensive income, net of tax | -  | -                        | -  | -                          | -   | -  | 828 960 869                | 828 960 869            | 140 664 599                             | 969 625 468    |
| Fair value gain on financial assets at FVTOCI                               | -  | -                        | -  | -                          | -   | (1 024 298)                              | -                          | (1 024 298)            | -                                       | (1 024 298     |
| Balance at 30 June 2021   | 1 751 906                                | 27 081 696               | 101 292 105  | 5 817 958                  | 2 406 809 864   | (2 817 529)                              | 4 673 634 814              | 7 213 562 814          | 1 391 394 785                           | 8 604 957 599  |
| 30 June 2020  |  |                          |  |                            |   |  |                            |                        |   |                |
| Balance at 31 December 2019   | 1 751 906                                | 27 081 696               | 113 962 188  | 5 870 251                  | 479 073 735   | (2 987 053)                              | 586 598 447                | 1 211 351 170          | 295 790 385                             | 1 507 141 555  |
| Prior period error  | -  | -                        | (8 551 338)  | -                          | (46 739 302)  | -  | 10 257 264                 | (45 033 376)           | (13 236 760)                            | (58 270 136    |
| testated balance 1 January 2020   | 1 751 906                                | 27 081 696               | 105 410 850  | 5 870 251                  | 432 334 433   | (2 987 053)                              | 596 855 711                | 1 166 317 794          | 282 553 625                             | 1 448 871 419  |
| Changes in equity for 2020  |  |                          |  |                            |   |  |                            |                        |   |                |
| Profit or loss  |  |                          |  |                            |   |  |                            |                        |   |                |
| Profit for the period   | -  | -                        | -  | -                          | -   | -  | 1 826 180 460              | 1 826 180 460          | 538 658 517                             | 2 364 838 977  |
| Profit for the period as previously reported                                | -  | -                        | -  | -                          | -   | -  | 1 845 630 786              | 1 845 630 786          | 538 658 517                             | 2 384 289 303  |
| Prior period error  | -  | -                        | -  | -                          | -   | -  | (19 450 326)               | (19 450 326)           | -                                       | (19 450 326    |
| other comprehensive income, net of tax                                      |  |                          |  |                            |   |  |                            |                        |   |                |
| evaluation of property  | -  | -                        | -  | -                          | 767 410 385   | -  | -                          | 767 410 385            | 17 661 115                              | 785 071 500    |
| air value gain on financial assets at FVTOCI                                |  | -                        | -  | -                          | -   | 3 674 042                                |                            | 3 674 042              |   | 3 674 042      |
| Dividends paid  |  | -                        | -  | -                          | -   |  | (10 223 236)               | (10 223 236)           | (377 880                                | (10 601 116    |
| Other movements   |  |                          |  |                            |   |  |                            |                        |   |                |
| Adjustment for regulatory reserve in  |  |                          |  |                            |   |  |                            |                        |   |                |
| respect of doubtful advances  | -  |                          |  | (52 293)                   |   |  |                            | (52 293)               |   |                |
| Balance at 30 June 2020   | 1 751 906                                | 27 081 696               | 105 410 850  | 5 817 958                  | 1 199 744 818   | 686 989                                  | 2 412 812 935              | 3 753 307 152          | 838 547 670                             | 4 591 854 822  |

<sup>\*</sup> The restatement is in respect of prior period error on revaluation of intangible assets (see note 8)

#### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2021

| Inflation                       | adjusted  | Historica   | al cost   |
|---------------------------------|---|---|---|
| Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$   | Unreviewed<br>30 Jun 2021<br>ZW\$   | Unreviewed<br>30 Jun 2020<br>ZW\$   |
| 302 060 183                     | 1 419 064 622   | 1 471 052 910   | 2 276 259 485   |
|                                 |   |   | 124 815 443   |
|                                 |   |   | (15 336 613)  |
| ,                               | ,   | ,   | (12 535 637)  |
| ,                               | ,   | ,   | ,   |
| 1 189 502 974                   | 1 724 722 282   | 2 226 984 702   | 2 373 202 678   |
|                                 |   |   |   |
| _                               | (25 764 248)  | -   | (5 059 772)   |
| (49 759 940)                    | ,   | (47 035 767)  | (12 245 747)  |
| (420 721 988)                   | ,   | (429 231 305)   | (21 858 127)  |
| 360 828 954                     | 51 813 467  | 354 242 655   | 15 716 251 <sup>°</sup>   |
| 47 066 074                      | 40 189 299  | 44 867 550  | 11 595 998  |
| 8 249 738                       | -   | 7 689 120   | -   |
|                                 |   |   |   |
| (54 337 162)                    | (55 793 152)  | (69 467 747)  | (11 851 397)  |
|                                 |   |   |   |
|                                 |   |   |   |
|                                 | , ,   |   | (3 743 206)   |
| (50 244 611)                    | (12 900 038)  | (24 572 429)  | (3 743 206)   |
| 1 084 921 201                   | 1 656 029 092   | 2 132 944 526   | 2 357 608 075   |
|                                 |   |   |   |
| 6 139 030 851                   | 5 201 062 008   | 5 086 686 008   | 960 702 956   |
|                                 |   |   |   |
| (237 970 773)                   | (1 680 842 800)   | (233 649 255)   | (813 400 190)   |
| (237 370 773)                   | (1 000 042 000)   | (233 043 233)   | (013 400 130)   |
| 6 985 981 279                   | 5 176 248 300   | 6 985 981 279   | 2 504 910 841   |
|                                 |   |   |   |
| 2 567 228 119                   | 2 307 872 856   | 2 567 228 119   | 1 116 835 090   |
|                                 |   |   | 908 479 847   |
| 2 142 435 000                   | 991 056 225   | 2 142 435 000   | 479 595 904   |
| 6 985 981 279                   | 5 176 248 300   | 6 985 981 279   | 2 504 910 841   |
|                                 |   |   |   |
|                                 | Reviewed 30 Jun 2021 zW\$  392 060 183 1 102 278 532 (193 584 234) (111 251 507)  1 189 502 974 | 30 Jun 2021 ZW\$  392 060 183 1 419 064 622 1 102 278 532 418 820 941 (193 584 234) (52 875 853) (111 251 507) (60 287 428)  1 189 502 974 1 724 722 282  - (25 764 248) (49 759 940) (55 652 025) (420 721 988) 360 828 954 47 066 074 40 189 299 8 249 738 - (54 337 162) (50 244 611) (12 900 038) (50 244 611) (12 900 038) 1 084 921 201 1 656 029 092 6 139 030 851 5 201 062 008  (237 970 773) (1 680 842 800) 6 985 981 279 5 176 248 300  2 567 228 119 2 307 872 856 2 276 318 160 2 142 435 000 991 056 225 | Reviewed 30 Jun 2021 zW\$         Reviewed 30 Jun 2020 zW\$         Unreviewed 30 Jun 2021 zW\$           392 060 183 1 419 064 622 1 1 471 052 910 1 102 278 532 418 820 941 1 033 337 017 (193 584 234) (52 875 853) (184 345 525) (111 251 507) (60 287 428) (93 059 700)         (1189 502 974 1 724 722 282 2 226 984 702           - (25 764 248) (93 059 700)         - (25 764 248) (93 059 700)           1 189 502 974 1 724 722 282 2 226 984 702         - (25 764 248) (93 059 700)           - (49 759 940) (55 652 025) (47 035 767) (420 721 988) (66 379 645) (429 231 305) 360 828 954 51 813 467 354 242 655 47 066 074 40 189 299 44 867 550 7 689 120         - (69 467 747)           (54 337 162) (55 793 152) (69 467 747)         (50 244 611) (12 900 038) (24 572 429) (50 244 611) (12 900 038) (24 572 429)           (50 244 611) (12 900 038) (24 572 429)         1 084 921 201 1 656 029 092 2 132 944 526           6 139 030 851 5 201 062 008 5 086 686 008         5 086 686 008           (237 970 773) (1 680 842 800) (233 649 255)         5 176 248 300 6 985 981 279           2 567 228 119 2 276 318 160 1 877 319 219 2 276 318 160 2 142 435 000 991 056 225 2 142 435 000 6 985 981 279           2 567 228 119 2 276 318 160 991 056 225 2 142 435 000 6 985 981 279 |

#### NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED FINANCIAL RESULTS

#### 1. BASIS OF PREPARATION

## 1.1 Statement of compliance

The condensed consolidated inflation adjusted interim financial results are required to be prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as well as the requirements of the Securities and Exchange (Zimbabwe Stock Exchange) (ZSE) Listing Rules, 2019. They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last Group annual financial statements. They should therefore be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

#### 1.2 Reporting currency

The interim financial information of ZB Financial Holdings Limited and its subsidiaries is presented in Zimbabwean dollars (ZW\$), which was the functional currency for the Holding Company and its subsidiaries as at the reporting date. All information presented

The reporting currency basis was applied to the financial results as at the reporting date of ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited, incorporated in this reporting package.

Conversion



#### **ZB FINANCIAL HOLDINGS** LIMITED

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

#### NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

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

The restatement of figures has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the condensed consolidated inflation adjusted interim financial results at 30 June 2021 are as follows:

| 2 474.51 | 1.00<br>1.21<br>2.07             |
|----------|----------------------------------|
|          | 2 986.44<br>2 474.51<br>1 445.21 |

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the balance sheet date are restated by applying a general CPI. Corresponding figures for previous periods are similarly restated.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held, assets and liabilities to be recovered or paid at the nominal value recorded in the historical cost
- Non-monetary assets and liabilities and the components of shareholding's equity are restated by applying (to the initial acquisition cost and any accumulated depreciation for property and equipment), the relevant conversion factors reflecting the increase in the CPI from the date of change in functional currency from USD to ZW\$ in 2018.
- All items in the condensed consolidated inflation adjusted interim statement of profit or loss are restated by applying the
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the condensed consolidated inflation adjusted interim statement of profit or loss and replaced by
- The effect of general inflation on the Group's net monetary position is included in the condensed consolidated inflation adjusted interim statement of profit or loss as a monetary gain or loss.
- Share capital and share premium were restated from the date of change in functional currency from USD to ZW\$ in 2018.

The above inflation adjustment guidelines were also applied to the financial results as at the reporting date of ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited, incorporated in this reporting package.

The preparation of the condensed consolidated inflation adjusted interim financial results are in conformity with IAS 29 "Financial Reporting in Hyperinflationary Economies" is required by International Financial Reporting Standards (IFRSs). The condensed consolidated inflation adjusted interim financial results are the principal condensed financial results of the Group. The historical cost information is shown as supplementary information this information does not comply with International Financial Reporting Standards in that it has not taken account of the requirement of International Accounting Standards 29: Financial Reporting for Hyper-Inflationary Economies. As a result the auditors have not issued a review conclusion on the historical cost financial information as this is presented as supplementary information. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the December 2020 financial

The same accounting policies and methods of computation were applied to the financial results as at the reporting date of ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited, incorporated in this reporting package.

#### 1.5 Basis of consolidation

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

#### 1.6 Key sources of judgement and estimation uncertainty

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

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

The nature of assumptions made and processes involved in the development of estimates, and relevant models used, where applicable, are discussed in the accounting policy notes in the Group's annual report as at 31 December 2020.

The same above significant assumptions and estimates were applied to the extent where relevant, to the financial results as at the reporting date of ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited, incorporated in this reporting package.

## 2. SEGMENT INFORMATION

<sup>1</sup>Includes consolidation journals.

<sup>1</sup>Includes consolidation journals

|  |   | Reviewed in  | nflation adjusted   |   |
|--|---|--|---|---|
| 30 June 2021   | Banking<br>operations<br>ZW\$   | Insurance<br>operations<br>ZW\$  | Other<br>strategic<br>investments <sup>1</sup><br>ZW\$                      | Total<br>ZW\$   |
| External revenue Net earnings/(losses) from lending activities Fees and commission income Other revenue/(losses) Fair value adjustments Total segment revenue/(losses) | 680 646 273<br>1 129 231 547<br>338 131 675<br>450 872 248<br>2 598 881 743 | (6 840 799)<br>240 389 116<br>54 239 680<br>165 471 632<br>453 259 629 | (21 303 930)<br>19 984 654<br>(56 688 440)<br>(97 382 293)<br>(155 390 009) | 652 501 544<br>1 389 605 317<br>335 682 915<br>518 961 587<br>2 896 751 363 |
| Total segment (operating expenses)/income  Material non-cash items included in the above figures: Depreciation Amortisation of intangible assets                       | (1 852 360 950)<br>(170 531 458)<br>(20 049 338)                            | (242 011 441)<br>(5 139 294)<br>(86 521)                               | 46 635 096<br>(9 364 640)   | (2 047 737 295)<br>(185 035 392)<br>(20 135 859)                            |
| Reportable segment profit/(loss) before taxation   | 774 009 710   | 281 879 359  | (56 078 467)  | 999 810 602   |
| Reportable segment assets as at 30 June 2021   | 22 363 726 021  | 5 523 182 068  | 823 788 400   | 28 710 696 489  |
| Reportable segment liabilities as at 30 June 2021  | 15 677 993 629  | 2 973 070 188  | (424 688 456)   | 18 226 375 361  |

|   | Reviewed inflation adjusted   |   |  |   |  |  |  |
|---|---|---|--|---|--|--|--|
| 30 June 2020  | Banking<br>operations<br>ZW\$   | Insurance<br>operations<br>ZW\$   | Other<br>strategic<br>investments <sup>1</sup><br>ZW\$       | Total<br>ZW\$   |  |  |  |
| External revenue Net earnings from lending activities Fees and commission income Other revenue Fair value adjustments Total segment revenue | 206 333 273<br>524 092 711<br>2 168 627 120<br>658 772 385<br>3 557 825 489 | (4 774 445)<br>115 931 929<br>803 454 259<br>514 620 889<br>1 429 232 632 | 8 928 246<br>(1 265 593 648)<br>397 806 611<br>(858 858 791) | 201 558 828<br>648 952 886<br>1 706 487 731<br>1 571 199 885<br>4 128 199 330 |  |  |  |
| Total segment operating expenses  Material non-cash items included in the above figures:  Depreciation                                      | (1 044 432 258)<br>(27 122 568)   | (143 727 780)<br>(5 615 756)  | 7 758 536<br>(2 109 596)                                     | (1 180 401 502)<br>(34 847 920)   |  |  |  |
| Amortisation of intangible assets  Reportable segment profit before taxation  Reportable segment assets                                     | (37 081 004)<br>1 682 778 285   | (11 896 448)<br>379 110 308   | 387 083 572  | (48 977 452)<br>2 448 972 165   |  |  |  |
| as at 31 December 2020  Reportable segment liabilities as at 31 December 2020   | 17 267 658 277<br>10 600 651 671  | 4 959 699 452<br>2 709 577 257  | 676 137 319<br>(107 179 945)                                 | 22 903 495 047<br>13 203 048 984  |  |  |  |

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|  |                               | Unreview                        | ed historical cost                                     |                 |
|--|-------------------------------|---------------------------------|--|-----------------|
| 30 June 2021   | Banking<br>operations<br>ZW\$ | Insurance<br>operations<br>ZW\$ | Other<br>strategic<br>investments <sup>1</sup><br>ZW\$ | Total<br>ZW\$   |
| External revenue                                       |                               |                                 |  |                 |
| Net earnings/(losses) from lending activities          | 627 069 754                   | (6 937 887)                     | (19 667 037)   | 600 464 830     |
| Fees and commission income                             | 1 060 279 809                 | 224 298 728                     | 18 603 371   | 1 303 181 908   |
| Fair value adjustments                                 | 548 852 627                   | 274 617 968                     | (127 134 797)  | 696 335 798     |
| Other revenue/(losses)                                 | 328 642 616                   | 50 410 948                      | (52 915 538)   | 326 138 026     |
| Total segment revenue/(losses)                         | 2 564 844 806                 | 542 389 757                     | (181 114 001)  | 2 926 120 562   |
| Total segment operating expenses/(income)              | (1 688 688 985)               | (227 383 392)                   | 49 486 343   | (1 866 586 034) |
| Material non-cash items included in the above figures: |                               |                                 |  |                 |
| Depreciation   | (159 102 755)                 | (4 603 738)                     | (8 408 481)  | (172 114 974)   |
| Amortisation of intangible assets                      | (587 584)                     | (131 157)                       | -  | (718 741)       |
| Reportable segment profit before taxation              | 876 155 821                   | 361 162 866                     | 10 264 378   | 1 247 583 065   |
| Reportable segment assets as at 30 June 2021           | 21 067 811 293                | 5 125 634 130                   | 538 477 780  | 26 731 923 203  |
|  | 2. 00. 011 233                | 3 .23 334 130                   | 222 .77 700  | 20.0.02020      |
| Reportable segment liabilities as at 30 June 2021      | 15 515 019 778                | 3 025 525 545                   | (413 579 719)  | 18 126 965 604  |

<sup>1</sup>Includes consolidation journals.

|  |                               | Unrevie                         | wed historical cost                                    |                |
|--|-------------------------------|---------------------------------|--|----------------|
| 30 June 2020   | Banking<br>operations<br>ZW\$ | Insurance<br>operations<br>ZW\$ | Other<br>strategic<br>investments <sup>1</sup><br>ZW\$ | Total<br>ZW\$  |
| External revenue                                       |                               |                                 |  |                |
| Net earnings from lending activities                   | 48 754 576                    | 1 724 990                       | -  | 50 479 566     |
| Fees and commission income                             | 149 252 739                   | 33 843 839                      | 2 610 342  | 185 706 920    |
| Fair value adjustments                                 | 1 093 042 725                 | 596 812 067                     | 71 705 363   | 1 761 560 155  |
| Other revenue/(losses)                                 | 711 406 121                   | 133 485 282                     | (7 983 304)  | 836 908 099    |
| Total segment revenue                                  | 2 002 456 161                 | 765 866 178                     | 66 332 401   | 2 834 654 740  |
| Total segment operating expenses                       | (315 682 909)                 | (42 546 336)                    | (3 044 375)  | (361 273 620)  |
| Material non-cash items included in the above figures: |                               |                                 |  |                |
| Depreciation   | (7 102 512)                   | (1 840 423)                     | (637 300)  | (9 580 235)    |
| Amortisation of intangible assets                      | (1 119 285)                   | (123 230)                       | -  | (1 242 515)    |
| Reportable segment profit before taxation              | 1 686 773 251                 | 609 415 722                     | 119 790 737  | 2 415 979 710  |
| Reportable segment assets                              |                               |                                 |  |                |
| as at 31 December 2020                                 | 14 127 824 984                | 4 052 599 525                   | 338 362 617  | 18 518 787 126 |
| Reportable segment liabilities as at 31 December 2020  | 8 716 645 637                 | 2 245 620 765                   | (79 835 705)   | 10 882 430 697 |
|  |                               |                                 | ,/   |                |

<sup>1</sup>Includes consolidation journals.

#### 3. TREASURY BILLS

#### 3(a) Balances on the Condensed Consolidated Interim Statement of Financial Position

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

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

| Reviewed 30 Jun 2021 ZW\$ Audited 31 Dec 2020 ZW\$ Unreviewed 31 Dec 2020 ZW\$ Unaudited 31 Dec 2020 ZW\$  Treasury bills include:  Assets classified as 'at fair value through profit or loss' (FVTPL): Short term treasury bills 1 1 033 916 104 372 988 355 1 033 916 104 309 051 167 Assets classified as 'at fair value through other comprehensive income' (FVTOCI): Medium term treasury bills acquired from the market 2 122 861 431 200 308 778 122 861 431 165 972 103 Assets classified as 'amortised cost' (AMCO): Treasury bills issued as substitution for debt instruments 3 25 332 584 30 577 798 25 332 584 25 336 191 Capitalisation treasury bills 4 18 198 571 21 427 836 18 198 571 17 754 703 |  | Inflation     | i adjusted  | Historica     | II COST     |
|---|--|---------------|-------------|---------------|-------------|
| Assets classified as 'at fair value through profit or loss' (FVTPL):  Short term treasury bills 1 1 033 916 104 372 988 355 1 033 916 104 309 051 167  Assets classified as 'at fair value through other comprehensive income' (FVTOCI):  Medium term treasury bills acquired from the market 2 122 861 431 200 308 778 122 861 431 165 972 103  Assets classified as 'amortised cost' (AMCO):  Treasury bills issued as substitution for debt instruments 3 25 332 584 30 577 798 25 332 584 25 336 191  Capitalisation treasury bills 4 18 198 571 21 427 836 18 198 571 17 754 703   |  | 30 Jun 2021   | 31 Dec 2020 | 30 Jun 2021   | 31 Dec 2020 |
| through profit or loss' (FVTPL): Short term treasury bills 1 1 033 916 104 372 988 355 1 033 916 104 309 051 167  Assets classified as 'at fair value through other comprehensive income' (FVTOCI): Medium term treasury bills acquired from the market 2 122 861 431 200 308 778 122 861 431 165 972 103  Assets classified as 'amortised cost' (AMCO): Treasury bills issued as substitution for debt instruments 3 25 332 584 30 577 798 25 332 584 25 336 191 Capitalisation treasury bills 4 18 198 571 21 427 836 18 198 571 17 754 703   | Treasury bills include:  |               |             |               |             |
| Assets classified as 'amortised cost' (AMCO):  Treasury bills issued as substitution for debt instruments <sup>3</sup> Capitalisation treasury bills <sup>4</sup> 25 332 584  30 577 798  25 332 584  25 336 191  21 427 836  18 198 571  17 754 703  | through profit or loss' (FVTPL): Short term treasury bills <sup>1</sup> Assets classified as 'at fair value through other comprehensive income' (FVTOCI): Medium term treasury bills |               |             |               |             |
| for debt instruments <sup>3</sup> 25 332 584 30 577 798 25 332 584 25 336 191 Capitalisation treasury bills <sup>4</sup> 18 198 571 21 427 836 18 198 571 17 754 703  | •  | 122 001 451   | 200 300 770 | 122 001 451   | 103 372 103 |
| Capitalisation treasury bills <sup>4</sup> 18 198 571 21 427 836 18 198 571 17 754 703  | Treasury bills issued as substitution  |               |             |               |             |
|   | for debt instruments <sup>3</sup>  | 25 332 584    | 30 577 798  | 25 332 584    | 25 336 191  |
|   | Capitalisation treasury bills 4  | 18 198 571    | 21 427 836  | 18 198 571    | 17 754 703  |
| 1 200 308 690 625 302 767 1 200 308 690 518 114 164   |  | 1 200 308 690 | 625 302 767 | 1 200 308 690 | 518 114 164 |

- The Group invested in treasury bills issued by the RBZ with tenures ranging from 3 days to 12 months (December 2020: 3 months to 24 months) at rates ranging from 5% to 20.833% (December 2020: 7% to 10%)
- The Group did not purchase treasury bills from the secondary market in the period January 2021 to June 2021.
- The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2020: 5%) and maturity periods ranging from 9 months to 11 years (December 2020: 1 month to 14 years) (nothing was actually received during the period January 2021 to June 2021, these were acquired during previous years and are yet to mature).
- The Capitalisation Treasury Bills (CTBs) with a face value of ZWL20 000 000 were acquired on 26 May 2015 from the Government of Zimbabwe against an interest free loan at the Holding Company. The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary. The CTBs mature on 26 May 2025 and carry a coupon of 1% which is payable

Treasury bills amounting to ZW\$935 062 413 were pledged as security for deposits

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

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

Treasury bills classified and measured at amortised cost are assessed for impairment annually. Expected Credit Losses (ECL) for treasury bills was not material for the period ended 30 June 2021.



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### MORTGAGES AND OTHER ADVANCES

|   | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|   | Innation                        | aujusteu                       | HISTORIC                          | ai cost                          |  |
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 4.1 Gross loan book   |                                 |                                |                                   |                                  |  |
| Mortgage advances   | 138 257 469                     | 125 535 550                    | 138 257 469                       | 104 016 406                      |  |
| Other advances:   |                                 |                                |                                   |                                  |  |
| Loans, overdraft and other accounts                               | 5 796 085 341                   | 3 553 053 578                  | 5 796 085 341                     | 2 943 993 663                    |  |
| Finance leases  | 689 440 670                     | 328 020 808                    | 689 440 670                       | 271 791 899                      |  |
| Bills discounted  | 92 882 003                      | 1 386 792                      | 92 882 003                        | 1 149 070                        |  |
| Insurance advances  | 183 719 045                     | 122 640 827                    | 183 719 045                       | 101 617 893                      |  |
| Total other advances  | 6 762 127 059                   | 4 005 102 005                  | 6 762 127 059                     | 3 318 552 525                    |  |
| Gross advances  | 6 900 384 528                   | 4 130 637 555                  | 6 900 384 528                     | 3 422 568 931                    |  |
| Off balance sheet exposures                                       |                                 |                                |                                   |                                  |  |
| In respect of guarantees  | 700 460 558                     | 831 122 628                    | 700 460 558                       | 688 652 647                      |  |
| In respect of guarantees In respect of loan commitments           | 746 603 845                     | 265 433 883                    | 746 603 845                       | 219 933 545                      |  |
| in respect of loan commitments                                    | 740 003 843                     | 203 433 663                    | 740 003 043                       | 219 933 343                      |  |
| Gross credit exposure   | 8 347 448 931                   | 5 227 194 066                  | 8 347 448 931                     | 4 331 155 123                    |  |
| Gross advances  | 6 900 384 528                   | 4 130 637 555                  | 6 900 384 528                     | 3 422 568 931                    |  |
| Less: Allowance for loan impairments                              | (517 430 774)                   | (332 164 722)                  | (517 430 774)                     | (275 225 469)                    |  |
| Net advances  | 6 382 953 754                   | 3 798 472 833                  | 6 382 953 754                     | 3 147 343 462                    |  |
| 4.2. Maturity analysis  |                                 |                                |                                   |                                  |  |
| 4.2 Maturity analysis On demand                                   | 970 175 595                     | 449 937 189                    | 970 175 595                       | 372 809 530                      |  |
| Within 1 month  | 339 755 920                     | 179 010 706                    | 339 755 920                       | 148 324 919                      |  |
| Between 1 and 6 months  | 1 002 012 953                   | 413 545 315                    | 1 002 012 953                     | 342 655 904                      |  |
| Between 6 and 12 months   | 1 557 097 211                   | 1 817 526 760                  | 1 557 097 211                     | 1 505 968 640                    |  |
| After 12 months   | 4 478 407 252                   | 2 367 174 096                  | 4 478 407 252                     | 1 961 396 130                    |  |
| Attel 12 months   | 8 347 448 931                   | 5 227 194 066                  | 8 347 448 931                     | 4 331 155 123                    |  |
| 4.3 Non-performing loans Included in the above are the following; |                                 |                                |                                   |                                  |  |
| Non-performing loans Less: Overprovision/(allowance)              | 17 204 485                      | 7 058 150                      | 17 204 485                        | 5 848 251                        |  |
| for loan impairments  | (9 727 526)                     | (1 793 017)                    | (9 727 526)                       | (1 485 660)                      |  |
| Value to be received from security held                           | 7 476 959                       | 5 265 133                      | 7 476 959                         | 4 362 591                        |  |

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZW\$17 137 394 as at 30 June 2021 (31 December 2020: ZW\$18 389 830).

|     |   |                                 | Inflat             | ion adjusted                   |                    | Historical cost                   |  |                    |  |
|-----|---|---------------------------------|--------------------|--------------------------------|--------------------|-----------------------------------|--|--------------------|--|
|     |   | Reviewed<br>30 Jun 2021<br>ZW\$ | As a % of<br>Total | Audited<br>31 Dec 2020<br>ZW\$ | As a % of<br>Total | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited As a % of 31 Dec 2020 Total ZW\$ | As a % of<br>Total |  |
| 4.4 | Sectorial analysis                        |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Gross advances:                           |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Private                                   | 3 760 420 967                   | 45%                | 1 311 969 678                  | 25%                | 3 760 420 967                     | 45% 1 087 073 508                          | 25%                |  |
|     | Agriculture                               | 635 906 691                     | 8%                 | 749 038 983                    | 14%                | 635 906 691                       | 8% 620 639 675                             | 14%                |  |
|     | Mining                                    | 351 929 808                     | 4%                 | 401 924 195                    | 8%                 | 351 929 808                       | 4% 333 026 862                             | 8%                 |  |
|     | Manufacturing                             | 182 591 294                     | 2%                 | 123 728 938                    | 2%                 | 182 591 294                       | 2% 102 519 481                             | 2%                 |  |
|     | Distribution                              | 502 287 687                     | 6%                 | 335 701 178                    | 6%                 | 502 287 687                       | 6% 278 155 710                             | 6%                 |  |
|     | Construction                              | 13 922 461                      | 0%                 | 10 367 681                     | 0%                 | 13 922 461                        | 0% 8 590 466                               | 0%                 |  |
|     | Transport                                 | 264 676 084                     | 3%                 | 317 334 231                    | 6%                 | 264 676 084                       | 3% 262 937 202                             | 6%                 |  |
|     | Services                                  | 798 352 157                     | 10%                | 646 884 876                    | 13%                | 798 352 157                       | 10% 535 996 695                            | 13%                |  |
|     | Financial                                 | 387 256 214                     | 5%                 | 230 357 891                    | 4%                 | 387 256 214                       | 5% 190 870 235                             | 4%                 |  |
|     | Communication                             | 3 041 165                       | 0%                 | 3 329 904                      | 0%                 | 3 041 165                         | 0% 2 759 097                               | 0%                 |  |
|     |   | 6 900 384 528                   | 83%                | 4 130 637 555                  | 79%                | 6 900 384 528                     | 83% 3 422 568 931                          | 79%                |  |
|     | C   |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Guarantees:<br>Manufacturing              | 694 271 110                     | 8%                 | 823 652 694                    | 16%                | 694 271 110                       | 8% 682 463 199                             | 16%                |  |
|     | Construction                              | 1 225 000                       | 0%                 | 1 478 431                      | 0%                 | 1 225 000                         | 0% 1 225 000                               | 0%                 |  |
|     |   |                                 | 0%                 |                                |                    |                                   |  |                    |  |
|     | Services<br>Financial Services            | 4 549 448                       | 0%                 | 5 490 648<br>500 855           | 0%<br>0%           | 4 549 448                         |  | 0%<br>0%           |  |
|     | Total guarantees                          | 415 000<br>700 460 558          | 8%                 | 831 122 628                    | 16%                | 415 000<br>700 460 558            | 0% 415 000<br>8% 688 652 647               | 16%                |  |
|     | iotai guarantees                          | 700 400 330                     | 070                | 031 122 020                    | 1070               | 700 400 330                       | 070 000 032 047                            | 1070               |  |
|     | Loan commitments:                         |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Agriculture                               | 295 262 260                     | 4%                 | -                              | 0%                 | 295 262 260                       | 4% -                                       | 0%                 |  |
|     | Mining                                    | 1 444 860                       | 0%                 | -                              | 0%                 | 1 444 860                         | 0% -                                       | 0%                 |  |
|     | Manufacturing                             | 86 954 959                      | 1%                 | 153 681 480                    | 3%                 | 86 954 959                        | 1% 127 337 597                             | 3%                 |  |
|     | Distribution                              | 113 942 513                     | 1%                 | 846 326                        | 0%                 | 113 942 513                       | 1% 701 250                                 | 0%                 |  |
|     | Construction                              | 5 338 621                       | 0%                 | 21 317 677                     | 0%                 | 5 338 621                         | 0% 17 663 428                              | 0%                 |  |
|     | Transport                                 | 55 162 871                      | 1%                 | 69 691 372                     | 2%                 | 55 162 871                        | 1% 57 744 966                              | 2%                 |  |
|     | Communication                             | -                               | 0%                 | 3 436 328                      | 0%                 | -                                 | 0% 2 847 277                               | 0%                 |  |
|     | Services                                  | 136 583 491                     | 2%                 | 15 942 467                     | 0%                 | 136 583 491                       | 2% 13 209 630                              | 0%                 |  |
|     | Financial Services                        | 51 914 270                      | 0%                 | 518 233                        | 0%                 | 51 914 270                        | 0% 429 397                                 | 0%                 |  |
|     | Total Loan commitments                    | 746 603 845                     | 9%                 | 265 433 883                    | 5%                 | 746 603 845                       | 9% 219 933 545                             | 5%                 |  |
|     | Total credit exposure                     | 8 347 448 931                   | 100%               | 5 227 194 066                  | 100%               | 8 347 448 931                     | 100% 4 331 155 123                         | 100%               |  |
| 4.5 | Mortgage advances                         |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Mortgage advances were spread as follows: |                                 |                    |                                |                    |                                   |  |                    |  |
|     | Type of property:-                        |                                 |                    |                                |                    |                                   |  |                    |  |
|     | High density                              | 8 257 321                       | 6%                 | 12 817 896                     | 3%                 | 8 257 321                         | 6% 2 857 428                               | 3%                 |  |
|     | Medium density                            | 1 739 933                       | 1%                 | 15 317 671                     | 3%                 | 1 739 933                         | 1% 3 414 690                               | 3%                 |  |
|     | Low density                               | 119 350 169                     | 86%                | 412 555 638                    | 88%                | 119 350 169                       | 86% 91 968 919                             | 3%<br>88%          |  |
|     | Commercial                                | 8 910 047                       | 6%                 | 25 907 238                     | 6%                 | 8 910 047                         | 6% 5775368                                 | 88%<br>6%          |  |
|     | Commercial                                | 138 257 470                     | 100%               | 466 598 443                    | 100%               | 138 257 470                       | 100% 104 016 405                           | 100%               |  |
|     |   | 130 237 470                     | 100%               | 400 390 443                    | 100%               | 130 237 470                       | 100% 104 016 405                           | 100%               |  |

#### 4.6 Finance lease receivables

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

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| Less than 1 year                             | 277 948 656                     | 1 007 494 690                  | 277 948 656                       | 224 595 640                      |
| Between 1 and 5 years                        | 1 514 993 708                   | 2 057 587 723                  | 1 514 993 708                     | 458 687 511                      |
| Gross investment in finance leases           | 1 792 942 364                   | 3 065 082 413                  | 1 792 942 364                     | 683 283 151                      |
| Unearned finance charges                     | (1 103 501 694)                 | (1 845 873 994)                | (1 103 501 694)                   | (411 491 252)                    |
| Offeathed finance charges                    | (1 103 301 694)                 | (1 043 073 994)                | (1 103 301 694)                   | (411 491 252)                    |
| Net investment in finance leases             | 689 440 670                     | 1 219 208 419                  | 689 440 670                       | 271 791 899                      |
|  |                                 |                                |                                   |                                  |
| Less than 1 year                             | 112 052 855                     | 441 083 543                    | 112 052 855                       | 98 328 499                       |
| Between 1 and 5 years                        | 577 387 815                     | 778 124 876                    | 577 387 815                       | 173 463 400                      |
|  | 689 440 670                     | 1 219 208 419                  | 689 440 670                       | 271 791 899                      |
| 5. INVESTMENT PROPERTIES                     |                                 |                                |                                   |                                  |
| 5.1 Made up as follows:                      |                                 |                                |                                   |                                  |
| Land stock held for capital appreciation and |                                 |                                |                                   |                                  |
| completed properties available for lease:    |                                 |                                |                                   |                                  |
| Residential                                  | 216 385 806                     | 211 851 327                    | 179 293 227                       | 175 536 043                      |
| Commercial                                   | 2 401 247 894                   | 2 350 928 476                  | 1 989 629 040                     | 1 947 935 313                    |
| Industrial                                   | 67 215 594                      | 65 807 057                     | 55 693 583                        | 54 526 495                       |
| Balance at end of period                     | 2 684 849 294                   | 2 628 586 860                  | 2 224 615 851                     | 2 177 997 851                    |
| •  |                                 |                                |                                   |                                  |
| 5.2 Reconciliation of carrying               |                                 |                                |                                   |                                  |
| amount                                       |                                 |                                |                                   |                                  |
| Carrying amount at beginning of period       | 2 628 586 860                   | 2 856 464 937                  | 2 177 997 851                     | 527 621 601                      |
| Transfer from property and equipment         | 56 262 434                      | -                              | 46 618 000                        | -                                |
| Fair value adjustment                        | -                               | (227 878 077)                  | -                                 | 1 650 376 250                    |
| Balance at end of period                     | 2 684 849 294                   | 2 628 586 860                  | 2 224 615 851                     | 2 177 997 851                    |

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|      |                                | Inflation  | adjusted      | Historical cost                   |                                  |
|------|--------------------------------|--|---------------|-----------------------------------|----------------------------------|
|      |                                | Reviewed Audited<br>30 Jun 2021 31 Dec 2020<br>ZW\$ ZW\$ |               | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 6. R | IGHT OF USE ASSETS             |  |               |                                   |                                  |
| В    | alance at beginning of period  | 79 936 705   | 35 978 951    | 66 234 057                        | 6 645 722                        |
| D    | epreciation                    | (13 645 569)   | (27 602 591)  | (12 718 273)                      | (11 185 195)                     |
| Le   | ease reassessments             | 14 146 186   | 174 653 438   | 13 184 870                        | 70 773 530                       |
| Ef   | ffects of monetary adjustments | 19 423 512   | (103 093 093) | -                                 | -                                |
| В    | alance at end of period        | 99 860 834   | 79 936 705    | 66 700 654                        | 66 234 057                       |
|      |                                | <u> </u>   |               | <u> </u>                          |                                  |

#### 7. PROPERTY AND EQUIPMENT

|                                    |                                |                             | Revi   | ewed inflation                | adjusted    |                                     |               |
|------------------------------------|--------------------------------|-----------------------------|--|-------------------------------|-------------|-------------------------------------|---------------|
| 30 June 2021                       | Freehold<br>properties<br>ZW\$ | Leasehold improvements ZW\$ | Equipment<br>furniture<br>& fittings<br>ZW\$ | Computer<br>equipment<br>ZW\$ |             | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
| GROUP                              |                                |                             |  |                               |             |                                     |               |
| Cost or valuation                  |                                |                             |  |                               |             |                                     |               |
| Balance at 1 January 2021          | 2 319 222 712                  | 539 671 572                 | 727 401 826                                  | 1 561 869 230                 | 636 438 781 | 108 531 740                         | 5 893 135 861 |
| Additions                          | -                              | 2 963 225                   | 12 450 529                                   | 19 015 249                    | -           | 15 330 937                          | 49 759 940    |
| Transfer between categories        | -                              | -                           | 81 572                                       | -                             | -           | (81 574)                            | -             |
| Transfer to investment properties  | (69 355 926)                   |                             | -  | -                             | -           | -                                   | (69 355 928)  |
| Balance at 30 June 2021            | 2 249 866 786                  | 542 634 797                 | 739 933 927                                  | 1 580 884 479                 | 636 438 781 | 123 781 103                         | 5 873 539 873 |
| Accumulated depreciation           |                                |                             |  |                               |             |                                     |               |
| Balance at 1 January 2021          | 414 872 974                    | 452 688 562                 | 316 389 680                                  | 700 365 048                   | 406 272 801 | 40 619 169                          | 2 331 208 234 |
| Recognised in condensed statement  |                                |                             |  |                               |             |                                     |               |
| of profit or loss                  | 21 014 458                     | 5 570 849                   | 17 355 565                                   | 116 210 672                   | 24 883 848  | -                                   | 185 035 392   |
| Transfer to investment properties  | (13 093 492)                   | -                           | -  | -                             | -           | -                                   | (13 093 492)  |
| Balance at 30 June 2021            | 422 793 940                    | 458 259 411                 | 333 745 245                                  | 816 575 720                   | 431 156 649 | 40 619 169                          | 2 503 150 134 |
| Carrying value at 30 June 2021     | 1 827 072 846                  | 84 375 386                  | 406 188 682                                  | 764 308 759                   | 205 282 132 | 83 161 934                          | 3 370 389 739 |
| Carrying value at 31 December 2020 | 1 904 349 738                  | 86 983 010                  | 411 012 146                                  | 861 504 182                   | 230 165 980 | 67 912 571                          | 3 561 927 627 |

|   |                                |                             | Audite                                       | ed inflation ad               | justed      |                                     |               |
|---|--------------------------------|-----------------------------|--|-------------------------------|-------------|-------------------------------------|---------------|
| 31 December 2020                          | Freehold<br>properties<br>ZW\$ | Leasehold improvements ZW\$ | Equipment<br>furniture<br>& fittings<br>ZW\$ | Computer<br>equipment<br>ZW\$ |             | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
| GROUP                                     |                                |                             |  |                               |             |                                     |               |
| Cost or valuation                         |                                |                             |  |                               |             |                                     |               |
| Balance at 1 January 2020                 | 2 220 895 626                  | 479 929 785                 | 469 931 127                                  | 923 512 566                   | 633 081 957 | 54 781 718                          | 4 782 132 779 |
| Additions                                 | 78 372 795                     | 2 974 490                   | 16 902 811                                   | 63 836 655                    |             | 141 049 936                         | 303 136 687   |
| Disposals                                 | -                              | -                           | (192 224)                                    | (103 268)                     | (3 192 655) | -                                   | (3 488 147)   |
| Transfer between categories               | -                              | 56 767 297                  | 24 875 038                                   | 5 657 579                     | -           | (87 299 914)                        | -             |
| Surplus on revaluation                    | 19 954 291                     | -                           | 215 885 074                                  | 568 965 698                   | 6 549 479   | -                                   | 811 354 542   |
| Balance at 31 December 2020               | 2 319 222 712                  | 539 671 572                 | 727 401 826                                  | 1 561 869 230                 | 636 438 781 | 108 531 740                         | 5 893 135 861 |
|   |                                |                             |  |                               |             |                                     |               |
| Accumulated depreciation                  |                                |                             |  |                               |             |                                     |               |
| Balance at 1 January 2020                 | 341 623 263                    | 259 999 446                 | 251 031 931                                  | 522 596 637                   | 269 735 618 | 20 387 383                          | 1 665 374 278 |
| Recognised in statement of profit or loss | 73 249 711                     | 57 288 681                  | 49 023 508                                   | 177 074 151                   | 98 828 964  | -                                   | 455 465 015   |
| Disposals                                 | -                              | -                           | (70 017)                                     | (24 193)                      | (780 540)   | -                                   | (874 750)     |
| Impairment                                | -                              | 135 400 435                 | 16 404 258                                   | 718 453                       | 38 488 759  | 20 231 786                          | 211 243 691   |
| Balance at 31 December 2020               | 414 872 974                    | 452 688 562                 | 316 389 680                                  | 700 365 048                   | 406 272 801 | 40 619 169                          | 2 331 208 234 |
| Carrying value at 31 December 2020        | 1 904 349 738                  | 86 983 010                  | 411 012 146                                  | 861 504 182                   | 230 165 980 | 67 912 571                          | 3 561 927 627 |
| Carrying value at 31 December 2019        | 1 879 272 363                  | 219 930 339                 | 218 899 196                                  | 400 915 928                   | 363 346 339 | 34 394 335                          | 3 116 758 500 |

|  |                                |                             | Unr  | eviewed histor                | ical cost   |                                     |               |
|--|--------------------------------|-----------------------------|--|-------------------------------|-------------|-------------------------------------|---------------|
| 30 June 2021                             | Freehold<br>properties<br>ZW\$ | Leasehold improvements ZW\$ | Equipment<br>furniture<br>& fittings<br>ZW\$ | Computer<br>equipment<br>ZW\$ |             | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
| GROUP                                    |                                |                             |  |                               |             |                                     |               |
| Cost or valuation                        |                                |                             |  |                               |             |                                     |               |
| Balance at 1 January 2021                | 1 616 342 287                  | 49 233 601                  | 339 555 297                                  | 759 481 003                   | 217 720 202 | 115 424 734                         | 3 097 757 124 |
| additions                                | -                              | 2 742 724                   | 11 665 439                                   | 17 880 422                    | -           | 14 747 182                          | 47 035 767    |
| ransfer between categories               | -                              | -                           | 81 574                                       | -                             | -           | (81 574)                            | -             |
| ransfer to investment properties         | (47 213 281)                   | -                           | -  | -                             | -           | -                                   | (47 213 282   |
| alance at 30 June 2021                   | 1 569 129 006                  | 51 976 325                  | 351 302 310                                  | 777 361 425                   | 217 720 202 | 130 090 342                         | 3 097 579 610 |
| ccumulated depreciation                  |                                |                             |  |                               |             |                                     |               |
| alance at 1 January 2021                 | 38 433 774                     | 17 065 579                  | 15 029 460                                   | 48 872 747                    | 27 009 029  | -                                   | 146 410 589   |
| ecognised in statement of profit or loss | 19 623 220                     | 5 169 318                   | 16 545 823                                   | 107 795 187                   | 22 981 426  | -                                   | 172 114 974   |
| ransfer to investment properties         | (595 281)                      | -                           | -  | -                             | -           | -                                   | (595 281      |
| alance at 30 June 2021                   | 57 461 713                     | 22 234 897                  | 31 575 283                                   | 156 667 934                   | 49 990 455  | -                                   | 317 930 282   |
| Carrying value at 30 June 2021           | 1 511 667 293                  | 29 741 428                  | 319 727 027                                  | 620 693 491                   | 167 729 747 | 130 090 342                         | 2 779 649 328 |
| Carrying value at 31 December 2020       | 1 577 908 513                  | 32 168 022                  | 324 525 837                                  | 710 608 256                   | 190 711 173 | 115 424 734                         | 2 951 346 535 |

|   |                                |                             | Uı                              | naudited histor               | ical cost     |                                     |               |
|---|--------------------------------|-----------------------------|---------------------------------|-------------------------------|---------------|-------------------------------------|---------------|
|   |                                |                             | Equipment                       |                               | Marine assets |                                     |               |
| 31 December 2020  | Freehold<br>properties<br>ZW\$ | Leasehold improvements ZW\$ | furniture<br>& fittings<br>ZW\$ | Computer<br>equipment<br>ZW\$ |               | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
| GROUP   |                                |                             |                                 |                               |               |                                     |               |
| Cost or valuation   |                                |                             |                                 |                               |               |                                     |               |
| Balance at 1 January 2020                                     | 347 687 699                    | 46 731 803                  | 46 299 598                      | 88 307 737                    | 74 301 378    | 6 137 300                           | 609 465 515   |
| Additions   | 45 510 451                     | 2 420 618                   | 11 853 006                      | 42 974 598                    | -             | 110 060 509                         | 212 819 182   |
| Disposals   | -                              | -                           | (159 273)                       | (85 566)                      | (2 645 374)   | -                                   | (2 890 213)   |
| Effects of changes in functional currency translation reserve |                                |                             |                                 |                               |               | (773 075)                           | (773 075)     |
| Surplus on revaluation  | 1 223 144 137                  | 81 180                      | 281 561 966                     | 628 284 234                   | 146 064 198   | ,                                   | 2 279 135 715 |
| Balance at 31 December 2020                                   | 1 616 342 287                  | 49 233 601                  | 339 555 297                     | 759 481 003                   | 217 720 202   |                                     | 3 097 757 124 |
| Bulance at 51 December 2020                                   | 1 010 542 207                  | 43 233 001                  | 333 333 237                     | 755 401 005                   | 217 720 202   | 115 424 754                         | 3 037 737 124 |
| Accumulated depreciation                                      |                                |                             |                                 |                               |               |                                     |               |
| Balance at 1 January 2020                                     | 564 697                        | 5 982 441                   | 5 763 573                       | 14 266 795                    | 7 187 222     | -                                   | 33 764 728    |
| Recognised in statement of profit or loss                     | 37 869 077                     | 11 083 138                  | 9 323 902                       | 34 556 177                    | 20 468 547    | -                                   | 113 300 841   |
| Disposals   | -                              | -                           | (58 015)                        | (20 046)                      | (646 740)     | -                                   | (724 801)     |
| Impairment  | -                              | -                           | -                               | 69 821                        | -             | -                                   | 69 821        |
| Balance at 31 December 2020                                   | 38 433 774                     | 17 065 579                  | 15 029 460                      | 48 872 747                    | 27 009 029    | -                                   | 146 410 589   |
| Carrying value at 31 December 2020                            | 1 577 908 513                  | 32 168 022                  | 324 525 837                     | 710 608 256                   | 190 711 173   | 115 424 734                         | 2 951 346 535 |
| Carrying value at 31 December 2019                            | 347 123 002                    | 40 749 362                  | 40 536 025                      | 74 040 942                    | 67 114 156    | 6 137 300                           | 575 700 787   |



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 8. INTANGIBLE ASSETS

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| Computer software                                |                                 |                                |                                   |                                  |  |
| Carrying amount at beginning of year             | 260 927 403                     | 362 285 363                    | 28 389 024                        | 47 551 609                       |  |
| Additions at cost Reversal of cancelled projects | -                               | 18 608 807<br>(19 375 794)     | -                                 | 4 081 548<br>(16 054 420)        |  |
| Amortisation Effects of changes in functional    | (20 135 859)                    | (100 365 651)                  | (718 741)                         | (2 449 933)                      |  |
| currency translation reserve                     | -                               | -                              | -                                 | (4 739 780)                      |  |
| Impairment                                       | -                               | (225 322)                      | -                                 | -                                |  |
| Balance at end of period                         | 240 791 544                     | 260 927 403                    | 27 670 283                        | 28 389 024                       |  |

#### Prior period error

The Group changed its accounting policy on intangible assets to revaluation model in 2018. The intangible assets comprised of computer software and work in progress in the development of internally generated computer software. The Group has significant computer software assets that were acquired during the multicurrency period as well as in the mono currency period. The computer software acquired in the multi-currency period was, through implementation of SI 33 of 2019, converted to local currency at the rate of 1:1 for USD to ZWL currency. The implementation of SI 33 of 2019, coupled with the significant depreciation of the local currency and the resultant hyperinflation that occurred in the period following currency reforms, which were implemented on 22 February 2019, resulted in significant erosion of carrying value of assets including the computer software.

In the course of preparation of financial statements, management made judgement for certain items that are especially critical for the Group's results and financial situation due to materiality, and a judgement was made to adopt the revaluation model for computer software with a view to provide financial information that is meaningful and reasonable to the users of financial statements. The revaluation exercise was undertaken by an independent external valuer and the necessary adjustments were done to the financial statements for the year ended 31 December 2019 and 31 December 2020.

Further reassessment made on the application of revaluation model on computer software in the year ended 31 December 2020 pointed to a technical difficulty in satisfying the requirement of the existence of an active market "as is required by IAS 38 [Intangible Assets]" for adoption of the revaluation model for intangible assets. This was due to the following reasons:

- The pricing information of the computer software is not publicly available as contracts are negotiated between individual buyers and sellers. Computer software was considered a packaged deal designed to meet the specific selection of the buyer.
- The computer software is customized to satisfy the requirements of the Group and this has made it a unique product.

The Group reverted to the historical cost model from the 2020 financial year.

The condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2020 have been restated to reverse the revaluation gain adjustment on computer software and recognised amortisation. The condensed consolidated inflation adjusted interim financial results have also been restated to apply the exchange rate of USD1:ZWL1 on the date of change of functional currency (22 February 2019), which was the earliest observable exchange rate per IAS 21.

|                                 | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|---------------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|                                 | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 9. DEPOSITS AND OTHER ACCOUNTS  |                                 |                                |                                   |                                  |  |
| 9.1 Summary of deposits by type |                                 |                                |                                   |                                  |  |
| Balances of banks               | 199 008 904                     | 36 845 267                     | 199 008 904                       | 30 529 298                       |  |
| Current accounts                | 3 273 731 551                   | 2 242 193 902                  | 3 273 731 551                     | 1 857 839 882                    |  |
| Savings and call accounts       | 7 645 188 506                   | 5 649 496 007                  | 7 645 188 506                     | 4 681 066 603                    |  |
| Fixed deposits                  | 1 392 502 866                   | 649 721 670                    | 1 392 502 866                     | 538 347 210                      |  |
|                                 | 12 510 431 827                  | 8 578 256 846                  | 12 510 431 827                    | 7 107 782 993                    |  |
| 9.2 Maturity analysis           |                                 |                                |                                   |                                  |  |
| On demand                       | 8 461 675 706                   | 8 129 721 706                  | 8 461 675 706                     | 6 736 135 175                    |  |
| Within 1 month                  | 3 846 373 045                   | 408 900 642                    | 3 846 373 045                     | 338 807 415                      |  |
| Between 1 and 6 months          | 164 725 115                     | 25 556 221                     | 164 725 115                       | 21 175 406                       |  |
| Between 6 and 12 months         | 26 298 806                      | 8 999 244                      | 26 298 806                        | 7 456 605                        |  |
| After 12 months                 | 11 359 155                      | 5 079 033                      | 11 359 155                        | 4 208 392                        |  |
|                                 | 12 510 431 827                  | 8 578 256 846                  | 12 510 431 827                    | 7 107 782 993                    |  |

|     |                       |                                 | Infla             | tion adjusted                  |                   | Historical cost                   |                   |                                  |                   |
|-----|-----------------------|---------------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------|----------------------------------|-------------------|
|     |                       | Reviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Audited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution | Unreviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Unaudited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution |
| 9.3 | Deposit concentration |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | Private individuals   | 2 165 650 877                   | 17%               | 1 538 963 967                  | 18%               | 2 165 650 877                     | 17%               | 1 275 156 726                    | 18%               |
|     | Agriculture           | 939 498 550                     | 8%                | 632 403 023                    | 7%                | 939 498 550                       | 8%                | 523 997 303                      | 7%                |
|     | Mining                | 81 724 308                      | 1%                | 62 036 847                     | 1%                | 81 724 308                        | 1%                | 51 402 570                       | 1%                |
|     | Manufacturing         | 570 906 544                     | 5%                | 354 309 059                    | 4%                | 570 906 544                       | 5%                | 293 573 852                      | 4%                |
|     | Distribution          | 229 810 832                     | 2%                | 570 581 159                    | 7%                | 229 810 832                       | 2%                | 472 772 864                      | 7%                |
|     | Construction          | 188 309 465                     | 2%                | 144 988 076                    | 2%                | 188 309 465                       | 2%                | 120 134 405                      | 2%                |
|     | Transport             | 29 300 015                      | 0%                | 98 314 858                     | 1%                | 29 300 015                        | 0%                | 81 461 850                       | 1%                |
|     | Services              | 5 601 824 095                   | 45%               | 3 612 198 956                  | 42%               | 5 601 824 095                     | 45%               | 2 993 000 416                    | 42%               |
|     | Financial             | 1 417 329 219                   | 11%               | 788 460 283                    | 9%                | 1 417 329 219                     | 11%               | 653 303 426                      | 9%                |
|     | Communication         | 1 286 077 922                   | 10%               | 776 000 618                    | 9%                | 1 286 077 922                     | 10%               | 642 979 581                      | 9%                |
|     |                       | 12 510 431 827                  | 100%              | 8 578 256 846                  | 100%              | 12 510 431 827                    | 100%              | 7 107 782 993                    | 100%              |

|   | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 9.4 Secured and unsecured deposits analysis |                                 |                                |                                   |                                  |  |
| Secured deposits                            | 935 062 413                     | -                              | 935 062 413                       | -                                |  |
| Unsecured deposits                          | 11 575 369 414                  | 8 578 256 846                  | 11 575 369 414                    | 7 107 782 993                    |  |
|   | 12 510 431 827                  | 8 578 256 846                  | 12 510 431 827                    | 7 107 782 993                    |  |

Inflation adjusted

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

|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
| 10. LEASE LIABILITIES                           |                                 |                                |                                   |                                  |
| Balance at the beginning of period              | 83 971 911                      | 35 978 951                     | 69 577 553                        | 6 645 722                        |
| Add accrued interest posted to profit or loss   | 32 328 634                      | 41 233 302                     | 15 810 513                        | 16 708 668                       |
| Less lease commitments paid during the period   | (50 244 611)                    | (57 339 319)                   | (24 572 429)                      | (23 235 191)                     |
| Lease adjustments                               | 12 391 114                      | 77 354 148                     | 11 846 982                        | 68 889 265                       |
| (Loss) / profit on lease liability reassessment | (544 132)                       | (104 117)                      | 444 494                           | 569 089                          |
| Effects of monetary adjustments                 | (4 795 803)                     | (13 151 054)                   | -                                 | -                                |
| Balance at end of period                        | 73 107 113                      | 83 971 911                     | 73 107 113                        | 69 577 553                       |
|   |                                 |                                |                                   |                                  |
| Within 1 year                                   | 14 621 423                      | 16 794 382                     | 14 621 423                        | 13 915 511                       |
| Over 1 year                                     | 58 485 690                      | 67 177 529                     | 58 485 690                        | 55 662 042                       |
|   | 73 107 113                      | 83 971 911                     | 73 107 113                        | 69 577 553                       |
| 11. LONG TERM BORROWINGS                        |                                 |                                |                                   |                                  |
| Comprising of:                                  |                                 |                                |                                   |                                  |
| Face value of loan                              | 20 000 000                      | 24 137 644                     | 20 000 000                        | 20 000 000                       |
| Valuation discount                              | (3 455 845)                     | (4 657 794)                    | (3 455 845)                       | (3 859 361)                      |
| Balance at end of period                        | 16 544 155                      | 19 479 850                     | 16 544 155                        | 16 140 639                       |
| Valuation discount:                             |                                 |                                |                                   |                                  |
| Balance at beginning of the period              | 4 657 794                       | 25 055 104                     | 3 859 361                         | 4 627 963                        |
| Amortisation during the period                  | (432 937)                       | (1 896 740)                    | (403 516)                         | (768 602)                        |
| Effects of inflation adjustments                | (769 012)                       | (18 500 570)                   | -                                 | -                                |
| Balance at end of period                        | 3 455 845                       | 4 657 794                      | 3 455 845                         | 3 859 361                        |

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|   | Inflation                       | adjusted                        | Historica                         | al cost                           |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |
| 12. INTEREST AND RELATED INCOME             |                                 |                                 |                                   |                                   |
| Interest and related income                 |                                 |                                 |                                   |                                   |
| comprises interest on:                      |                                 |                                 |                                   |                                   |
| Advances                                    | 851 200 602                     | 283 277 915                     | 796 375 696                       | 84 376 946                        |
| Mortgages                                   | 29 267 869                      | 12 205 422                      | 26 273 673                        | 3 642 499                         |
| Overdraft accounts                          | 116 931 680                     | 34 119 790                      | 110 338 426                       | 10 264 380                        |
| Trading income                              | 73 487 668                      | 57 054 254                      | 69 259 164                        | 17 464 193                        |
| Cash and short-term funds                   | 3 520 182                       | 342 925                         | 4 318 346                         | 103 027                           |
| Loans to other banks                        | 50 579                          | 2 513 111                       | 45 052                            | 651 314                           |
| Other                                       | 27 819 952                      | 29 307 524                      | 26 726 660                        | 8 313 084                         |
| Total interest and related income           | 1 102 278 532                   | 418 820 941                     | 1 033 337 017                     | 124 815 443                       |
| 13. INTEREST AND RELATED EXPENSE            |                                 |                                 |                                   |                                   |
| Interest and related expense                |                                 |                                 |                                   |                                   |
| comprises interest on:                      |                                 |                                 |                                   |                                   |
| Retail deposits                             | 15 862 192                      | 9 885 362                       | 14 916 925                        | 2 958 686                         |
| Fixed deposits                              | 117 992 434                     | 18 351 024                      | 111 281 568                       | 5 725 290                         |
| Other interest payable categories           | 59 729 608                      | 25 009 001                      | 58 147 032                        | 6 652 637                         |
| Total interest and related expense          | 193 584 234                     | 53 245 387                      | 184 345 525                       | 15 336 613                        |
| 14. LOAN IMPAIRMENTS                        |                                 |                                 |                                   |                                   |
| Loans and advances                          | (241 903 545)                   | (170 863 605)                   | (234 276 129)                     | (60 237 153                       |
| Insurance debtors                           | (7 615 494)                     | 6 774 452                       | (7 615 494)                       | 1 202 841                         |
| Total loans and other advances              | (249 519 039)                   | (164 089 153)                   | (241 891 623)                     | (59 034 312                       |
| Other financial assets                      | (6 236 526)                     | 149 059                         | (6 236 526)                       | 72 133                            |
| Guarantees                                  | (576 553)                       | (1 606 285)                     | (360 510)                         | (777 320                          |
| Loan commitments                            | (1 707 817)                     | (285 169)                       | (1 556 855)                       | (138 000                          |
| Net recoveries against loans                |                                 |                                 |                                   |                                   |
| previously written off                      | 1 847 181                       | 1 814 822                       | 1 518 853                         | 878 235                           |
|   | (256 192 754)                   | (164 016 726)                   | (248 526 662)                     | (58 999 264                       |
| 15. OPERATING EXPENSES                      |                                 |                                 |                                   |                                   |
| Commission and fees                         | 40 231 610                      | 19 043 498                      | 37 838 709                        | 5 526 806                         |
| Staff expenses                              | 756 120 635                     | 521 077 858                     | 709 953 080                       | 166 222 594                       |
| Communication expenses                      | 57 528 523                      | 40 379 627                      | 53 859 830                        | 13 982 634                        |
| National Social Security Authority expenses | 6 335 726                       | 2 525 915                       | 6 049 228                         | 893 304                           |
| Pension fund expenses                       | 27 924 836                      | 14 330 329                      | 26 221 894                        | 4 187 115                         |
| Computers and information                   |                                 |                                 |                                   |                                   |
| technology expenses                         | 290 185 668                     | 170 115 384                     | 223 211 523                       | 40 517 527                        |
| Occupation expenses                         | 93 081 715                      | 56 785 389                      | 81 700 948                        | 14 490 573                        |
| Transport expenses                          | 18 184 620                      | 21 984 814                      | 16 750 154                        | 7 299 899                         |
| Travelling expenses                         | 25 440 244                      | 15 622 494                      | 24 483 812                        | 5 023 855                         |
| Depreciation of property and equipment      | 185 035 392                     | 34 847 920                      | 172 114 974                       | 9 580 235                         |
| Amortisation of intangible assets           | 20 135 859                      | 48 977 452                      | 718 741                           | 1 242 515                         |
| Depreciation of right of use asset          | 21 969 044                      | 6 553 762                       | 10 744 093                        | 1 381 408                         |
| Finance cost on lease liabilities           | 32 328 634                      | 6 553 762                       | 15 810 513                        | 224 079                           |
| *Administration expenses                    | 414 093 715                     | 197 616 766                     | 430 452 097                       | 81 933 329                        |
| Directors fees                              | 25 671 202                      | 9 711 853                       | 24 235 532                        | 4 278 992                         |
| Auditors' remuneration                      | 33 469 872                      | 14 274 679                      | 32 440 906                        | 4 488 755                         |
|   | 2 047 737 295                   | 1 180 401 502                   | 1 866 586 034                     | 361 273 620                       |

#### Cash Heist

\* The Group lost US\$2 775 000 and ZW\$43 090 in a heist on 6 January 2021 after a Cash In Transit vehicle was involved in a robbery incident. The cash heist loss is included in administration expenses.

|  | Inflation   | adjusted                                 | Historical cost                            |                                       |  |
|--|---|--|--|---------------------------------------|--|
|  | Reviewed Reviewed 30 Jun 2021 30 Jun 2020 ZW\$ ZW\$ |  | Unreviewed<br>30 Jun 2021<br>ZW\$          | Unreviewed<br>30 Jun 2020<br>ZW\$     |  |
| 16. INCOME TAX EXPENSE                           |   |  |  |                                       |  |
| Current income tax Deferred tax (expense)/credit | 348 190 522<br>(132 908 293)<br>215 282 229         | 26 230 371<br>103 075 801<br>129 306 172 | 349 194 025<br>(71 236 428)<br>277 957 597 | 7 061 803<br>44 078 930<br>51 140 733 |  |

#### 17. EARNINGS PER SHARE

#### Basic and fully diluted earnings per share (ZW cents)

The Inflation adjusted calculation of basic and fully diluted profit per share for the period ended 30 June 2021 of ZW407 cents (June 2020: ZW1 361 cents) is based on the attributable profit after tax of ZW\$784 528 373 (June 2020: ZW\$2 319 665 993) and weighted average number of shares of 157 522 902 (June 2020: 157 522 902).

The historical cost calculation of basic and fully diluted profit per share for the period ended 30 June 2021 of ZW508 cents (June 2020: ZW1 159 cents) is based on the attributable profit after tax of ZW\$969 625 468 (June 2020: ZW\$2 364 838 977) and weighted average number of shares of 157 522 902 (June 2020: 157 522 902).

#### 18. RISK MANAGEMENT

#### 18.1 Capital risk management

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

The Group's target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict the demand on shareholders' equity for operational funding. This objective was met throughout the course of the period under review. Gearing was maintained at 2% and this is due to the borrowing made in 2015 and offshore borrowings of ZW\$190 515 971 with a maturity value of ZW\$20 million in 2025.

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

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

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

# **ZB FINANCIAL HOLDINGS**

## LIMITED

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2 Financial risk management

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

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

#### 18.2.1 Classification and measurement of financial assets and liabilities

|  | Reviewed inflation adjusted |                  |             |                 |               |               |               |             |
|--|-----------------------------|------------------|-------------|-----------------|---------------|---------------|---------------|-------------|
|  | (                           | CARRYING AMOU    | JNT         |                 |               | FAIF          | VALUE         |             |
|  | Classified                  | Classified       | Classified  |                 |               |               |               |             |
|  | at FVTPL                    | at AMCO          | at FVTOCI   | Total           | Level 1       | Level 2       | Level 3       | Total       |
| 30 June 2021                                 | ZW\$                        | ZW\$             | zw\$        | ZW\$            | ZW\$          | ZW\$          | ZW\$          | ZW\$        |
| Financial assets measured at fair value:     |                             |                  |             |                 |               |               |               |             |
| Listed equity securities                     | 1 295 996 199               | -                | -           | 1 295 996 199   | 1 295 996 199 | -             | - 1           | 295 996 199 |
| Government public utility stock              | 142 679 289                 | -                | -           | 142 679 289     |               | -             | 142 679 289   | 142 679 289 |
| Unlisted equity investments                  | 908 796 035                 | -                | -           | 908 796 035     |               | -             | 908 796 035   | 908 796 035 |
| Treasury bills                               | 1 033 916 104               | -                | 122 861 431 | 1 156 777 535   | -             | 1 033 916 104 | 122 861 431 1 | 156 777 535 |
| Financial assets not measured at fair value: |                             |                  |             |                 |               |               |               |             |
| Trade and other receivables                  | -                           | 1 462 791 605    | -           | 1 462 791 605   |               |               |               |             |
| Cash and cash equivalents                    | -                           | 6 985 981 279    | -           | 6 985 981 279   |               |               |               |             |
| Treasury bills                               | -                           | 43 531 155       | -           | 43 531 155      |               |               |               |             |
| Advances and other accounts                  | -                           | 6 382 953 754    | -           | 6 382 953 754   |               |               |               |             |
| Total  | 3 381 387 627               | 14 875 257 793   | 122 861 431 | 18 397 506 851  |               |               |               |             |
| Financial liabilities                        |                             |                  |             |                 |               |               |               |             |
| Deposit and other accounts                   | -                           | (12 510 431 827) | - (         | 12 510 431 827) |               |               |               |             |
| Trade and other payables                     | -                           | (2 314 608 696)  | -           | (2 314 608 696) |               |               |               |             |
| Offshore borrowings                          | -                           | (190 515 971)    | -           | (190 515 971)   |               |               |               |             |
| Total  | -                           | (15 015 556 494) | - (         | 15 015 556 494) |               |               |               |             |

|  | Audited inflation adjusted     |                               |                                 |                 |                 |                 |                 |               |  |  |
|--|--------------------------------|-------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|--|--|
|  | C/                             | ARRYING AMOUI                 | NT                              |                 |                 | FAIR            | VALUE           |               |  |  |
| 31 December 2020                             | Classified<br>at FVTPL<br>ZW\$ | Classified<br>at AMCO<br>ZW\$ | Classified<br>at FVTOCI<br>ZW\$ | Total<br>ZW\$   | Level 1<br>ZW\$ | Level 2<br>ZW\$ | Level 3<br>ZW\$ | Total<br>ZW\$ |  |  |
| Financial assets measured at fair value:     |                                |                               |                                 |                 |                 |                 |                 |               |  |  |
| Listed equity securities                     | 644 900 439                    | -                             | -                               | 644 900 439     | 644 900 439     | -               | -               | 644 900 439   |  |  |
| Government public utility stock              | 3 829 201                      | -                             | -                               | 3 829 201       | -               | -               | 3 829 201       | 3 829 201     |  |  |
| Unit trusts                                  | 53 865 412                     | -                             | -                               | 53 865 412      | -               | 53 865 412      | -               | 53 865 412    |  |  |
| Unlisted equity investments                  | 695 583 018                    | -                             | -                               | 695 583 018     | -               | -               | 695 583 018     | 695 583 018   |  |  |
| Treasury bills                               | 372 988 355                    | -                             | 200 308 778                     | 573 297 134     | -               | 372 988 356     | 200 308 778     | 573 297 134   |  |  |
| Financial assets not measured at fair value: |                                |                               |                                 |                 |                 |                 |                 |               |  |  |
| Trade and other receivables                  | -                              | 731 566 782                   | -                               | 731 566 782     |                 |                 |                 |               |  |  |
| Cash and cash equivalents                    | -                              | 6 139 030 851                 | -                               | 6 139 030 851   |                 |                 |                 |               |  |  |
| Treasury bills                               | -                              | 52 005 633                    | -                               | 52 005 633      |                 |                 |                 |               |  |  |
| Advances and other accounts                  | -                              | 3 798 472 833                 | -                               | 3 798 472 833   |                 |                 |                 |               |  |  |
| Total  | 1 771 166 425                  | 10 721 076 099                | 200 308 778                     | 12 692 551 303  |                 |                 |                 |               |  |  |
| Financial liabilities                        |                                |                               |                                 |                 |                 |                 |                 |               |  |  |
| Deposit and other accounts                   | -                              | (8 578 256 846)               | -                               | (8 578 256 846) |                 |                 |                 |               |  |  |
| Trade and other payables                     | -                              | (1 424 945 667)               | -                               | (1 424 945 667) |                 |                 |                 |               |  |  |
| Offshore borrowings                          | -                              | (293 521 765)                 | -                               | (293 521 765)   |                 |                 |                 |               |  |  |
| Total  | -                              | (10 296 724 278)              | - (                             | 10 296 724 278) |                 |                 |                 |               |  |  |

|  | Unreviewed historical cost |                       |             |                  |               |               |               |             |  |
|--|----------------------------|-----------------------|-------------|------------------|---------------|---------------|---------------|-------------|--|
|  |                            | CARRYING AMOUNT       |             |                  |               | FAIR VALUE    |               |             |  |
|  | Classified                 | Classified Classified |             |                  |               |               |               |             |  |
|  | at FVTPL                   | at AMCO               | at FVTOCI   | Total            | Level 1       | Level 2       | Level 3       | Total       |  |
| 30 June 2021                                 | ZW\$                       | ZW\$                  | ZW\$        | ZW\$             | ZW\$          | ZW\$          | ZW\$          | ZW\$        |  |
| Financial assets measured at fair value:     |                            |                       |             |                  |               |               |               |             |  |
| Listed equity securities                     | 1 295 996 199              | -                     | -           | 1 295 996 199    | 1 295 996 199 | -             | - 1           | 295 996 199 |  |
| Government public utility stock              | 142 679 289                | -                     | -           | 142 679 289      | -             | -             | 142 679 289   | 142 679 289 |  |
| Unlisted equity investments                  | 908 796 035                | -                     | -           | 908 796 035      | -             | -             | 908 796 035   | 908 796 035 |  |
| Treasury bills                               | 1 033 916 104              | -                     | 122 861 431 | 1 156 777 535    | -             | 1 033 916 104 | 122 861 431 1 | 156 777 535 |  |
| Financial assets not measured at fair value: |                            |                       |             |                  |               |               |               |             |  |
| Trade and other receivables                  | -                          | 1 462 791 605         | -           | 1 462 791 605    |               |               |               |             |  |
| Cash and cash equivalents                    | -                          | 6 985 981 279         | -           | 6 985 981 279    |               |               |               |             |  |
| Treasury bills                               | -                          | 43 531 155            | -           | 43 531 155       |               |               |               |             |  |
| Advances and other accounts                  | -                          | 6 382 953 754         | -           | 6 382 953 754    |               |               |               |             |  |
| Total  | 3 381 387 627              | 14 875 257 793        | 122 861 431 | 18 379 506 851   |               |               |               |             |  |
| Financial liabilities                        |                            |                       |             |                  |               |               |               |             |  |
| Deposit and other accounts                   | -                          | (12 510 431 827)      | - (         | (12 510 431 827) |               |               |               |             |  |
| Trade and other payables                     | -                          | (2 314 608 696)       | -           | (2 314 608 696)  |               |               |               |             |  |
| Offshore borrowings                          | -                          | (190 515 971)         | -           | (190 515 971)    |               |               |               |             |  |
| Total  | -                          | (15 015 556 494)      | - (         | (15 015 556 494) |               |               |               |             |  |
|  |                            |                       |             |                  |               |               |               |             |  |

|  |                                | Unaudited historical cost     |                                 |                 |                 |                 |                 |               |  |  |  |
|--|--------------------------------|-------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|--|--|--|
|  |                                | CARRYING AM                   | IOUNT                           | UNT             |                 | FAI             | R VALUE         |               |  |  |  |
| 31 December 2020                             | Classified<br>at FVTPL<br>ZW\$ | Classified<br>at AMCO<br>ZW\$ | Classified<br>at FVTOCI<br>ZW\$ | Total<br>ZW\$   | Level 1<br>ZW\$ | Level 2<br>ZW\$ | Level 3<br>ZW\$ | Total<br>ZW\$ |  |  |  |
| Financial assets measured at fair value:     |                                |                               |                                 |                 |                 |                 |                 |               |  |  |  |
| Listed equity securities                     | 534 352 428                    | -                             | -                               | 534 352 428     | 534 352 428     | -               | -               | 534 352 428   |  |  |  |
| Government public utility stock              | 3 172 804                      | -                             | -                               | 3 172 804       | -               | -               | 3 172 804       | 3 172 804     |  |  |  |
| Unit trusts                                  | 44 631 872                     | -                             | -                               | 44 631 872      | -               | 44 631 872      | -               | 44 631 872    |  |  |  |
| Unlisted equity investments                  | 576 347 064                    | -                             | -                               | 576 347 064     | -               | -               | 576 347 064     | 576 347 064   |  |  |  |
| Treasury bills                               | 309 051 167                    | -                             | 165 972 103                     | 475 023 270     | -               | 309 051 167     | 165 972 103     | 475 023 270   |  |  |  |
| Financial assets not measured at fair value: |                                |                               |                                 |                 |                 |                 |                 |               |  |  |  |
| Trade and other receivables                  | -                              | 606 162 537                   | -                               | 606 162 537     |                 |                 |                 |               |  |  |  |
| Cash and cash equivalents                    | -                              | 5 086 686 008                 | -                               | 5 086 686 008   |                 |                 |                 |               |  |  |  |
| Treasury bills                               | -                              | 43 090 894                    | -                               | 43 090 894      |                 |                 |                 |               |  |  |  |
| Advances and other accounts                  | -                              | 3 147 343 462                 | -                               | 3 147 343 462   |                 |                 |                 |               |  |  |  |
| Total  | 1 467 555 335                  | 8 883 282 901                 | 165 972 103                     | 10 516 810 339  |                 |                 |                 |               |  |  |  |
| Financial liabilities                        |                                |                               |                                 |                 |                 |                 |                 |               |  |  |  |
| Deposit and other accounts                   | -                              | (7 107 782 993)               | -                               | (7 107 782 993) |                 |                 |                 |               |  |  |  |
| Trade and other payables                     | -                              | (1 180 683 296)               | -                               | (1 180 683 296) |                 |                 |                 |               |  |  |  |
| Offshore borrowings                          | -                              | (243 206 638)                 | -                               | (243 206 638)   |                 |                 |                 |               |  |  |  |
| Total  | -                              | (8 531 672 927)               | -                               | (8 531 672 927) |                 |                 |                 |               |  |  |  |

Listed equity investments are valued in relation to prices ruling at the stock market at which the stock is listed at the close

These investments are valued using inputs other than quoted prices which are observable for the asset. The unit trust investments are valued in relation to gold prices on the international market. Treasury bills are valued by discounting cash flows using the market rate for similar instruments as the discounting rate.

Unlisted investments whose fair value is categorised under level 3, were valued using methods listed in the below table. In applying these methods judgement was used.

#### Valuation techniques for the level 3 fair value measurement of assets and liabilities held at fair value

| Asset category    | Valuation Technique             | Unobservable inputs             | Range of estimates utilised for the unobservable inputs |
|-------------------|---------------------------------|---------------------------------|---|
| Unquoted equities | Net asset value/ dividend model | Growth rate /cost<br>of capital | 28%   |
| Treasury bills    | Discounted cashflow             | Discount rate                   | 20.61%  |

#### 18.2.1.4 Reconciliation of recurring level 3 fair value measurements

A reconciliation from the opening balances to the closing balances for level 3 fair values is shown below:

|   | Inflation                       | n adjusted                     | Historical cost                   |                                  |  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
|   |                                 |                                |                                   |                                  |  |
| Balance at beginning of year            | 899 720 997                     | 957 050 790                    | 745 491 971                       | 176 778 179                      |  |
| Additions                               | 14 005 301 790                  | 247 824 881                    | 13 200 000 000                    | 113 661 763                      |  |
| Maturities and disposals                | (13 199 186 801)                | (204 931 753)                  | (12 489 171 233)                  | (66 844 314)                     |  |
| Fair value recognised in profit or loss | (530 138 579)                   | (102 136 847)                  | (280 623 331)                     | 520 310 500                      |  |
| Fair value recognised in other          |                                 |                                |                                   |                                  |  |
| comprehensive income                    | (1 360 652)                     | 1 913 926                      | (1 360 652)                       | 1 585 843                        |  |
| Balance at end of period                | 1 174 336 755                   | 899 720 997                    | 1 174 336 755                     | 745 491 971                      |  |

#### Definition of financial risk

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

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2.2 Liquidity risk

#### Definition

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

This risk is identified through gap and maturity analysis.

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

The Group uses liquidity management tools such as liquidity ratio, maturity gap analysis (contractual and behavioural), daily cash flow summary & focusting and stress testing to measures liquidity risk.

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

#### Liquidity gap analysis as at 30 June 2021

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

|                                | Reviewed inflation adjusted |   |                           |                            |                  |                            |  |  |  |
|--------------------------------|-----------------------------|---|---------------------------|----------------------------|------------------|----------------------------|--|--|--|
|                                | Up to 1<br>month<br>ZW\$    | 2 to 6<br>months<br>ZW\$                | 7 to 12<br>months<br>ZW\$ | Above 12<br>months<br>ZW\$ | Total<br>ZW\$    | Carrying<br>amount<br>ZW\$ |  |  |  |
|                                | 2004                        | 2004                                    | 2004                      | 2004                       | 2004             | 2004                       |  |  |  |
| FINANCIAL ASSETS BY TYPE:      |                             |   |                           |                            |                  |                            |  |  |  |
| Cash and cash equivalents      | 6 243 864 435               | 412 965 147                             | 329 151 697               | -                          | 6 985 981 279    | 6 985 981 279              |  |  |  |
| Treasury bills                 | -                           | 410 790 410                             | 858 038 141               | 88 452 093                 | 1 357 280 644    | 1 200 308 690              |  |  |  |
| Mortgages and other advances   | 852 291 339                 | 942 193 113                             | 999 917 323               | 5 459 369 629              | 8 253 771 404    | 6 382 953 754              |  |  |  |
| Investment securities          | -                           | -                                       | -                         | 1 903 861 943              | 1 903 861 943    | 1 903 861 943              |  |  |  |
|                                | 7 096 155 774               | 1 765 948 670                           | 2 187 107 161             | 7 451 683 665              | 18 500 895 270   | 16 473 105 666             |  |  |  |
|                                |                             |   |                           |                            |                  |                            |  |  |  |
| FINANCIAL LIABILITIES BY TYPE: |                             |   |                           |                            |                  |                            |  |  |  |
| Deposits and other accounts    | (12 674 887 118)            | (233 444 280)                           | (26 317 222)              | (21 540 997)               | (12 956 189 617) | (12 510 431 827)           |  |  |  |
| Trade and other payables       | (1 528 908 478)             | (353 825 799)                           | (431 874 419)             |                            | (2 314 608 696)  | (2 314 608 696)            |  |  |  |
| Long term loan                 |                             |   |                           | (20 000 000)               | (20 000 000)     | (16 544 155)               |  |  |  |
| Offshore borrowings            | _                           | (72 897 564)                            | (72 897 564)              | (72 897 569)               | (218 692 697)    | (190 515 971)              |  |  |  |
| Lease liabilities              | (1 218 452)                 | (6 092 259)                             | (7 310 711)               | (58 485 691)               | (73 107 113)     | (73 107 113)               |  |  |  |
|                                | (14 205 014 048)            | (666 259 902)                           | (538 399 916)             | (172 924 257)              | (15 582 598 123) | (15 105 207 762)           |  |  |  |
|                                | (                           | , ====,                                 | (/                        | ( =)                       | ,,               | ,                          |  |  |  |
| Period gap                     | (7 108 858 274)             | 1 099 688 768                           | 1 648 707 245             | 7 278 759 408              | 2 918 297 147    | 1 367 897 904              |  |  |  |
| Cumulative gap                 | (7 108 858 274)             | (6 009 169 506)                         | (4 360 462 261)           | 2 918 297 147              | -                | -                          |  |  |  |
|                                | (                           | (====================================== | ()                        |                            |                  |                            |  |  |  |

#### Liquidity gap analysis as at 31 December 2020

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

|                                | Audited inflation adjusted |                          |                           |                            |                  |                            |  |  |  |  |
|--------------------------------|----------------------------|--------------------------|---------------------------|----------------------------|------------------|----------------------------|--|--|--|--|
|                                | Up to 1<br>month<br>ZW\$   | 2 to 6<br>months<br>ZW\$ | 7 to 12<br>months<br>ZW\$ | Above 12<br>months<br>ZW\$ | Total<br>ZW\$    | Carrying<br>amount<br>ZW\$ |  |  |  |  |
| FINANCIAL ASSETS BY TYPE:      |                            |                          |                           |                            |                  |                            |  |  |  |  |
| Cash and cash equivalents      | 5 223 040 417              | 147 653 498              | 768 336 935               | _                          | 6 139 030 851    | 6 139 030 851              |  |  |  |  |
| Treasury bills                 | 60 542 503                 | 291 825 326              | 102 893 520               | 227 770 991                | 683 032 340      | 625 302 767                |  |  |  |  |
| Mortgages and other advances   | 572 475 783                | 408 051 000              | 1 163 394 174             | 2 410 686 467              | 4 554 607 424    | 3 798 472 833              |  |  |  |  |
| Investment securities          | -                          | -                        | -                         | 1 204 673 297              | 1 204 673 297    | 1 204 673 297              |  |  |  |  |
|                                | 5 856 058 703              | 847 529 824              | 2 034 624 629             | 3 843 130 755              | 12 581 343 912   | 11 767 479 748             |  |  |  |  |
| FINANCIAL LIABILITIES BY TYPE: |                            |                          |                           |                            |                  |                            |  |  |  |  |
| Deposits and other accounts    | (8 592 895 039)            | (53 660 776)             | (33 632 743)              | (5 211 608)                | (8 685 400 166)  | (8 578 256 846)            |  |  |  |  |
| Trade and other payables       | (1 071 125 926)            | (317 512 228)            | (36 307 513)              | -                          | (1 424 945 667)  | (1 424 945 667)            |  |  |  |  |
| Long term loan                 | -                          | -                        | -                         | (24 137 644)               | (24 137 644)     | (19 479 850)               |  |  |  |  |
| Offshore borrowings            | -                          | (80 689 097)             | (80 689 097)              | (161 378 198)              | (322 756 392)    | (293 521 765)              |  |  |  |  |
| Lease liabilities              | (1 399 532)                | (6 997 659)              | (8 397 191)               | (67 177 529)               | (83 971 911)     | (83 971 911)               |  |  |  |  |
|                                | (9 665 420 497)            | (458 859 760)            | (159 026 544)             | (257 904 979)              | (10 541 211 780) | (10 400 176 039)           |  |  |  |  |
| Period gap                     | (3 809 361 794)            | 388 670 064              | 1 875 598 085             | 3 585 225 776              | 2 040 132 132    | 1 367 303 709              |  |  |  |  |
| Cumulative gap                 | (3 809 361 794)            | (3 420 691 730)          |                           | 2 040 132 132              | -                | -                          |  |  |  |  |

#### Liquidity gap analysis as at 30 June 2021

| The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities. |                                    |                                  |                                  |                                |                    |                            |  |  |  |
|--|------------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------|----------------------------|--|--|--|
|  | Unreviewed historical cost         |                                  |                                  |                                |                    |                            |  |  |  |
|  | Up to 1<br>month<br>ZW\$           | 2 to 6<br>months<br>ZW\$         | 7 to 12<br>months<br>ZW\$        | Above 12<br>months<br>ZW\$     | Total<br>ZW\$      | Carrying<br>amount<br>ZW\$ |  |  |  |
| FINANCIAL ASSETS BY TYPE:  |                                    |                                  |                                  |                                |                    |                            |  |  |  |
| Cash and cash equivalents  | 6 243 864 435                      | 412 965 147                      | 329 151 697                      | -                              | 6 985 981 279      | 6 985 981 279              |  |  |  |
| Money market investments   | -                                  | -                                | -                                | -                              | -                  | -                          |  |  |  |
| Treasury bills   | -                                  | 410 790 410                      | 858 038 141                      | 88 452 093                     | 1 357 280 644      | 1 200 308 690              |  |  |  |
| Mortgages and other advances   | 852 291 339                        | 942 193 113                      | 999 917 323                      | 5 459 369 629                  | 8 253 771 404      | 6 400 877 392              |  |  |  |
| Investment securities  | -                                  | -                                | -                                | 1 903 861 943                  | 1 903 861 943      | 1 903 861 943              |  |  |  |
|  | 7 096 155 774                      | 1 765 948 670                    | 2 187 107 161                    | 7 451 683 665                  | 18 500 895 270     | 16 491 029 304             |  |  |  |
| FINANCIAL LIABILITIES BY TYPE:   |                                    |                                  |                                  |                                |                    |                            |  |  |  |
| Deposits and other accounts  | (12 674 887 118)                   | (233 444 280)                    | (26 317 222)                     | (21 540 997)                   | (12 956 189 617)   | (12 510 431 827)           |  |  |  |
| Trade and other payables   | (1 528 908 478)                    | (353 825 799)                    | (431 874 419)                    | -                              | (2 314 608 696)    | (2 314 608 696)            |  |  |  |
| Long term loan   | -                                  | -                                | -                                | (20 000 000)                   | (20 000 000)       | (16 544 155)               |  |  |  |
| Offshore borrowings  | -                                  | (72 897 564)                     | (72 897 564)                     | (72 897 569)                   | (218 692 697)      | (190 515 971)              |  |  |  |
| Lease liabilities  | (1 218 452)                        | (6 092 259)                      | (7 310 711)                      | (58 485 691)                   | (73 107 113)       | (73 107 113)               |  |  |  |
|  | (14 205 014 048)                   | (666 259 902)                    | (538 399 916)                    | (172 924 257)                  | (15 582 598 123)   | (15 105 207 762)           |  |  |  |
| Period gap<br>Cumulative gap   | (7 108 858 274)<br>(7 108 858 274) | 1 099 688 768<br>(6 009 169 506) | 1 648 707 245<br>(4 360 462 261) | 7 278 759 408<br>2 918 297 147 | 2 918 297 147<br>- | 1 367 897 904              |  |  |  |

#### Liquidity gap analysis as at 31 December 2020

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

| The tables below set out the                   | remaining contra                   | ctual maturities               | or the Group's                   | illianciai assets t            | ina imanciai nabii           | tics.                        |
|--|------------------------------------|--------------------------------|----------------------------------|--------------------------------|------------------------------|------------------------------|
|  |                                    |                                | Unaud                            | lited historical o             | cost                         |                              |
|  | Up to 1                            | 2 to 6                         | 7 to 12                          | Above 12                       |                              | Carrying                     |
|  | month                              | months                         | months                           | months                         | Total                        | amount                       |
|  | ZW\$                               | ZW\$                           | ZW\$                             | ZW\$                           | ZW\$                         | ZW\$                         |
|  | 4 222 742 407                      | 430,000,640                    | 626 620 507                      |                                | 5 000 000 co.                | - aas sas aaa                |
| Cash and cash equivalents                      | 4 327 713 487                      | 128 980 610                    | 636 629 597                      | 100 726 770                    | 5 093 323 694                | 5 086 686 008                |
| Treasury bills<br>Mortgages and other advances | 50 164 384<br>474 342 714          | 241 801 001<br>338 103 418     | 85 255 644<br>963 966 628        | 188 726 778<br>1 997 449 666   | 565 947 807<br>3 773 862 426 | 518 114 164<br>3 147 343 462 |
| Investment securities                          | 4/4 342 / 14                       | 330 103 410                    | 903 900 020                      | 998 169 736                    | 998 169 736                  | 998 169 736                  |
| investment securities                          | 4 852 220 585                      | 708 885 029                    | 1 685 851 869                    | 3 184 346 180                  | 10 431 303 663               | 9 750 313 370                |
| FINANCIAL LIABILITIES BY TYPE:                 |                                    |                                |                                  |                                |                              |                              |
| Deposits and other accounts                    | (7 119 911 925)                    | (44 462 314)                   | (27 867 461)                     | (4 318 241)                    | (7 196 559 941)              | (7 107 782 993)              |
| Trade and other payables                       | (887 514 885)                      | (263 084 687)                  | (30 083 724)                     | (.5.52)                        | (1 180 683 296)              | (1 180 683 296)              |
| Long term loan                                 |                                    |                                |                                  | (20 000 000)                   | (20 000 000)                 | (16 140 639)                 |
| Offshore borrowings                            | -                                  | (66 857 475)                   | (66 857 475)                     | (133 714 953)                  | (267 429 903)                | (243 206 638)                |
| Lease liabilities                              | (1 159 626)                        | (5 798 129)                    | (6 957 755)                      | (55 662 043)                   | (69 577 553)                 | (69 577 553)                 |
|  | (8 008 586 436)                    | (380 202 605)                  | (131 766 415)                    | (213 695 237)                  | (8 734 250 693)              | (8 617 391 119)              |
| Davied was                                     | (2.456.265.054)                    | 220 602 424                    | 1 554 005 454                    | 2.070.650.042                  | 1 607 052 070                | 1 122 022 251                |
| Period gap<br>Cumulative gap                   | (3 156 365 851)<br>(3 156 365 851) | 328 682 424<br>(2 827 683 427) | 1 554 085 454<br>(1 273 597 973) | 2 970 650 943<br>1 697 052 970 | 1 697 052 970<br>-           | 1 132 922 251                |

|                                     | Inflation                       | adjusted                       | Historica                         | al cost                           |
|-------------------------------------|---------------------------------|--------------------------------|-----------------------------------|-----------------------------------|
|                                     | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |
| Liquidity ratios                    |                                 |                                |                                   |                                   |
| Total liquid assets                 | 8 186 289 969                   | 6 764 333 618                  | 8 186 289 969                     | 348 931 486                       |
| Total liabilities due to the public | 12 510 431 827                  | 8 578 256 846                  | 12 510 431 827                    | 433 006 499                       |
| Liquidity ratio                     | 65%                             | 79%                            | 65%                               | 79%                               |
| Average for the period              | 74%                             | 87%                            | 74%                               | 87%                               |
| Maximum for the period              | 94%                             | 89%                            | 94%                               | 89%                               |
| Minimum for the period              | 60%                             | 71%                            | 60%                               | 71%                               |
| Minimum statutory liquidity ratio   | 30%                             | 30%                            | 30%                               | 30%                               |



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2.3 Market risk

Market risk arises from adverse movements in the market place which cause interest rate, foreign exchange and equity price

#### 18.2.3.1 Interest rate risk

#### Interest rate gap analysis as at 30 June 2021

|   |  | Revie   | wed inflation adj                           | usted  |   |
|---|--|---|---|--|---|
|   | Up to 1  | 2 to 6  | 7 to 12                                     | Above 12                                     | Carrying  |
|   | month  | months  | months                                      | months                                       | amount  |
|   | ZW\$   | ZW\$  | ZW\$  | ZW\$   | ZW\$  |
| FINANCIAL ASSETS BY TYPE:<br>Cash and cash equivalents<br>Treasury bills<br>Advances and other accounts | 6 985 981 279<br>-<br>858 818 202<br>7 844 799 481 | 391 187 547<br>1 056 446 218<br>1 447 633 765 | 732 613 478<br>894 974 949<br>1 627 588 427 | 76 507 665<br>3 590 638 023<br>3 667 145 688 | 6 985 981 279<br>1 200 308 690<br>6 400 877 392<br>14 587 167 361 |
| FINANCIAL LIABILITIES BY TYPE Deposits and other accounts Long term loan Offshore borrowings            | (12 145 752 658)                                   | (180 787 771)                                 | (26 302 796)                                | (157 588 602)                                | (12 510 431 827)  |
|   | -  | -   | -   | (16 544 155)                                 | (16 544 155)  |
|   | -  | (63 505 322)                                  | (63 505 322)                                | (63 505 327)                                 | (190 515 971)   |
|   | (12 145 752 658)                                   | (244 293 093)                                 | (89 808 118)                                | (237 638 084)                                | (12 717 491 953)  |
| Period gap  | (4 300 953 177)                                    | 1 203 340 672                                 | 1 537 780 309                               | 3 429 507 604                                | 1 869 675 408   |
| Cumulative gap  | (4 300 953 177)                                    | (3 097 612 505)                               | (1 559 832 196)                             | 1 869 675 408                                | -   |

#### Interest rate gap analysis as at 31 December 2020

|                               |                          |                          | Audited inflation         | adjusted                   |                            |
|-------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
|                               | Up to 1<br>month<br>ZW\$ | 2 to 6<br>months<br>ZW\$ | 7 to 12<br>months<br>ZW\$ | Above 12<br>months<br>ZW\$ | Carrying<br>amount<br>ZW\$ |
| FINANCIAL ASSETS BY TYPE:     |                          |                          |                           |                            |                            |
| Cash and cash equivalents     | 6 139 030 851            | _                        | _                         | _                          | 6 139 030 851              |
| Treasury bills                | 60 344 110               | 275 364 373              | 94 142 867                | 195 451 417                | 625 302 767                |
| Advances and other accounts   | 571 043 267              | 361 045 422              | 1 061 907 368             | 1 804 476 776              | 3 798 472 833              |
|                               | 6 770 418 228            | 636 409 795              | 1 156 050 235             | 1 999 928 193              | 10 562 806 451             |
|                               |                          |                          |                           |                            |                            |
| FINANCIAL LIABILITIES BY TYPE |                          |                          |                           |                            |                            |
| Deposits and other accounts   | (8 496 132 606)          | (53 238 077)             | (32 492 623)              | 3 606 460                  | (8 578 256 846)            |
| Long term loan                | -                        | -                        | -                         | (19 479 850)               | (19 479 850)               |
| Offshore borrowings           | -                        | (73 380 439)             | (73 380 440)              | (146 760 886)              | (293 521 765)              |
|                               | (8 496 132 606)          | (126 618 516)            | (105 873 063)             | (162 634 276)              | (8 891 258 461)            |
|                               |                          |                          |                           |                            |                            |
| Period gap                    | (1 725 714 378)          | 509 791 279              | 1 050 177 172             | 1 837 293 917              | 1 671 547 990              |
| Cumulative gap                | (1 725 714 378)          | (1 215 923 099)          | (165 745 927)             | 1 671 547 990              | -                          |
|                               |                          |                          |                           |                            |                            |

#### Interest rate gap analysis as at 30 June 2021

|                               |                                    | Ur                               | reviewed historic                | cal cost                       |                    |
|-------------------------------|------------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------|
|                               | Up to 1                            | 2 to 6<br>months                 | 7 to 12<br>months                | Above 12<br>months             | Carrying<br>amount |
|                               | zw\$                               | zw\$                             | ZW\$                             | ZW\$                           | ZW\$               |
| FINANCIAL ASSETS BY TYPE:     |                                    |                                  |                                  |                                |                    |
| Cash and cash equivalents     | 6 985 981 279                      | -                                | -                                | -                              | 6 985 981 279      |
| Treasury bills                | -                                  | 391 187 547                      | 732 613 478                      | 76 507 665                     | 1 200 308 690      |
| Advances and other accounts   | 858 818 202                        | 1 056 446 218                    | 894 974 949                      | 3 590 638 023                  | 6 400 877 392      |
|                               | 7 844 799 481                      | 1 447 633 765                    | 1 627 588 427                    | 3 667 145 688                  | 14 587 167 361     |
| FINANCIAL LIABILITIES BY TYPE |                                    |                                  |                                  |                                |                    |
| Deposits and other accounts   | (12 145 752 658)                   | (180 787 771)                    | (26 302 796)                     | (157 588 602)                  | (12 510 431 827)   |
| Long term loan                | -                                  |                                  | -                                | (16 544 155)                   | (16 544 155)       |
| Offshore borrowings           | -                                  | (63 505 322)                     | (63 505 322)                     | (63 505 327)                   | (190 515 971)      |
|                               | (12 145 752 658)                   | (244 293 093)                    | (89 808 118)                     | (237 638 084)                  | (12 717 491 953)   |
| Period gap<br>Cumulative gap  | (4 300 953 177)<br>(4 300 953 177) | 1 203 340 672<br>(3 097 612 505) | 1 537 780 309<br>(1 559 832 196) | 3 429 507 604<br>1 869 675 408 | 1 869 675 408<br>- |
| 5 1                           | ,                                  | ,                                | ,                                |                                |                    |

#### Interest rate gap analysis as at 31 December 2020

|                               |                 |                 | Unaudited histori | ical cost     |                 |
|-------------------------------|-----------------|-----------------|-------------------|---------------|-----------------|
|                               | Up to 1         | 2 to 6          | 7 to 12           | Above 12      | Carrying        |
|                               | month           | months          | months            | months        | amount          |
|                               | ZW\$            | ZW\$            | ZW\$              | ZW\$          | zw\$            |
| FINANCIAL ASSETS BY TYPE:     |                 |                 |                   |               |                 |
| Cash and cash equivalents     | 5 086 686 008   | -               | -                 | -             | 5 086 686 008   |
| Treasury bills                | 50 000 000      | 228 161 763     | 78 005 017        | 161 947 384   | 518 114 164     |
| Advances and other accounts   | 473 155 758     | 299 155 476     | 879 876 561       | 1 495 155 667 | 3 147 343 462   |
|                               | 5 609 841 766   | 527 317 239     | 957 881 578       | 1 657 103 051 | 8 752 143 634   |
| FINANCIAL LIABILITIES BY TYPE |                 |                 |                   |               |                 |
| Deposits and other accounts   | (7 039 736 385) | (44 112 074)    | (26 922 779)      | 2 988 245     | (7 107 782 993) |
| Long term loan                | -               | -               | -                 | (16 140 639)  | (16 140 639)    |
| Offshore borrowings           | -               | (60 801 658)    | (60 801 658)      | (121 603 322) | (243 206 638)   |
|                               | (7 039 736 385) | (104 913 732)   | (87 724 437)      | (134 755 716) | (7 367 130 270) |
| Period gap                    | (1 429 894 619) | 422 403 507     | 870 157 141       | 1 522 347 335 | 1 385 013 364   |
| Cumulative gap                | (1 429 894 619) | (1 007 491 112) | (137 333 971)     | 1 385 013 364 | -               |

Interest rate risk sensitivity analysis
A 2% change in the rate for rate sensitive assets would result in the reported profits increasing or decreasing by ZW\$219.6 million (December 2020: ZW\$158.5 million)

A 2% change in the rate for rate sensitive liabilities would results in the reported profits increasing or decreasing by ZW\$159.0 million (December 2020: ZW\$133.54 million).

#### 18.2.3.2 Foreign exchange risk

#### Foreign currency position

The carrying amount of the Group's non Zimbabwean dollar monetary assets and liabilities as at 30 June 2021 were as follows:

|   | Inflation   | adjusted  | Historical cost   |  |  |
|---|---|---|---|--|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$   | Audited<br>31 Dec 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$   | Unaudited<br>31 Dec 2020<br>ZW\$                                     |  |
| Botswana pula British pound Euro South African rand USD Total assets  Botswana pula British pound Euro South African rand USD Total liabilities | 323 142 463<br>1 529 232 311<br>1 582 674 325<br>7 526 665 268<br>17 040 893 746<br>28 002 608 113<br>(182 980 623)<br>(833 987 347)<br>(901 990 745)<br>(3 690 183 563)<br>(7 468 591 071)<br>(13 077 733 349) | 389 994 890<br>1 845 603 271<br>1 910 101 487<br>9 083 798 412<br>20 566 351 503<br>33 795 849 563<br>(220 836 059)<br>(1 006 524 492)<br>(1 088 596 584)<br>(4 453 616 894)<br>(9 013 709 697)<br>(15 783 283 726)<br>18 012 565 837 | 323 142 463<br>1 529 232 311<br>1 582 674 325<br>7 526 665 268<br>17 040 893 746<br>28 002 608 113<br>(182 980 623)<br>(833 987 347)<br>(901 990 745)<br>(3 690 183 563)<br>(7 468 591 071)<br>(13 077 733 349)<br>14 924 874 764 | (833 987 347)<br>(901 990 745)<br>(3 690 183 563)<br>(7 468 591 071) |  |

The exchange rate as at 30 June 2021 was US\$1:ZW\$85.4234 (December 2020: ZW\$81.7866).

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

Foreign currency risk sensitivity analysis
A 10% change in exchange rates would result in the reported profit being reduced or increased by ZW\$1.1 billion (December 2020: ZW\$1.3 billion) and equity being reduced or increased by ZW\$1.5 billion (December 2020: ZW\$1.8 billion).

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2.4 Credit risk

Special Mention(BB+ to CCC-) Nonperforming(CC to D) Total guarantees

Special Mention(BB+ to CCC-) Nonperforming(CC to D)

700 460 558

746 603 845

746 603 845

162 764 365

162 764 365

Good(AAA to -BBB-)

Good(AAA to BBB-)

Good (AAA to BBB-)

Total other financial assets

| Internal rating gra   | <u>de</u>                       |                             |                        |  |                              |                              |                        |  |
|---|---------------------------------|-----------------------------|------------------------|--|------------------------------|------------------------------|------------------------|--|
|   | STAGE 1                         | Reviewed inflation          | STAGE 3                | TOTAL                                    | STAGE1                       | ed inflation adjust          | STAGE 3                | ТОТА   |
| Total I amount of other con-  | ZW\$                            | ZW\$                        | ZW\$                   | ZW\$                                     | ZW\$                         | ZW\$                         | ZW\$                   | ZW   |
| Total loans and advances<br>Guarantees  | 6 181 390 743<br>700 460 558    | 517 305 780                 | 17 968 960<br>-        | 6 716 665 483<br>700 460 558             | 3 376 602 454<br>831 122 628 | 624 159 636                  | 7 234 638              | 4 007 996 72<br>831 122 62                                 |
| Loan commitments  | 746 603 845                     | -                           | -                      | 746 603 845                              | 265 433 883                  | -                            | -                      | 265 433 88   |
| Treasury bills  | 1 200 308 690                   | -                           | -                      | 1 200 308 690                            | 625 302 767                  | -                            | -                      | 625 302 76   |
| Insurance debtors Other financial assets  | 154 441 484<br>162 764 365      | -                           | 29 277 561             | 183 719 045<br>162 764 365               | 96 497 264<br>26 484 557     | -                            | 26 143 563             | 122 640 82<br>26 484 55                                    |
| Total financial assets  | 9 145 969 685                   | 517 305 780                 | 47 246 521             | 9 710 521 986                            | 5 221 443 553                | 624 159 636                  | 33 378 201             | 5 878 981 39   |
| Takal laana and advances  |                                 |                             |                        |  |                              |                              |                        |  |
| Total loans and advances<br>Good(AAA to -BBB-)  | 6 181 390 743                   | 643 976                     | 718 365                | 6 182 753 084                            | 3 376 602 454                | 907 385                      | 175 523                | 3 377 685 36   |
| Special Mention(BB +to CCC-)  |                                 | 516 661 804                 | 48 318                 | 516 710 122                              | -                            | 623 252 251                  | 1 010                  | 623 253 26   |
| Nonperforming(CC to D)  | -                               | -                           | 17 202 277             | 17 202 277                               | -                            | -                            | 7 058 105              | 7 058 10   |
| Total loans and advances  | 6 181 390 743                   | 517 305 780                 | 17 968 960             | 6 716 665 483                            | 3 376 602 454                | 624 159 636                  | 7 234 638              | 4 007 996 72   |
| Corporate Lending   |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)  | 2 432 175 407                   | -                           | -                      | 2 432 175 407                            | 1 983 899 587                | -                            | -                      | 1 983 899 58   |
| Special Mention(BB+ to CCC-) Nonperforming(CC to D)   |                                 | 391 031 237                 | 6 734 700              | 391 031 237<br>6 734 700                 | -                            | 592 864 356                  | 3 746 183              | 592 864 35<br>3 746 18                                     |
| Total corporate lending   | 2 432 175 407                   | 391 031 237                 | 6 734 700              | 2 829 941 344                            | 1 983 899 587                | 592 864 356                  | 3 746 183              | 2 580 510 12   |
|   |                                 |                             |                        |  |                              |                              |                        |  |
| Small business Lending<br>Good(AAA to -BBB-)  | 244 133 645                     | 30 475                      | 12 341                 | 244 176 461                              | 131 264 290                  | 51                           | 1 259                  | 131 265 60   |
| Special Mention(BB+ to CCC-)  | 23 967                          | 1 779 941                   | 12 341                 | 1 803 908                                | 151 204 290                  | 11 769 210                   | 1 239                  | 11 769 21  |
| Nonperforming(CC to D)  | -                               |                             | 2 490 144              | 2 490 144                                | -                            | -                            | 244 548                | 244 54   |
| Total small business Lending  | 244 157 612                     | 1 810 416                   | 2 502 485              | 248 470 513                              | 131 264 290                  | 11 769 261                   | 245 807                | 143 279 3  |
| Consumer Lending  |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to-BBB-)   | 3 484 834 513                   | 613 501                     | 632 530                | 3 486 080 544                            | 1 148 652 137                | 907 334                      | 174 264                | 1 149 733 7  |
| Special Mention(BB+ to CCC-)  | 5 243 805                       | 6 691 564                   | 48 318                 | 11 983 687                               | 578 176                      | 6 268 219                    | 1 010                  | 6 847 4  |
| Nonperforming(CC to D)  | -                               | -                           | 7 199 698              | 7 199 698                                | -                            | -                            | 2 714 163              | 2 714 1  |
| Total consumer lending  | 3 490 078 318                   | 7 305 065                   | 7 880 546              | 3 505 263 929                            | 1 149 230 313                | 7 175 553                    | 2 889 438              | 1 159 295 3  |
| Mortgage Lending  |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)  | 20 247 178                      |                             | 73 494                 | 20 320 672                               | 112 786 440                  | -                            | -                      | 112 786 44   |
| Special Mention(BB+ to CCC-)  | -                               | 117 159 062                 | -                      | 117 159 062                              | 45 433                       | 12 350 466                   | -                      | 12 395 89  |
| Nonperforming(CC to D)  Total Mortgage Lending  | 20 247 178                      | 117 159 062                 | 777 735<br>851 229     | 777 735<br>138 257 469                   | 112 831 873                  | 12 350 466                   | 353 211<br>353 211     | 353 2 <sup>-</sup><br>125 535 5                            |
| lotal Wortgage Lenang   | 20 247 170                      | 117 133 002                 | 031 223                | 130 237 403                              | 112 031 073                  | 12 330 400                   | 333 211                | 125 555 5.   |
| Guarantees  |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)  | 700 460 558                     |                             |                        | 700 460 558                              | 831 122 628                  | -                            | -                      | 831 122 62   |
| Special Mention(BB+ to CCC-) Nonperforming(CC to D)   |                                 |                             |                        |  | -                            | -                            | -                      |  |
| Total guarantees  | 700 460 558                     | -                           | -                      | 700 460 558                              | 831 122 628                  | -                            | -                      | 831 122 62   |
|   |                                 |                             |                        |  |                              |                              |                        |  |
| Loan commitments  |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)<br>Special Mention(BB+ to CCC-)  | 728 680 207                     |                             |                        | 728 680 207                              | 265 433 883                  | -                            | -                      | 265 433 88   |
| Nonperforming(CC to D)  | -                               |                             |                        | -  | -                            | -                            | -                      |  |
| Total loan commitments  | 728 680 207                     | -                           | -                      | 728 680 207                              | 265 433 883                  | -                            | -                      | 265 433 88   |
| Other financial assets  |                                 |                             |                        |  |                              |                              |                        |  |
| Bonds   |                                 |                             |                        |  |                              |                              |                        |  |
| Good (AAA to BBB0)  | 162 764 365                     | -                           | -                      | 162 764 365                              | 26 484 557                   | -                            | -                      | 26 484 5   |
| Total other financial assets  | 162 764 365                     | -                           | -                      | 162 764 365                              | 26 484 557                   | -                            | -                      | 26 484 55  |
|   |                                 |                             |                        |  |                              |                              |                        |  |
|   |                                 | Unreviewed histo            | orical cost June       |  | Una                          | audited historical           | cost December          |  |
|   | STAGE 1                         | STAGE 2                     | STAGE 3                | TOTAL                                    | STAGE1                       | STAGE 2                      | STAGE 3                | TOTA   |
|   | ZW\$                            | ZW\$                        | ZW\$                   | ZW\$                                     | ZW\$                         | ZW\$                         | ZW\$                   | ZW   |
| Total loans and advances  | 6 181 390 743                   | 517 305 780                 | 17 968 960             | 6 716 665 483                            | 2 797 789 565                | 517 166 987                  | 5 994 486              | 3 320 951 0  |
| Guarantees  | 700 460 558                     | -                           | -                      | 700 460 558                              | 688 652 647                  | -                            | -                      | 688 652 6  |
| Loan commitments  | 746 603 845                     | -                           | -                      | 746 603 845                              | 219 933 545                  | -                            | -                      | 219 933 54   |
| Treasury bills<br>Insurance debtors   | 1 200 308 690<br>154 441 484    | -                           | -<br>29 277 561        | 1 200 308 690<br>183 719 045             | 518 114 164<br>79 955 826    | -                            | -<br>21 662 067        | 518 114 10<br>101 617 8                                    |
| Other financial assets  | 162 764 365                     | -                           |                        | 162 764 365                              | 21 944 608                   | -                            |                        | 21 944 6   |
| Total financial assets  | 9 145 969 685                   | 517 305 780                 | 47 246 521             | 9 710 521 986                            | 4 326 390 355                | 517 166 987                  | 27 656 553             | 4 871 213 8  |
|   |                                 |                             |                        |  |                              |                              |                        |  |
| Total loans and advances<br>Good(AAA to -BBB-)  | 6 181 390 743                   | 643 976                     | 718 365                | 6 182 753 084                            | 2 797 789 565                | 751 842                      | 145 435                | 2 798 686 8  |
| Special Mention(BB+ to CCC-)  | 0 101 390 743                   | 516 661 804                 | 48 318                 | 516 710 122                              | 2 /9/ /09 303                | 516 415 145                  | 837                    | 516 415 9  |
| Nonperforming(CC to D)  | -                               | -                           | 17 202 277             | 17 202 277                               | -                            | -                            | 5 848 214              | 5 848 2  |
| Total loans and advances  | 6 181 390 743                   | 517 305 780                 | 17 968 960             | 6 716 665 483                            | 2 797 789 565                | 517 166 987                  | 5 994 486              | 3 320 951 03   |
| Corporate Lending   |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)  | 2 432 175 407                   |                             | _                      | 2 432 175 407                            | 1 643 822 049                | -                            | -                      | 1 643 822 04   |
| Special Mention(BB+ to CCC-)  | -                               | 391 031 237                 | -                      | 391 031 237                              | -                            | 491 236 304                  | -                      | 491 236 3  |
| Nonperforming(CC to D)  | 2 /22 175 /27                   | 201 021 227                 | 6 734 700              | 6 734 700                                | 1 642 922 042                | 401 220 201                  | 3 104 017              | 3 104 0  |
| Total corporate lending   | 2 432 175 407                   | 391 031 237                 | 6 734 700              | 2 829 941 344                            | 1 643 822 049                | 491 236 304                  | 3 104 017              | 2 138 162 3  |
| Small business Lending  |                                 |                             |                        |  |                              |                              |                        |  |
| Good(AAA to -BBB-)  | 244 133 645                     | 30 475                      | 12 341                 | 244 176 461                              | 108 763 132                  | 42                           | 1 043                  | 108 764 2  |
| Special Mention(BB+ to CCC-)  | 23 967                          | 1 779 941                   | -                      | 1 803 908                                | -                            | 9 751 747                    | -                      | 9 751 74   |
| Nonperforming(CC to D)  Total small business Lending  | 244 157 612                     | 1 810 416                   | 2 490 144<br>2 502 485 | 2 490 144<br>248 470 513                 | 108 763 132                  | 9 751 789                    | 202 628<br>203 671     | 202 6:<br>118 718 5  |
| .o.a. amaii buailess tending  | 2-14 137 012                    | 1010410                     | 2 302 400              | 240 470 313                              | 100 703 132                  | 9731789                      | 203 0/1                | 110 / 18 5   |
|   |                                 |                             |                        |  |                              |                              |                        |  |
| Consumer Lending  | 3 484 834 513                   | 613 501                     | 632 530                | 3 486 080 544                            | 951 751 652                  | 751 800                      | 144 392                | 952 647 8  |
| Good(AAA to -BBB-)  |                                 |                             |                        | 11 983 687                               | 479 066                      | 5 193 729                    | 837                    | 5 673 63   |
| Good(AAA to -BBB-)<br>Special Mention(BB+ to CCC-)  | 5 243 805                       | 6 691 564                   | 48 318<br>7 199 698    |  |                              |                              | 2 240 005              |  |
| Good(AAA to -BBB-)<br>Special Mention(BB+ to CCC-)<br>Nonperforming(CC to D)  | 5 243 805<br>-<br>3 490 078 318 | 6 691 564<br>-<br>7 305 065 | 7 199 698<br>7 880 546 | 7 199 698<br>3 505 263 929               | 952 230 718                  | 5 945 529                    | 2 248 905<br>2 394 134 | 2 248 9  |
| Good(AAA to -BBB-)<br>Special Mention(BB+ to CCC-)<br>Nonperforming(CC to D)  | -                               | -                           | 7 199 698              | 7 199 698                                | -                            | -<br>5 945 529               |                        | 2 248 9  |
| Good(AAA to -BBB-) Special Mention(BB+ to CCC-) Nonperforming(CC to D) Total consumer lending Mortgage Lending  | 3 490 078 318                   | -                           | 7 199 698<br>7 880 546 | 7 199 698<br>3 505 263 929               | 952 230 718                  | 5 945 529                    |                        | 2 248 9<br>960 570 3                                       |
| Good(AAA to -BBB-) Special Mention(BB+ to CCC-) Nonperforming(CC to D) Total consumer lending  Mortgage Lending Good(AAA to -BBB-)  | -                               | 7 305 065                   | 7 199 698              | 7 199 698<br>3 505 263 929<br>20 320 672 | 952 230 718<br>93 452 732    | -                            |                        | 2 248 90<br>960 570 30<br>93 452 73                        |
| Consumer Lending Good(AAA to -BBB-) Special Mention(BB+ to CCC-) Nonperforming(CC to D) Total consumer lending  Mortgage Lending Good(AAA to -BBB-) Special Mention(BB+ to CCC-) Nonperforming(CC to D) | 3 490 078 318<br>20 247 178     | -                           | 7 199 698<br>7 880 546 | 7 199 698<br>3 505 263 929               | 952 230 718                  | 5 945 529<br>-<br>10 233 365 |                        | 2 248 90<br>960 570 38<br>93 452 73<br>10 271 07<br>292 66 |

700 460 558

746 603 845

162 764 365

162 764 365

688 652 647

219 933 545

219 933 545

21 944 608

21 944 608

688 652 647

688 652 647

219 933 545

219 933 545

21 944 608

21 944 608



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2.4 Credit risk (continued)

|  |   | eviewed inflation   |  |  |   | ted inflation adjus            |   |  |
|--|---|---|--|--|---|--------------------------------|---|--|
|  | STAGE 1<br>ZW\$   | STAGE 2<br>ZW\$   | STAGE 3<br>ZW\$  | TOTAL<br>ZW\$  | STAGE1<br>ZW\$  | STAGE 2<br>ZW\$                | STAGE 3<br>ZW\$   | TOTA<br>ZW   |
| Total loans and advances   | 210 528 084   | 270 110 375   | 7 514 754  | 488 153 213  | 146 654 321   | 157 074 030                    | 2 292 807   | 306 021 15   |
| nsurance debtors<br>Other financial assets   | -   | -   | 29 277 561   | 29 277 561   | -   | -                              | 26 143 564  | 26 143 56  |
| Total impairment allowances<br>n respect of guarantees   | 210 528 084<br>1 193 043  | 270 110 375<br>-  | 36 792 315<br>-  | 517 430 774<br>1 193 043   | 146 654 321<br>1 004 769  | 157 074 030<br>-               | 28 436 371<br>-   | 332 164 72<br>1 004 76   |
| n respect of Loan commitments<br>n respect of other financial assets   | 2 187 015<br>7 773 479  | -   | -  | 2 187 015<br>7 773 479   | 760 529<br>1 854 921  | -                              | -   | 760 52<br>1 854 92   |
| otal   | 221 681 621   | 270 110 375   | 36 792 315   | 528 584 311  | 150 274 540   | 157 074 030                    | 28 436 371  | 335 784 94   |
| reasury bills were assessed for im   | pairment as at 30   | June 2021 and, havi   | ng been considere  | d to carry low credit  | risk, no IFRS 9 impa  | rment charge was ra            | ised.   |  |
| Total loans and advances<br>Good(AAA to -BBB-)   | 208 588 219   | 171 298   | 368 172  | 209 127 689  | 146 632 118   | 220 703                        | 101 709   | 146 954 53   |
| Special Mention(BB+ to CCC-) Nonperforming(CC to D)  | 1 939 865<br>-  | 269 939 077<br>-  | 46 737<br>7 099 845  | 271 925 679<br>7 099 845   | 22 203  | 156 853 327                    | 1 010<br>2 190 088  | 156 876 54<br>2 190 08   |
| mpairment allowance for<br>total loans and advances  | 210 528 084   | 270 110 375   | 7 514 754  | 488 153 213  | 146 654 321   | 157 074 030                    | 2 292 807   | 306 021 15   |
| Impairment allowance   |   |   |  |  |   |                                |   |  |
| for loans and advances by lending category:  |   |   |  |  |   |                                |   |  |
| Corporate Lending Good(AAA to -BBB-)   | 154 475 988   |   | -  | 154 475 988  | 111 436 298   |                                | -   | 111 436 29   |
| Special Mention(BB+ to CCC-) Nonperforming(CC to D)  | -   | 137 273 705<br>-  | 2 852 514  | 137 273 705<br>2 852 514   | -   | 155 092 160<br>-               | 620 237   | 155 092 16<br>620 23   |
| mpairment allowance for<br>corporate lending   | 154 475 988   | 137 273 705   | 2 852 514  | 294 602 207  | 111 436 298   | 155 092 160                    | 620 237   | 267 148 69   |
| Small business Lending   | 15 706 468  | 30 475  | 12 341   | 15 749 284   | 4 929 170   | 10                             | 689   | 4 929 87   |
| Good(AAA to -BBB-) Special Mention (BB+ to CCC-)   | 682   | 248 766   | -  | 249 448  | 4 929 170   | 19<br>276 503                  | -   | 276 50   |
| lonperforming(CC to D) mpairment allowance for   | -   | -   | 398 564  | 398 564  | -   |                                | 127 931   | 127 93   |
| small business lending   | 15 707 150  | 279 241   | 410 905  | 16 397 296   | 4 929 170   | 276 522                        | 128 620   | 5 334 31   |
| Consumer lending<br>Good(AAA to -BBB-)   | 32 911 089  | 140 823   | 355 831  | 33 407 743   | 28 643 882  | 220 684                        | 101 020   | 28 965 58  |
| pecial Mention(BB+ to CCC-)<br>Ionperforming(CC to D)  | 434 928<br>-  | 132 412 153<br>-  | 21 133<br>3 848 767  | 132 868 214<br>3 848 767   | 22 203<br>-   | 1 141 820<br>-                 | 1 010<br>1 441 920  | 1 165 03<br>1 441 92   |
| mpairment allowance for<br>consumer lending  | 33 346 017  | 132 552 976   | 4 225 731  | 170 124 724  | 28 666 085  | 1 362 504                      | 1 543 950   | 31 572 53  |
| Nortgage Lending   |   |   |  |  |   |                                |   |  |
| Good(AAA to -BBB-)<br>pecial Mention(BB+ to CCC-)  | 5 494 674<br>1 504 255  | -<br>4 453  | -<br>25 604  | 5 494 674<br>1 534 312   | 1 622 768<br>-  | -<br>342 844                   | -   | 1 622 76<br>342 84   |
| lonperforming(CC to D) mpairment allowance for   | -   | -   | -  | -  | -   | -                              | -   |  |
| mortgage lending   | 6 998 929   | 4 453   | 25 604   | 7 028 986  | 1 622 768   | 342 844                        | -   | 1 965 61   |
| mpairment allowances on guarantees and loan  |   |   |  |  |   |                                |   |  |
| Commitments included in provisions under other liabilities   |   |   |  |  |   |                                |   |  |
| Good(AAA to -BBB-)   | 1 193 043   |   |  | 1 193 043  | 1 004 769   |                                |   | 1 004 76   |
| Special Mention(BB+ to CCC-) Nonperforming(CC to D)  | -   | -   | :  | -  | -   |                                | -   | 1 004 71   |
| mpairment allowances<br>for guarantees   | 1 193 043   |   |  | 1 193 043  | 1 004 769   |                                |   | 1 004 76   |
| oan commitments  | 1 193 043   | -   | -  | 1 193 043  | 1 004 769   | -                              | -   | 1 004 70   |
| Good(AAA to -BBB-) special Mention(BB+ to CCC-)  | 2 187 015   | -   | -  | 2 187 015  | 760 529   | -                              | -   | 760 52   |
| lonperforming(CC to D)   |   | -   | -  | -  | -   |                                | -   |  |
| mpairment allowances for<br>loan commitments   | 2 187 015   | -   | -  | 2 187 015  | 760 529   |                                | -   | 760 52   |
|  |   |   |  |  |   |                                |   |  |
|  |   |   |  |  |   |                                |   |  |
| Bonds<br>Good (AAA to BBB-)  | -<br>7 773 479  | -<br>-  | <u>.</u>   | -<br>7 773 479   | -<br>1 854 921  | -<br>-                         | -<br>-  | 1 854 92   |
| Other financial assets<br>Bonds<br>Good (AAA to BBB-)<br>mpairment allowances<br>for other financial assets  | 7 773 479<br>7 773 479  | -   | -  | 7 773 479<br>7 773 479   | 1 854 921<br>1 854 921  | -<br>-                         |   |  |
| Bonds<br>Good (AAA to BBB-)<br>mpairment allowances  | 7 773 479   | :   | -  | 7 773 479  | 1 854 921   | -                              | :   | 1 854 92<br>1 854 92   |
| Bonds<br>Good (AAA to BBB-)<br>mpairment allowances  | 7 773 479   | Unreviewed histo  | orical cost June 2   | 7 773 479  | 1 854 921   | audited historical             | cost December 3   | 1 854 92<br>2020   |
| Bonds<br>Good (AAA to BBB-)<br>mpairment allowances  | 7 773 479   |   |  | 7 773 479  | 1 854 921<br>Un   |                                |   | 1 854 92<br>2020<br>TOTA   |
| Sonds Sood (AAA to BBB-) mpairment allowances for other financial assets   | 7 773 479<br>STAGE 1  | STAGE 2   | STAGE 3  | 7 773 479  | 1 854 921<br>Un.<br>STAGE1  | STAGE 2                        | STAGE 3   | 1 854 92<br>2020<br>TOTA<br>ZW   |
| Bonds<br>Good (AAA to BBB-)<br>Impairment allowances   | 7 773 479  STAGE 1  ZW\$  | STAGE 2<br>ZW\$   | STAGE 3<br>ZW\$  | 7 773 479  | 1 854 921  Un  STAGE1  ZW\$   | STAGE 2<br>ZW\$                | STAGE 3<br>ZW\$   | 1 854 92<br>2020<br>TOTA<br>ZW<br>253 563 40   |
| Sonds Sond (AAA to BBB-) mpairment allowances for other financial assets  for other financial assets  fotal loans and advances freasury bills insurance debtors  | 7 773 479  STAGE 1  ZW\$  | STAGE 2<br>ZW\$   | STAGE 3<br>ZW\$<br>7 514 754   | 7 773 479 2021 TOTAL ZWS 488 153 213   | 1 854 921  Un  STAGE1  ZW\$   | STAGE 2<br>ZW\$                | STAGE 3<br>ZW\$<br>1 899 778  | 1 854 92<br>2020<br>TOTA<br>ZW<br>253 563 40<br>21 662 06<br>275 225 46  |
| Sonds Sond (AAA to BBB-) Impairment allowances for other financial assets  Sotal loans and advances reasury bills Insurance debtors Other financial assets Otal impairment allowances In respect of guarantees In respect of Loan commitments  | 7 773 479  STAGE 1 ZW\$  210 528 084  | STAGE 2<br>ZW\$<br>270 110 375<br>-<br>-  | 7 514 754<br>-<br>29 277 561   | 7 773 479  7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  121 515 026  | STAGE 2<br>ZW\$<br>130 148 598 | STAGE 3<br>ZW\$<br>1 899 778<br>-<br>21 662 067   | 1 854 92<br>2020<br>TOTA<br>ZW<br>253 563 40<br>21 662 06<br>275 225 46<br>832 53<br>630 16  |
| Sonds Sond (AAA to BBB-) Sond (AAA to BBB-) For other financial assets  Sotal loans and advances Feasury bills Sotal mancial assets Otal impairment allowances or respect of guarantees In respect of Loan commitments In respect of toan commitments In respect of other financial assets Otal  | 7 773 479  STAGE 1  ZW\$  210 528 084  210 528 084 1 193 043 2 187 016 7 773 479 221 681 622  | STAGE 2<br>ZW\$<br>270 110 375<br>-<br>-<br>270 110 375<br>-<br>-<br>-<br>270 110 375 | 7 514 754 29 277 561 36 792 315 36 792 315   | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2<br>ZW\$  130 148 598   | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845   | 1 854 92<br>2020<br>TOTA<br>ZW<br>253 563 40<br>21 662 06<br>275 225 46<br>832 53<br>630 16<br>1 536 98  |
| Sonds Sonds Sond (AAA to BBB-) Sond (AAA to BBB-) Sond Inancial assets  Sor other financial assets  Sotal loans and advances reasury bills Insurance debtors Sother financial assets Sotal impairment allowances In respect of guarantees In respect of Loan commitments In respect of toan commitments In respect to  | 7 773 479  STAGE 1  ZW\$  210 528 084  210 528 084 1 193 043 2 187 016 7 773 479 221 681 622  | STAGE 2<br>ZW\$<br>270 110 375<br>-<br>-<br>270 110 375<br>-<br>-<br>-<br>270 110 375 | 7 514 754 29 277 561 36 792 315 36 792 315   | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2<br>ZW\$  130 148 598   | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845   | 1 854 92<br>2020<br>TOTA<br>ZW<br>253 563 40<br>21 662 06<br>275 225 46<br>832 53<br>630 16<br>1 536 98  |
| Sonds Sond (AAA to BBB-) mpairment allowances for other financial assets  Total loans and advances reasury bills nsurance debtors Otal impairment allowances n respect of guarantees n respect of toan commitments n respect of toan commitments n respect of other financial assets total freasury bills were assessed for im fotal loans and advances Sond(AAA to -BBB-)   | 7 773 479  STAGE 1  ZW\$  210 528 084   | STAGE 2 ZW\$  270 110 375 270 110 375 270 110 375 270 110 375 June 2021 and, havi     | 7 514 754 29 277 561 36 792 315 36 792 315 organises of the considered and the considered | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845 23 561 845 ised.  | 1 854 92<br>2020<br>TOTA<br>2W<br>253 563 40<br>21 662 00<br>275 225 40<br>832 52<br>630 16<br>1 536 92<br>278 225 11  |
| Sonds (AAA to BBB-) Good (AAA to BBB-) Good (AAA to BBB-) Good Ioans and advances for other financial assets  for a debtors Sobre financial assets otal impairment allowances or respect of guarantees or respect of the financial assets otal freasury bills were assessed for im fotal loans and advances sood(AAA to -BBB-) special Mention(BB+ to CCC-) sonperforming(CC to D)   | 7 773 479  STAGE 1  ZW\$  210 528 084   | 270 110 375   | 7 514 754 29 277 561 36 792 315 36 792 315 ing been considered   | 7 773 479  TOTAL  ZWS  488 153 213  - 29 277 561  - 517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2<br>ZW\$  130 148 598   | STAGE 3   | 2020<br>TOTA<br>ZW<br>253 563 40<br>21 662 06<br>275 225 46<br>832 55<br>630 16<br>1 536 95<br>278 225 11  |
| tonds  food (AAA to BBB-)  mpairment allowances  for other financial assets  for other financial assets  for other financial assets  other financial a | 7 773 479  STAGE 1  ZW\$  210 528 084   | STAGE 2 ZW\$  270 110 375 270 110 375 270 110 375 270 110 375 June 2021 and, havi     | 7 514 754 - 29 277 561 - 36 792 315  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 00 275 225 46 832 52 630 16 1 536 92 278 225 11  |
| conds Good (AAA to BBB-) Good (AAA to BBB-) Good (AAA to BBB-) Good Ioans and advances For other financial assets  Cotal Ioans and advances Freasury bills Freasury Frea | 7 773 479  STAGE 1  ZW\$  210 528 084  1 93 043 2 187 016 7 773 479 221 681 622  apairment as at 30 0 208 588 219 1 939 865   | 270 110 375   | 7 514 754 29 277 561 36 792 315 36 792 315 36 792 315 ng been considere 368 172 46 737 7 099 845   | 7 773 479  TOTAL  ZWS  488 153 213  - 29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679 7 099 845   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845 23 561 845 3ised.  84 274 837 1 814 666   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 00 275 225 46 832 52 630 16 1 536 92 278 225 11  |
| Sonds  | 7 773 479  STAGE 1  ZW\$  210 528 084  1 93 043 2 187 016 7 773 479 221 681 622  apairment as at 30 0 208 588 219 1 939 865   | 270 110 375   | 7 514 754 29 277 561 36 792 315 36 792 315 36 792 315 ng been considere 368 172 46 737 7 099 845   | 7 773 479  TOTAL  ZWS  488 153 213  - 29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679 7 099 845   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845 23 561 845 3ised.  84 274 837 1 814 666   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 53 630 16 1 536 92 278 225 11  |
| Sonds Sond (AAA to BBB-) Sond (AAA to BBB-) Impairment allowances for other financial assets  For other financial assets  For other financial assets  For a street of the financial asse | 7 773 479  STAGE 1  ZW\$  210 528 084  1 93 043 2 187 016 7 773 479 221 681 622  apairment as at 30 0 208 588 219 1 939 865   | STAGE 2 ZW\$  270 110 375   | 7 514 754 29 277 561 36 792 315 36 792 315 36 792 315 ng been considere 368 172 46 737 7 099 845   | 7 773 479  TOTAL  ZW\$  488 153 213  - 29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845 23 561 845 3ised.  84 274 837 1 814 666   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 55 832 55 278 225 11  121 763 77 129 984 96 1 814 66 253 563 40  |
| cond (AAA to BBB-) mpairment allowances for other financial assets  cotal loans and advances for other financial assets  cotal index assets  cotal | 7 773 479  STAGE 1  ZWS  210 528 084  1 93 043 2 187 016 7 773 479 221 681 622 pairment as at 30 0  208 588 219 1 939 865 - 210 528 084   | 270 110 375   | 7 514 754 29 277 561 36 792 315 36 792 315 36 792 315 ng been considere 368 172 46 737 7 099 845   | 7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 21 662 067 23 561 845 23 561 845 3ised.  84 274 837 1 814 666   | 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 53 630 16 1 536 92 278 225 11  121 763 77 129 984 96 1 814 66 253 563 40  92 334 03 128 506 44  |
| Sond (AAA to BBB-) Good (AAA to BBB-) Good (AAA to BBB-) From the financial assets  For other financial assets  For other financial assets  For other financial assets  Freasury bills Freasury Fre | 7 773 479  STAGE 1  ZWS  210 528 084  1 93 043 2 187 016 7 773 479 221 681 622 pairment as at 30 0  208 588 219 1 939 865 - 210 528 084   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 - 21 662 067 - 23 561 845 23 561 845 sised.  84 274 837 1 814 666 1 899 777                                   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 55 630 16 1536 92 278 225 11  121 763 77 129 984 96 1 814 66 253 563 40  92 334 03 128 566 46 513 91   |
| Sond (AAA to BBB-) Good (AAA to BBB-) Good (AAA to BBB-) From the financial assets  From the financial | 7 773 479  STAGE 1  ZWS  210 528 084  1 193 043 2 187 016 7 773 479 221 681 622  pairment as at 30 1  208 588 219 1 939 865 -  210 528 084  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679 7 099 845  488 153 213   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 55 832 55 832 55 1278 225 11  121 763 77 129 984 96 1 814 66 253 563 40 253 563 40 253 563 40 253 563 40 253 563 40  |
| conds (AAA to BBB-) mpairment allowances for other financial assets  total impairment allowances in respect of guarantees in respect of duarantees in respect of their financial assets  fotal loans and advances  for advances  for a beginning (CC to D) for a beginning (CC | 7 773 479  STAGE 1  ZWS  210 528 084  1 193 043 2 187 016 7 773 479 221 681 622  pairment as at 30 1  208 588 219 1 939 865 -  210 528 084  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 00  275 225 46  832 5: 630 16  1 536 92  278 225 11  121 763 77 129 984 96  1 814 66  253 563 40  92 334 03  128 506 46  513 91  221 354 41   |
| Sond (AAA to BBB-) mpairment allowances for other financial assets  ther financial assets  ther financial assets  otal impairment allowances  or respect of guarantees  or respect of Joan commitments  respect of Joan commitments  reasury bills were assessed for im  otal loans and advances  food(AAA to -BBB-)  special Mention(BB+ to CCC-)  lonperforming(CC to D)  mpairment allowance for  total loans and advances  mpairment allowances  mpairment allowances  mpairment allowance  for corporate Lending  special Mention(BB+ to CCC-)  lonperforming(CC to D)  mpairment allowance  for corporate lending  small business Lending  sood(AAA to -BBB-)  special Mention(BB+ to CCC-)  lonperforming(CC to D)  mpairment allowance   | 7 773 479  STAGE 1  | STAGE 2 ZW\$  270 110 375   | 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 36 792 315 38 172 46 737 7 099 845 7 514 754 2 852 514 2 852 514 12 341 398 564   | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679 7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3 ZW\$  1 899 778 - 21 662 067 - 23 561 845 - 23 561 845 - 3 361 845 - 3 37 1 814 666 - 1 899 777 - 513 917 - 513 917 - 106 001 | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 55 630 16 1 536 92 278 225 11  121 763 77 129 984 96 1 814 66 253 563 40  92 334 03 128 506 46 513 91  221 354 41 4 084 86 229 10 106 00   |
| Sonds  | 7 773 479  STAGE 1  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92 2020 TOTA ZW 253 563 40 21 662 06 275 225 46 832 55 630 16 1 536 92 278 225 11  121 763 77 129 984 96 1 814 66 253 563 40  92 334 03 128 506 46 513 91  221 354 41 4 084 86 229 10 106 00   |
| Sonds Sond (AAA to BBB-) Sond (AAA to BBB-) Sond (AAA to BBB-) Sond (AAA to BBB-) For other financial assets  For other financial assets  For assury bills Insurance debtors Sorbiter financial assets For assury bills Insurance debtors Sorbiter financial assets For assury bills Insurance debtors Sond (AAA to BBB-)   | 7 773 479  STAGE 1  ZWS  210 528 084  193 043  2187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865  -  210 528 084  154 475 988  15 706 468  682  -  15 707 150  32 911 089   | STAGE 2   | STAGE 3  | 7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207  15 749 284 249 448 398  16 397 296  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 00  275 225 46  832 52  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 354 41  4 084 86  229 10  106 00  4 419 90  |
| cond (AAA to BBB-) mpairment allowances for other financial assets  cotal loans and advances reasury bills insurance debtors other financial assets other financial assets otal impairment allowances in respect of guarantees in respect of Upair and the state of guarantees in respect of Loan commitments in respect of Loan commitments otal loans and advances cood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for total loans and advances impairment allowances impairment allowance for loans and advances by lending category: corporate Lending iood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for corporate lending iood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for small business lending iood(AAA to BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for small business lending iood(AAA to BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for small business lending iood(AAA to BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for small business lending iood(ABA to BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D)  | 7 773 479  STAGE 1  ZWS  210 528 084  1 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  2 187 193 043  1 193 043  2 187 193 043  1 193 043 | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679 7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207  15 749 284 249 448 398 16 397 296  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  822 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033  4 084 218 - 4 084 218   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  2020  TOTA  ZW  253 563 40  21 662 00  275 225 46  832 55  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  253 563 40  4 084 86  229 10  4 4 19 90  24 000 34  965 32  |
| Sond (AAA to BBB-) mpairment allowances for other financial assets  ther financial assets  otal impairment allowances  or respect of guarantees  or respect of Guarantees  or respect of ther financial assets  otal impairment allowances  otal loans and advances  food(AAA to -BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance for  total loans and advances  food(AAA to -BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance  for corporate lending  food(AAA to -BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance  for small business Lending  food(AAA to -BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance  for small business lending  consumer lending  food(AAA to BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance  for small business lending  consumer lending  food(AAA to BBB-) pecial Mention(BB+ to CCC-)  donperforming(CC to D)  mpairment allowance   | 7 773 479  STAGE 1  ZWS  210 528 084  193 043  2187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865  -  210 528 084  154 475 988  15 706 468  682  -  15 707 150  32 911 089   | STAGE 2   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 73 479  528 584 312  d to carry low credit  209 127 689  271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 00  275 225 46  832 52  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 354 41  4 084 86  229 10  106 00  4 419 90  24 000 32  965 32  1 194 74   |
| conds (AAA to BBB-) mpairment allowances for other financial assets for other financial assets for other financial assets for other financial assets freasury bills insurance debtors other financial assets on respect of guarantees in respect of Guarantees in respect of Usan commitments in respect of Juan commitments in respect of Juan assets otal freasury bills were assessed for important of the Juan and Juan assets otal freasury bills were assessed for important of Juan and Juan assets otal freasury bills were assessed for important loans and advances for total loans and advances for total loans and advances for total loans and advances by lending category: Corporate Lending Good(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending Good(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending Good(AAA to BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for consumer lending Good(AAA to BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for consumer lending Mortgage Lending   | 7 773 479  STAGE 1  ZWS  210 528 084  193 043  2187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865  -  210 528 084  154 475 988  15706 468 682  -  15707 150  32 911 089 434 928  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  - 517 430 774  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743 132 868 214  3 848 767  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 55  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  221 354 41  4 084 86  229 10  106 00  4 419 90  24 000 34  965 32  1 194 74  26 160 41  |
| onds (AAA to BBB-) mpairment allowances for other financial assets or other financial assets or other financial assets or other financial assets or espect of guarantees or espect of guarantees or espect of guarantees or espect of coan commitments or espect of coan commitments or espect of other financial assets otal impairment allowances or espect of toan commitments or espect of toan commitments or espect of other financial assets otal or espect of toan commitments or espect of toans and advances or espect of toans and advances or espect of toans and advances or total loans and advances or total loans and advances or total loans and advances or corporate lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for small business lending load (AAA to BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-) loanperforming (CC to D) mpairment allowance for consumer lending load (AAA to - BBB-) pecial Mention (BB+ to CCC-)  | 7 773 479  STAGE 1  ZWS  210 528 084  193 043  2187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865  -  210 528 084  154 475 988  15706 468  682  -  15707 150  32 911 089  434 928  -  33 346 017   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207  15 749 284 249 448 398  16 397 296  33 407 743 132 868 214 3 848 767  170 124 724   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  2020  TOTA  ZW  253 563 40  21 662 00  275 225 46  832 55  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 344 02  128 506 46  513 91  221 354 41  4 084 88  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41            |
| onds (AAA to BBB-) mpairment allowances for other financial assets or other financial assets or other financial assets or other financial assets or respect of Loan commitments in respect of Loan commitments in respect of the financial assets other financial assets of the financial assets of t | 7 773 479  STAGE 1  ZWS  210 528 084  193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 07 150  32 911 089  434 928   33 346 017  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 34 03  128 506 46  513 91  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07 |
| Sond (AAA to BBB-) mpairment allowances for other financial assets  for other financial assets  for other financial assets  for other financial assets  otal inpairment allowances in respect of guarantees in respect of guarantees in respect of Loan commitments in respect of toan advances in respect  | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 707 150  32 911 089  434 928   33 346 017  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  | 1 854 921  Un.  STAGE1  zW\$  121 515 026  832 533 630 160 1 536 953 124 514 672 risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 - 4 084 218  23 733 784 18 397 - 23 752 181  1 344 595                                  | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92   |
| cond (AAA to BBB-) mpairment allowances for other financial assets  cotal loans and advances reasury bills insurance debtors ther financial assets  ther financial assets  ther financial assets  otal impairment allowances in respect of guarantees in respect of guarantees in respect of coan commitments in respect of toan commitments reasury bills were assessed for im  otal loans and advances  cood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) inpairment allowance for total loans and advances by lending category: corporate Lending iood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for corporate lending  simall business Lending iood(AAA to -BBB-) ipecial Mention(BB+ to CCC-) ionperforming(CC to D) impairment allowance for small business lending  consumer lending  consumer lending  | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 707 150  32 911 089  434 928   33 346 017  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  | 1 854 921  Un.  STAGE1  zW\$  121 515 026  832 533 630 160 1 536 953 124 514 672 risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 - 4 084 218  23 733 784 18 397 - 23 752 181  1 344 595                                  | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 34 03  128 506 46  513 91  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07 |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contail loans and advances reasury bills insurance debtors where financial assets there financial assets there financial assets total impairment allowances in respect of guarantees in respect of Loan commitments respect of guarantees in respect of there financial assets total  reasury bills were assessed for im total loans and advances (and to BBB-) pecial Mention(BB+ to CCC-) (and to BBB-) (and to BB | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 707 150  32 911 089  434 928   33 346 017  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  | 1 854 921  Un.  STAGE1  zW\$  121 515 026  832 533 630 160 1 536 953 124 514 672 risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 - 4 084 218  23 733 784 18 397 - 23 752 181  1 344 595                                  | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  223 34 03  128 506 46  513 91  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07 |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contal loans and advances reasury bills insurance debtors bither financial assets  or espect of condition assets or espect of guarantees in respect of guarantees in respect of condition assets otal  reasury bills were assessed for im  otal loans and advances cood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for total loans and advances in many condition and in the condition a | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 J  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 707 150  32 911 089  434 928   33 346 017  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL  ZWS  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  | 1 854 921  Un.  STAGE1  zW\$  121 515 026  832 533 630 160 1 536 953 124 514 672 risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 - 4 084 218  23 733 784 18 397 - 23 752 181  1 344 595                                  | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW.  253 563 44  21 662 00  275 225 46  832 55  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 46  223 356 44  4 084 86  229 10  106 00  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07  1 628 66             |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contail loans and advances reasury bills insurance debtors where financial assets there financial assets to tail impairment allowances or respect of guarantees or respect of guarantees or respect of toan commitments or total loans and advances in respect of toan commitments or total loans and advances in respect of toan commitments or total loans and advances in respect of toan commitments or total loans and advances in respect of toan commitments or total loans and advances in respect of toans and advances in respect of toans or total loans and advances in respect of toans or total loans and advances or total loans and advances in pairment allowance for loans and advances by lending category: forporate Lending inod(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for corporate lending inod(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for small business lending inod(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for consumer lending inod(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for mortgage Lending mpairment allowances on guarantees and loan commitments included in provisions under other liabilities iuarand(AEA to -BBB-) pecial Mention(BB+ to CCC-) poperdorming(CC to D) mpairment allowances on guarantees and loan commitments included in provisions under other liabilities iuarand(AEA to -BBB-) pecial Mention(BB+ to CCC-) poperdorming(CC to D) ppairment allowances on guarantees and loan commitments included in provisions under other liabilities iuarand(AEA to -BBB-) pecial Mention(BB+ to CCC-)   | 7 773 479  STAGE 1  ZWS  210 528 084  193 043 2 187 016 7 773 479 221 681 622  pairment as at 30 J  208 588 219 1 939 865  -  210 528 084  154 475 988  15706 468 682 - 15707 150  32 911 089 434 928 - 33 346 017  5 494 674 1 504 255 - 6 998 929   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL ZW\$  488 153 213  29 277 561   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW.  253 563 44  21 662 00  275 225 46  832 55  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 46  223 356 44  4 084 86  229 10  106 00  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07  1 628 66             |
| conds (AAA to BBB-) mpairment allowances for other financial assets  contail loans and advances reasury bills insurance debtors other financial assets on respect of guarantees in respect of guarantees in respect of their financial assets otal impairment allowances in respect of other financial assets otal insurance deformation (BB+ to CCC-) conperforming(CC to D) mpairment allowance for total loans and advances incod(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for total loans and advances incod(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for corporate lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for small business lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for consumer lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for consumer lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowance for consumer lending modification (BB+ to CCC-) conperforming(CC to D) mpairment allowances for mortyage lending mpairment allowances for mortyage lending mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances for mortyage lending mpairment allowances for mortyage lending mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mpairment allowances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) conperforming(CC to D) mp | 7 773 479  STAGE 1  ZW\$  210 528 084  1 193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 0  208 588 219  1 939 865  -  210 528 084  154 475 988  157 06 468  682  -  157 07 150  32 911 089  434 928  -  33 346 017  5 494 674  1 504 255  -  6 998 929   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  5 494 674  1 534 312  7 028 986   | 1 854 921  Un.  STAGE1  zws  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595  1 344 595                          | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  2W  253 563 40  21 662 00  275 225 46  832 52  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  1 344 56  284 07  1 628 66                                 |
| conds  | 7 773 479  STAGE 1  ZWS  210 528 084  193 043 2 187 016 7 773 479 221 681 622  pairment as at 30 J  208 588 219 1 939 865  -  210 528 084  154 475 988  15706 468 682 - 15707 150  32 911 089 434 928 - 33 346 017  5 494 674 1 504 255 - 6 998 929   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  TOTAL ZW\$  488 153 213  29 277 561   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026   | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07  1 628 66                      |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contail loans and advances reasury bills resurance debtors where financial assets otal impairment allowances or respect of guarantees or respect of coan commitments or respect of toan advances in respect of toan advances in respect of toan advances or respect of toan advances or respect of toan advances in respect of toan advances or total loans and advances in respect of toan advances or total loans and advances or loans and advances or loans and advances or loans and advances or pairment allowance for loans and advances or corporate Lending sood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) mpairment allowance for small business Lending consumer lending or loans and respect to D) mpairment allowance for consumer lending or loans and advances or consumer lending or loans and advances for small business Lending or loans and advances or consumer lending or loans and advances for small business Lending or loans and advances or consumer lending or loans and advances for small business Lending or loans and advances for small business lending or loans and advances or l | 7 773 479  STAGE 1  ZW\$  210 528 084  1 193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 0  208 588 219  1 939 865  -  210 528 084  154 475 988  157 06 468  682  -  157 07 150  32 911 089  434 928  -  33 346 017  5 494 674  1 504 255  -  6 998 929   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  5 494 674  1 534 312  7 028 986   | 1 854 921  Un.  STAGE1  zws  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595  1 344 595                          | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  2020  TOTA  2W  253 563 40  21 662 00  275 225 46  832 52  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07  1 628 66  832 52        |
| conds (AAA to BBB-) mpairment allowances for other financial assets  contal loans and advances freasury bills insurance debtors bither financial assets on respect of guarantees in respect of guarantees in respect of their financial assets otal impairment allowances in respect of other financial assets otal insurance debtors bital individual in reasury bills in respect of their financial assets otal insurance for guarantees in respect of their financial assets otal loans and advances pecial Mention(BB+ to CCC-) lonperforming(CC to D) inpairment allowance for total loans and advances by lending category: corporate Lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for corporate lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for small business lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for consumer lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for consumer lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for mortgage Lending isood(AAA to -BBB-) pecial Mention(BB+ to CCC-) lonperforming(CC to D) impairment allowance for mortgage lending impairment allowanc | 7 773 479  STAGE 1  ZW\$  210 528 084  1 193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 0  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 07 150  32 911 089  434 928   33 346 017  5 494 674  1 504 255   6 998 929  1 193 043  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  5 494 674  1 534 312  7 028 986   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595 - 1 344 595 - 1 344 595            | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 55  284 07  1 628 66  832 53              |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  cotal loans and advances reasury bills insurance debtors where financial assets there financial assets there financial assets total impairment allowances in respect of guarantees in respect of guarantees in respect of consumitments respect of toan commitments respect of other financial assets total  reasury bills were assessed for im total loans and advances cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for total loans and advances  mpairment allowances torporate Lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for corporate lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for small business lending cond(AAA to BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for small business lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for consumer lending cond(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) impairment allowance for consumer lending modification mpairment allowance for mortgage lending impairment allowances for guarantees impairment allowanc | 7 773 479  STAGE 1  ZW\$  210 528 084  1 193 043  2 187 016  7 773 479  221 681 622  pairment as at 30 0  208 588 219  1 939 865   210 528 084  154 475 988  157 06 468  682   157 07 150  32 911 089  434 928   33 346 017  5 494 674  1 504 255   6 998 929  1 193 043  | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  TOTAL  ZW\$  488 153 213  29 277 561  193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988  137 273 705  2 852 514  294 602 207  15 749 284  249 448  398  16 397 296  33 407 743  132 868 214  3 848 767  170 124 724  5 494 674  1 534 312  7 028 986   | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  832 533 630 160 1 536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595 - 1 344 595 - 1 344 595            | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  2020  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  253 563 40  4 4 19 90  4 4 19 90  2 4 000 34  2 95 32  1 194 74  2 6 160 41  1 344 55  2 84 07  1 628 66  832 53  832 53  |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contal loans and advances reasury bills issurance debtors where financial assets there financial assets total impairment allowances or espect of guarantees or espect of guarantees or espect of coan commitments or espect of other financial assets total  reasury bills were assessed for im cotal loans and advances icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for total loans and advances icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for corporate lending mall business Lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for consumer lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowances for mortgage lending  mpairment allowances for onsumer  mpairment allowances for loan commitments  where financial assets  | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 015  208 588 219  1 939 865   210 528 084  1 193 043  2 187 015   6 998 929  1 193 043  2 187 015   1 193 043  2 187 015   1 193 043  2 187 015   1 193 043   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  1021  TOTAL  ZWS  488 153 213  29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207  15 749 284 249 448 398  16 397 296  33 407 743 132 868 214 3 848 767  170 124 724  5 494 674 1 534 312  7 028 986  1 193 043  - 1 193 043  - 1 193 043  - 1 193 043 | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  832 533 630 160 1536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595 - 1 344 595 - 1 344 595 - 1 344 595 | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  2020  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 16  1 536 92  278 225 11  121 763 77  129 984 96  1 814 66  253 563 40  253 563 40  4 4 19 90  4 4 19 90  2 4 000 34  2 95 32  1 194 74  2 6 160 41  1 344 55  2 84 07  1 628 66  832 53  832 53  |
| conds cond (AAA to BBB-) mpairment allowances for other financial assets  contal loans and advances reasury bills insurance debtors where financial assets there financial assets total impairment allowances or espect of guarantees or espect of guarantees or espect of coan commitments or espect of other financial assets total  reasury bills were assessed for im obtal loans and advances icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for total loans and advances icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for corporate lending mall business Lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for small business lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowance for consumer lending icod(AAA to -BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowances for mortgage lending  mpairment allowances on guarantees and loan commitments included in provisions under other liabilities iuarand(ABC to BBB-) pecial Mention(BB+ to CCC-) tonperforming(CC to D) mpairment allowances for mortgage lending  mpairment allowances for consumer  mpairment allowances for consumer  mpairment allowances for consumer  mpairment allowances for consumer  mpairment allowances for consum | 7 773 479  STAGE 1  ZW\$  210 528 084  193 043  2 187 015  208 588 219  1 939 865   210 528 084  1 193 043  2 187 015   6 998 929  1 193 043  2 187 015   1 193 043  2 187 015   1 193 043  2 187 015   1 193 043   | STAGE 2 ZW\$  270 110 375   | STAGE 3  | 7 773 479  7 773 479  1021  TOTAL  ZWS  488 153 213  29 277 561  1 193 043  2 187 016  7 773 479  528 584 312  d to carry low credit  209 127 689 271 925 679  7 099 845  488 153 213  154 475 988 137 273 705 2 852 514  294 602 207  15 749 284 249 448 398  16 397 296  33 407 743 132 868 214 3 848 767  170 124 724  5 494 674 1 534 312  7 028 986  1 193 043  - 1 193 043  - 1 193 043  - 1 193 043 | 1 854 921  Un.  STAGE1  ZW\$  121 515 026  832 533 630 160 1536 953 124 514 672  risk, no IFRS 9 impa  121 496 629 18 397 - 121 515 026  92 334 033 4 084 218 23 733 784 18 397 - 23 752 181  1 344 595 - 1 344 595 - 1 344 595 - 1 344 595 | STAGE 2 ZW\$  130 148 598      | STAGE 3   | 1 854 92  TOTA  ZW  253 563 40  21 662 06  275 225 46  832 53  630 161  1 536 95  278 225 11  121 763 77  129 984 96  253 563 40  92 334 03  128 506 46  513 91  221 354 41  4 084 80  229 10  4 419 90  24 000 34  965 32  1 194 74  26 160 41  1 344 59  284 07          |

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.2.4 Credit risk (continued)

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

|                                 | Re              | viewed inflation | adjusted June 2 | 2021            | Aud             | ited inflation adju | sted December | 2020            |
|---------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|---------------------|---------------|-----------------|
|                                 | STAGE 1         | STAGE 2          | STAGE 3         | TOTAL           | STAGE1          | STAGE 2             | STAGE 3       | TOTAL           |
|                                 | ZW\$            | ZW\$             | ZW\$            | zw\$            | ZW\$            | zw\$                | ZW\$          | ZW\$            |
| Total loans and advances        | 6 181 390 743   | 517 305 780      | 17 968 960      | 6 716 665 483   | 3 376 602 453   | 624 159 636         | 7 234 639     | 4 007 996 728   |
| Guarantees                      | 700 460 558     | -                | -               | 700 460 558     | 831 122 628     |                     | -             | 831 122 628     |
| Loan commitments                | 746 603 845     | -                | -               | 746 603 845     | 265 433 883     | -                   | -             | 265 433 883     |
| Treasury bills                  | 1 200 308 690   |                  | -               | 1 200 308 690   | 625 302 767     |                     | -             | 625 302 767     |
| Insurance debtors               | 154 441 484     | -                | 29 277 561      | 183 719 045     | 96 497 263      | -                   | 26 143 562    | 122 640 825     |
| Other financial assets          | 162 764 365     | -                | -               | 162 764 365     | 26 484 559      | -                   | -             | 26 484 559      |
| Total financial assets          | 9 145 969 685   | 517 305 780      | 47 246 521      | 9 710 521 986   | 5 221 443 553   | 624 159 636         | 33 378 201    | 5 878 981 390   |
|                                 |                 |                  |                 |                 |                 |                     |               |                 |
| Balance at beginning of period  | 5 221 443 553   | 624 159 636      | 33 378 201      | 5 878 981 390   | 5 504 219 588   | 113 099 631         | 87 210 500    | 5 704 529 719   |
| Effects of monetary adjustments | (895 053 198)   | (106 992 649)    | (5 721 648)     | (1 007 767 495) | (4 277 192 058) | (87 886 909)        | (67 769 109)  | (4 432 848 076) |
| New assets                      | 6 855 708 624   | 157 655 275      | 12 327 063      | 7 025 690 962   | 5 727 568 483   | 495 543 190         | 16 327 384    | 6 239 439 057   |
| Repayments                      | (2 100 266 302) | (84 861 320)     | (1 255 249)     | (2 186 382 871) | (1 565 123 397) | (64 890 583)        | (2 125 330)   | (1 632 139 310) |
| Stage reassigments              |                 |                  |                 |                 |                 |                     |               |                 |
| Stage 1                         | _               | (71 641 181)     | 7 504 173       | (64 137 008)    |                 | 168 315 223         | (286 160)     | 168 029 063     |
| Stage 2                         | 71 641 181      |                  | 1 013 981       | 72 655 162      | (168 315 223)   | -                   | 20 916        | (168 294 307)   |
| Stage 3                         | (7 504 173)     | (1 013 981)      | -               | (8 518 154)     | 286 160         | (20 916)            | -             | 265 244         |
| Balance at the end of period    | 9 145 969 685   | 517 305 780      | 47 246 521      | 9 710 521 986   | 5 221 443 553   | 624 159 636         | 33 378 201    | 5 878 981 390   |

An analysis of changes in the ECLs are as follows:

|                                      | Re            | viewed inflation | adjusted June 2 | 021           | Audited inflation adjusted December 2020 |              |              |               |
|--------------------------------------|---------------|------------------|-----------------|---------------|--|--------------|--------------|---------------|
|                                      | STAGE 1       | STAGE 2          | STAGE 3         | TOTAL         | STAGE1                                   | STAGE 2      | STAGE 3      | TOTAL         |
|                                      | ZW\$          | ZW\$             | ZW\$            | ZW\$          | ZW\$                                     | ZW\$         | ZW\$         | ZW\$          |
| Total loans and advances             | 210 528 084   | 270 110 375      | 7 514 754       | 488 153 213   | 146 654 324                              | 157 074 028  | 2 292 807    | 306 021 159   |
| Insurance debtors                    | -             | -                | 29 277 561      | 29 277 561    | -  | -            | 26 143 566   | 26 143 566    |
| Total Loans and other advances       | 210 528 084   | 270 110 375      | 36 792 315      | 517 430 774   | 146 654 324                              | 157 074 028  | 28 436 373   | 332 164 725   |
| In respect of guarantees             | 1 193 043     | -                | -               | 1 193 043     | 1 004 769                                | -            | -            | 1 004 769     |
| In respect of Loan commitments       | 2 187 015     | -                | -               | 2 187 015     | 760 529                                  | -            | -            | 760 529       |
| In respect of other financial assets | 7 773 479     | -                | -               | 7 773 479     | 1 854 913                                | 4            | -            | 1 854 917     |
| Total impairment allowances          | 221 681 621   | 270 110 375      | 36 792 315      | 528 584 311   | 150 274 535                              | 157 074 032  | 28 436 373   | 335 784 940   |
| Balance at beginning of period       | 150 274 540   | 157 074 030      | 28 436 371      | 335 784 941   | 273 039 226                              | 12 405 932   | 82 363 588   | 367 808 746   |
| Effects of monetary adjustments      | (25 759 869)  | (26 925 432)     | (4 874 526)     | (57 559 827)  | (212 171 986)                            | (9 640 342)  | (64 002 694) | (285 815 022) |
| New assets                           | 277 204 214   | 47 490 970       | 1 409 576       | 326 104 760   | 188 388 978                              | 114 311 791  | 11 333 025   | 314 033 794   |
| Repayments                           | (54 963 598)  | (20 414 778)     | (367 187)       | (75 745 563)  | (41 856 024)                             | (16 192 399) | (2 194 154)  | (60 242 577)  |
| Stage reassigments                   | (54 505 550)  | (20 414 770)     | (507 107)       | (75 745 505)  | (41 030 024)                             | (10 132 333) | (2 154 154)  | (00 242 377)  |
| Stage 1                              |               | 121 255 495      | 3 818 171       | 125 073 666   |  | 56 301 996   | 823 658      | 57 125 654    |
| Stage 2                              | (121 255 495) |                  | 8 369 910       | (112 885 585) | (56 301 996)                             |              | 112 948      | (56 189 048)  |
| Stage 3                              | (3 818 171)   | (8 369 910)      |                 | (12 188 081)  | (823 658)                                | (112 948)    |              | (936 606)     |
| Balance at end of period             | 221 681 621   | 270 110 375      | 36 792 315      | 528 584 311   | 150 274 540                              | 157 074 030  | 28 436 371   | 335 784 941   |

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

|                                | Ų                | Unreviewed histo | orical cost June | 2021              | Ur              | naudited historica | l cost Decembe | er 2020         |
|--------------------------------|------------------|------------------|------------------|-------------------|-----------------|--------------------|----------------|-----------------|
|                                | STAGE 1          | STAGE 2          | STAGE 3          | TOTAL             | STAGE 1         | STAGE 2            | STAGE 3        | TOTAL           |
|                                | zw\$             | zw\$             | ZW\$             | zw\$              | zw\$            | zw\$               | ZW\$           | ZW\$            |
| Total financial assets         |                  |                  |                  |                   |                 |                    |                |                 |
| Total loans and advances       | 6 181 390 743    | 517 305 780      | 17 968 960       | 6 716 665 483     | 2 797 789 565   | 517 166 987        | 5 994 486      | 3 320 951 038   |
| Guarantees                     | 700 460 558      | -                | -                | 700 460 558       | 688 652 647     | -                  | -              | 688 652 647     |
| Loan commitments               | 746 603 845      | -                | -                | 746 603 845       | 219 933 545     | -                  | -              | 219 933 545     |
| Treasury bills                 | 1 200 308 690    | -                | -                | 1 200 308 690     | 518 114 164     | -                  | -              | 518 114 164     |
| Insurance debtors              | 154 441 484      | -                | 29 277 561       | 183 719 045       | 79 955 826      | -                  | 21 662 067     | 101 617 893     |
| Other financial assets         | 162 764 365      | -                | -                | 162 764 365       | 21 944 608      | -                  | -              | 21 944 608      |
| Total financial assets         | 9 145 969 685    | 517 305 780      | 47 246 521       | 9 710 521 986     | 4 326 390 355   | 517 166 987        | 27 656 553     | 4 871 213 895   |
| Balance at beginning of period | 4 326 390 355    | 517 166 987      | 27 656 553       | 4 871 213 895     | 1 016 692 035   | 20 890 790         | 16 108 773     | 1 053 691 598   |
| New assets                     | 6 855 708 624    | 157 655 275      | 12 327 063       | 7 025 690 962     | 4 745 755 995   | 410 597 808        | 13 528 565     | 5 169 882 368   |
| Repayments                     | (2 100 266 302)  | (84 861 320)     | (1 255 249)      | (2 186 382 871)   | (1 296 831 940) | (53 767 122)       | (1 761 009)    | (1 352 360 071) |
| Stage reassigments             | (= ::: = 50 502) | (= : = 31 520)   | ( = 233 2 13)    | (= :::: 302 07 17 | (               | (                  | (              | ( 300 07 1)     |
| Stage 1                        | -                | (71 641 181)     | 7 504 173        | (64 137 008)      | -               | 139 462 842        | (237 107)      | 139 225 735     |
| Stage 2                        | 71 641 181       |                  | 1 013 981        | 72 655 162        | (139 462 842)   | -                  | 17 331         | (139 445 511)   |
| Stage 3                        | (7 504 173)      | (1 013 981)      | -                | (8 518 154)       | 237 107         | (17 331)           | -              | 219 776         |
| D. L. C. C. L. L.              | 0.445.000.005    | E47 20E 700      | 47.246.524       | 0.740.534.006     | 4 226 200 255   | E47.466.007        | 27 656 552     | 4 074 242 005   |

An analysis of changes in the ECLs are as follows:

|                                      | Unreviewed historical cost June 2021 |              |            |               | Unudited historical cost December 2020 |              |             |              |
|--------------------------------------|--------------------------------------|--------------|------------|---------------|--|--------------|-------------|--------------|
|                                      | STAGE 1                              | STAGE 2      | STAGE 3    | TOTAL         | STAGE 1                                | STAGE 2      | STAGE 3     | TOTAL        |
|                                      | ZW\$                                 | ZW\$         | ZW\$       | ZW\$          | ZW\$                                   | ZW\$         | ZW\$        | ZW\$         |
| Total loans and advances             | 210 528 084                          | 270 110 375  | 7 514 754  | 488 153 213   | 121 515 027                            | 130 148 598  | 1 899 777   | 253 563 402  |
| Insurance debtors                    | -                                    | -            | 29 277 561 | 29 277 561    | -                                      | -            | 21 662 068  | 21 662 068   |
| Total Loans and other advances       | 210 528 084                          | 270 110 375  | 36 792 315 | 517 430 774   | 121 515 027                            | 130 148 598  | 23 561 845  | 275 225 470  |
| In respect of guarantees             | 1 193 043                            | -            | -          | 1 193 043     | 832 533                                | -            | -           | 832 533      |
| In respect of Loan commitments       | 2 187 016                            | -            | -          | 2 187 016     | 630 160                                | -            | -           | 630 160      |
| In respect of other financial assets | 7 773 479                            | -            | -          | 7 773 479     | 1 536 952                              | -            | -           | 1 536 952    |
| Total impairment allowances          | 221 681 622                          | 270 110 375  | 36 792 315 | 528 584 312   | 124 514 672                            | 130 148 598  | 23 561 845  | 278 225 115  |
|                                      |                                      |              |            |               |  |              |             |              |
| Balance at beginning of period       | 124 514 672                          | 130 148 598  | 23 561 845 | 278 225 115   | 50 433 455                             | 2 291 516    | 15 213 493  | 67 938 464   |
| New assets                           | 277 204 214                          | 47 490 970   | 1 409 576  | 326 104 760   | 156 095 583                            | 94 716 608   | 9 390 332   | 260 202 523  |
| Repayments                           | (54 963 598)                         | (20 414 778) | (367 187)  | (75 745 563)  | (34 681 118)                           | (13 416 719) | (1 818 035) | (49 915 872) |
| Stage reassigments                   |                                      |              |            |               |  |              |             |              |
| Stage 1                              | -                                    | 121 255 495  | 3 818 171  | 125 073 666   | -                                      | 46 650 780   | 682 468     | 47 333 248   |
| Stage 2                              | (121 255 495)                        | -            | 8 369 910  | (112 885 585) | (46 650 780)                           | -            | 93 587      | (46 557 193) |
| Stage 3                              | (3 818 171)                          | (8 369 910)  |            | (12 188 081)  | (682 468)                              | (93 587)     | -           | (776 055)    |
| Balance at end of period             | 221 681 622                          | 270 110 375  | 36 792 315 | 528 584 312   | 124 514 672                            | 130 148 598  | 23 561 845  | 278 225 115  |
|                                      |                                      |              |            |               |  |              |             |              |

|   | Inflation    | adjusted      | Historical cost |               |  |
|---|--------------|---------------|-----------------|---------------|--|
|   | Reviewed     | Audited       | Unreviewed      | Unaudited     |  |
|   | 30 Jun 2021  | 31 Dec 2020   | 30 Jun 2021     | 31 Dec 2020   |  |
|   | zw\$         | ZW\$          | zw\$            | ZW\$          |  |
| ECL Movement  |              |               |                 |               |  |
| Balance at beginning of period                                | 332 164 722  | 362 526 820   | 275 225 469     | 66 962 832    |  |
| Loans and insurance debtors                                   | 249 519 039  | 325 120 841   | 241 891 623     | 208 074 088   |  |
| Write offs against provision                                  | 313 682      | 227 556       | 313 682         | 188 549       |  |
| Effects of monetary adjustments                               | (64 566 669) | (355 710 495) | -               | -             |  |
| Balance at end of period                                      | 517 430 774  | 332 164 722   | 517 430 774     | 275 225 469   |  |
| Analysis of loans and advances                                |              |               |                 |               |  |
| Balance at beginning of period                                | 306 021 158  | 295 228 017   | 253 563 402     | 54 531 977    |  |
| ECL for current period  | 241 903 545  | 313 979 856   | 234 276 129     | 198 842 876   |  |
| Write offs against provision                                  | 313 682      | 227 556       | 313 682         | 188 549       |  |
| Effects of monetary adjustments                               | (60 085 172) | (303 414 271) | -               | -             |  |
| Balance at end of period                                      | 488 153 213  | 306 021 158   | 488 153 213     | 253 563 402   |  |
| Analysis of insurance debtors                                 |              |               |                 |               |  |
| Balance at beginning of period                                | 26 143 564   | 67 298 803    | 21 662 067      | 12 430 855    |  |
| ECL for current period  | 7 615 494    | 11 140 986    | 7 615 494       | 9 231 212     |  |
| Effects of monetary adjustments                               | (4 481 497)  | (52 296 225)  | 7 013 434       | 9 2 3 1 2 1 2 |  |
| Balance at end of period                                      | 29 277 561   | 26 143 564    | 29 277 561      | 21 662 067    |  |
| Analysis of superstance and look associates and               |              |               |                 |               |  |
| Analysis of guarantees and loan commitments <b>Guarantees</b> |              |               |                 |               |  |
| Balance at beginning of period                                | 1 004 769    | 756 948       | 832 533         | 139 817       |  |
| ECL for current period  | 576 553      | 836 027       | 360 510         | 692 716       |  |
| Effects of monetary adjustments                               | (388 279)    | (588 206)     | -               | -             |  |
| Balance at end of period                                      | 1 193 043    | 1 004 769     | 1 193 043       | 832 533       |  |
| Loan commitments  |              |               |                 |               |  |
| Balance at beginning of period                                | 760 529      | 4 030 704     | 630 160         | 744 517       |  |
| ECL for current period  | 1 707 817    | 19 999 208    | 1 556 855       | (114 357)     |  |
| Effects of monetary adjustments                               | (281 331)    | (23 269 383)  | -               | -             |  |
| Balance at end of period                                      | 2 187 015    | 760 529       | 2 187 015       | 630 160       |  |
| Analysis of other financial assets                            |              |               |                 |               |  |
| Balance at beginning of period                                | 1 854 921    | 494 274       | 1 536 953       | 91 298        |  |
| ECL for current period  | 6 236 526    | 1 682 733     | 6 236 526       | 1 445 655     |  |
| Effects of monetary adjustments                               | (317 968)    | (322 086)     | 0 250 520       | -             |  |
| Balance at end of period                                      | 7 773 479    | 1 854 921     | 7 773 479       | 1 536 953     |  |

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18. RISK MANAGEMENT (continued)

#### 18.3 Other business risks

Other business risks faced by the Group are;

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

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

#### 18.4 Risk rating

#### 18.4.1 Regulatory risk rating

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

ZB Bank Limited and ZB Building Society were assessed using the Risk Assessment System (RAS) and the Capital adequacy, Asset quality, Management, Earnings, Liquidity and Sensitivity (CAMELS) rating model. The individual components of the

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

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

#### **Summary of Risk Assessment**

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

#### Overall Risk Matrix - ZB Bank Limited

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

#### Overall Risk Matrix - ZB Building Society

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

#### 18.4.2 External credit ratings

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

| Entity                 | 2020 | 2019 | 2018 |
|------------------------|------|------|------|
| ZB Bank Limited        | BB   | BB   | ВВ   |
| ZB Building Society    | B-   | B-   | BB-  |
| ZB Reinsurance Limited | BBB  | BBB  | A-   |

Ratings for ZB Bank Limited and ZB Building Society expired in September 2020 whilst the rating for ZB Reinsurance Limited expires in May 2022

#### COMPLIANCE WITH REGULATIONS

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW\$25 million and ZW\$20 million respectively as at 30 June 2021. ZB Bank Limited and ZB Building Society (ZBBS) met these requirements as at 30 June 2021.

The Monetary Policy Committee of the Reserve Bank of Zimbabwe, revised minimum capital requirements for banking institutions with effect from 31 December 2021. The revised limit for Tier 1 Banks is the ZW\$ equivalent of US\$30m and for Building Societies is the ZW\$ equivalent of US\$20m reckoned with reference to the exchange rate ruling at that time. Based on the projected performance to 31 December 2021, ZB Building Society faces a threat of failing to meet this capital target if it continues to operate as a sole entity.

A rearrangement of capital resources through the merger of the Group's banking operation namely ZB Bank Limited and ZB Building Society is planned for the optimisation of capital resources and also address possible capital strain at a solo level for the subsidiaries.

#### NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### **COMPLIANCE WITH REGULATIONS (Continued)**

In terms of paragraph 3 of Statutory Instrument 206 of 2019, Amendment Regulations of 2019 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case life assurance businesses and 10% of the market value of total adjusted assets in the case of short-term re-insurance businesses. ZB Life Assurance Limited and ZB Reinsurance Limited did not comply with these ratios throughout the half year ended 30 June 2021, closing the period with ratios at 1.17% (31 December 2020: 0.7%) for the Life Company and 5% (31 December 2020: 5%) for the Reinsurance Company respectively. As further required by paragraph 11B subsection 4, the two entities have collaborated with the Insurance and Pensions Commissions (IPEC) on the non-compliance as required by the Regulations, and provided a roadmap to remedy the non-compliance which is being tracked on a monthly basis. Compliance has been affected by the shortage of qualifying assets on the market. Furthermore, the ratios have been impacted on by an inflationary growth in the value of assets.

The non-compliance persisted up to the date of release of these condensed consolidated interim financial statements. No penalties have been levied on the entities for the non-compliance.

#### Other compliance issues

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

#### SUBSEQUENT EVENTS

There were no material events between the period end and the date of reporting for ZB Financial Holdings Limited and its subsidiaries including ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited incorporated in this reporting package

#### **GOING CONCERN**

The Board undertakes regular assessments of whether the Group is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The Group comprised of the holding company and its subsidiaries which include ZB Bank Limited, ZB Building Society, ZB Life Limited and ZB Reinsurance Limited incorporated in this reporting package

The projections for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these condensed consolidated inflation adjusted interim financial results including performing sensitivity analysis. These analyses have taken into account the ongoing developments related to the COVID-19 pandemic and do not affect the possibility of a strain that can affect the continuation of operations in their current state.

The proposed merger of the Group banking operations namely ZB Bank Limited and ZB Building Society (see note 19.1) had not yet materialised as at the reporting date. Stakeholders consultation regarding the transaction is in progress with the technical processes at a preliminary stage.

Whilst aggregate risk has been assessed as a whole, risks in the following areas continue to remain under close monitoring as a result of the continuation of the COVID-19 pandemic:

- Credit Risk changed operating models and market dynamics may affect the ability of borrowers to service their obligations. The Group may be forced to consider loan forbearance to mitigate the risk of loss.
- b) Liquidity Risk During the period, the market continued to have excess liquidity and the Group has not been affected by this risk. Any mismatches that may arise between assets and liabilities due to changed business models for suppliers of critical funding, the Group will maintain a significant liquidity buffer in the short-term. This may affect asset creation activities in the short-term period.
- Insurance Risk funeral insurance claims remained very low on individual life products despite the advent of COVID-19. There was a slight increase in the claims experience for the period ended June 2021 where the overall claims ratio increased to 33% compared to 32% in December 2020. Current claims levels have been in line with expected trends.
- d) Market risk the valuation of equity investments may be affected through an unfavourable underlying performance fundamentals as a result of COVID-19. This may have an effect of reducing the carrying value for investments designated as fair value instruments. The Group does not hold any derivative instruments which may be exposed to secondary risks related to COVID-19. Additionally, there may be a market wide requirement to re-price instruments which may affect the Group's investment portfolio of interest rate sensitive instruments. This may result in a repricing gap between assets and liabilities. The Group's interest sensitive liabilities were higher than interest sensitive assets as at 30 June 2021. A market wide increase in interest rates is likely to reduce the Group's net interest earnings in

Consequently, the condensed consolidated inflation adjusted interim financial results for the period ended 30 June 2021 have been prepared on a going concern basis.

#### **BOARD ATTENDANCE DURING THE PERIOD**

| ENTITY                    | ZBFH | ZBBL | ZBBS | ZBRE | ZBLA |
|---------------------------|------|------|------|------|------|
| TOTAL MEETINGS            | 5    | 3    | 3    | 2    | 2    |
| P CHIROMO                 | 5    | Х    | Х    | Х    | Х    |
| *R MUTANDAGAYI            | 1    | 0    | 0    | 1    | 1    |
| **O AKERELE               | 4    | Х    | Х    | Х    | Х    |
| *** T S BVURERE           | 4    | Х    | Х    | Х    | Х    |
| F KAPANJE                 | 5    | Х    | Х    | Х    | X    |
| ****A Z MANGWIRO          | 4    | Х    | Х    | Х    | X    |
| J MUTEVEDZI               | 5    | Х    | Х    | Х    | X    |
| ****P B NYONI             | 5    | Х    | Х    | Х    | X    |
| T SIBANDA                 | 4    | Х    | Х    | Х    | X    |
| A MAKAMURE                | 4    | Х    | Х    | Х    | X    |
| K MAUKAZUVA               | 5    | Х    | Х    | Х    | X    |
| S A SIBANDA               | Х    | 3    | Х    | Х    | Х    |
| P M MATUPIRE              | Х    | 3    | Х    | Х    | X    |
| C MANDIZVIDZA             | X    | 3    | Х    | X    | X    |
| G N MAHLANGU              | Х    | 3    | Х    | Х    | X    |
| G CHIKOMO                 | Х    | 3    | Х    | Х    | Х    |
| F NYAMBIRI                | Х    | 3    | Х    | Х    | X    |
| K J LANGLEY               | Х    | 3    | Х    | Х    | Х    |
| P MURENA                  | Х    | 2    | Х    | Х    | Х    |
| E MASINIRE                | Х    | 3    | Х    | Х    | Х    |
| O MANDIMIKA               | X    | Х    | 3    | Х    | Х    |
| S K CHIGANZE              | Х    | Х    | 3    | Х    | Х    |
| T KAPUMHA                 | Х    | Х    | 3    | Х    | X    |
| J KATSIDZIRA              | X    | Х    | 3    | Х    | X    |
| F B CHIRIMUUTA            | X    | Х    | Х    | 2    | Х    |
| B SHUMBA                  | X    | Х    | Х    | 2    | Х    |
| P MURAMBINDA (MRS)        | Х    | Х    | Х    | 2    | Х    |
| A NYAKONDA                | Х    | Х    | Х    | 2    | Х    |
| M SHONIWA                 | Х    | Х    | Х    | 2    | Х    |
| C MASIMBE                 | Х    | Х    | Х    | 2    | Х    |
| E T Z CHIDZONGA           | Х    | Х    | Х    | Х    | 2    |
| L MAWIRE (MRS)            | Х    | Х    | Х    | Х    | 2    |
| C MAKONI                  | Х    | Х    | Х    | Х    | 2    |
| A MANGORO                 | X    | Х    | Х    | Χ    | 2    |
| R DZIMBA-MABVURUNGE (MRS) | Х    | Х    | Х    | Χ    | 2    |
| T SANDURA                 | Х    | Х    | Х    | Χ    | 1    |

\*R Mutandagayi resigned from the Board with effect from 31 May 2021.

\*\*O Akerele resigned from the Board with effect from 3 May 2021. \*\*\*T S Byurere resigned from the Board with effect from 3 May 2021.

\*\*\*\*P B Nyoni resigned from the Board with effect from 16 July 2021. \*\*\*\*\*A.Z Mangwiro resigned from the Board with effect from 30 July 2021.

ZBFH - ZB Financial Holdings Limited Board

ZBBL - ZB Bank Limited Board ZBBS - ZB Building Society Board

ZBRE - ZB Reinsurance Limited Board ZBLA - ZB Life Assurance Limited Board



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

Investments Savings Loans Mortgages Insurance



## **REVIEWED FINANCIAL RESULTS**

for the half year ended 30 June 2021

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2021

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
| Notes  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| ASSETS   |                                 |                                |                                   |                                  |  |
| Cash and short term funds 2                                  | 6 383 621 596                   | 5 581 652 826                  | 6 383 621 596                     | 4 624 853 014                    |  |
| Treasury Bills 3   | 1 200 308 690                   | 625 302 768                    | 1 200 308 690                     | 518 114 164                      |  |
| Advances and other accounts 4                                | 5 818 484 361                   | 3 611 554 760                  | 5 818 484 361                     | 2 992 466 648                    |  |
| Inventories 5  | 47 041 892                      | 38 549 426                     | 36 255 431                        | 29 710 244                       |  |
| Trade and other receivables 6 Financial assets at fair value | 1 506 559 603                   | 623 406 914                    | 1 506 559 603                     | 516 543 296                      |  |
| through profit or loss 7                                     | 614 931 092                     | 489 488 752                    | 614 931 092                       | 405 581 214                      |  |
| Financial assets at amortised cost 8                         | 211 046 064                     | 82 199 476                     | 211 046 064                       | 68 108 946                       |  |
| Investment in Subsidiary company 9                           | 2 075 461 740                   | 1 904 667 021                  | 1 604 544 032                     | 1 560 019 251                    |  |
| Right of use asset 10  | 226 762 289                     | 234 199 434                    | 187 108 774                       | 194 053 264                      |  |
| Intangible assets 11   | 212 013 258                     | 232 062 596                    | 26 853 764                        | 27 441 348                       |  |
| Property and equipment 12                                    | 1 473 207 887                   | 1 583 384 901                  | 1 209 734 691                     | 1 311 963 081                    |  |
|  | 19 769 438 472                  | 15 006 468 874                 | 18 799 448 098                    | 12 248 854 470                   |  |
| Liabilities  |                                 |                                |                                   |                                  |  |
| Deposits from customers 13                                   | 12 504 864 405                  | 8 377 207 542                  | 12 504 864 405                    | 6 941 197 305                    |  |
| Offshore borrowings 14                                       | 190 515 971                     | 293 521 765                    | 190 515 971                       | 243 206 638                      |  |
| Trade and other payables 15                                  | 1 737 426 016                   | 1 047 912 353                  | 1 737 426 016                     | 868 280 553                      |  |
| Lease liability 16   | 212 609 093                     | 250 701 035                    | 212 609 093                       | 207 726 184                      |  |
| Current tax liabilities                                      | 276 463 051                     | 54 519 629                     | 276 463 051                       | 45 173 943                       |  |
| Deferred tax liabilities                                     | 136 513 930                     | 248 589 726                    | 13 450 238                        | 137 274 209                      |  |
| Total liabilities  | 15 058 392 466                  | 10 272 452 050                 | 14 935 328 774                    | 8 442 858 832                    |  |
| Equity   |                                 |                                |                                   |                                  |  |
| Share Capital 17   | 90 683 544                      | 90 683 544                     | 1 810 402                         | 1 810 402                        |  |
| Share premium 17   | 1 650 877 390                   | 1 650 877 390                  | 32 958 032                        | 32 958 032                       |  |
| Functional currency  |                                 |                                |                                   |                                  |  |
| translation reserve 17                                       | -                               | _                              | 45 437 973                        | 45 437 973                       |  |
| Revaluation reserves 17                                      | 1 082 444 279                   | 1 082 444 279                  | 919 239 238                       | 919 239 238                      |  |
| General reserves 17  | (2 817 530)                     | (2 164 218)                    | (2 817 530)                       | (1 793 231)                      |  |
| Retained income 17   | 1 889 858 323                   | 1 912 175 829                  | 2 867 491 209                     | 2 808 343 224                    |  |
| Total equity   | 4 711 046 006                   | 4 734 016 824                  | 3 864 119 324                     | 3 805 995 638                    |  |
| Total equity and liablilities                                | 19 769 438 472                  | 15 006 468 874                 | 18 799 448 098                    | 12 248 854 470                   |  |

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2021

|   | Inflation                       | adjusted                                     | Historical cost                   |  |  |  |
|---|---------------------------------|--|-----------------------------------|--|--|--|
| Notes   | Reviewed<br>30 Jun 2021<br>ZW\$ | *Restated<br>Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | *Restated<br>Unreviewed<br>30 Jun 2020<br>ZW\$ |  |  |
| Interest and related income 18.1  | 996 412 821                     | 404 996 375                                  | 933 042 135                       | 120 701 419                                    |  |  |
| Interest and related expenses 18.2  | (175 394 359)                   | (52 956 825)                                 | (167 312 173)                     | (15 569 852)                                   |  |  |
| Net interest income   | 821 018 462                     | 352 039 550                                  | 765 729 962                       | 105 131 567                                    |  |  |
| Allowance for loan impairment 19  | (218 728 595)                   | (158 446 870)                                | (211 180 386)                     | (60 785 038)                                   |  |  |
| Net income from lending activities  | 602 289 867                     | 193 592 680                                  | 554 549 576                       | 44 346 529                                     |  |  |
| Commission and fee income 20  | 1 063 456 784                   | 507 381 431                                  | 998 566 980                       | 141 086 736                                    |  |  |
| Other income 21   | 273 040 023                     | 1 470 907 595                                | 266 789 465                       | 699 761 820                                    |  |  |
| Fair value adjustment 22  | 562 821 436                     | 554 347 496                                  | 520 459 036                       | 857 626 083                                    |  |  |
| Total income  | 2 501 608 110                   | 2 726 229 202                                | 2 340 365 057                     | 1 742 821 168                                  |  |  |
| Operating expenses 23   | (1 686 450 196)                 | (976 356 730)                                | (1 562 421 342)                   | (295 919 470)                                  |  |  |
| Profit before tax   | 815 157 914                     | 1 749 872 472                                | 777 943 715                       | 1 446 901 698                                  |  |  |
| Income tax (expense)/credit 24  | (202 691 754)                   | (64 019 976)                                 | (190 943 578)                     | 37 541 386                                     |  |  |
| Net monetary gain/(loss)  | (106 931 514)                   | (181 764 680)                                | -                                 | -  |  |  |
| Net profit/(loss) after taxation  | 505 534 646                     | 1 504 087 816                                | 587 000 137                       | 1 484 443 083                                  |  |  |
| Other Comprehensive income: Items that will never be reclassified to profit or loss Gains on property revaluation 12 Items that may be reclassified to profit or loss Gains on treasury bills classified as at FVOCI financial assets | -<br>(1 360 652)                | 18 248 902<br>10 085 265                     | . (1 360 652)                     | 24 227 220<br>4 880 502                        |  |  |
| as at 1 voci illianciai assets  | (1 300 032)                     | 10 003 203                                   | (1 300 032)                       | 4 000 302                                      |  |  |
| Related tax   | 336 353                         | (3 405 523)                                  | 336 353                           | (2 417 821)                                    |  |  |
| Other comprehensive income for the year, net of tax   | (1 024 299)                     | 24 928 644                                   | (1 024 299)                       | 26 689 901                                     |  |  |
| Total comprehensive income/   | F04 F40 24F                     | 4 530 046 463                                | FOE 075 022                       | 1 511 022 004                                  |  |  |
| (loss) for the period   | 504 510 347                     | 1 529 016 460                                | 585 975 838                       | 1 511 932 984                                  |  |  |

<sup>\*</sup> The restatement is in respect of prior period error on revaluation of intangible assets (see note 11)

## CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY

|  |                          |                          |  | ,                                       |   |   |
|--|--------------------------|--------------------------|--|---|---|---|
|  | Share<br>capital<br>ZW\$ | Share<br>premium<br>ZW\$ | Revaluation<br>property and<br>equipment<br>ZW\$ | Financial<br>assets<br>at FVOCI<br>ZW\$ | Retained<br>income<br>ZW\$                      | Total<br>ZW\$                                   |
| Balance at 1 January 2021  | 90 683 544               | 1 650 877 390            | 1 082 444 279                                    | (2 164 218)                             | 1 912 175 829                                   | 4 734 016 824                                   |
| Changes in equity for 2021<br>Profit or loss<br>Profit for the period<br>Other comprehensive income, net of tax<br>Fair value gains on financial assets at FVOCI<br>Transactions with owners of the Bank | -                        |                          | -  | -<br>(1 024 299)                        | 505 534 646                                     | 505 534 646<br>(1 024 299)                      |
| Distributions Dividend to equity holders Other movements   | -                        | -                        | -  | -                                       | (527 852 152)                                   | (527 852 152)                                   |
| Effect of changes in general price index Balance at 30 June 2021   | 90 683 544               | 1 650 877 390            | 1 082 444 279                                    | 370 987<br>(2 817 530)                  | 1 889 858 323                                   | 370 987<br>4 711 046 006                        |
| Balance at 31 December 2019<br>*Prior period error<br>Restated balance 1 January 2020  | 90 683 544               | 1 650 877 390            | 680 707 051<br>(289 862 329)<br>390 844 722      | -<br>-<br>107 458 987                   | 1 388 895 778<br>(357 007 668)<br>1 031 888 110 | 3 918 622 750<br>(646 869 997)<br>3 271 752 753 |
| Changes in equity for 2020   |                          |                          |  |   |   |   |
| Profit or loss<br>Profit for the period  |                          |                          |  |   | 1 504 087 816                                   | 1 504 087 816                                   |
| Profit for the period as previously reported *Prior period error   |                          | -                        | :  | :                                       | 1 301 673 968<br>202 413 848                    | 1 301 673 968<br>202 413 848                    |
| Other comprehensive income, net of tax<br>Revaluation of property<br>Fair value gains on financial assets at FVOCI<br>Distributions  | -                        | :                        | 17 336 457<br>-                                  | -<br>7 592 187                          | :   | 17 336 457<br>7 592 187                         |
| Dividend to equity holders Balance at 30 June 2020   | 90 683 544               | 1 650 877 390            | 408 181 179                                      | -<br>115 051 174                        | (73 302 600)<br>2 462 673 326                   | (73 302 600)<br>4 727 466 613                   |

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY

| Share capital premium   Functional currency   Revaluation   Financial assets   Retained   assets   Retai | For the half year ended 30 June 2021                         |           |            |                                    |                        |                    |               |               |  |
|--|--|-----------|------------|------------------------------------|------------------------|--------------------|---------------|---------------|--|
| Share capital capita |  |           |            | Unreviewed                         | and Unaudited          | d historical co    | st            |               |  |
| Changes in equity for 2021  Profit or loss Profit for the period Oher comprehensive income, net of tax Fair value gains on financial assets at FVOCI Distributions Dividend to equity holders Balance at 30 June 2021  Balance at 30 June 2021  Balance at 31 December 2019  |  | capital   | premium    | currency<br>translation<br>reserve | property and equipment | assets<br>at FVOCI | income        |               |  |
| Profit or loss Profit for the period Other comprehensive income, net of tax Fair value gains on financial assets at FVOCI Distributions Dividend to equity holders Balance at 30 June 2021  Balance at 31 December 2019  | Balance at 1 January 2021                                    | 1 810 402 | 32 958 032 | 45 437 973                         | 919 239 238            | (1 793 231)        | 2 808 343 224 | 3 805 995 638 |  |
| Profit for the period  | Changes in equity for 2021                                   |           |            |                                    |                        |                    |               |               |  |
| at FVOCI   | Profit for the period Other comprehensive income, net of tax |           | -          | -                                  |                        | -                  | 587 000 137   | 587 000 137   |  |
| Dividend to equity holders  Balance at 30 June 2021  Balance at 30 June 2021  Balance at 30 June 2021  Balance at 31 December 2019   | at FVOCI   | -         | -          | -                                  | -                      | (1 024 299)        | -             | (1 024 299)   |  |
| Balance at 31 December 2019 57 470 363 161 395 893 - 460 620 526 711 268 163 *Prior period error   | Dividend to equity holders                                   | -         | -          | -                                  | -                      | -                  | ,             |               |  |
| *Prior period error  | Balance at 30 June 2021                                      | 1 810 402 | 32 958 032 | 45 437 973                         | 919 239 238            | (2 817 530)        | 2 867 491 209 | 3 864 119 324 |  |
| Balance at 1 January 2020  1 810 402 32 958 032 49 556 719 134 405 075 (2 987 053) 422 529 684 638 272 859  Changes in equity for 2020  Profit or loss Profit for the period Proir period as previously reported Prior period error Other comprehensive income, net of tax Revaluation of property Fair value gains on financial assets at FVOCI Distributions Dividend to equity holders  1 810 402 32 958 032 49 556 719 134 405 075 (2 987 053) 422 529 684 638 272 859  442 529 684 638 272 859  1 484 443 083 1 484 443 083 1 446 896 244 1 446 896 244 1 446 896 244 2 2 30 15 859 2 3 674 042 3 674 042   | Balance at 31 December 2019                                  | -         | -          | 57 470 363                         | 161 395 893            | -                  | 460 620 526   | 711 268 163   |  |
| Profit or loss   Profit for the period   -   | *Prior period error  | -         | -          | (7 913 644)                        | 26 990 818             | -                  | (38 090 842)  | (72 995 304)  |  |
| Profit or loss  Profit for the period 1 484 443 083 1 484 443 083  Profit for the period as previously reported *Prior period error 1 446 896 244 1 446 896 244  *Prior period error 1 446 896 244 1 446 896 244  *Prior period error 1 446 896 244 1 446 896 244  *Other comprehensive income, net of tax  Revaluation of property 2 3 015 859  Fair value gains on financial assets  at FVOCI 3 674 042 - 3 674 042  Distributions  Dividend to equity holders (35 472 888) (35 472 888)   | Balance at 1 January 2020                                    | 1 810 402 | 32 958 032 | 49 556 719                         | 134 405 075            | (2 987 053)        | 422 529 684   | 638 272 859   |  |
| Profit for the period 1 484 443 083 1 484 443 083 Profit for the period as previously reported   | Changes in equity for 2020                                   |           |            |                                    |                        |                    |               |               |  |
| Profit for the period as previously reported   | Profit or loss   |           |            |                                    |                        |                    |               |               |  |
| *Prior period error  | Profit for the period  | -         | -          | -                                  | -                      | -                  | 1 484 443 083 | 1 484 443 083 |  |
| Other comprehensive income, net of tax  Revaluation of property 23 015 859 - 23 015 859  Fair value gains on financial assets at FVOCI 3 674 042 - 3 674 042  Distributions  Dividend to equity holders  |  | -         | -          | -                                  | -                      | -                  | 1 446 896 244 | 1 446 896 244 |  |
| Revaluation of property 23 015 859 - 23 015 859 Fair value gains on financial assets at FVOCI 3 674 042 - 3 674 042 Dividend to equity holders   |  | _         | -          | -                                  | -                      | -                  | 37 546 839    | 1 446 896 244 |  |
| at FVOLÍ 3 674 042 - 3 674 042<br><b>Distributions</b> Dividend to equity holders (35 472 888) (35 472 888)  | Revaluation of property                                      | -         | -          | -                                  | 23 015 859             | -                  | -             | 23 015 859    |  |
| Dividend to equity holders (35 472 888) (35 472 888)   | at FVOCI   | -         | -          | -                                  | -                      | 3 674 042          | -             | 3 674 042     |  |
|  |  |           |            |                                    |                        |                    | (35 472 888)  | (35 472 888)  |  |
|  | Balance at 30 June 2020                                      | 1 810 402 | 32 958 032 | 49 556 719                         | 157 420 934            | 686 989            | 1 871 499 879 | 2 113 932 955 |  |

The restatement is in respect of prior period error on revaluation of intangible assets (see note 11) and reversal of the change in valuation method of

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2021

|  | Inflation  | adjusted  | Historica  | al cost  |
|--|--|---|--|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$  | Reviewed<br>30 Jun 2020<br>ZW\$   | Unreviewed<br>30 Jun 2021<br>ZW\$  | Unreviewed<br>30 Jun 2020<br>ZW\$  |
| Cash generated from/(used in) operating activities - Interest received - Interest paid - Income taxes paid Net cash used in operating activities | 441 099 901<br>996 412 821<br>(175 394 359)<br>(92 487 773)<br>1 169 630 590 | (1 708 025 437)<br>404 996 375<br>(52 956 824)<br>(41 333 582)<br>(1 397 319 468) | 1 411 798 318<br>933 042 135<br>(167 312 173)<br>(83 142 088)<br>2 094 386 192 | 689 083 244<br>120 701 419<br>(15 569 852)<br>(7 930 133)<br>786 284 678 |
| Cash flows from investing activities Dividends received Proceeds on disposal of financial assets at fair   | 38 269 239   | 36 672 047  | 36 424 493   | 9 354 516  |
| value through profit or loss<br>Purchase of bonds<br>Purchase of property and equipment<br>Purchase of intangible assets                         | 299 606 419<br>(149 572 650)<br>(37 626 608)                                 | (49 380 767)<br>(24 011 529)  | 299 606 419<br>(149 572 650)<br>(35 790 121)                                   | (10 891 934)<br>(4 584 148)  |
| Net cash used in investing activities  | 150 676 400  | (36 720 249)  | 150 668 141  | (6 121 566)  |
| Cash flows from financing activities Lease liability payments Offshore loan repayments Dividend paid Net cash used in financing activities       | (95 327 928)<br>(63 124 952)<br>(527 852 152)<br>(686 305 032)               | (13 263 950)<br>(115 575 584)<br>(73 302 600)<br>(202 142 134)                    | (63 275 459)<br>(63 124 952)<br>(527 852 152)<br>(654 252 563)                 | (4 079 203)<br>(53 199 132)<br>(35 472 888)<br>(92 751 223)              |
| Net decrease in cash and cash equivalents  | 634 001 958  | (1 636 181 851)   | 1 590 801 770  | 687 411 889  |
| Cash and cash equivalents at 31 December 2020<br>Effect of exchange rate fluctuations on<br>cash and cash equivalents held                       | 5 581 652 826<br>167 966 812   | 4 977 085 536<br>1 380 357 346  | 4 624 853 014<br>167 966 812   | 929 331 624<br>667 988 064   |
| Cash and cash equivalents at 30 June 2021  | 6 383 621 596  | 4 721 261 031   | 6 383 621 596  | 2 284 731 577  |
| Cash and cash equivalents comprise: - Cash on hand - Local bank accounts - Foreign bank accounts   | 2 786 303 438<br>2 120 993 940<br>1 476 324 218<br>6 383 621 596             | 2 356 367 689<br>1 720 321 493<br>644 571 849<br>4 721 261 031                    | 2 786 303 438<br>2 120 993 940<br>1 476 324 218<br>6 383 621 596               | 1 140 302 904<br>832 504 878<br>311 923 795<br>2 284 731 577             |

#### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS For the half year ended 30 June 2021

#### 1. STATEMENT OF COMPLIANCE

The condensed inflation adjusted interim financial results are required to be prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting." They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Bank's financial position and performance since the last Bank annual financial statements. They should therefore be read in conjunction with the Bank's annual financial statements for the year ended 31 December 2020.

|    |   | Inflation                       | adjusted                       | Historica                         | al cost                          |
|----|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|    |   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 2. | CASH AND SHORT TERM FUNDS   |                                 |                                |                                   |                                  |
|    | Balances with the Reserve Bank of Zimbabwe  | 2 120 993 940                   | 1 689 425 859                  | 2 120 993 940                     | 1 399 826 632                    |
|    | Balances with other banks and cash  | 4 262 627 656                   | 3 892 226 967                  | 4 262 627 656                     | 3 225 026 382                    |
|    | Total cash and cash equivalents   | 6 383 621 596                   | 5 581 652 826                  | 6 383 621 596                     | 4 624 853 014                    |
| 3. | TREASURY BILLS  |                                 |                                |                                   |                                  |
|    | Classification of Treasury Bills<br>as at 30 June 2021                                |                                 |                                |                                   |                                  |
|    | At fair value through profit or loss At fair value through other                      | 1 033 916 104                   | 372 988 356                    | 1 033 916 104                     | 309 051 167                      |
|    | comprehensive income  | 122 861 431                     | 200 308 778                    | 122 861 431                       | 165 972 103                      |
|    | Assets classified as at "amortised cost"<br>Treasury bills issued as substitution for |                                 |                                |                                   |                                  |
|    | debt instruments  | 25 332 584                      | 30 577 798                     | 25 332 584                        | 25 336 191                       |
|    | Capitalisation treasury bills   | 18 198 571                      | 21 427 836                     | 18 198 571                        | 17 754 703                       |
|    |   | 1 200 308 690                   | 625 302 768                    | 1 200 308 690                     | 518 114 164                      |
|    | Maturing within 1 year  | 1 088 380 669                   | 458 878 277                    | 1 088 380 669                     | 380 217 947                      |
|    | Maturing after 1 year   | 111 928 021                     | 166 424 491                    | 111 928 021                       | 137 896 217                      |
|    |   | 1 200 308 690                   | 625 302 768                    | 1 200 308 690                     | 518 114 164                      |



**LIMITED** 

## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

| NOTES TO | THE CONDENSED | INFLATION A | ADJUSTED | INTERIM I | FINANCIAL | RESULTS ( | (Continued) |
|----------|---------------|-------------|----------|-----------|-----------|-----------|-------------|

|    |   | Inflation                        | adjusted                       | Historica                         | al cost                          |
|----|---|----------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|    |   | Reviewed<br>30 Jun 2021<br>ZW\$  | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 1. | ADVANCES AND OTHER ACCOUNTS               |                                  |                                |                                   |                                  |
| .1 | At amortised cost                         |                                  |                                |                                   |                                  |
|    | Loans, overdrafts and other accounts      |                                  |                                |                                   |                                  |
|    | at amortised cost                         | 5 368 915 852                    | 3 468 993 591                  | 5 368 915 852                     | 2 874 343 132                    |
|    | Mortgage loans                            | 122 040 027                      | 114 795 869                    | 122 040 027                       | 95 117 708                       |
|    | Finance leases                            | 689 440 670                      | 328 020 808                    | 689 440 670                       | 271 791 899                      |
|    | Bills Discounted                          | 92 882 003                       | 1 386 792                      | 92 882 003                        | 1 149 070                        |
|    | Gross advances                            | 6 273 278 552                    | 3 913 197 060                  | 6 273 278 552                     | 3 242 401 809                    |
|    | Off balance sheet exposures               |                                  |                                |                                   |                                  |
|    | In respect of guarantees                  | 700 460 558                      | 831 122 629                    | 700 460 558                       | 688 652 647                      |
|    | In respect of loan commitments            | 728 680 207                      | 336 280 242                    | 728 680 207                       | 278 635 511                      |
|    | •   | 1 429 140 765                    | 1 167 402 871                  | 1 429 140 765                     | 967 288 158                      |
|    | Gross credit exposure                     | 7 702 419 317                    | 5 080 599 931                  | 7 702 419 317                     | 4 209 689 967                    |
|    | dioss credit exposure                     | 7 702 419 317                    | 3 000 399 931                  | 7 702 419 317                     | 4 209 009 907                    |
|    | Gross advances                            | 6 273 278 552                    | 3 913 197 060                  | 6 273 278 552                     | 3 242 401 809                    |
|    | Less: Allowance for loan impairment       | (454 794 191)                    | (301 642 300)                  | (454 794 191)                     | (249 935 161                     |
|    | Net Advances                              | 5 818 484 361                    | 3 611 554 760                  | 5 818 484 361                     | 2 992 466 648                    |
| _  |   |                                  |                                |                                   |                                  |
| .2 | Maturity analysis On Demand               | FFF F6F F93                      | 412.071.250                    | FFF F6F F03                       | 242,000,024                      |
|    | Within 1 Month                            | 555 565 583<br>291 940 430       | 413 971 259<br>156 007 362     | 555 565 583<br>291 940 430        | 343 008 834<br>129 264 778       |
|    | Between 1 and 6 Months                    | 900 560 030                      | 359 613 923                    | 900 560 030                       | 297 969 363                      |
|    | Between 6 and 12 Months                   | 811 044 339                      | 960 282 650                    | 811 044 339                       | 795 672 222                      |
|    | After 12 Months                           | 5 143 308 935                    | 3 190 724 737                  | 5 143 308 935                     | 2 643 774 770                    |
|    | Arter 12 Months                           | 7 702 419 317                    | 5 080 599 931                  | 7 702 419 317                     | 4 209 689 967                    |
|    |   |                                  |                                |                                   |                                  |
| .3 | Loans and advances to customers           |                                  |                                |                                   |                                  |
|    | by business line                          |                                  |                                |                                   |                                  |
|    | Corporate lending                         | 4 246 266 992                    | 3 747 912 998                  | 4 246 266 992                     | 3 105 450 529                    |
|    | Small business lending                    | 246 016 078                      | 152 327 544                    | 246 016 078                       | 126 215 751                      |
|    | Consumer lending                          | 3 088 096 220                    | 1 065 563 520                  | 3 088 096 220                     | 882 905 979                      |
|    | Mortgage lending                          | 7 702 419 317                    | 114 795 869<br>5 080 599 931   | 122 040 027<br>7 702 419 317      | 95 117 708<br>4 209 689 967      |
|    |   | 7 702 419 317                    | 3 080 399 931                  | 7 702 419 317                     | 4 209 009 907                    |
| .4 | Mortgage loans                            |                                  |                                |                                   |                                  |
|    | Mortgage advances were spread as follows: |                                  |                                |                                   |                                  |
|    | Tues of avenuety                          |                                  |                                |                                   |                                  |
|    | Type of property:<br>High density         | 1 711 929                        | 794 494                        | 1 711 929                         | 658 303                          |
|    | Medium density                            | 525 774                          | 2 985 634                      | 525 774                           | 2 473 840                        |
|    | Low density                               | 110 892 279                      | 104 045 553                    | 110 892 279                       | 86 210 197                       |
|    | Commercial                                | 8 910 045                        | 6 970 188                      | 8 910 045                         | 5 775 368                        |
|    |   | 122 040 027                      | 114 795 869                    | 122 040 027                       | 95 117 708                       |
| .5 | Finance lease receivables                 |                                  |                                |                                   |                                  |
|    | Gross investment in finance leases:       |                                  |                                |                                   |                                  |
|    | Less than 1 year                          | 277 948 656                      | 271 060 482                    | 277 948 656                       | 224 595 640                      |
|    | Between 1 and 5 years                     | 1 514 993 707                    | 553 581 796                    | 1 514 993 707                     | 458 687 510                      |
|    | Gross investment in finance leases        | 1 702 042 262                    | 924 642 279                    | 1 702 042 262                     | 692 202 150                      |
|    | Unearned finance charges                  | 1 792 942 363<br>(1 103 501 693) | 824 642 278                    | 1 792 942 363                     | 683 283 150                      |
|    | oneamed infance charges                   | (1 103 301 633)                  | (496 621 470)                  | (1 103 501 693)                   | (411 491 251                     |
|    | Net investment in finance leases          | 689 440 670                      | 328 020 808                    | 689 440 670                       | 271 791 899                      |
|    |   |                                  |                                |                                   |                                  |
|    | Less than 1 year                          | 112 052 855                      | 118 670 915                    | 112 052 855                       | 98 328 499                       |
|    | Between 1 and 5 years                     | 577 387 815                      | 209 349 893                    | 577 387 815                       | 173 463 400                      |
|    |   | 689 440 670                      | 328 020 808                    | 689 440 670                       | 271 791 899                      |

|     |  |                                 | Inflational ad    | justed                         |                   |                                   | Historio          | cal cost                         |                   |
|-----|--|---------------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------|----------------------------------|-------------------|
|     |  | Reviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Audited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution | Unreviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Unaudited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution |
| 4.6 | Sectoral analysis                        |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | of advances                              |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | Private                                  | 3 302 615 272                   | 52.65%            | 1 207 498 212                  | 30.86%            | 3 302 615 272                     | 52.65%            | 1 000 510 407                    | 30.86%            |
|     | Agriculture                              | 635 906 691                     | 10.14%            | 749 038 982                    | 19.14%            | 635 906 691                       | 10.14%            | 620 639 675                      | 19.14%            |
|     | Mining                                   | 351 929 808                     | 5.61%             | 401 924 196                    | 10.27%            | 351 929 808                       | 5.61%             | 333 026 862                      | 10.27%            |
|     | Manufacturing                            | 180 366 294                     | 2.88%             | 123 728 938                    | 3.16%             | 180 366 294                       | 2.88%             | 102 519 481                      | 3.61%             |
|     | Distribution                             | 502 053 990                     | 8.00%             | 335 419 134                    | 8.57%             | 502 053 990                       | 8.00%             | 277 922 014                      | 8.57%             |
|     | Construction                             | 13 922 461                      | 0.22%             | 10 367 680                     | 0.26%             | 13 922 461                        | 0.22%             | 8 590 466                        | 0.26%             |
|     | Transport                                | 264 652 084                     | 4.22%             | 317 334 231                    | 8.11%             | 264 652 084                       | 4.22%             | 262 937 202                      | 8.11%             |
|     | Services                                 | 793 729 745                     | 12.65%            | 645 356 889                    | 16.49%            | 793 729 745                       | 12.65%            | 534 730 634                      | 16.49%            |
|     | Financial                                | 225 061 044                     | 3.59%             | 119 198 895                    | 3.05%             | 225 061 044                       | 3.59%             | 98 765 970                       | 3.05%             |
|     | Communication                            | 3 041 163                       | 0.05%             | 3 329 903                      | 0.09%             | 3 041 163                         | 0.05%             | 2 759 098                        | 0.17%             |
|     |  | 6 273 278 552                   | 100%              | 3 913 197 060                  | 100%              | 6 273 278 552                     | 100%              | 3 242 401 810                    | 100%              |
| 4.7 | Sectoral analysis                        |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | of guarantees                            |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | Manufacturing                            | 693 064 951                     | 98.94%            | 823 652 694                    | 99.10%            | 693 064 951                       | 98.94%            | 682 463 199                      | 99.10%            |
|     | Distribution                             | 462 700                         | 0.07%             |                                | -                 | 462 700                           | 0.07%             | -                                | 0.00%             |
|     | Construction                             | 750 000                         | 0.11%             | 1 478 431                      | 0.18%             | 750 000                           | 0.11%             | 1 225 000                        | 0.18%             |
|     | Services                                 | 5 767 907                       | 0.82%             | 5 490 648                      | 0.66%             | 5 767 907                         | 0.82%             | 4 549 448                        | 0.66%             |
|     | Financial                                | 415 000                         | 0.06%             | 500 856                        | 0.06%             | 415 000                           | 0.06%             | 415 000                          | 0.06%             |
|     | manda                                    | 700 460 558                     | 100%              | 831 122 629                    | 100%              | 700 460 558                       | 100%              | 688 652 647                      | 100%              |
| 4.0 | Contains a subsiderat                    |                                 |                   |                                |                   |                                   |                   |                                  |                   |
| 4.8 | Sectoral analysis of<br>loan committment |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | Agriculture                              | 295 262 260                     | 40.52%            | 153 681 481                    | 45.70%            | 295 262 260                       | 40.52%            | 127 337 597                      | 45.07%            |
|     |  |                                 | 0.20%             | 846 326                        | 0.25%             |                                   | 0.20%             | 701 250                          | 0.25%             |
|     | Mining                                   | 1 444 860                       |                   |                                | 6.34%             | 1 444 860                         | 11.93%            | 17 663 428                       |                   |
|     | Manufacturing Distribution               | 86 954 959<br>113 942 513       | 11.93%<br>15.64%  | 21 317 677<br>69 691 372       | 6.34%<br>20.72%   | 86 954 959<br>113 942 513         | 11.93%            | 17 663 428<br>57 744 966         | 6.34%<br>20.72%   |
|     | Construction                             |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     |  | 5 338 621                       | 0.73%<br>7.57%    | 3 436 328<br>15 942 468        | 1.02%<br>4.74%    | 5 338 621                         | 0.73%<br>7.57%    | 2 847 277<br>13 209 630          | 1.02%<br>4.74%    |
|     | Transport<br>Communications              | 55 162 871                      | 0.00%             |                                |                   | 55 162 871                        |                   |                                  |                   |
|     | Services                                 | 136 583 491                     | 18.74%            | 518 230<br>70 163 569          | 0.15%<br>20.86%   | 136 583 491                       | 0.00%<br>18.74%   | 429 396<br>58 136 220            | 0.15%<br>20.86%   |
|     |  |                                 |                   |                                |                   |                                   |                   |                                  |                   |
|     | Financial                                | 33 990 632<br>728 680 207       | 4.66%<br>100%     | 682 791<br>336 280 242         | 0.20%             | 33 990 632                        | 4.66%             | 565 747<br>278 635 511           | 0.20%<br>100%     |
|     |  | /28 680 20/                     | 100%              | 330 280 242                    | 100%              | 728 680 207                       | 100%              | 2/8 035 511                      | 100%              |

|   | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 4.9 Non-performing debt                 |                                 |                                |                                   |                                  |  |
| Non-performing loans and advances       | 14 086 966                      | 21 241 898                     | 14 086 966                        | 4 735 348                        |  |
| Less: Allowance for loan impairment     | (6 610 008)                     | (6 664 398)                    | (6 610 008)                       | (1 485 660)                      |  |
| Value to be received from security held | 7 476 958                       | 14 577 500                     | 7 476 958                         | 3 249 688                        |  |

For the secured non performing loans, security exists in the form of liens registered over funded accounts, bonds registered  $over \ landed \ property \ and \ guarantees \ in \ various \ forms. \ The \ company \ discounts \ the \ value \ of \ the \ security \ at \ hand \ using \ internal$  $thresholds \ for \ prudential \ purposes. \ Generally \ no \ security \ value \ is \ placed \ on \ ordinary \ guarantees.$ 

|  | Inflation                       | adjusted                       | Historica                         | l cost                           |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 4.10 Loan impairment movement                |                                 |                                |                                   |                                  |
| Balance at beginning of the period           | 301 642 300                     | 284 286 608                    | 249 935 161                       | 52 510 974                       |
| Effects of monetary gain or loss             | (58 902 989)                    | (294 911 973)                  | -                                 | -                                |
| Charge to profit or loss                     | 212 054 880                     | 312 040 108                    | 204 859 030                       | 197 235 637                      |
| Recoveries/(Write offs) charged to provision | -                               | 227 557                        | -                                 | 188 550                          |
| Balance at 30 June 2021                      | 454 794 191                     | 301 642 300                    | 454 794 191                       | 249 935 161                      |

4.11 Internal rating grade: Loans and advances are carried at amortised cost using the effective interest method. NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 4.11.1 Total loans and advances

|                                |                 |                 |                 | Inflatio      | on adjusted     |                 |                 |              |
|--------------------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|--------------|
|                                |                 |                 |                 | ECL STAGE     | CLASSIFICATION  |                 |                 |              |
|                                |                 | Reviewed        | June 2021       |               |                 | Audited Dec     | ember 2020      |              |
|                                | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTA<br>ZW   |
| Total loans and advances       |                 |                 |                 |               |                 |                 |                 |              |
| Good (AAA to A-)               | 5 773 376 693   | -               | _               | 5 773 376 693 | 3 284 303 386   | _               | _               | 3 284 303 38 |
| Special mention (BBB+ to B-)   |                 | 485 814 893     |                 | 485 814 893   |                 | 623 178 667     | _               | 623 178 66   |
| Non performing (CC to D)       |                 |                 | 14 086 966      | 14 086 966    |                 |                 | 5 715 007       | 5 715 00     |
| Total                          | 5 773 376 693   | 485 814 893     | 14 086 966      | 6 273 278 552 | 3 284 303 386   | 623 178 667     | 5 715 007       | 3 913 197 06 |
|                                |                 |                 |                 |               |                 |                 |                 |              |
| Corporate lending              |                 |                 |                 |               |                 |                 |                 |              |
| Good (AAA to A-)               | 2 450 099 045   |                 | -               | 2 450 099 045 | 1 983 899 589   |                 | -               | 1 983 899 58 |
| Special mention (BBB+ to B-)   | -               | 360 292 481     | -               | 360 292 481   | -               | 592 864 356     |                 | 592 864 35   |
| Non performing (CC to D)       | -               | -               | 6 734 700       | 6 734 700     | -               |                 | 3 746 183       | 3 746 18     |
| Total                          | 2 450 099 045   | 360 292 481     | 6 734 700       | 2 817 126 226 | 1 983 899 589   | 592 864 356     | 3 746 183       | 2 580 510 12 |
| Small business lending         |                 |                 |                 |               |                 |                 |                 |              |
| Good (AAA to A-)               | 242 618 388     | -               | -               | 242 618 388   | 140 313 786     | -               | -               | 140 313 78   |
| Special mention (BBB+ to B-)   | -               | 1 693 362       | -               | 1 693 362     | -               | 11 769 210      | -               | 11 769 21    |
| Non performing (CC to D)       | -               | -               | 1 704 329       | 1 704 329     | -               | -               | 244 548         | 244 54       |
| Total                          | 242 618 388     | 1 693 362       | 1 704 329       | 246 016 079   | 140 313 786     | 11 769 210      | 244 548         | 152 327 54   |
| Consumer lending               |                 |                 |                 |               |                 |                 |                 |              |
| Good (AAA to A-)               | 3 076 297 818   |                 |                 | 3 076 297 818 | 1 057 644 608   |                 |                 | 1 057 644 60 |
| Special mention (BBB+ to B-)   | 3 0/0 23/ 010   | 6 669 988       |                 | 6 669 988     | 1 037 044 000   | 6 194 634       |                 | 6 194 63     |
| Non performing (CC to D)       |                 | -               | 5 128 414       | 5 128 414     |                 | 0 154 054       | 1 724 276       | 1 724 27     |
| Total                          | 3 076 297 818   | 6 669 988       | 5 128 414       | 3 088 096 220 | 1 057 644 608   | 6 194 634       |                 | 1 065 563 51 |
|                                |                 |                 |                 |               |                 |                 |                 |              |
| Mortgage lending               |                 |                 |                 |               |                 |                 |                 |              |
| Good (AAA to A-                | 4 361 442       | -               | -               | 4 361 442     | 102 445 403     | -               | -               | 102 445 40   |
| Special mention (BBB+ to CCC-) |                 | 117 159 062     |                 | 117 159 062   | -               | 12 350 467      | -               | 12 350 46    |
| Non performing (CC to D)       | -               | -               | 519 523         | 519 523       | -               | -               | -               |              |
| Total                          | 4 361 442       | 117 159 062     | 519 523         | 122 040 027   | 102 445 403     | 12 350 467      | -               | 114 795 87   |

| Non performing (CC to D)       | - ,             | -               | 519 523         | 519 523       | -               | -               | -               |               |
|--------------------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
| Total                          | 4 361 442       | 117 159 062     | 519 523         | 122 040 027   | 102 445 403     | 12 350 467      | -               | 114 795 870   |
|                                |                 |                 |                 |               |                 |                 |                 |               |
|                                |                 |                 |                 | His           | storical cost   |                 |                 |               |
|                                |                 |                 |                 | ECL STAGE     | CLASSIFICATION  |                 |                 |               |
|                                |                 | Unreviewed .    | June 2021       |               |                 | Unaudited De    | cember 2020     |               |
|                                | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTA<br>ZW    |
| Total loans and advances       |                 |                 |                 |               |                 |                 |                 |               |
| Good (AAA to A-)               | 5 773 376 693   | -               | -               | 5 773 376 693 | 2 721 312 287   | -               | -               | 2 721 312 287 |
| Special mention (BBB+ to B-)   | -               | 485 814 893     | -               | 485 814 893   | -               | 516 354 174     | -               | 516 354 174   |
| Non performing (CC to D)       | -               | -               | 14 086 966      | 14 086 966    | -               | -               | 4 735 348       | 4 735 348     |
| Total                          | 5 773 376 693   | 485 814 893     | 14 086 966      | 6 273 278 552 | 2 721 312 287   | 516 354 174     | 4 735 348       | 3 242 401 809 |
| Corporate lending              |                 |                 |                 |               |                 |                 |                 |               |
| Good (AAA to A-)               | 2 450 099 045   |                 | -               | 2 450 099 045 | 1 643 822 050   |                 | -               | 1 643 822 050 |
| Special mention (BBB+ to B-)   | -               | 360 292 481     | -               | 360 292 481   | -               | 491 236 304     | -               | 491 236 304   |
| Non performing (CC to D)       | -               | -               | 6 734 700       | 6 734 700     | -               | -               | 3 104 017       | 3 104 017     |
| otal corporate lending         | 2 450 099 045   | 360 292 481     | 6 734 700       | 2 817 126 226 | 1 643 822 050   | 491 236 304     | 3 104 017       | 2 138 162 371 |
| Small business lending         |                 |                 |                 |               |                 |                 |                 |               |
| Good (AAA to A-)               | 242 618 388     | -               | _               | 242 618 388   | 116 261 376     |                 | _               | 116 261 376   |
| Special mention (BBB+ to B-)   |                 | 1 693 362       | _               | 1 693 362     | _               | 9 751 747       | _               | 9 751 747     |
| Non performing (CC to D)       | -               | -               | 1 704 329       | 1 704 329     | -               | -               | 202 628         | 202 628       |
| Total small business lending   | 242 618 388     | 1 693 362       | 1 704 329       | 246 016 079   | 116 261 376     | 9 751 747       | 202 628         | 126 215 751   |
| Consumer lending               |                 |                 |                 |               |                 |                 |                 |               |
| Good (AAA to A-)               | 3 076 297 818   | _               | _               | 3 076 297 818 | 876 344 518     | _               | _               | 876 344 518   |
| Special mention (BBB+ to B-    |                 | 6 669 988       | _               | 6 669 988     | -               | 5 132 758       | _               | 5 132 758     |
| Non performing (CC to D)       | -               | -               | 5 128 414       | 5 128 414     | -               | -               | 1 428 703       | 1 428 703     |
| otal consumer lending          | 3 076 297 818   | 6 669 988       | 5 128 414       | 3 088 096 220 | 876 344 518     | 5 132 758       | 1 428 703       | 882 905 979   |
| Mortgage lending               |                 |                 |                 |               |                 |                 |                 |               |
| Good (AAA to A-)               | 4 361 442       | _               | _               | 4 361 442     | 84 884 343      | _               | _               | 84 884 343    |
| Special mention (BBB+ to CCC-) | -               | 117 159 062     | _               | 117 159 062   | -               | 10 233 365      | _               | 10 233 36     |
| N (CC t- D)                    |                 |                 | F10 F22         | F10 F33       |                 |                 |                 |               |

|   |                 | illiation adjusted |                 |               |                       |                 |                 |               |  |  |  |  |
|---|-----------------|--------------------|-----------------|---------------|-----------------------|-----------------|-----------------|---------------|--|--|--|--|
|   |                 |                    |                 | ECL STAGE CI  | LASSIFICATION         |                 |                 |               |  |  |  |  |
|   |                 | Reviewed Ju        | ine 2021        |               | Audited December 2020 |                 |                 |               |  |  |  |  |
|   | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$    | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ | STAGE 1<br>ZW\$       | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ |  |  |  |  |
| 4.11.2 Financial guarantees<br>and loan commitments<br>Financial guarantees |                 |                    |                 |               |                       |                 |                 |               |  |  |  |  |
| Good (AAA to A-)  | 700 460 558     |                    | _               | 700 460 558   | 831                   | 122 629 -       | -               | 831 122 629   |  |  |  |  |
| Total   | 700 460 558     | -                  | -               | 700 460 559   | 831                   | 122 629 -       | -               | 831 122 629   |  |  |  |  |
| Loan commitments  |                 |                    |                 |               |                       |                 |                 |               |  |  |  |  |
| Good (AAA to A-   | 728 680 207     | -                  | -               | 728 680 207   | 336                   | 280 242 -       | -               | 336 280 242   |  |  |  |  |
| Total   | 728 680 207     | -                  | -               | 728 680 207   | 336 280 242 -         |                 | -               | 336 280 242   |  |  |  |  |
|   |                 |                    |                 |               |                       |                 |                 |               |  |  |  |  |
|   |                 |                    |                 |               |                       |                 |                 |               |  |  |  |  |

|                 | ECL STAGE CLASSIFICATION                    |   |   |                                  |                      |                      |   |  |  |  |
|-----------------|---|---|---|----------------------------------|----------------------|----------------------|---|--|--|--|
|                 | Unreviewed J                                | une 2021  |   | Unaudited December 2020          |                      |                      |   |  |  |  |
| STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$                             | STAGE 3<br>ZW\$   | TOTAL<br>ZW\$                                       | STAGE 1<br>ZW\$                  | STAGE 2<br>ZW\$      | STAGE 3<br>ZW\$      | TOTAL<br>ZW\$   |  |  |  |
|                 |   |   |   |                                  |                      |                      |   |  |  |  |
| 700 460 558     | -   | -   | 700 460 558   | 688 652 647                      | -                    | -                    | 688 652 647   |  |  |  |
| 700 460 558     | -   | -   | 700 460 558   | 688 652 647                      | -                    | -                    | 688 652 647   |  |  |  |
|                 |   |   |   |                                  |                      |                      |   |  |  |  |
| 728 680 207     | -   | -   | 728 680 207   | 278 635 511                      | -                    | -                    | 278 635 511   |  |  |  |
| 728 680 207     | -   | -   | 728 680 207   | 278 635 511                      | -                    | -                    | 278 635 511   |  |  |  |
|                 | ZW\$  700 460 558  700 460 558  728 680 207 | STAGE 1 STAGE 2 ZW\$  700 460 558 - 700 460 558 - 728 680 207 - | ZW\$ ZW\$ ZW\$  700 460 558 700 460 558 728 680 207 | Unreviewed June 2021     STAGE 1 | Unreviewed June 2021 | Unreviewed June 2021 | STAGE 1         STAGE 2         STAGE 3         TOTAL         STAGE 1         STAGE 2         STAGE 3         ZW\$         ZW\$< |  |  |  |

|                                     |             | Revieweu J      | une 2021 |             | Addited December 2020 |             |              |            |  |  |  |
|-------------------------------------|-------------|-----------------|----------|-------------|-----------------------|-------------|--------------|------------|--|--|--|
|                                     | STAGE 1     | STAGE 2         | STAGE 3  | TOTAL       | STAGE 1               | STAGE 2     | STAGE 3      | TOTAL      |  |  |  |
|                                     | ZW\$        | ZW\$            | ZW\$     | ZW\$        | ZW\$                  | ZW\$        | ZW\$         | ZW\$       |  |  |  |
| 4.11.3 Other financial assets Bonds |             |                 |          |             |                       |             |              |            |  |  |  |
| Good (AAA to A-)                    | 162 764 365 | -               | -        | 162 764 365 | 26 484 557            | -           | -            | 26 484 557 |  |  |  |
| Total                               | 162 764 365 | -               | -        | 162 764 365 | 26 484 557            | -           | -            | 26 484 558 |  |  |  |
|                                     |             | Historical cost |          |             |                       |             |              |            |  |  |  |
|                                     |             |                 |          | ECL STAGE C | E CLASSIFICATION      |             |              |            |  |  |  |
|                                     |             | Unreviewed J    | une 2021 |             |                       | Unaudited D | ecember 2020 |            |  |  |  |
|                                     | STAGE 1     | STAGE 2         | STAGE 3  | TOTAL       | STAGE 1               | STAGE 2     | STAGE 3      | TOTAL      |  |  |  |
|                                     | ZW\$        | ZW\$            | ZW\$     | ZW\$        | ZW\$                  | ZW\$        | ZW\$         | ZW\$       |  |  |  |
| Other financial assets<br>Bonds     |             |                 |          |             |                       |             |              |            |  |  |  |

#### 4.12 Impairment allowance for loans and advances

| 4.12.1 Total loans and advances |                 |                 |                        |                          |                 |                 |                    |                        |
|---------------------------------|-----------------|-----------------|------------------------|--------------------------|-----------------|-----------------|--------------------|------------------------|
|                                 |                 |                 |                        | Inflati                  | on adjusted     |                 |                    |                        |
|                                 |                 |                 |                        | ECL STAGE                | CLASSIFICATION  |                 |                    |                        |
|                                 |                 | Reviewed J      |                        |                          |                 |                 | cember 2020        |                        |
|                                 | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$        | TOTAL<br>ZW\$            | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$    | TOTAL<br>ZW\$          |
| Total loans and advances        |                 |                 |                        |                          |                 |                 |                    |                        |
| Good (AAA to A-                 | 178 570 224     | -               | -                      | 178 570 224              | 143 011 592     | -               | -                  | 143 011 592            |
| Special mention (BBB+ to B-     | -               | 269 613 959     | -                      | 269 613 959              | -               | 156 837 691     | -                  | 156 837 691            |
| Non performing (CC to D)        | -               | -               | 6 610 008              | 6 610 008                | -               | -               | 1 793 017          | 1 793 017              |
| Total                           | 178 570 224     | 269 613 959     | 6 610 008              | 454 794 191              | 143 011 592     | 156 837 691     | 1 793 017          | 301 642 300            |
|                                 |                 |                 |                        |                          |                 |                 |                    |                        |
| Corporate lending               |                 |                 |                        |                          |                 |                 |                    |                        |
| Good (AAA to A-                 | 154 475 988     |                 | -                      | 154 475 988              | 111 436 304     |                 | -                  | 111 436 304            |
| Special mention (BBB+ to B-     | -               | 136 960 024     | -                      | 136 960 024              | -               | 155 092 161     | -                  | 155 092 161            |
| Non performing (CC to D) Total  | 154 475 988     | 136 960 024     | 2 852 512<br>2 852 512 | 2 852 512<br>294 288 524 | 111 436 304     | 155 092 161     | 620 237<br>620 237 | 620 237<br>267 148 702 |
| iotai                           | 154 475 988     | 130 900 024     | 2 852 512              | 294 200 524              | 111 430 304     | 155 092 161     | 620 237            | 267 146 702            |
| Small business lending          |                 |                 |                        |                          |                 |                 |                    |                        |
| Good (AAA to A-                 | 15 494 062      | -               | -                      | 15 494 062               | 4 919 860       |                 | -                  | 4 919 860              |
| Special mention (BBB+ to B-     | -               | 243 229         | -                      | 243 229                  | -               | 276 502         | -                  | 276 502                |
| Non performing (CC to D)        | -               | -               | 255 797                | 255 797                  | -               | -               | 127 931            | 127 931                |
| Total                           | 15 494 062      | 243 229         | 255 797                | 15 993 088               | 4 919 860       | 276 502         | 127 931            | 5 324 293              |
|                                 |                 |                 |                        |                          |                 |                 |                    |                        |
| Consumer lending                |                 |                 |                        |                          |                 |                 |                    |                        |
| Good (AAA to A-                 | 3 105 500       | -               | -                      | 3 105 500                | 25 155 098      | -               | -                  | 25 155 098             |
| Special mention (BBB+ to B-     | -               | 132 406 253     | · · · · ·              | 132 406 253              | -               | 1 126 184       |                    | 1 126 184              |
| Non performing (CC to D)        | -               | -               | 3 501 699              | 3 501 699                | -               | -               | 1 044 849          | 1 044 849              |
| Total                           | 3 105 500       | 132 406 253     | 3 501 699              | 139 013 452              | 25 155 098      | 1 126 184       | 1 044 849          | 27 326 131             |
| Mortgage lending                |                 |                 |                        |                          |                 |                 |                    |                        |
| Good (AAA to A-                 | 5 494 674       | _               | _                      | 5 494 674                | 1 500 330       | _               | _                  | 1 500 330              |
| Special mention (BBB+ to CCC-)  | 51071           | 4 453           | _                      | 4 453                    | -               | 342 844         |                    | 342 844                |
|                                 |                 | 1 155           |                        |                          |                 | 2.2011          |                    | 312 011                |



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

Investments Savings Loans Mortgages Insurance

| NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continu | ed) |
|--|-----|
|  |     |

| 1121   | Total | loans | and | advances | (continued | ١ |
|--------|-------|-------|-----|----------|------------|---|
| 4.12.1 | iotai | ioans | anu | advances | continued  | , |

|                               |                 |                      |                        | nist                       | orical cost     |                 |                 |                           |
|-------------------------------|-----------------|----------------------|------------------------|----------------------------|-----------------|-----------------|-----------------|---------------------------|
|                               |                 |                      |                        | ECL STAGE (                | CLASSIFICATION  |                 |                 |                           |
|                               |                 | Unreviewed June 2021 |                        |                            |                 | Unaudited De    |                 |                           |
|                               | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$      | STAGE 3<br>ZW\$        | TOTAL<br>ZW\$              | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTA<br>ZW                |
| Total loans and advances      |                 |                      |                        |                            |                 |                 |                 |                           |
| Good (AAA to A-               | 178 570 224     | _                    | -                      | 178 570 224                | 118 496 727     | -               | -               | 118 496 727               |
| pecial mention (BBB+ to B-    | -               | 269 613 959          | -                      | 269 613 959                | -               | 129 952 774     | -               | 129 952 774               |
| Ion performing (CC to D)      | -               |                      | 6 610 008              | 6 610 008                  | -               | -               | 1 485 660       | 1 485 660                 |
| otal                          | 178 570 224     | 269 613 959          | 6 610 008              | 454 794 191                | 118 496 727     | 129 952 774     | 1 485 660       | 249 935 161               |
|                               |                 |                      |                        |                            |                 |                 |                 |                           |
| Corporate lending             | 154 475 000     |                      |                        | 454 475 000                | 02 224 024      |                 |                 | 02 224 024                |
| Good (AAA to A-               | 154 475 988     | 136 960 024          | -                      | 154 475 988<br>136 960 024 | 92 334 034      | -               |                 | 92 334 034<br>128 506 460 |
| pecial mention (BBB+ to B-    | -               | 136 960 024          |                        |                            | -               | 128 506 460     |                 |                           |
| lon performing (CC to D)      | 154 475 988     | 136 960 024          | 2 852 512<br>2 852 512 | 2 852 512<br>294 288 524   | 92 334 034      | 128 506 460     | 513 917         | 513 913<br>221 354 413    |
| otal                          | 154 475 988     | 130 900 024          | 2 852 512              | 294 200 524                | 92 334 034      | 128 506 460     | 513 917         | 221 354 41                |
| Small business lending        |                 |                      |                        |                            |                 |                 |                 |                           |
| Good (AAA to A-               | 15 494 062      | -                    | -                      | 15 494 062                 | 4 076 504       | -               | -               | 4 076 504                 |
| special mention (BBB+ to B-   | -               | 243 229              | -                      | 243 229                    | -               | 229 105         | -               | 229 105                   |
| Ion performing (CC to D)      | -               | -                    | 255 797                | 255 797                    | -               | -               | 106 001         | 106 001                   |
| otal                          | 15 494 062      | 243 229              | 255 797                | 15 993 088                 | 4 076 504       | 229 105         | 106 001         | 4 411 610                 |
| Consumer lending              |                 |                      |                        |                            |                 |                 |                 |                           |
| Good (AAA to A-               | 3 105 500       | _                    |                        | 3 105 500                  | 20 843 043      | _               | _               | 20 843 043                |
| pecial mention (BBB+ to B-    | 3 103 300       | 132 406 253          |                        | 132 406 253                | 20 043 043      | 933 135         | _               | 933 135                   |
| lon performing (CC to D)      |                 | 152 450 255          | 3 501 699              | 3 501 699                  |                 | 333 133         | 865 742         | 865 742                   |
| otal                          | 3 105 500       | 132 406 253          | 3 501 699              | 139 013 452                | 20 843 043      | 933 135         | 865 742         | 22 641 920                |
|                               |                 |                      |                        |                            |                 |                 |                 |                           |
| Nortgage lending              |                 |                      |                        |                            |                 |                 |                 |                           |
| iood (AAA to A-               | 5 494 674       | -                    | -                      | 5 494 674                  | 1 243 146       | -               | -               | 1 243 146                 |
| pecial mention (BBB+ to CCC-) | -               | 4 453                | -                      | 4 453                      | -               | 284 074         | -               | 284 074                   |
| otal                          | 5 494 674       | 4 453                | -                      | 5 499 127                  | 1 243 146       | 284 074         | -               | 1 527 220                 |

|   |                 | Inflation adjusted |                 |               |                 |                 |                 |               |
|---|-----------------|--------------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
|   |                 |                    |                 | ECL STAGE CL  | LASSIFICATION   |                 |                 |               |
|   |                 | Reviewed Jur       | ne 2021         |               |                 | Audited Dece    | ember 2020      |               |
|   | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$    | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ |
| 4.12.2 Financial guarantees<br>and loan commitments<br>Financial guarantees |                 |                    |                 |               |                 |                 |                 |               |
| Good (AAA to A-)  | 1 193 043       | -                  | -               | 1 193 043     | 1 004 769       | -               | -               | 1 004 769     |
| Total   | 1 193 043       | -                  | -               | 1 193 043     | 1 004 769       | -               | -               | 1 004 769     |
| Loan commitments  |                 |                    |                 |               |                 |                 |                 |               |
| Good (AAA to A-)  | 2 187 014       | -                  | -               | 2 187 014     | 760 528         | -               | -               | 760 528       |
| Total   | 2 187 014       | -                  | -               | 2 187 014     | 760 528         | -               | -               | 760 528       |
|   |                 |                    |                 |               |                 |                 |                 |               |
|   |                 |                    |                 |               |                 |                 |                 |               |

|       | Historical cost |                 |                 |               |                 |                 |                 |               |
|-------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
|       |                 |                 |                 | ECL STAGE CI  | LASSIFICATION   |                 |                 |               |
|       |                 | Unreviewed Ju   | une 2021        |               |                 | Unaudited Dec   | ember 2020      |               |
|       | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ | STAGE 1<br>ZW\$ | STAGE 2<br>ZW\$ | STAGE 3<br>ZW\$ | TOTAL<br>ZW\$ |
|       |                 |                 |                 |               |                 |                 |                 |               |
| A-)   | 1 193 043       | -               | -               | 1 193 043     | 832 532         | -               | -               | 832 532       |
| es    | 1 193 043       | -               | -               | 1 193 043     | 832 532         | -               | -               | 832 532       |
| ments |                 |                 |                 |               |                 |                 |                 |               |
| A-)   | 2 187 014       | -               | -               | 2 187 014     | 630 159         | -               | -               | 630 159       |
|       | 2 187 014       | -               | -               | 2 187 014     | 630 159         | -               | -               | 630 159       |

|  |                    | Inflation adjusted       |         |           |                       |         |         |           |
|--|--------------------|--------------------------|---------|-----------|-----------------------|---------|---------|-----------|
|  |                    | ECL STAGE CLASSIFICATION |         |           |                       |         |         |           |
|  | Reviewed June 2021 |                          |         |           | Audited December 2020 |         |         |           |
|  | STAGE 1            | STAGE 2                  | STAGE 3 | TOTAL     | STAGE 1               | STAGE 2 | STAGE 3 | TOTAL     |
|  | ZW\$               | ZW\$                     | ZW\$    | ZW\$      | ZW\$                  | ZW\$    | ZW\$    | ZW\$      |
| 4.12.3 Other financial assets<br>Bonds |                    |                          |         |           |                       |         |         |           |
| Good (AAA to A-)                       | 7 773 480          | -                        | -       | 7 773 480 | 1 854 922             | -       | -       | 1 854 922 |
| Total                                  | 7 773 480          | -                        | -       | 7 773 480 | 1 854 922             | -       | -       | 1 854 922 |

|         |              |           | Hist        | orical cost   |                |            |       |
|---------|--------------|-----------|-------------|---------------|----------------|------------|-------|
|         |              |           | ECL STAGE C | LASSIFICATION |                |            |       |
|         | Unreviewed J | lune 2021 |             |               | Unaudited Dece | ember 2020 |       |
| STAGE 1 | STAGE 2      | STAGE 3   | TOTAL       | STAGE 1       | STAGE 2        | STAGE 3    | TOTAL |
| ZW\$    | ZW\$         | ZW\$      | ZW\$        | ZW\$          | ZW\$           | ZW\$       | ZW\$  |

|   | Other financial assets<br>Bonds<br>Special mention |           |   |   |           |           |   |   |           |
|---|--|-----------|---|---|-----------|-----------|---|---|-----------|
|   | (BBB+ to CCC-)                                     | 7 773 480 | - | - | 7 773 480 | 1 536 953 | - | - | 1 536 953 |
| Total 7 773 480 7 773 480 1 536 953 1 536 | Total  | 7 773 480 | - | - | 7 773 480 | 1 536 953 | - | - | 1 536 953 |

|  | Reviewed<br>30 Jun 2021<br>ZW\$  | Audited<br>31 Dec 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$  | Unaudited<br>31 Dec 2020<br>ZW\$   |
|--|--|---|--|--|
| 5. INVENTORIES   |  |   |  |  |
| Point of sale machines Stationery Fuel Ppe materials Atm spares Computer consumables | 1 379 982<br>42 601 482<br>170 855<br>2 785 648<br>95 839<br>8 086<br>47 041 892 | 1 664 556<br>34 817 024<br>841 054<br>1 113 348<br>104 310<br>9 134<br>38 549 426 | 1 063 559<br>32 833 184<br>131 679<br>2 146 913<br>73 863<br>6 233<br>36 255 431 | 1 282 882<br>26 833 663<br>648 204<br>858 063<br>80 392<br>7 040<br>29 710 244 |
| Current  | 47 041 892   | 38 549 426  | 36 255 431   | 29 710 244   |
| 6. TRADE AND OTHER RECEIVABLES   |  |   |  |  |
| Accrued interest   | 14 916 286   | -   | 14 916 286   | -  |
| *Remittances in transit  | 152 422 920  | 9 176   | 152 422 920  | 7 603  |
| Advance payments and sundry assets   | 1 274 761 591  | 586 668 814   | 1 274 761 591  | 486 102 794  |
| Amounts clearing from other banks  | 64 458 806   | 36 728 924  | 64 458 806   | 30 432 899   |
|  | 1 506 559 603  | 623 406 914   | 1 506 559 603  | 516 543 296  |

\* Remittances in transit relate mainly to transactions between entities which were still outstanding as at the end of the period.

#### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| 7.1 Carrying amounts                 |               |             |             |
|--------------------------------------|---------------|-------------|-------------|
| Unlisted equities                    | 518 737 755   | 288 881 134 | 518 737 75  |
| Listed Equities                      | 96 193 337    | 200 607 618 | 96 193 33   |
|                                      | 614 931 092   | 489 488 752 | 614 931 09  |
|                                      |               |             |             |
| 7.2 Movement of financial assets     |               |             |             |
| at fair value through profit or loss |               |             |             |
| Balance at beginning of the period   | 489 488 752   | 152 625 037 | 405 581 21  |
| Movements during the period:         |               |             |             |
| - on listed equities                 | (299 606 419) |             | (299 606 41 |

| Fair value adjustments         |
|--------------------------------|
| - On listed equity investments |
| On unlisted equity investments |

| - On unlisted equity investments |
|----------------------------------|
| Exchange gains/(losses)          |

Net

| es (2   | 99 606 419)              | -                                      | (299 606 419)        | -           |
|---|--------------------------|--|----------------------|-------------|
| 1   | 89 882 333               | 152 625 037                            | 105 974 795          | 28 191 582  |
|   |                          |  |                      |             |
| tments  |                          |  |                      |             |
| investments 1   | 91 484 203               | 81 221 278                             | 225 872 105          | 84 174 536  |
| uity investments                                      | 29 854 377               | 255 642 437                            | 279 374 013          | 233 058 475 |
|   | 11 220 913               | 489 488 752                            | 611 220 913          | 345 424 593 |
| losses)   |                          |  |                      |             |
| investments   | 3 707 936                | 72 404 681                             | 3 707 936            | 59 993 163  |
| uity investments                                      | 2 243                    | 197 275                                | 2 243                | 163 458     |
|   | 14 931 092               | 562 090 708                            | 614 931 092          | 405 581 214 |
| ins/(losses)  |                          |  |                      |             |
| investments   | -                        | (72 601 956)                           | -                    | -           |
| f period 6  | 14 931 092               | 489 488 752                            | 614 931 092          | 405 581 214 |
| investments iity investments ins/(losses) investments | 2 243<br>14 931 092<br>- | 197 275<br>562 090 708<br>(72 601 956) | 2 243<br>614 931 092 | 163 405 581 |

#### 7.3 Prior period adjustment in respect of Mashonaland Holdings Limited

The Bank held shares in Mashonaland Holdings, a listed entity on the Zimbabwe Stock Exchange. The investment in Mashonaland Holdings was incorrectly measured at Net Asset Value in prior period instead of using the level 1 observable input, that is the share price of shares. Mashonaland Holdings is now being valued based on the share prices being traded on the Zimbabwe Stock Exchange.

|     |  | Inflation                       | adjusted                       | Historic                                | al cost                          |
|-----|--|---------------------------------|--------------------------------|---|----------------------------------|
|     |  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$       | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 8.  | FINANCIAL ASSETS AT AMORTISED COST                                   |                                 |                                |   |                                  |
| 8.1 | Carrying amounts   |                                 |                                |   |                                  |
|     | Bank balances  | 48 281 699                      | 55 714 919                     | 48 281 699                              | 46 164 338                       |
|     | Bonds  | 162 764 365                     | 26 484 557                     | 162 764 365                             | 21 944 608                       |
|     |  | 211 046 064                     | 82 199 476                     | 211 046 064                             | 68 108 946                       |
| 8.2 | Movement of financial assets held at amortised cost Carrying amounts |                                 |                                |   |                                  |
|     | Balance at beginning of the period                                   | 82 199 476                      | 115 853 136                    | 68 108 946                              | 21 399 392                       |
|     | Movements during the period:   | 146 171 605                     | 44 240 227                     | 146 176 017                             | 11 200 250                       |
|     | - On Bonds   | 146 171 685                     | 11 240 227                     | 146 176 817                             | 11 360 356                       |
|     | Accrued interest on debentures and bonds                             | 228 371 161                     | 127 093 363                    | 214 285 763                             | 32 759 748                       |
|     | - current period   | 130 219                         | 166 280                        | 130 219                                 | 137 777                          |
|     | - prior year received in current period                              | (290 362)                       | (350 433)                      | (137 777)                               | (64 729                          |
|     | First Jean received in current period                                | 228 211 018                     | 126 909 210                    | 214 278 205                             | 32 832 796                       |
|     |  |                                 |                                |   |                                  |
|     | Exchange gains/(losses) on bank balances                             | 2 117 361                       | 44 318 893                     | 2 117 361                               | 36 721 80                        |
|     | Exchange gains/(losses) on bonds                                     | 1 383 330<br>231 711 709        | 171 228 103                    | 1 383 330<br>217 778 896                | 69 554 60                        |
|     | Impairment (charges)/reversal  | 251711765                       | 229                            | 2.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 05 55 . 00                       |
|     | - on debentures  | -                               | -                              | -                                       | (1 285 12                        |
|     | - on bonds   | (6 732 832)                     | (1 682 733)                    | (6 732 832)                             | (160 52                          |
|     | NA   | 224 978 877                     | 169 545 370                    | 211 046 064                             | 68 108 94                        |
|     | Monetary gains/losses - On bank balances                             | (9 426 499)                     | (39 724 453)                   |   |                                  |
|     | - On debentures  | (9 420 499)                     | (7 040 742)                    |   |                                  |
|     | - On bonds   | (4 506 314)                     | (40 580 699)                   | _                                       |                                  |
|     | Balance at end of period   | 211 046 064                     | 82 199 476                     | 211 046 064                             | 68 108 946                       |
|     |  |                                 |                                |   |                                  |
| 8.3 | Impairment movement on Bonds Balance at beginning of the period      | 1 854 922                       | 110 186                        | 1 536 953                               | 91 29                            |
|     | Charge to statement  | 1 034 322                       | 110 180                        | 1 330 933                               | 91 290                           |
|     | of profit or loss (Note 18)  | 6 236 526                       | 1 744 736                      | 6 236 526                               | 1 445 65                         |
|     | Effects of monetary adjustments                                      | (317 969)                       | -                              | -                                       |                                  |
|     | Balance at end of the period   | 7 773 479                       | 1 854 922                      | 7 773 479                               | 1 536 95                         |
| 9.  | INVESTMENT IN SUBSIDIARY COMPANY                                     |                                 |                                |   |                                  |
|     | Investment in Barcelona Investments Limited                          |                                 |                                |   |                                  |
|     | Opening Net Asset Value  | 1 904 667 021                   | 1 924 563 918                  | 1 560 019 251                           | 347 762 80                       |
|     | Fair value gain to profit or loss                                    | 170 794 719                     | (19 896 897)                   | 44 524 781                              | 1 212 256 44                     |
|     | Carrying Value   | 2 075 461 740                   | 1 904 667 021                  | 1 604 544 032                           | 1 560 019 25                     |
| 10. | RIGHT OF USE ASSETS  |                                 |                                |   |                                  |
|     | Cost   |                                 |                                |   |                                  |
|     | Balance at beginning of the period                                   | 610 016 452                     | 360 291 373                    | 225 316 384                             | 18 398 860                       |
|     | Arising from Lease reassesment                                       | 22 470 803                      | 249 725 079                    | 22 470 803                              | 206 917 52                       |
|     | Balance at the end of the period                                     | 632 487 255                     | 610 016 452                    | 247 787 187                             | 225 316 384                      |
|     | Accumulated depreciation   |                                 |                                |   |                                  |
|     | Balance at beginning of the period                                   | 375 817 018                     | 288 552 545                    | 31 263 120                              | 5 147 88                         |
|     | Charge to statement of profit or loss                                | 29 907 948                      | 35 283 775                     | 29 415 293                              | 26 115 23                        |
|     | *Impairment  | -                               | 51 980 698                     | -                                       |                                  |
|     |  | 405 724 966                     | 375 817 018                    | 60 678 413                              | 31 263 120                       |
|     | Complian value at the second City and I                              | 226 762 206                     | 224 400 424                    | 407 400 77                              | 104 053 33                       |
|     | Carrying value at the end of the period                              | 226 762 289                     | 234 199 434                    | 187 108 774                             | 194 053 264                      |

|  | Computer<br>software<br>ZW\$ | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
|--|------------------------------|-------------------------------------|---------------|
| 11. INTANGIBLE ASSETS                      |                              |                                     |               |
| Reviewed June 2021                         |                              |                                     |               |
| Cost or valuation                          |                              |                                     |               |
| Balance at 1 January 2021                  | 1 102 247 764                | 162 383 331                         | 1 264 631 095 |
| Balance at 30 June 2021                    | 1 102 247 764                | 162 383 331                         | 1 264 631 095 |
| Accumulated depreciation and impairment    |                              |                                     |               |
| Balance at 1 January 2021                  | 1 032 568 499                | -                                   | 1 032 568 499 |
| Charge to profit or loss                   | 20 049 338                   | -                                   | 20 049 338    |
| Balance at 30 June 2021                    | 1 052 617 837                | -                                   | 1 052 617 837 |
| Net book value at 30 June 2021             | 49 629 927                   | 162 383 331                         | 212 013 258   |
| Audited December 2020<br>Cost or valuation |                              |                                     |               |
| Balance at 1 January 2020                  | 1 102 060 189                | 165 090 627                         | 1 267 150 816 |
| Additions at cost                          | 187 575                      | 16 668 498                          | 16 856 073    |
| Reversal of cancelled projects             | _                            | (19 375 794)                        | (19 375 794)  |
| Balance at 31 December 2020                | 1 102 247 764                | 162 383 331                         | 1 264 631 095 |
| Accumulated depreciation and impairment    |                              |                                     |               |
| Balance at 1 January 2020                  | 939 916 758                  | -                                   | 939 916 758   |
| Charge to profit or loss                   | 92 651 741                   | -                                   | 92 651 741    |
| Balance at 31 December 2020                | 1 032 568 499                | -                                   | 1 032 568 499 |
| Net book value at 31 December 2020         | 69 679 265                   | 162 383 331                         | 232 062 596   |

| Net book value at 31 December 2020           | 69 679 265                   | 162 383 331                         | 232 062 596   |
|--|------------------------------|-------------------------------------|---------------|
|  |                              |                                     |               |
|  |                              | Historical cost                     |               |
|  | Computer<br>software<br>ZW\$ | Capital work<br>in progress<br>ZW\$ | Total<br>ZW\$ |
| Unreviewed June 2021                         |                              |                                     |               |
| Cost or valuation                            |                              |                                     |               |
| Balance at 1 January 2021                    | 23 077 903                   | 24 971 484                          | 48 049 387    |
| Balance at 30 June 2021                      | 23 077 903                   | 24 971 484                          | 48 049 387    |
| Accumulated depreciation and impairment      |                              |                                     |               |
| Balance at 1 January 2021                    | 20 608 039                   | -                                   | 20 608 039    |
| Charge to profit or loss                     | 587 584                      | -                                   | 587 584       |
| Balance at 30 June 2021                      | 21 195 623                   | -                                   | 21 195 623    |
| Net book value at 30 June 2021               | 1 882 280                    | 24 971 484                          | 26 853 764    |
| Unaudited December 2020<br>Cost or valuation |                              |                                     |               |
| Balance at 1 January 2020                    | 22 954 866                   | 42 241 174                          | 65 196 040    |
| Additions at cost                            | 123 037                      | 3 482 890                           | 3 605 927     |
| Effect of change in functional currency      | -                            | (4 698 160)                         | (4 698 160)   |
| Reversal of cancelled projects               | -                            | (16 054 420)                        | (16 054 420)  |
| Balance at 31 December 2020                  | 23 077 903                   | 24 971 484                          | 48 049 387    |
| Accumulated depreciation and impairment      |                              |                                     |               |
| Balance at 1 January 2020                    | 18 404 565                   | _                                   | 18 404 565    |
| Charge to profit or loss                     | 2 203 474                    | _                                   | 2 203 474     |
| Balance at 31 December 2020                  | 20 608 039                   | -                                   | 20 608 039    |
|  |                              |                                     |               |

2 469 864

24 971 484

Net book value at 31 December 2020

239 361 498 166 219 716 405 581 214

28 191 582



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 11. INTANGIBLE ASSETS (Continued)

#### Prior period error

Accumulated depreciation

Balance at 1 January 2020

Charge to income statement

Balance at 31 December 2020

Net book value at 31 December 2020 73 689 726

and impairment

Disposals

Impairment

The Bank changed its accounting policy on intangible assets to revaluation model in 2018. The intangible assets comprised of computer software and work in progress in the development of internally generated computer software. The Bank has significant computer software assets that were acquired during the multicurrency period as well as in the mono currency period. The computer software acquired in the multi-currency period was, through implementation of SI 33 of 2019, converted to local currency at the rate of 1:1 for USD to ZWL currency. The implementation of SI 33 of 2019, coupled with the significant depreciation of the local currency and the resultant hyperinflation that occurred in the period following currency reforms, which were implemented on 22 February 2019, resulted in significant erosion of carrying value of assets including

In the course of preparation of financial statements, management made judgement for certain items that are especially critical for the Bank's results and financial situation due to materiality, and a judgement was made to adopt the revaluation model for computer software with a view to provide financial information that is meaningful and reasonable to the users of financial statements. The revaluation exercise was undertaken by an independent external valuer and the necessary adjustments were done to the financial statements for the year ended 31 December 2019 and 31 December 2020.

Further reassessment made on the application of revaluation model on computer software in the year ended 31 December 2020 pointed to a technical difficulty in satisfying the requirement of the existence of an active market "as is required by IAS 38 [Intangible Assets]" for adoption of the revaluation model for intangible assets. This was due to the following reasons:

- The pricing information of the computer software is not publicly available as contracts are negotiated between individual buyers and sellers. Computer software was considered a packaged deal designed to meet the specific selection of the
- The computer software is customized to satisfy the requirements of the Bank and this has made it a unique product.

The Bank reverted to the historical cost model from the 2020 financial year.

The condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2020 have been restated to reverse the revaluation gain adjustment on computer software and recognised amortisation. The condensed consolidated inflation adjusted interim financial results have also been restated to apply the exchange rate of USD1:ZWL1 on the date of change of functional currency (22 February 2019), which was the earliest observable exchange rate per IAS 21.

|  |                                |                                   | Equipment                              |                                      |  | Capital                     |   |
|--|--------------------------------|-----------------------------------|--|--------------------------------------|--|-----------------------------|---|
|  | Freehold properties            | Leasehold improvements            | furniture &<br>fittings                | Computer equipment                   | Motor vehicles                         | work in progress            | Total                                   |
|  | ZW\$                           | ZW\$                              | ZW\$                                   | ZW\$                                 | ZW\$                                   | ZW\$                        | ZW\$                                    |
| 12. PROPERTY, PLANT AND EQUIPMENT                                    |                                |                                   |  |                                      |  |                             |   |
| Reviewed June 2021 Cost or valuation Balance at 1 January 2021       | 101 332 939                    | 520 914 957                       | 540 504 484                            | 1 377 962 517                        | 477 115 896                            | 67 912 708                  | 3 085 743 501                           |
| Additions<br>Transfer between categories                             | -                              | 2 963 225<br>-                    | 7 382 499<br>81 574                    | 11 949 947<br>-                      | -                                      | 15 330 937<br>(81 574)      | 37 626 608<br>-                         |
| Balance at 30 June 2021  | 101 332 939                    | 523 878 182                       | 547 968 557                            | 1 389 912 464                        | 477 115 896                            | 83 162 071                  | 3 123 370 109                           |
| Accumulated depreciation and impairment                              |                                |                                   |  |                                      |  |                             |   |
| Balance at 1 January 2021<br>Charge to income statement              | 12 398 118<br>-                | 435 189 303<br>5 259 850          | 203 566 940<br>13 617 644              | 542 487 364<br>112 115 848           | 308 716 875<br>16 810 280              | -                           | 1 502 358 600<br>147 803 622            |
| Balance at 30 June 2021  | 12 398 118                     | 440 449 153                       | 217 184 584                            | 654 603 212                          | 325 527 155                            | -                           | 1 650 162 222                           |
| Net book value at 30 June 2021                                       | 88 934 821                     | 83 429 029                        | 330 783 973                            | 735 309 252                          | 151 588 741                            | 83 162 071                  | 1 473 207 887                           |
| Audited December 2020<br>Balance at 1 January 2020<br>Additions      | 22 960 144<br>78 372 795       | 461 614 033<br>2 974 491          | 322 346 398<br>14 814 143              | 753 811 039<br>54 306 143            |  | 34 394 458<br>141 049 936   | 2 075 434 622<br>291 517 508            |
| Gain on revaluation Disposals  | -                              | -                                 | 178 174 101<br>(146 059)               | 564 234 081<br>(46 324)              | (3 192 654)                            |                             | 742 408 182<br>(3 385 037)              |
| Transfer between categories<br>Balance at 31 December 2020           | 101 332 939                    | 56 326 433<br>520 914 957         | 25 315 901<br>540 504 484              | 5 657 578<br>1 377 962 517           | 477 115 896                            | (87 299 912)<br>88 144 482  | 3 105 975 275                           |
| Accumulated depreciation<br>and impairment                           |                                |                                   |  |                                      |  |                             |   |
| Balance at 1 January 2020<br>Charge to income statement<br>Disposals | -                              | 248 752 654<br>54 979 136         | 166 017 900<br>37 605 516<br>(56 476)  | 377 165 314<br>165 322 050           | 190 166 533<br>85 573 068<br>(780 540) | -                           | 982 102 401<br>343 479 770<br>(837 016) |
| Impairment Balance at 31 December 2020                               | 12 398 118<br>12 398 118       | 131 457 513<br>435 189 303        | 203 566 940                            | 542 487 364                          | 33 757 814<br>308 716 875              | 20 231 774                  | 197 845 219<br>1 522 590 374            |
| Net book value at 31 December 2020                                   | 88 934 821                     | 85 725 654                        | 336 937 544                            | 835 475 153                          | 168 399 021                            | 67 912 708                  | 1 583 384 901                           |
|  |                                |                                   |  | Historical cos                       | +                                      |                             |   |
|  |                                |                                   | Equipment                              | HISTOTICAL COS                       |  | Capital                     |   |
|  | Freehold<br>properties<br>ZW\$ | Leasehold<br>improvements<br>ZW\$ | furniture &<br>fittings<br>ZW\$        | Computer<br>equipment<br>ZW\$        | Motor<br>vehicles<br>ZW\$              | work in<br>progress<br>ZW\$ | Total<br>ZW\$                           |
| Unreviewed June 2021<br>Cost or valuation                            |                                |                                   |  |                                      |  |                             |   |
| Balance at 1 January 2021<br>Additions                               | 73 689 726<br>-                | 87 440 441<br>2 742 724           | 290 425 362<br>6 994 372               | 737 281 010<br>11 305 842            | 160 492 884<br>-                       | 56 271 197<br>14 747 183    | 1 405 600 620<br>35 790 121             |
| Balance at 30 June 2021  | 73 689 726                     | 90 183 165                        | 297 419 734                            | 748 586 852                          | 160 492 884                            | 71 018 380                  | 1 441 390 741                           |
| Accumulated depreciation<br>and impairment                           |                                |                                   |  |                                      |  |                             |   |
| Balance at 1 January 2021<br>Charge to income statement              | -                              | 16 409 771<br>4 911 630           | 11 245 221<br>12 716 109               | 45 021 941<br>104 693 391            | 20 960 606<br>15 697 381               | -                           | 93 637 539<br>138 018 511               |
| Balance at 30 June 2021  | -                              | 21 321 401                        | 23 961 330                             | 149 715 332                          | 36 657 987                             | -                           | 231 656 050                             |
| Net book value at 30 June 2021                                       | 73 689 726                     | 68 861 764                        | 273 458 404                            | 598 871 520                          | 123 834 897                            | 71 018 380                  | 1 209 734 691                           |
| Unaudited December 2020<br>Balance at 1 January 2020                 | 4 241 000                      | 45 072 711                        | 32 883 507                             | 82 441 145                           | 58 746 818                             | 6 353 048                   | 229 738 229                             |
| Additions Currency conversion reversal                               | 45 510 451                     | 2 420 618                         | 11 076 597                             | 36 918 811                           | -                                      | 110 060 509<br>(773 075)    | , ,                                     |
| Gain on revaluation Disposals Transfer between categories            | 23 938 275                     | -<br>-<br>39 947 112              | 230 322 831<br>(121 022)<br>16 263 449 | 614 800 713<br>(38 383)<br>3 158 724 | 104 391 440<br>(2 645 374)             | -<br>-<br>(59 369 285)      | 973 453 259<br>(2 804 779)              |
| Balance at 31 December 2020  | 73 689 726                     | 87 440 441                        | 290 425 362                            | 737 281 010                          | 160 492 884                            |                             | 1 405 600 620                           |

|   | Inflation   | adjusted  | Historica   | al cost   |
|---|---|---|---|---|
|   | Reviewed<br>30 Jun 2021<br>ZW\$   | Audited<br>31 Dec 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$   | Unaudited<br>31 Dec 2020<br>ZW\$  |
| 13. DEPOSITS FROM CUSTOMERS   |   |   |   |   |
| Deposits by type  |   |   |   |   |
| Current accounts<br>Savings and call accounts<br>Term deposits<br>Bank deposits   | 3 273 731 551<br>7 586 573 982<br>1 445 549 968<br>199 008 904<br>12 504 864 405          | 2 242 193 902<br>5 440 575 208<br>657 593 166<br>36 845 266<br>8 377 207 542    | 3 273 731 551<br>7 586 573 982<br>1 445 549 968<br>199 008 904<br>12 504 864 405          | 1 857 839 882<br>4 507 958 741<br>544 869 384<br>30 529 298<br>6 941 197 305    |
| Maturity Analysis of deposits from customers<br>On Demand<br>Within 1 Month<br>Between 1 and 6 Months<br>Between 6 and 12 months<br>After 12 Months | 8 373 652 119<br>3 892 301 184<br>230 381 147<br>1 251 027<br>7 278 928<br>12 504 864 405 | 5 427 290 356<br>2 894 879 608<br>52 774 675<br>2 262 903<br>-<br>8 377 207 542 | 8 373 652 119<br>3 892 301 184<br>230 381 147<br>1 251 027<br>7 278 928<br>12 504 864 405 | 4 496 951 163<br>2 398 643 036<br>43 728 106<br>1 875 000<br>-<br>6 941 197 305 |
| Secured and unsecured deposits analysis<br>Secured deposits<br>Unsecured deposits   | 935 062 413<br>11 569 801 992<br>12 504 864 405   | 81 199 689<br>8 296 007 853<br>8 377 207 542                                    | 935 062 413<br>11 569 801 992<br>12 504 864 405   | 67 280 542<br>6 873 916 763<br>6 941 197 305                                    |

5 754 792

16 409 771

4 007 851

7 284 165

11 245 221

(46 795)

12 870 390

19 465

71 030 670 279 180 141 692 259 069 139 532 278 56 271 197 1 311 963 081

5 154 282

16 453 065

(646 741)

27 787 315

66 524 295

93 637 539

(693 536)

19 465

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 13. DEPOSITS FROM CUSTOMERS

Investments Savings Loans Mortgages Insurance

|                |                                 | Inflational adjusted |                                |                   |                                   | Historical cost   |                                    |                  |  |
|----------------|---------------------------------|----------------------|--------------------------------|-------------------|-----------------------------------|-------------------|------------------------------------|------------------|--|
|                | Reviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution    | Audited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution | Unreviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Unaudited<br>31 Dec 2020<br>ZW\$ C | %<br>ontributior |  |
| Private        | 1 769 911 316                   | 14%                  | 1 223 190 609                  | 15%               | 1 769 911 316                     | 14.15%            | 1 013 512 834                      | 14.60%           |  |
| Agriculture    | 932 753 231                     | 7%                   | 624 262 218                    | 7%                | 932 753 231                       | 7.46%             | 517 251 984                        | 7.459            |  |
| Mining         | 81 724 308                      | 1%                   | 62 036 847                     | 1%                | 81 724 308                        | 0.65%             | 51 402 570                         | 0.749            |  |
| Manufacturing  | 570 850 201                     | 5%                   | 354 241 059                    | 4%                | 570 850 201                       | 4.57%             | 293 517 509                        | 4.239            |  |
| Distribution   | 221 087 411                     | 2%                   | 560 053 017                    | 7%                | 221 087 411                       | 1.77%             | 464 049 443                        | 6.699            |  |
| Construction   | 188 256 446                     | 2%                   | 144 715 233                    | 2%                | 188 256 446                       | 1.51%             | 119 908 332                        | 1.739            |  |
| Transport      | 29 300 015                      | 0%                   | 98 314 857                     | 1%                | 29 300 015                        | 0.23%             | 81 461 850                         | 1.179            |  |
| Services       | 5 594 945 178                   | 45%                  | 3 603 896 914                  | 43%               | 5 594 945 178                     | 44.74%            | 2 986 121 499                      | 43.029           |  |
| Financial      | 1 830 378 862                   | 15%                  | 931 003 646                    | 11%               | 1 830 378 862                     | 14.64%            | 771 412 188                        | 11.119           |  |
| Communications | 1 285 657 437                   | 10%                  | 775 493 142                    | 9%                | 1 285 657 437                     | 10.28%            | 642 559 096                        | 9.269            |  |
|                | 12 504 864 405                  | 100%                 | 8 377 207 542                  | 100%              | 12 504 864 405                    | 100%              | 6 941 197 306                      | 1009             |  |

|   | Inflation   | adjusted                                   | Historical cost                           |   |  |
|---|---|--|---|---|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$                           | Audited<br>31 Dec 2020<br>ZW\$             | Unreviewed<br>30 Jun 2021<br>ZW\$         | Unaudited<br>31 Dec 2020<br>ZW\$          |  |
| 14. OFFSHORE BORROWINGS   |   |  |   | _   |  |
| Balance at beginning of the period<br>Repayments<br>Exchange rate movement<br>Effects of monetary adjustments | 293 521 765<br>(63 124 952)<br>10 434 285<br>(50 315 127) | 405 053 100<br>(158 740 546)<br>47 209 211 | 243 206 638<br>(63 124 952)<br>10 434 285 | 74 817 920<br>(92 033 778)<br>260 422 496 |  |
| Balance at 30 June 2021   | 190 515 971   | 293 521 765                                | 190 515 971                               | 243 206 638                               |  |

The offshore borrowing is in respect of loans advanced to ZB Bank Limited, at interest rates ranging between 9,49% to 9.56%. The loans mature on October 2022. Offshore borrowings balances at period end are non current.

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 15. TRADE AND OTHER PAYABLES                     |                                 |                                |                                   |                                  |
| Interest accrued on deposits                     | 59 571 493                      | 44 898 122                     | 59 571 493                        | 37 095 624                       |
| *Items in transit                                | 91 715 132                      | 255 928 465                    | 91 715 132                        | 212 057 533                      |
| Tax related liabilities                          | 330 099 232                     | 117 420 095                    | 330 099 232                       | 97 292 092                       |
| Payroll related liabilities                      | 652 042 755                     | 287 251 657                    | 652 042 755                       | 238 117 464                      |
| Accruals and sundries                            | 401 522 926                     | 208 118 726                    | 401 522 926                       | 172 443 279                      |
| Expected credit loss on loan commitments         | 3 380 057                       | 1 765 296                      | 3 380 057                         | 1 462 691                        |
| Amounts clearing to other banks                  | 199 094 421                     | 132 529 992                    | 199 094 421                       | 109 811 870                      |
|  | 1 737 426 016                   | 1 047 912 353                  | 1 737 426 016                     | 868 280 553                      |
|  |                                 |                                |                                   |                                  |
| * Items in transit relate mainly to transactions | on suspense which v             | vere still outstandin          | g as at end of perio              | d                                |

|  | 1 /3/ 426 016  | 1 047 912 353 | 1 /3/ 426 016 | 868 280 553   |  |  |  |  |  |  |  |
|--|--|---------------|---------------|---------------|--|--|--|--|--|--|--|
|  |  |               |               |               |  |  |  |  |  |  |  |
| * Items in transit relate mainly to transactions     | * Items in transit relate mainly to transactions on suspense which were still outstanding as at end of period. |               |               |               |  |  |  |  |  |  |  |
|  |  |               |               |               |  |  |  |  |  |  |  |
| 16. LEASE LIABILITIES                                |  |               |               |               |  |  |  |  |  |  |  |
|  |  |               |               |               |  |  |  |  |  |  |  |
| Balance at beginning of the period                   | 250 701 035  | 71 738 828    | 207 726 184   | 13 250 979    |  |  |  |  |  |  |  |
| Add accrued interest posted to profit and loss       | 71 131 476   | 84 032 640    | 47 214 672    | 44 432 365    |  |  |  |  |  |  |  |
| Less lease commitments paid during the period        | (95 327 928)   | (104 590 739) | (63 275 459)  | (55 302 486)  |  |  |  |  |  |  |  |
| Add lease liability reassessment                     | 22 470 803   | 249 725 079   | 22 470 803    | 206 917 524   |  |  |  |  |  |  |  |
| Add (profit)/loss on adjustment of lease liabilities | (1 527 107)  | (1 897 458)   | (1 527 107)   | (1 572 198)   |  |  |  |  |  |  |  |
| Arising from monetary adjustments                    | (34 839 186)   | (48 307 315)  | -             | -             |  |  |  |  |  |  |  |
|  | 212 609 093  | 250 701 035   | 212 609 093   | 207 726 184   |  |  |  |  |  |  |  |
|  |  |               |               |               |  |  |  |  |  |  |  |
| 17. CAPITAL ADEQUACY                                 |  |               |               |               |  |  |  |  |  |  |  |
| •  |  |               |               |               |  |  |  |  |  |  |  |
| Ordinary share capital                               | 90 683 544   | 90 683 544    | 1 810 402     | 1 810 402     |  |  |  |  |  |  |  |
| Share premium  | 1 650 877 390  | 1 650 877 390 | 32 958 032    | 32 958 032    |  |  |  |  |  |  |  |
| Total reserves                                       | 2 969 485 072  | 2 992 455 890 | 3 829 350 890 | 3 771 227 204 |  |  |  |  |  |  |  |
| IFRS Capital   | 4 711 046 006  | 4 734 016 824 | 3 864 119 324 | 3 805 995 638 |  |  |  |  |  |  |  |
| •  |  |               |               |               |  |  |  |  |  |  |  |
| Add/(less) Regulatory adjustments                    |  |               |               |               |  |  |  |  |  |  |  |
| Fair value adjustment on capitalisation              |  |               |               |               |  |  |  |  |  |  |  |
| ran value adiustinelli on capitalisation             |  |               |               |               |  |  |  |  |  |  |  |

| Add/(less) Regulatory adjustments           |                 |                 |                |                |
|---|-----------------|-----------------|----------------|----------------|
| Fair value adjustment on capitalisation     |                 |                 |                |                |
| treasury bills                              | 2 646 892       | 2 709 809       | 2 646 892      | 2 245 297      |
| Interest in reserve on non-performing loans | (7 600 312)     | (4 966 182)     | (7 600 312)    | (4 114 885)    |
| Loans to group entities and directors       | (38 532 970)    | (4 192 008)     | (38 532 970)   | (3 473 420)    |
| Revaluation reserve                         | (1 082 444 279) | (1 082 444 279) | (964 677 211)  | (964 677 211)  |
| Tier 1 capital                              | 3 585 115 337   | 3 645 124 164   | 2 855 955 723  | 2 835 975 419  |
|   |                 |                 |                |                |
| Revaluation reserve                         | 1 082 444 279   | 1 082 444 279   | 919 239 238    | 919 239 238    |
| Effect of changes in functional currency    | -               | -               | 45 437 973     | 45 437 973     |
| Tier 2 Capital                              | 1 082 444 279   | 1 082 444 279   | 964 677 211    | 964 677 211    |
| ·   |                 |                 |                |                |
| Total Capital Base                          | 4 667 559 616   | 4 727 568 443   | 3 820 632 934  | 3 800 652 630  |
|   |                 |                 |                |                |
| Credit risk weighted assets                 | 11 966 772 052  | 8 709 420 879   | 10 996 781 677 | 7 031 238 414  |
| Operational risk equivalent assets          | 2 867 151 080   | 7 422 559 760   | 3 707 584 746  | 3 012 044 211  |
| Market risk equivalent assets               | 2 092 860 424   | 1 945 029 724   | 2 094 588 417  | 1 611 615 208  |
| Total Risk weighted Assets                  | 16 926 783 556  | 18 077 010 363  | 16 798 954 840 | 11 654 897 833 |

21.18%

6.39%

27.57%

#### Capital adequacy ratio NET INTEREST INCOME

Tier 1 capital ratio

Tier 2 capital ratio

| 16. NET INTEREST INCOME              |             |             |             |             |
|--------------------------------------|-------------|-------------|-------------|-------------|
| 18.1 Interest and related income     |             |             |             |             |
| Advances                             | 695 421 745 | 225 191 982 | 649 909 589 | 66 523 607  |
| Overdrafts                           | 115 622 126 | 33 699 795  | 109 099 759 | 10 141 998  |
| Establishment fees                   | 95 052 720  | 60 517 554  | 88 759 863  | 18 611 601  |
| Placements with other banks          | -           | 2 513 111   | -           | 651 314     |
| Treasury bills                       | 73 509 828  | 55 975 042  | 69 154 103  | 17 137 138  |
| Other interest receivable categories | 16 806 402  | 27 098 891  | 16 118 821  | 7 635 761   |
| Total interest income                | 996 412 821 | 404 996 375 | 933 042 135 | 120 701 419 |
|                                      |             |             |             |             |
| 18.2 Interest and related expense    |             |             |             |             |
| Customer deposits                    | 115 485 895 | 33 688 735  | 109 090 093 | 10 134 629  |

2 351 243

175 394 359

821 018 462

138 568 971

1 063 456 784

#### Other interest payable categories Total interest expense Net interest income 19. Analysis of loan impairment charges/

Placements from other banks

| 15. Falarysis of four impairment charges,   |
|---|
| (recoveries) to statement of profit or loss |
| Impaiment charges on loans and overdrafts   |
| Impairment charge/(reversal) on other       |
| financial assets                            |
| Impairment charge on guarantees             |
| Impairment charge on undrawn facilities     |
| Recoveries during the period                |
| Effects of monetary adjustments             |
|   |

#### 20. Commission and fee income comprises income from: Digital channels

21. OTHER INCOME Exchange income

Other commissions

| 212 054 880                | 125 681 070                | 204 859 030                | 60 820 087               |
|----------------------------|----------------------------|----------------------------|--------------------------|
| 6 236 526                  | (149 059)                  | 6 236 526                  | (72 133)                 |
| 576 553<br>1 707 817       | 1 122 411<br>769 043       | 360 510<br>1 556 855       | 543 162<br>372 158       |
| (1 847 181)                | (1 814 822)<br>32 838 227  | (1 832 535)                | (878 236)<br>-           |
| 218 728 595                | 158 446 870                | 211 180 386                | 60 785 038               |
|                            |                            |                            |                          |
| 413 403 505<br>511 484 308 | 196 605 517<br>220 840 265 | 386 034 600<br>477 622 076 | 60 464 167<br>67 917 334 |
| 311 704 300                | 220 040 203                | 477 022 070                | 0, 51, 554               |

20.16%

5.99%

26.15%

791 912

18 476 178

352 039 550

89 935 649

507 381 431

17.00%

5.74%

22.74%

2 290 613

167 312 173

765 729 962

134 910 304

998 566 980

24.33%

8.28%

32.61%

190 430

15 569 852

105 131 567

12 705 235

141 086 736

206 812 670 1 415 285 014 204 256 401 684 890 401 36 424 493 9 354 516 Dividends from other investments 38 269 239 36 672 047 Rentals and recoveries 24 065 462 17 190 986 24 240 605 5 306 663 3 892 652 1 759 548 1 867 966 210 240 273 040 023 1 470 907 595 266 789 465 699 761 820



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|   | Inflation                       | adjusted                       | Historical cost                   |                                  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 22. FAIR VALUE ADJUSTMENTS                          |                                 |                                |                                   |                                  |
| Arising from FVTPL investments                      |                                 |                                |                                   |                                  |
| Investment securities                               | 421 338 580                     | 103 220 487                    | 505 246 118                       | 57 962 696                       |
| Investment in subsidiary company                    | 170 794 719                     | 451 127 009                    | 44 524 781                        | 799 663 387                      |
| Treasury bills at fair value through                |                                 |                                |                                   |                                  |
| profit or loss (FVTPL)                              | (29 311 863)                    | -                              | (29 311 863)                      | -                                |
|   | 562 821 436                     | 554 347 496                    | 520 459 036                       | 857 626 083                      |
| 23. OPERATING EXPENSES                              |                                 |                                |                                   |                                  |
| Staff expenses                                      | 498 241 013                     | 394 350 523                    | 466 681 353                       | 128 030 902                      |
| Communication expenses                              | 52 941 849                      | 37 197 084                     | 49 566 810                        | 13 066 946                       |
| Computer and information technology                 | 240 294 340                     | 146 954 554                    | 226 295 391                       | 46 280 186                       |
| Occupation expenses                                 | 66 748 367                      | 36 510 977                     | 59 399 761                        | 9 587 809                        |
| Transport expenses                                  | 7 344 868                       | 6 515 716                      | 6 978 208                         | 2 095 851                        |
| Travelling expenses                                 | 9 547 151                       | 6 575 660                      | 9 224 703                         | 2 071 966                        |
| Administration expenses*                            | 811 332 608                     | 348 252 216                    | 744 275 116                       | 94 785 810                       |
|   | 1 686 450 196                   | 976 356 730                    | 1 562 421 342                     | 295 919 470                      |
| Included in operating expenses<br>are the following |                                 |                                |                                   |                                  |
| Depreciation charge on property and equipment       | 147 803 622                     | 26 261 183                     | 138 018 511                       | 6 347 466                        |
| Amortisation of intangible assets                   | 20 049 338                      | 48 534 523                     | 587 584                           | 1 119 285                        |
| Depreciation charge on right of use asset           | 29 907 948                      | 5 709 918                      | 29 415 293                        | 2 763 166                        |
| Auditors'remuneration                               | 11 563 181                      | 7 170 084                      | 11 275 327                        | 1 424 707                        |

\* The Bank lost US\$2 775 000 and ZW\$43 090 in a heist on 6 January 2021 after a Cash In Transit vehicle was involved in a robbery incident. The cash heist loss is included in adminstration expenses.

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 24. INCOME TAX EXPENSE   |                                 |                                |                                   |                                  |  |
| Current income tax   | 314 431 196                     | 181 319                        | 314 431 196                       | 87 744                           |  |
| Deferred taxation (credit)/expense                                   | (111 739 442)                   | 63 838 656                     | (123 487 618)                     | (37 629 130)                     |  |
|  | 202 691 754                     | 64 019 976                     | 190 943 578                       | (37 541 386)                     |  |
| 25. CONTINGENT LIABILITIES   |                                 |                                |                                   |                                  |  |
| <b>25.1</b> The nominal values of such commitments are listed below: |                                 |                                |                                   |                                  |  |
| In respect of guarantees   | 700 460 558                     | 831 122 629                    | 700 460 558                       | 688 652 647                      |  |
| In respect of undrawn commitments                                    | 728 680 207                     | 336 280 242                    | 728 680 207                       | 278 635 511                      |  |
|  | 1 429 140 765                   | 1 167 402 871                  | 1 429 140 765                     | 967 288 158                      |  |
| 25.2 Impairment movement on Guarantees                               |                                 |                                |                                   |                                  |  |
| Balance at beginning of the period                                   | 1 004 769                       | 2 555 439                      | 832 532                           | 139 817                          |  |
| Charge to statement of profit or loss (note 18)                      | 576 553                         | 15 375 959                     | 360 510                           | 692 715                          |  |
| Effects of monetary adjustment                                       | 449 085                         | (16 926 629)                   | -                                 | -                                |  |
| Balance at end of the period   | 2 030 407                       | 1 004 769                      | 1 193 042                         | 832 532                          |  |
| 25.3 Impairment movement on undrawn commitments                      |                                 |                                |                                   |                                  |  |
| Balance at beginning of the period                                   | 760 527                         | 2 232 222                      | 630 159                           | 744 516                          |  |
| Charge to statement of profit or loss (note 18)                      | 1 707 817                       | 5 459 275                      | 1 556 855                         | (114 357)                        |  |
| Effects of monetary adjustment                                       | (281 330)                       | (6 930 970)                    | -                                 | -                                |  |
| Balance at end of the period   | 2 187 014                       | 760 527                        | 2 187 014                         | 630 159                          |  |

## 26. RISK MANAGEMENT

#### 26.1 Financial assets and financial liabilities classification and fair values

|                                      |               |                  | CARRYING AI | MOUNT           |                  |             | FAIR V        | ALUE            |               |
|--------------------------------------|---------------|------------------|-------------|-----------------|------------------|-------------|---------------|-----------------|---------------|
|                                      | Classified    |                  |             | Other           |                  |             |               |                 |               |
|                                      | at Fair       | Classified       | Classified  | financial       |                  |             |               |                 |               |
|                                      | Value P/L     | at AMCO          | at FVTOCI   | liabilities     | Total            | Level 1     | Level 2       | Level 3         | Total         |
|                                      | zw\$          | zw\$             | zw\$        | zw\$            | zw\$             | ZW\$        | zw\$          | zw\$            | zw\$          |
| Reviewed 30 June 2021                |               |                  |             |                 |                  |             |               |                 |               |
| Equity Securities                    | 614 931 092   |                  |             | 4               | 614 931 092      | 96 193 337  |               | - 518 737 755   | 614 931 092   |
| Treasury Bills                       | 1 033 916 104 |                  | 122 861 431 | 4               | 1 156 777 535    |             | 1 033 916 104 |                 | 1 156 777 535 |
| Investment in Subsidiary company     | 2 075 461 740 | 4                |             | 4               | 2 075 461 740    |             |               | - 2 075 461 740 |               |
| •                                    | 3 724 308 936 | -                | 122 861 431 |                 | 3 847 170 367    | 96 193 337  |               | 2 717 060 926   |               |
| Cash and short term funds            | -             | 6 383 621 596    |             |                 | 6 383 621 596    |             |               |                 |               |
| Treasury Bills                       | -/            | 43 531 155       |             | 4               | 43 531 155       |             |               |                 |               |
| Advances and other accounts          | -/            | 5 818 484 361    |             | 4               | 5 818 484 361    |             |               |                 |               |
| Inventories, trade other receivables | -/            | 1 442 100 797    | 7           | 4               | 1 442 100 797    |             |               |                 |               |
| Investment securities                | -/            | 211 046 064      | 7           | 4               | 211 046 064      |             |               |                 |               |
| Amounts clearing from other banks    | -             | 64 458 806       |             |                 | 64 458 806       |             |               |                 |               |
|                                      |               | 13 963 242 779   |             |                 | 13 963 242 779   |             |               |                 |               |
| Deposits from customers              | -             | (12 504 864 405) |             |                 | (12 504 864 405) |             |               |                 |               |
| Offshore borrowings                  | -/            | 4                | 7           | (190 515 971)   | (190 515 971)    |             |               |                 |               |
| Trade and other payables             | -/            | 4                | 7           | (1 538 331 595) | (1 538 331 595)  |             |               |                 |               |
| Amounts clearing to other banks      | -/            | (199 094 421)    |             | 4               | (199 094 421)    |             |               |                 |               |
|                                      | -             | (12 703 958 826) | -           | (1 728 847 566) | (14 432 806 391) |             |               |                 |               |
| Audited 31 December 2020             |               |                  |             |                 |                  |             |               |                 |               |
| Equity Securities                    | 489 488 752   |                  |             | 4               | 489 488 752      | 200 607 618 |               | 288 881 134     | 489 488 752   |
| Treasury Bills                       | 372 988 356   | ALC: Y           | 200 308 778 | 4               | 573 297 134      |             | 372 988 356   |                 |               |
| Investment in subsidiary             | 1 904 667 021 |                  |             |                 | 1 904 667 021    |             |               | - 1 904 667 021 |               |
|                                      | 2 767 144 129 |                  | 200 308 778 |                 | 2 967 452 907    | 200 607 618 | 372 988 356   | 2 393 856 933   | 2 967 452 907 |
| Cash and short term funds            | -             | 5 581 652 826    |             |                 | 5 581 652 826    |             |               |                 |               |
| Treasury Bills                       | 7             | 52 005 634       |             | 4               | 52 005 634       |             |               |                 |               |
| Advances and other accounts          | 7             | 3 611 554 760    |             | 4               | 3 611 554 760    |             |               |                 |               |
| Inventories, trade other receivables | -7            | 586 677 989      |             | 4               | 586 677 989      |             |               |                 |               |
| Investment securities                | 7             | 82 199 476       |             | 4               | 82 199 476       |             |               |                 |               |
| Amounts clearing from other banks    | -             | 36 728 924       |             |                 | 36 728 924       | _           |               |                 |               |
|                                      | -             | 9 950 819 610    |             |                 | 9 950 819 610    |             |               |                 |               |
| Deposits from customers              | -             | (8 377 207 542)  |             | -               | (8 377 207 542)  |             |               |                 |               |
| Offshore borrowings                  | -/            | A                | 7           | (293 521 765)   | (293 521 765)    |             |               |                 |               |
| Trade and other payables             | -7            | 4                |             | (915 382 361)   | (915 382 361)    |             |               |                 |               |
| Amounts clearing to other banks      | -/            | (132 529 992)    |             |                 | (132 529 992)    | _           |               |                 |               |
|                                      |               | (0 500 727 524)  |             | (1 200 004 126) | (0.719.641.660)  |             |               |                 |               |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 26. RISK MANAGEMENT (Continued)

|  | Historical cost                            |                               |                                 |   |                                   |                 |                 |                 |               |
|--|--|-------------------------------|---------------------------------|---|-----------------------------------|-----------------|-----------------|-----------------|---------------|
|  | cl .c. l                                   |                               | CARRYING AN                     |   | FAIR VALUE                        |                 |                 |                 |               |
|  | Classified<br>at Fair<br>Value P/L<br>ZW\$ | Classified<br>at AMCO<br>ZW\$ | Classified<br>at FVTOCI<br>ZW\$ | Other<br>financial<br>liabilities<br>ZW\$ | Total<br>ZW\$                     | Level 1<br>ZW\$ | Level 2<br>ZW\$ | Level 3<br>ZW\$ | Total<br>ZW\$ |
| Unreviewed 30 June 2021  |  |                               |                                 |   |                                   |                 |                 |                 |               |
| Equity Securities  | 614 931 092                                | -                             | -                               | -   | 614 931 092                       | 96 193 337      | -               | 518 737 755     | 614 931 092   |
| Treasury Bills   | 1 033 916 104                              | -                             | 122 861 431                     | -   | 1 156 777 535                     | -               | 1 033 916 104   |                 | 1 156 777 535 |
| Investment in Subsidiary company   | 1 604 544 032                              | -                             | 422.064.424                     | -   | 1 604 544 032                     |                 |                 | 1 604 544 032   |               |
|  | 3 253 391 228                              | -                             | 122 861 431                     | -   | 3 376 252 659                     | 96 193 337      | 1 033 916 104   | 2 246 143 218   | 3 3/6 252 659 |
| Cash and short term funds  | -  | 6 383 621 596                 | _                               | _   | 6 383 621 596                     |                 |                 |                 |               |
| Treasury Bills   |  | 43 531 155                    | _                               | _   | 43 531 155                        |                 |                 |                 |               |
| Advances and other accounts  |  | 5 818 484 361                 |                                 |   | 5 818 484 361                     |                 |                 |                 |               |
| Trade other receivables  | -  | 1 442 100 797                 | -                               | -   | 1 442 100 797                     |                 |                 |                 |               |
| Investment securities  | -  | 211 046 064                   | -                               | -   | 211 046 064                       |                 |                 |                 |               |
| Amounts clearing from other banks  | -  | 64 458 806                    | -                               | -   | 64 458 806                        |                 |                 |                 |               |
|  | -  | 13 963 242 779                | -                               | -   | 13 963 242 779                    |                 |                 |                 |               |
| Deposits from customers  |  | (12 504 964 405)              |                                 |   | (12 504 964 405)                  |                 |                 |                 |               |
| Offshore borrowings  | -  | (12 504 864 405)              | -                               | (190 515 971)                             | (12 504 864 405)<br>(190 515 971) |                 |                 |                 |               |
| Trade and other payables   |  |                               |                                 | (1 538 331 595)                           | (1 538 331 595)                   |                 |                 |                 |               |
| Amounts clearing to other banks  |  | (199 094 421)                 |                                 | (1 330 331 333)                           | (199 094 421)                     |                 |                 |                 |               |
| Amounts cleaning to other banks  | -  | (12 703 958 826)              |                                 | (1 728 847 566)                           | (14 432 806 391)                  |                 |                 |                 |               |
|  |  | ,                             |                                 | ,   |                                   |                 |                 |                 |               |
| Unaudited 31 December 2020   |  |                               |                                 |   |                                   |                 |                 |                 |               |
| Equity Securities  | 405 581 214                                | -                             | -                               | -   | 405 581 214                       | 166 219 716     | -               | 239 361 498     | 405 581 214   |
| Treasury Bills   | 309 051 167                                | -                             | 165 972 103                     | -   | 475 023 270                       | -               | 309 051 167     | 165 972 103     | 475 023 270   |
| Investment in subsidiary   | 1 560 019 251                              | -                             | -                               | -   | 1 560 019 251                     | -               | -               | 1 560 019 251   | 1 560 019 251 |
|  | 2 274 651 632                              | -                             | 165 972 103                     | -   | 2 440 623 735                     | 166 219 716     | 309 051 167     | 1 965 352 852   | 2 440 623 735 |
| Cash and short term funds  |  | 4 624 853 014                 |                                 |   | 4 624 853 014                     |                 |                 |                 |               |
| Treasury Bills   |  | 43 090 894                    |                                 |   | 43 090 894                        |                 |                 |                 |               |
| Advances and other accounts  |  | 2 992 466 648                 |                                 |   | 2 992 466 648                     |                 |                 |                 |               |
| Trade and other receivables  |  | 486 110 397                   |                                 |   | 486 110 397                       |                 |                 |                 |               |
| Investment securities  |  | 68 108 946                    | _                               | _   | 68 108 946                        |                 |                 |                 |               |
| Amounts clearing from other banks  | _  | 30 432 899                    |                                 |   | 30 432 899                        |                 |                 |                 |               |
| , and the second | -  | 8 245 062 798                 | -                               | -   | 8 245 062 798                     |                 |                 |                 |               |
| Deposits from customers  |  | (6.041.107.305)               |                                 |   | (6.041.107.205)                   |                 |                 |                 |               |
| Offshore borrowings  | -  | (6 941 197 305)               | -                               | (243 206 638)                             | (6 941 197 305)<br>(243 206 638)  |                 |                 |                 |               |
| Trade and other payables   |  |                               |                                 | (758 468 683)                             | (758 468 683)                     |                 |                 |                 |               |
| Amounts clearing to other banks  |  | (109 811 870)                 |                                 | (730 400 003)                             | (109 811 870)                     |                 |                 |                 |               |
| Amounts cleaning to other balks  | -  | (7 051 009 175)               | -                               | (1 001 675 321)                           | (8 052 684 496)                   |                 |                 |                 |               |
|  |  | (7 051 005 175)               |                                 | (1 001 0/3 321)                           | (0 032 004 430)                   |                 |                 |                 |               |

The carrying amount of the items classified at AMCO reasonably aproximates fair value

#### 26.2 Liquidity risk

|   | Inflation adjusted  |  |  |  |   |   |  |
|---|---|--|--|--|---|---|--|
| Liquidity gap analysis  | Up to 1<br>month<br>ZW\$                                  | 2 to 6<br>months<br>ZW\$                                     | 7 to 12<br>months<br>ZW\$  | Above<br>12 months<br>ZW\$   | Total<br>ZW\$   | Carrying<br>amoun<br>ZW\$   |  |
| Reviewed as at 30 June 2021   |   |  |  |  |   |   |  |
| Assets<br>Cash and short term funds<br>Treasury bills<br>Advances and other accounts                            | 5 641 504 752<br>-<br>851 957 679                         | 412 965 147<br>410 790 410<br>933 893 739                    | 329 151 697<br>858 038 141<br>966 685 838                            | -<br>88 452 093<br>4 692 920 069                                     | 6 383 621 596<br>1 357 280 646<br>7 445 457 325                                 | 6 383 621 596<br>1 200 308 690<br>5 818 484 361                                 |  |
| Financial assets at fair value<br>through profit or loss<br>Financial assets held at amortised cost             | 6 493 462 431   | -<br>-<br>1 757 649 296                                      | 2 153 875 676  | 614 931 092<br>211 046 064<br>5 607 349 318                          | 614 931 092<br>211 046 064<br>16 012 336 723                                    | 614 931 092<br>211 046 064<br>14 228 391 803                                    |  |
| Liabilities Deposits and other accounts Offshore borrowings Trade and other payables Lease liability            | 12 295 087 763<br>-<br>489 847 657<br>-<br>12 784 935 420 | 233 037 656<br>72 897 564<br>353 825 799<br>-<br>659 761 019 | 1 265 453<br>72 897 564<br>181 874 419<br>88 587 122<br>344 624 560  | 7 362 863<br>72 897 569<br>651 812 084<br>124 021 969<br>856 094 485 | 12 536 753 735<br>218 692 697<br>1 677 359 960<br>212 609 093<br>14 645 415 485 | 12 504 864 405<br>190 515 971<br>1 737 426 016<br>212 609 093<br>14 645 415 485 |  |
| Period gap<br>Cumulative gap  |   |  | 1 809 251 118<br>(3 384 333 594)                                     |  | 1 366 921 238   | (417 023 682  |  |
| Audited as at 31 December 2020  |   |  |  |  |   |   |  |
| Assets Cash and short term funds Treasury bills Advances and other accounts Investment securities at fair value | 4 665 662 393<br>60 542 502<br>572 147 934                | 147 653 498<br>291 825 326<br>401 053 289                    | 768 336 935<br>102 893 520<br>1 139 747 318                          | 227 770 991<br>2 214 684 663<br>489 488 752                          | 5 581 652 826<br>683 032 339<br>4 327 633 204<br>489 488 752                    | 5 581 652 826<br>625 302 768<br>3 611 554 760<br>489 488 752                    |  |
| through profit or loss<br>nvestment securities held at<br>amortised cost  | 5 298 352 829   | 840 532 113  | 2 010 977 773  | 82 199 476<br>3 014 143 882  | 82 199 476<br>11 164 006 597  | 82 199 476<br>10 390 198 582  |  |
| iabilities<br>Deposits from customers<br>Offshore borrowings<br>Trade and other payables<br>Lease liability     | 8 337 398 579<br>619 049 884<br>-<br>8 956 448 463        | 53 191 660<br>80 689 097<br>219 630 779<br>-<br>353 511 536  | 2 280 798<br>80 689 097<br>164 333 569<br>104 458 765<br>351 762 229 | -<br>161 378 199<br>-<br>146 242 270<br>307 620 469                  | 8 392 871 037<br>322 756 393<br>1 003 014 232<br>250 701 035<br>9 969 342 697   | 8 377 207 54;<br>293 521 76;<br>1 047 912 35;<br>250 701 03;<br>9 969 342 69;   |  |
| Period gap<br>Cumulative gap  | (3 658 095 634)<br>(3 658 095 634)                        |  | 1 659 215 544<br>(1 511 859 513)                                     | 2 706 523 413<br>1 194 663 900                                       | 1 194 663 900   | 420 855 887   |  |

|  |                          | Historical cost          |                           |                            |                              |                       |  |  |  |  |
|--|--------------------------|--------------------------|---------------------------|----------------------------|------------------------------|-----------------------|--|--|--|--|
| Liquidity gap analysis                                   | Up to 1<br>month<br>ZW\$ | 2 to 6<br>months<br>ZW\$ | 7 to 12<br>months<br>ZW\$ | Above<br>12 months<br>ZW\$ | inflow/<br>(outflow)<br>ZW\$ | Carryir<br>amou<br>ZW |  |  |  |  |
| . ,,,,,  |                          |                          |                           | ·                          |                              |                       |  |  |  |  |
| Unreviewed as at 30 June 2021                            |                          |                          |                           |                            |                              |                       |  |  |  |  |
| Financial asset by type                                  |                          |                          |                           |                            |                              |                       |  |  |  |  |
| Cash and cash equivalents                                | 5 641 504 752            | 412 965 147              | 329 151 697               | -                          | 6 383 621 596                | 6 383 621 5           |  |  |  |  |
| Freasury bills   | -                        | 410 790 410              | 858 038 141               | 88 452 093                 | 1 357 280 644                | 1 200 308 6           |  |  |  |  |
| Advances and other accounts                              | 851 957 679              | 933 893 739              | 966 685 838               | 4 692 920 069              | 7 445 457 325                | 5 818 484 3           |  |  |  |  |
| inancial assets at fair value<br>through profit or loss  | _                        | _                        | _                         | 614 931 092                | 614 931 092                  | 614 931 0             |  |  |  |  |
| Financial assets held at amortised cost                  | _                        | -                        | -                         | 211 046 064                | 211 046 064                  | 211 046 0             |  |  |  |  |
|  | 6 493 462 431            | 1 757 649 296            | 2 153 875 676             | 5 607 349 318              | 16 012 336 721               | 14 228 391 8          |  |  |  |  |
| inancial liability by type                               |                          |                          |                           |                            |                              |                       |  |  |  |  |
| Financial liability by type Deposits and other accounts  | 12 295 087 763           | 233 037 656              | 1 265 453                 | 7 362 863                  | 12 536 753 735               | 12 504 864 4          |  |  |  |  |
| Offshore borrowing                                       | -                        | 72 897 564               | 72 897 564                | 72 897 569                 | 218 692 697                  | 190 515 9             |  |  |  |  |
| rade and other payables                                  | 489 847 657              | 353 825 799              | 181 874 419               | 651 812 084                | 1 677 359 960                | 1 737 426 (           |  |  |  |  |
| ease Liability   | 42 704 025 420           | -                        | 88 587 122                | 124 021 971                | 212 609 093                  | 212 609 0             |  |  |  |  |
|  | 12 784 935 420           | 659 761 019              | 344 624 558               | 856 094 487                | 14 645 415 485               | 14 645 415 4          |  |  |  |  |
| eriod gap  | (6 291 472 989)          | 1 097 888 277            | 1 809 251 118             | 4 751 254 831              | 1 366 921 237                | (417 023 6            |  |  |  |  |
| Cumulative gap   | (6 291 472 989)          | (5 193 584 712)          | (3 384 333 594)           | 1 366 921 237              | -                            | `                     |  |  |  |  |
| Jnaudited as at 31 December 2020                         |                          |                          |                           |                            |                              |                       |  |  |  |  |
| inancial asset by type                                   |                          |                          |                           |                            |                              |                       |  |  |  |  |
| Cash and cash equivalents                                | 3 865 880 493            | 122 342 924              | 636 629 597               | -                          | 4 624 853 014                | 4 624 853 (           |  |  |  |  |
| reasury bills  | 50 164 384               | 241 801 001              | 85 255 644                | 188 726 778                | 565 947 807                  | 518 114 1             |  |  |  |  |
| dvances and other accounts inancial assets at fair value | 474 071 064              | 332 305 245              | 944 373 286               | 1 835 046 241              | 3 585 795 836                | 2 992 466 6           |  |  |  |  |
| inancial assets at fair value<br>through profit or loss  | _                        | _                        | _                         | 405 581 214                | 405 581 214                  | 405 581 2             |  |  |  |  |
| inancial assets held at amortised cost                   | _                        | -                        | -                         | 68 108 946                 | 68 108 946                   | 68 108 9              |  |  |  |  |
|  | 4 390 115 941            | 696 449 170              | 1 666 258 527             | 2 497 463 179              | 9 250 286 817                | 8 609 123 9           |  |  |  |  |
| inancial liability by type                               |                          |                          |                           |                            |                              |                       |  |  |  |  |
| inancial liability by type<br>eposits from customers     | 6 908 212 343            | 44 073 614               | 1 889 827                 | _                          | 6 954 175 784                | 6 941 197 3           |  |  |  |  |
| Offshore borrowing                                       |                          | 66 857 474               | 66 857 474                | 133 714 953                | 267 429 901                  | 243 206 6             |  |  |  |  |
| rade and other payables                                  | 512 933 142              | 181 981 951              | 136 163 718               | -                          | 831 078 811                  | 868 280 5             |  |  |  |  |
| ease liability   | 7 421 145 485            | 292 913 039              | 86 552 577<br>291 463 596 | 121 173 607<br>254 888 560 | 207 726 184<br>8 260 410 680 | 207 726 1             |  |  |  |  |
|  | 7 421 145 485            | 292 913 039              | 291 403 596               | 234 888 380                | 0 200 410 080                | 8 260 410 6           |  |  |  |  |
| eriod gap  | (3 031 029 544)          | 403 536 131              | 1 374 794 931             | 2 242 574 619              | 989 876 137                  | 348 713 3             |  |  |  |  |
| Cumulative gap   | (3 031 029 544)          | (2 627 493 413)          | (1 252 698 482)           | 989 876 137                | -                            |                       |  |  |  |  |

#### Liquidity ratios

|                                   | Inflation                       | adjusted                       | Historical cost                   |                                  |  |  |  |  |
|-----------------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|--|--|--|
|                                   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |  |  |  |
| Total liquid assets               | 7 746 564 432                   | 6 233 273 870                  | 7 746 564 432                     | 5 164 774 010                    |  |  |  |  |
| Total liabilities to the public   | 12 504 864 405                  | 8 377 207 543                  | 12 504 864 405                    | 6 941 197 305                    |  |  |  |  |
| At 30 June                        | 62%                             | 74%                            | 62%                               | 74%                              |  |  |  |  |
| Average for the period            | 64%                             | 73%                            | 64%                               | 73%                              |  |  |  |  |
| Maximum for the period            | 71%                             | 94%                            | 71%                               | 94%                              |  |  |  |  |
| Minimum for the period            | 57%                             | 59%                            | 57%                               | 59%                              |  |  |  |  |
| Minimum statutory liquidity ratio | 30%                             | 30%                            | 30%                               | 30%                              |  |  |  |  |



Offshore borrowings Lease liability

Period gap

Investments Savings Loans Mortgages Insurance Financial Advisory Community Involvement

243 206 638 207 726 184 7 392 130 127

60 801 658 86 552 577 149 229 235

60 801 658

**ZB FINANCIAL HOLDINGS** LIMITED

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

26.3 Interest gap

Interest rate gap analysis

| Reviewed as at 30 June 2021 |               |             |             |            |
|-----------------------------|---------------|-------------|-------------|------------|
| Assets                      |               |             |             |            |
| Cash and short term funds   | 1 476 324 218 | -           | -           | -          |
| Treasury bills              | -             | 391 187 547 | 732 613 478 | 76 507 665 |
|                             |               |             |             |            |

Financial assets at fair value through profit or loss Financial assets held at amortised cost

Liabilities Deposits from customers Offshore borrowings Lease liability

Period gap Cumulative gap Audited as at 31 December 2020

Financial asset by type Cash and short term funds Treasury bills
Advances and other accounts

Financial assets at fair value through profit or loss

Financial assets held at amortised cost Financial liability by type Deposits from custon Offshore borrowings

Period gap Cumulative gap

Lease liability

|            |                      |                          | Inflation adju                   | sted                         |                                |
|------------|----------------------|--------------------------|----------------------------------|------------------------------|--------------------------------|
| mo         | to 1<br>onth<br>ZW\$ | 2 to 6<br>months<br>ZW\$ | 7 to 12<br>months<br>ZW\$        | Above 12<br>months<br>ZW\$   | Carrying<br>amount<br>ZW\$     |
|            |                      |                          |                                  |                              |                                |
| 4 476 224  | 240                  |                          |                                  |                              | 4 476 224 240                  |
| 1 476 324  | 210                  | 391 187 547              | 732 613 478                      | 76 507 665                   | 1 476 324 218<br>1 200 308 690 |
| 847 506    | 013                  | 900 560 030              | 811 044 339                      | 3 259 373 979                | 5 818 484 361                  |
|            |                      | -                        | -                                | 614 931 092<br>211 046 064   | 614 931 092<br>211 046 064     |
| 2 323 830  | 231                  | 1 291 747 577            | 1 543 657 817                    |                              | 9 321 094 425                  |
|            |                      |                          |                                  |                              |                                |
| 12 265 953 | 303                  | 230 381 147              | 1 251 027                        | 7 278 928                    | 12 504 864 405                 |
|            | -                    | 63 505 322               | 63 505 322                       | 63 505 327                   | 190 515 971                    |
| 12 265 953 |                      | 293 886 469              | 88 587 122<br>153 343 471        | 124 021 971<br>194 806 226   |                                |
|            |                      |                          |                                  |                              |                                |
|            |                      |                          | 1 390 314 346<br>(7 553 947 618) | 3 967 052 574                | (3 586 895 044)                |
| (9 942 123 | 072)                 | (0 944 201 904)          | (7 555 947 616)                  | (3 360 693 044)              | -                              |
|            |                      |                          |                                  |                              |                                |
| 881 285    | 838                  | -                        | -                                | -                            | 881 285 838                    |
| 60 344     |                      | 275 364 373              |                                  | 195 451 417                  | 625 302 767                    |
| 569 978    | 621                  | 359 613 923              | 960 282 650                      | 1 721 679 568<br>489 488 752 | 3 611 554 762<br>489 488 752   |
|            | -                    | -                        | -                                | 82 199 476                   | 82 199 476                     |
| 1 511 608  | 569                  | 634 978 296              | 1 054 425 517                    | 2 488 819 213                | 5 689 831 595                  |
|            |                      |                          |                                  |                              |                                |
| 8 322 169  | 964                  | 52 774 676<br>73 380 440 | 2 262 902<br>73 380 440          | -<br>146 760 885             | 8 377 207 542<br>293 521 765   |
|            | -                    | 73 380 440               | 104 458 765                      | 146 242 270                  | 250 701 035                    |
| 8 322 169  | 964                  | 126 155 116              | 180 102 107                      | 293 003 155                  | 8 921 430 342                  |
| (6 810 561 | 395)                 | 508 823 180              | 874 323 410                      | 2 195 816 058                | (3 231 598 747)                |
|            |                      |                          | (5 427 414 805)                  | (3 231 598 747)              |                                |

| NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)  |  |   |   |  |  |
|--|--|---|---|--|--|
|  |  |   | Historical  | cost   |  |
| Interest rate gap analysis   | Up to 1<br>month<br>ZW\$                                       | 2 to 6<br>months<br>ZW\$                              | 7 to 12<br>months<br>ZW\$                             | Above 12<br>months<br>ZW\$   | Carrying<br>amount<br>ZW\$   |
| Unreviewed as at 30 June 2021  |  |   |   |  |  |
| Assets Cash and cash equivalents Treasury bills Advances and other accounts Financial assets at fair value through profit or loss Financial assets held at amortised cost                  | 1 476 324 218<br>-<br>847 506 013<br>-<br>-<br>2 323 830 231   | 391 187 547<br>900 560 030<br>-<br>-<br>1 291 747 577 | 732 613 478<br>811 044 339<br>-<br>-<br>1 543 657 817 | 76 507 665<br>3 259 373 979<br>614 931 092<br>211 046 064<br>4 161 858 800 | 1 476 324 218<br>1 200 308 690<br>5 818 484 361<br>614 931 092<br>211 046 064<br>9 321 094 425 |
| Liabilities Deposits from customers Offshore borrowings Lease liability  | 12 265 953 303<br>-<br>-<br>12 265 953 303                     | 230 381 147<br>63 505 322<br>-<br>293 886 469         | 1 251 027<br>63 505 322<br>88 587 122<br>153 343 471  | 7 278 928<br>63 505 327<br>124 021 971<br>194 806 226                      | 12 504 864 405<br>190 515 971<br>212 609 093<br>12 907 989 469                                 |
| Period gap<br>Cumulative gap   | (9 942 123 072)<br>(9 942 123 072)                             |   | 1 390 314 346<br>(7 553 947 618)                      | 3 967 052 574<br>(3 586 895 044)   | (3 586 895 044)  |
| Unaudited as at 31 December 2020   |  |   |   |  |  |
| Financial asset by type Cash and cash equivalents Treasury bills Advances and other accounts Financial assets at fair value through profit or loss Financial assets held at amortised cost | 730 216 943<br>50 000 000<br>472 273 612<br>-<br>1 252 490 555 | 228 161 763<br>297 969 363<br>-<br>-<br>526 131 126   | 78 005 017<br>795 672 222<br>-<br>-<br>873 677 239    | 161 947 384<br>1 426 551 451<br>405 581 214<br>68 108 946<br>2 062 188 995 | 730 216 943<br>518 114 164<br>2 992 466 648<br>405 581 214<br>68 108 946<br>4 714 487 915      |
| Financial liability by type<br>Deposits and other accounts   | 6 895 594 197  | 43 728 108  | 1 875 000   | <del>.</del>   | 6 941 197 305  |





## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021



## **REVIEWED FINANCIAL RESULTS** for the half year ended 30 June 2021

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2021

|                              |       | Inflation                       | Inflation adjusted             |                                   | Historical cost                  |  |  |
|------------------------------|-------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|--|
|                              | Notes | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |  |
| ASSETS                       |       |                                 |                                |                                   |                                  |  |  |
| Cash and cash equivalents    | 2     | 150 701 253                     | 51 088 154                     | 150 701 253                       | 42 330 688                       |  |  |
| Money market investments     | 3     | 20 013 635                      | 60 334 963                     | 20 013 635                        | 49 992 421                       |  |  |
| Loans and other advances     | 4     | 402 794 242                     | 101 902 640                    | 402 794 242                       | 84 434 619                       |  |  |
| Trade and other receivables  | 5     | 55 254 694                      | 164 358 489                    | 55 254 694                        | 136 184 366                      |  |  |
| Inventories                  | 6     | 3 078 762                       | 3 078 762                      | 2 372 818                         | 2 372 818                        |  |  |
| Financial assets at FVTPL    | 7     | 64 730 113                      | 35 975 182                     | 64 730 113                        | 29 808 362                       |  |  |
| Right of use assets          | 8     | 619 861                         | 797 617                        | 495 214                           | 660 890                          |  |  |
| Property and equipment       | 9     | 11 059 685                      | 68 359 915                     | 9 199 759                         | 56 641 745                       |  |  |
| Investment properties        | 10    | 598 805 470                     | 542 543 036                    | 496 159 000                       | 449 541 000                      |  |  |
| Investments in subsidiaries  | 11    | 331 774 416                     | 321 507 113                    | 279 614 147                       | 266 388 063                      |  |  |
| Total assets                 |       | 1 638 832 131                   | 1 349 945 871                  | 1 481 334 875                     | 1 118 354 972                    |  |  |
| LIABILITIES                  |       |                                 |                                |                                   |                                  |  |  |
| Deposits from customers      | 12    | 419 435 882                     | 344 372 026                    | 419 435 882                       | 285 340 212                      |  |  |
| Trade and other payables     | 13    | 185 214 730                     | 36 881 918                     | 185 214 730                       | 30 559 666                       |  |  |
| Lease liabilities            | 14    | 600 468                         | 880 038                        | 600 468                           | 729 183                          |  |  |
| Deferred tax liabilities     | 15    | 29 940 274                      | 29 940 274                     | 24 807 950                        | 24 807 950                       |  |  |
| Total liabilities            |       | 635 191 354                     | 412 074 256                    | 630 059 030                       | 341 437 011                      |  |  |
| EQUITY                       |       |                                 |                                |                                   |                                  |  |  |
| Share capital                | 16.1  | 47 826 910                      | 47 826 910                     | 954 814                           | 954 814                          |  |  |
| Share premium                | 16.1  | 445 650 954                     | 445 650 954                    | 8 896 953                         | 8 896 953                        |  |  |
| Reserves                     | 16.2  | 510 162 913                     | 444 393 751                    | 841 424 078                       | 767 066 194                      |  |  |
| Total equity                 |       | 1 003 640 777                   | 937 871 615                    | 851 275 845                       | 776 917 961                      |  |  |
| . ,                          |       |                                 |                                |                                   |                                  |  |  |
| Total equity and liabilities |       | 1 638 832 131                   | 1 349 945 871                  | 1 481 334 875                     | 1 118 354 972                    |  |  |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2021

|  |              | Inflatio                        | n adjusted                     | Historical cost                   |                                  |  |
|--|--------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|  | Notes        | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>30 Jun 2020<br>ZW\$ |  |
|  |              |                                 |                                |                                   | ·                                |  |
| Interest income<br>Interest expense  | 17.1<br>17.2 | 68 962 217<br>(1 086 742)       | 11 939 328<br>(624 236)        | 65 607 204<br>(1 031 209)         | 3 545 163<br>(243 829)           |  |
| Net interest income<br>Allowance for loan impairment                                 | 17<br>18     | 67 875 475<br>(29 534 984)      | 11 315 092<br>1 204 596        | 64 575 995<br>(29 417 100)        | 3 301 334<br>582 933             |  |
| Net income from lending activit<br>Commissions, fees and operatin                    |              | 38 340 491                      | 12 519 688                     | 35 158 895                        | 3 884 267                        |  |
| income<br>Fair value adjustments   | 19<br>20     | 90 414 563<br>39 022 234        | 33 571 693<br>261 483 927      | 85 249 873<br>48 147 835          | 15 528 810<br>402 365 129        |  |
| Total income Total operating expenses  | 21           | 167 777 288<br>(99 260 972)     | 307 575 308<br>(61 241 614)    | 168 556 603<br>(94 198 719)       | 421 778 206<br>(18 567 198)      |  |
| Operating profit Net monetary (loss) / gain  |              | 68 516 316<br>(2 747 154)       | 246 333 694<br>5 679 499       | 74 357 884<br>-                   | 403 211 008                      |  |
| Profit before taxation<br>Income tax expense   | 22           | 65 769 162<br>-                 | 252 013 193<br>(8 791 896)     | 74 357 884<br>-                   | 403 211 008<br>(12 252 814)      |  |
| Profit for the period  |              | 65 769 162                      | 243 221 297                    | 74 357 884                        | 390 958 194                      |  |
| Other comprehensive income:<br>Items that will not be reclassif<br>to profit or loss | ied          |                                 |                                |                                   |                                  |  |
| Gains on property and equipm<br>revaluation<br>Related tax                           | nent         |                                 | 15 900 387<br>(795 019)        | -                                 | 25 063 104<br>(1 253 155)        |  |
| Other comprehensive income the period, net of tax                                    | for          | -                               | 15 105 368                     | -                                 | 23 809 949                       |  |
| Total comprehensive income for the period  | or           | 65 769 162                      | 258 326 665                    | 74 357 884                        | 414 768 143                      |  |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2021

|   |                            |                          | Reviewed inflation  | adjusted                              |               |
|---|----------------------------|--------------------------|---|---------------------------------------|---------------|
|   | Ordinary<br>shares<br>ZW\$ | Share<br>premium<br>ZW\$ | Property<br>and equipment<br>revaluation<br>reserve<br>ZW\$ | Retained<br>income/<br>(loss)<br>ZW\$ | Total<br>ZW\$ |
| Balance at 1 January 2021   | 47 826 910                 | 445 650 954              | 67 158 040  | 377 235 711                           | 937 871 615   |
| Profit or loss<br>Profit for the period   | -                          | -                        | -   | 65 769 162                            | 65 769 162    |
| Balance at 30 June 2021   | 47 826 910                 | 445 650 954              | 67 158 040  | 443 004 873                           | 1 003 640 777 |
| Balance at 1 January 2020   | 47 826 910                 | 445 650 954              | 63 826 263  | 443 686 274                           | 1 000 990 401 |
| Profit or loss<br>Profit for the period   | -                          | -                        | -   | 243 221 297                           | 243 221 297   |
| Other comprehensive income, net of tax<br>Revaluation of property and equipment | -                          | -                        | 15 105 368  | -                                     | 15 105 368    |
| Balance at 30 June 2020   | 47 826 910                 | 445 650 954              | 78 931 631  | 686 907 571                           | 1 259 317 066 |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

|   | Unreviewed historical cost |                          |   |   |                                       |               |  |
|---|----------------------------|--------------------------|---|---|---------------------------------------|---------------|--|
|   | Ordinary<br>shares<br>ZW\$ | Share<br>premium<br>ZW\$ | Foreign<br>currency<br>translation<br>reserve<br>ZW\$ | Property and<br>equipment<br>revaluation<br>reserve<br>ZW\$ | Retained<br>income/<br>(loss)<br>ZW\$ | Total<br>ZW\$ |  |
| Balance at 1 January 2021   | 954 814                    | 8 896 953                | 18 061 563  | 54 107 801  | 694 896 830                           | 776 917 961   |  |
| Profit or loss<br>Profit for the period   | -                          | -                        | -   | -   | 74 357 884                            | 74 357 884    |  |
| Balance at 30 June 2021   | 954 814                    | 8 896 953                | 18 061 563  | 54 107 801  | 769 254 714                           | 851 275 845   |  |
| Balance at 1 January 2020   | 954 814                    | 8 896 953                | 18 061 563  | 13 867 705  | 142 985 649                           | 184 766 684   |  |
| Profit or loss<br>Profit for the period   | -                          | -                        | -   | -   | 390 958 194                           | 390 958 194   |  |
| Other comprehensive income, net of tax<br>Revaluation of property and equipment | -                          | -                        | -   | 23 809 949  | -                                     | 23 809 949    |  |
| Balance at 30 June 2020   | 954 814                    | 8 896 953                | 18 061 563  | 37 677 654  | 533 943 843                           | 599 534 827   |  |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS

| For the half year ended 30 June 2021  |  |   |  |  |  |
|---|--|---|--|--|--|
|   | Inflation  | adjusted  | Historical cost  |  |  |
| Notes   | Reviewed<br>30 Jun 2021<br>ZW\$                        | Reviewed<br>30 Jun 2020<br>ZW\$                     | Unreviewed<br>30 Jun 2021<br>ZW\$                      | Unaudited<br>30 Jun 2020<br>ZW\$                   |  |
| Cash flows generated from operating activities Interest received 16.1 Interest paid 16.2                | 23 698 291<br>68 962 217<br>(1 086 742)                | 28 347 368<br>11 939 328<br>(624 236)               | 56 407 048<br>65 607 204<br>(1 031 209)                | 15 836 194<br>3 545 163<br>(243 829)               |  |
| Net cash generated from<br>operating activities   | 91 573 766   | 39 662 460  | 120 983 043  | 19 137 528   |  |
| Cash flows from investing activities Purchase of property and equipment 8 Dividends received 18         | (267 891)<br>2 672 855                                 | -<br>3 517 252                                      | (257 881)<br>2 602 943                                 | 1 702 083  |  |
| Net cash generated from investing activities  | 2 404 964  | 3 517 252   | 2 345 062  | 1 702 083  |  |
| Cash flows from financing activities<br>Lease commitments paid during<br>the period 13                  | (423 945)  | (712 692)   | (281 400)  | (288 800)  |  |
| Net cash used in financing activities   | (423 945)  | (712 692)   | (281 400)  | (288 800)  |  |
| Net increase in cash and cash<br>equivalents<br>Cash and cash equivalents at<br>beginning of period     | 93 554 785<br>57 146 468                               | 42 467 020<br>14 679 447                            | 123 046 705<br>27 654 548                              | 20 550 811<br>7 103 737                            |  |
| Cash and cash equivalents at end of period  | 150 701 253  | 57 146 467  | 150 701 253  | 27 654 548   |  |
| Cash and cash equivalents<br>comprise of:<br>Cash on hand<br>Local bank accounts<br>Balances at the RBZ | 14 028 127<br>115 232 066<br>21 441 060<br>150 701 253 | 10 143 956<br>44 038 792<br>2 963 719<br>57 146 467 | 14 028 127<br>115 232 066<br>21 441 060<br>150 701 253 | 4 908 904<br>21 311 429<br>1 434 215<br>27 654 548 |  |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS For the half year ended 30 June 2021

#### 1. STATEMENT OF COMPLIANCE

The condensed inflation adjusted interim financial results are required to be prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting." They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Society's financial position and performance since the last Society annual financial statements. They should therefore be read in conjunction with the Society's annual financial statements for the year ended 31 December 2020.

|    |  | Inflation  | adjusted   | Historic   | al cost  |
|----|--|--|--|--|--|
|    |  | Reviewed<br>30 Jun 2021<br>ZW\$                        | Audited<br>31 Dec 2020<br>ZW\$                     | Unreviewed<br>30 Jun 2021<br>ZW\$                      | Unaudited<br>31 Dec 2020<br>ZW\$                   |
| 2. | CASH AND CASH EQUIVALENTS                                  |  |  |  |  |
|    | Cash on hand<br>Local bank accounts<br>Balances at the RBZ | 14 028 127<br>115 232 066<br>21 441 060<br>150 701 253 | 8 645 429<br>34 795 827<br>7 646 898<br>51 088 154 | 14 028 127<br>115 232 066<br>21 441 060<br>150 701 253 | 7 163 441<br>28 831 171<br>6 336 076<br>42 330 688 |
|    | Current  | 150 701 253  | 51 088 154   | 150 701 253  | 42 330 688   |
| 3. | MONEY MARKET INVESTMENTS                                   |  |  |  |  |
|    | Fixed deposits   | 20 013 635   | 60 334 963   | 20 013 635   | 49 992 421   |
|    | Maturing within 1 year                                     | 20 013 635   | 60 334 963   | 20 013 635   | 49 992 421   |

Fixed deposits are investments in money market instruments on an unsecured basis. Fixed deposits on average run for 30 days on an average interest rate of 8.5% per annum (2020: 8.0%).

These money market investments are short term in nature and the carrying amount approximates the fair value, thus these have been classified as level 2 financial instruments in the fair value hierarchy.

|  |                                 | -                              |                                   |                                  |  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|  | Inflation                       | n adjusted                     | Historica                         | al cost                          |  |
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 4. LOANS AND ADVANCES                                |                                 |                                |                                   |                                  |  |
| 4.1 Categories of loans and advances                 |                                 |                                |                                   |                                  |  |
| Mortgage loans<br>Residential properties             | 16 217 441                      | 10 739 680                     | 16 217 441                        | 8 898 698                        |  |
| Other loans and overdrafts                           |                                 |                                |                                   |                                  |  |
| Consumer loans                                       | 419 622 142                     | 95 541 820                     | 419 622 142                       | 79 164 163                       |  |
| Gross loans and advances                             | 435 839 583                     | 106 281 500                    | 435 839 583                       | 88 062 861                       |  |
| Less: Allowance for loan impairment                  | (33 045 341)                    | (4 378 860)                    | (33 045 341)                      | (3 628 242)                      |  |
| Loans and advances                                   | 402 794 242                     | 101 902 640                    | 402 794 242                       | 84 434 619                       |  |
| 4.2 Maturity analysis                                |                                 |                                |                                   |                                  |  |
| Within 1 month                                       | 19 357 530                      | 5 443 506                      | 19 357 530                        | 4 510 388                        |  |
| Between 2 – 6 months                                 | 5 886 188                       | 1 431 499                      | 5 886 188                         | 1 186 113                        |  |
| Between 7 – 12 months                                | 46 236 746                      | 16 609 287                     | 46 236 746                        | 13 762 144                       |  |
| After 12 months                                      | 364 359 119                     | 82 797 208                     | 364 359 119                       | 68 604 216                       |  |
|  | 435 839 583                     | 106 281 500                    | 435 839 583                       | 88 062 861                       |  |
| 4.3 Loans and advances to customers by business line |                                 |                                |                                   |                                  |  |
| Mortgage lending                                     | 16 217 441                      | 10 739 680                     | 16 217 441                        | 8 898 698                        |  |
| Consumer lending                                     | 417 167 708                     | 93 731 784                     | 417 167 708                       | 77 664 401                       |  |
| Small business lending                               | 2 454 434                       | 1 810 036                      | 2 454 434                         | 1 499 762                        |  |
| _  | 435 839 583                     | 106 281 500                    | 435 839 583                       | 88 062 861                       |  |
| 4.4 Mortgage loans spread                            |                                 |                                |                                   |                                  |  |
| Residential high density                             | 6 545 392                       | 2 654 085                      | 6 545 392                         | 2 199 125                        |  |
| Residential medium density                           | 1 214 158                       | 1 135 495                      | 1 214 158                         | 940 850                          |  |
| Residential low density                              | 8 457 891                       | 6 950 100                      | 8 457 891                         | 5 758 723                        |  |
| ·  | 16 217 441                      | 10 739 680                     | 16 217 441                        | 8 898 698                        |  |



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

| NOTES TO THE | CONDENSED INFLATIO | N ADJUSTED INTERIM | FINANCIAL R | FSUITS (Continued) |
|--------------|--------------------|--------------------|-------------|--------------------|
|              |                    |                    |             |                    |

|  | Inflation adjusted              |                                | Historical cost                     |                                   |
|--|---------------------------------|--------------------------------|-------------------------------------|-----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$   | Unaudited<br>31 Dec 2020<br>ZW\$  |
| 4.5 Non-performing debt  Non-performing loans and advances Less: Allowance for loan impairment | 3 117 519<br>(489 835)          | 1 343 143<br>(479 219)         | 3 117 519<br>(489 835)<br>2 627 684 | 1 112 903<br>(329 006)<br>783 897 |

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW\$3 050 428 as at 30 June 2021 (2020: ZW\$1 815 689).

|                                     | Reviewed<br>30 Jun 2021<br>ZW\$                    | Percentage<br>Contribution | Audited<br>31 Dec 2020<br>ZW\$                     | Percentage<br>Contribution |  |
|-------------------------------------|--|----------------------------|--|----------------------------|--|
| 4.6 Sectoral analysis               |  |                            |  |                            |  |
| Private<br>Distribution<br>Services | 433 385 148<br>823 255<br>1 631 180<br>435 839 583 | 100%<br>0%<br>0%<br>100%   | 104 471 464<br>282 044<br>1 527 992<br>106 281 500 | 99%<br>0%<br>1%<br>100%    |  |

|                          |                                   | Historical   | cost                 |          |  |
|--------------------------|-----------------------------------|--|----------------------|----------|--|
|                          | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>Percentage 31 Dec 2020 Percent<br>Contribution ZW\$ Contribut |                      |          |  |
| Private                  | 433 385 148                       | 100%   | 86 563 099           | 99%      |  |
| Distribution<br>Services | 823 255<br>1 631 180              | 0%<br>0%   | 233 697<br>1 266 065 | 0%<br>1% |  |
| Scivices                 | 435 839 583                       | 100%   | 88 062 861           | 100%     |  |

#### 4.7 Internal rating scale of advances and other accounts

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

|   | Re   | Reviewed inflation adjusted 30 Jun 2021 |   |  | Auc  | dited inflation ad                | ljusted 31 Dec 2                           | 020  |
|---|--|---|---|--|--|-----------------------------------|--|--|
|   | STAGE 1<br>ZW\$                              | STAGE 2<br>ZW\$                         | STAGE 3<br>ZW\$                             | TOTAL<br>ZW\$  | STAGE1<br>ZW\$                             | STAGE 2<br>ZW\$                   | STAGE 3<br>ZW\$                            | TOTAL<br>ZW\$                                      |
| Total loans and advances<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)<br>Total | 425 937 688<br>5 267 772<br>-<br>431 205 460 | 643 976<br>108 155<br>-<br>752 131      | 718 365<br>48 318<br>3 115 309<br>3 881 992 | 427 300 029<br>5 424 245<br>3 115 309<br>435 839 583 | 103 157 290<br>623 609<br>-<br>103 780 899 | 907 385<br>73 585<br>-<br>980 970 | 175 523<br>1 010<br>1 343 098<br>1 519 631 | 104 240 198<br>698 204<br>1 343 098<br>106 281 500 |
| Mortgage lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)<br>Total         | 15 885 736<br>-<br>-<br>15 885 736           | -<br>-<br>-                             | 73 494<br>-<br>258 211<br>331 705           | 15 959 230<br>-<br>258 211<br>16 217 441             | 10 341 036<br>45 433<br>-<br>10 386 469    | :                                 | -<br>353 211<br>353 211                    | 10 341 036<br>45 433<br>353 211<br>10 739 680      |
| Consumer lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)<br>Total         | 408 536 695<br>5 243 805<br>-<br>413 780 500 | 613 501<br>21 576<br>-<br>635 077       | 632 530<br>48 318<br>2 071 283<br>2 752 131 | 409 782 726<br>5 313 699<br>2 071 283<br>417 167 708 | 91 007 528<br>578 176<br>-<br>91 585 704   | 907 334<br>73 585<br>-<br>980 919 | 174 264<br>1 010<br>989 887<br>1 165 161   | 92 089 126<br>652 771<br>989 887<br>93 731 784     |
| Small business lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)            | 1 515 257<br>23 967                          | 30 475<br>86 579                        | 12 341<br>-<br>785 815                      | 1 558 073<br>110 546<br>785 815                      | 1 808 726                                  | 51<br>-<br>-                      | 1 259                                      | 1 810 036<br>-<br>-<br>1 810 036                   |

| Total   | 1 539 224                | 117 054           | 798 156                | 2 454 434                | 1 808 726             | 51                                    | 1 259              | 1 810 036             |  |
|---|--------------------------|-------------------|------------------------|--------------------------|-----------------------|---------------------------------------|--------------------|-----------------------|--|
|   |                          |                   |                        |                          |                       |                                       |                    |                       |  |
|   | U                        | nreviewed histo   | rical cost 30 Ju       | n 2021                   | ι                     | Unaudited historical cost 31 Dec 2020 |                    |                       |  |
|   | STAGE 1<br>ZW\$          | STAGE 2<br>ZW\$   | STAGE 3<br>ZW\$        | TOTAL<br>ZW\$            | STAGE1<br>ZW\$        | STAGE 2<br>ZW\$                       | STAGE 3<br>ZW\$    | TOTAL<br>ZW\$         |  |
| Total loans and advances<br>Good (AAA to BBB-)                          | 425 937 688              | 643 976           | 718 365                | 427 300 029              | 85 474 199            | 751 842                               | 145 435            | 86 371 476            |  |
| Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)              | 5 267 772                | 108 155<br>-      | 48 318<br>3 115 309    | 5 424 245<br>3 115 309   | 516 711<br>-          | 60 971<br>-                           | 837<br>1 112 866   | 578 519<br>1 112 866  |  |
| Total   | 431 205 460              | 752 131           | 3 881 992              | 435 839 583              | 85 990 910            | 812 813                               | 1 259 138          | 88 062 861            |  |
| Mortgage lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-) | 15 885 736               | į                 | 73 494<br>-            | 15 959 230               | 8 568 389<br>37 645   | :                                     | :                  | 8 568 389<br>37 645   |  |
| Non-performing (CC+ to D)<br>Total                                      | 15 885 736               | -                 | 258 211<br>331 705     | 258 211<br>16 217 441    | 8 606 034             | -                                     | 292 664<br>292 664 | 292 664<br>8 898 698  |  |
| Consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-)       | 408 536 695<br>5 243 805 | 613 501<br>21 576 | 632 530<br>48 318      | 409 782 726<br>5 313 699 | 75 407 133<br>479 066 | 751 800<br>60 971                     | 144 392<br>837     | 76 303 325<br>540 874 |  |
| Non-performing (CC+ to D) Total   | 413 780 500              | 635 077           | 2 071 283<br>2 752 131 | 2 071 283<br>417 167 708 | -<br>75 886 199       | 812 771                               | 820 202<br>965 431 | 820 202<br>77 664 401 |  |
| Small business lending  |                          |                   |                        |                          |                       |                                       |                    |                       |  |
| Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)                     | 1 515 257<br>23 967      | 30 475<br>86 579  | 12 341                 | 1 558 073<br>110 546     | 1 498 677<br>-        | 42                                    | 1 043              | 1 499 762<br>-        |  |
| Non-performing (CC+ to D)<br>Total                                      | 1 539 224                | 117 054           | 785 815<br>798 156     | 785 815<br>2 454 434     | 1 498 677             | 42                                    | 1 043              | 1 499 762             |  |

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

|   | •  | terretrea minatio                | aajastea sos                            | 202 .  | , 100                                 | ntea mination aaj                 | illiadon dajastea 5 . Bee 2020         |   |
|---|--|----------------------------------|---|--|---------------------------------------|-----------------------------------|--|---|
|   | STAGE 1<br>ZW\$                          | STAGE 2<br>ZW\$                  | STAGE 3<br>ZW\$                         | TOTAL<br>ZW\$                                  | STAGE1<br>ZW\$                        | STAGE 2<br>ZW\$                   | STAGE 3<br>ZW\$                        | TOTAL<br>ZW\$                               |
| Total ECL for loans and<br>advances<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)                                  | 31 522 250<br>435 610                    | 171 298<br>11 439                | 393 776<br>21 133<br>489 835            | 32 087 324<br>468 182<br>489 835               | 3 620 531<br>22 203                   | 220 700<br>15 636                 | 101 709<br>1 010<br>397 071            | 3 942 940<br>38 849                         |
| Non-performing (CC+ to D)<br>Total  | 31 957 860                               | 182 737                          | 904 744                                 | 33 045 341                                     | 3 642 734                             | 236 336                           | 499 790                                | 397 071<br>4 378 860                        |
| ECL for mortgage lending<br>Good (AAA to BBB-)<br>Total   | 1 504 255<br>1 504 255                   | -                                | 25 604<br>25 604                        | 1 529 859<br>1 529 859                         | 122 437<br>122 437                    | -                                 | -                                      | 122 437<br>122 437                          |
| ECL for consumer lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)<br>Total       | 29 805 589<br>434 928<br>-<br>30 240 517 | 140 823<br>5 902<br>-<br>146 725 | 355 831<br>21 133<br>347 068<br>724 032 | 30 302 243<br>461 963<br>347 068<br>31 111 274 | 3 488 784<br>22 203<br>-<br>3 510 987 | 220 684<br>15 636<br>-<br>236 320 | 101 020<br>1 010<br>397 071<br>499 101 | 3 810 488<br>38 849<br>397 071<br>4 246 408 |
| ECL for small business lending<br>Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D)<br>Total | 212 406<br>682<br>-<br>213 088           | 30 475<br>5 537<br>-<br>36 012   | 12 341<br>-<br>142 767<br>155 108       | 255 222<br>6 219<br>142 767<br>404 208         | 9 310<br>-<br>-<br>-<br>9 310         | 16<br>-<br>-<br>16                | 689<br>-<br>-<br>-<br>689              | 10 015<br>-<br>-<br>10 015                  |
|   |  |                                  |   |  |                                       |                                   |  |   |

| Unreviewed historical cost 30 Jun 2021   | Non-performing (CC+ to D)  | -          | -              | 142 767           | 142 767             |                   |                    |                   |                   |
|--|--|------------|----------------|-------------------|---------------------|-------------------|--------------------|-------------------|-------------------|
| STAGE 1  |  | 213 088    | 36 012         | 155 108           | 404 208             | 9 310             | 16                 | 689               | 10 015            |
| STAGE 1  |  |            |                |                   |                     |                   |                    |                   |                   |
| Total ECL for loans and advances Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total mention (BB+ to CCC-) Special mention (BB+ to CCC-) Special mention (BB+ to CCC-) Total Special mention (BB+ to CCC-) Total Special mention (BB- to CCC-) Total Special  |  |            | Unreviewed his | storical cost 30. | Jun 2021            | Uı                | naudited historica | al cost 31 Dec 20 | )20               |
| Advances   Good (AAA to BBB-)   Special mention (BB+ to CCC-)   For performing (CC+ to D)   Special mention (BB+ to CCC-)      |  |            |                |                   |                     |                   |                    |                   |                   |
| 31 522 250   |  |            |                |                   |                     |                   |                    |                   |                   |
| ECL for mortgage lending Good (AAA to BBB-) Special mention (BB+ to CCC-)  | Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)                              |            |                | 21 133            | 468 182             |                   |                    | 837               | 32 190            |
| Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for small business lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for small business lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Non-performing (CC+ to D) Total  ECL for small business lending Good (AAA to BBB-) Special mention (BB+ to CCC-) | Total  | 31 957 860 | 182 737        | 904 744           | 33 045 341          | 3 018 301         | 195 824            | 414 117           | 3 628 242         |
| ECL for consumer lending Good (AAA to BBB-) Special mention (BB+ to CCC-) Special mention (BB+ to CCC-) Special mention (BB+ to CCC-) Non-performing (CCC+ to D) Special mention (BB+ to CCC-) Non-performing (CCC+ to D) Special mention (BB+ to CCC-) Special mention (BB+ to CCC- | Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)                              | 1 504 255  | -              | 25 604<br>-<br>-  | 1 529 859<br>-<br>- | 101 449<br>-<br>- | :<br>:             | -                 | 101 449           |
| Good (AAA to BBB-) 29 805 589 140 823 355 831 30 30 22 43 2 890 741 182 855 83 703 3 157 299   Special mention (BB+ to CCC-) Non-performing (CC+ to D) 347 068 347 068 329 006 329 006    ECL for small business lending Good (AAA to BBB-) 212 406 30 475 12 341 255 222 77 14 13 571 8 298   Special mention (BB+ to CCC-) Special mention (BB+ to CCC-) 142 767   |  | 1 504 255  | -              | 25 604            | 1 529 859           | 101 449           | -                  | -                 | 101 449           |
| Good (AAA to BBB-) 212 406 30 475 12 341 255 222 7 714 13 571 8 298<br>Special mention (BB+ to CCC-) 682 5 537 - 6 219   | Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)<br>Non-performing (CC+ to D) | 434 928    | 5 902<br>-     | 21 133<br>347 068 | 461 963<br>347 068  | 18 397<br>-       | 12 956<br>-        | 837<br>329 006    | 32 190<br>329 006 |
| Total 213 088 36 012 155 108 404 208 7 714 13 571 8 298  | Good (AAA to BBB-)<br>Special mention (BB+ to CCC-)                              |            |                | -                 | 6 219               | 7 714<br>-<br>-   | -                  | 571<br>-<br>-     | 8 298<br>-<br>-   |
|  | Total  | 213 088    | 36 012         | 155 108           | 404 208             | 7 714             | 13                 | 571               | 8 298             |

|    |                                   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Ur<br>31 C |
|----|-----------------------------------|---------------------------------|--------------------------------|-----------------------------------|------------|
| 5. | TRADE AND OTHER RECEIVABLES       |                                 |                                |                                   |            |
|    | Sundry debtors and other accounts | 40 284 823                      | 1/6 20/ 730                    | 40 284 823                        | 171        |

Sundry debtors and other accounts Intercompany balances Prepayments

Current

| 30 Jun 2021<br>ZW\$               | 31 Dec 2020<br>ZW\$              | 30 Jun 2021<br>ZW\$               | 31 Dec 2020<br>ZW\$              |
|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
|                                   |                                  |                                   |                                  |
| 40 284 823<br>3 045<br>14 966 826 | 146 294 730<br>564<br>18 063 195 | 40 284 823<br>3 045<br>14 966 826 | 121 217 073<br>467<br>14 966 826 |
| 55 254 694                        | 164 358 489                      | 55 254 694                        | 136 184 366                      |
| 55 254 694                        | 164 358 489                      | 55 254 694                        | 136 184 366                      |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|           |   | Inflation   | adjusted   | Historical cost   |  |  |
|-----------|---|---|--|---|--|--|
|           |   | Reviewed<br>30 Jun 2021<br>ZW\$                               | Audited<br>31 Dec 2020<br>ZW\$                                 | Unreviewed<br>30 Jun 2021<br>ZW\$                             | Unaudited<br>31 Dec 2020<br>ZW\$                               |  |
| 5.        | TRADE AND OTHER RECEIVABLES (cont.)   |   |  |   |  |  |
|           | Sundry debtors and other accounts<br>comprises of;<br>VAT claimable<br>Trade debtors<br>Rental receivables<br>ECL on rental receivables | 58 449<br>29 956 274<br>10 935 067<br>(664 967)<br>40 284 823 | 66 637<br>141 748 624<br>5 282 006<br>(802 537)<br>146 294 730 | 58 449<br>29 956 274<br>10 935 067<br>(664 967)<br>40 284 823 | 55 214<br>120 649 335<br>1 177 491<br>(664 967)<br>121 217 073 |  |
| 6.        | INVENTORIES   |   |  |   |  |  |
|           | Housing stands  | 3 078 762   | 3 078 762  | 2 372 818   | 2 372 818  |  |
|           | Non-current   | 3 078 762   | 3 078 762  | 2 372 818   | 2 372 818  |  |
| 7.<br>7.1 | FINANCIAL ASSETS MEASURED AT FVTPL Unlisted equity investments  |   |  |   |  |  |
| 7.1       | • •   |   |  |   |  |  |
|           | Balance at beginning of period<br>Fair value gain   | 35 975 182<br>28 754 931                                      | 3 364 352<br>32 610 830  | 29 808 362<br>34 921 751                                      | 120 742<br>29 687 620  |  |
|           | Balance at end of period  | 64 730 113  | 35 975 182   | 64 730 113  | 29 808 362   |  |
|           | Non-current   | 64 730 113  | 35 975 182   | 64 730 113  | 29 808 362   |  |

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

|    |                                | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|----|--------------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|    |                                | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 8. | RIGHT OF USE ASSETS            |                                 |                                |                                   |                                  |  |
|    | Balance at beginning of period | 797 617                         | 776 731                        | 660 890                           | 143 471                          |  |
|    | Lease reassessments            | -                               | 833 819                        | -                                 | 690 886                          |  |
|    | Depreciation charge            | (177 756)                       | (328 070)                      | (165 676)                         | (173 467)                        |  |
|    | Impairment loss                | -                               | (484 863)                      | -                                 | -                                |  |
|    | Balance at end of period       | 619 861                         | 797 617                        | 495 214                           | 660 890                          |  |

#### PROPERTY AND EQUIPMENT

|   |                                |                                   | Inflation                 | adjusted                                   |                               |               |
|---|--------------------------------|-----------------------------------|---------------------------|--|-------------------------------|---------------|
|   | Freehold<br>properties<br>ZW\$ | Leasehold<br>improvements<br>ZW\$ | Motor<br>vehicles<br>ZW\$ | Office<br>furniture<br>& equipment<br>ZW\$ | Computer<br>equipment<br>ZW\$ | Total<br>ZW\$ |
| Reviewed June 2021                              |                                |                                   |                           |  |                               |               |
| Cost / Valuation                                |                                |                                   |                           |  |                               |               |
| Balance at beginning of period                  | 69 355 928                     | 16 762 889                        | 17 661 091                | 38 835 224                                 | 17 938 378                    | 160 553 510   |
| Transfer to investment property                 | (69 355 928)                   | -                                 | -                         | -  | -                             | (69 355 928)  |
| Additions                                       | -                              | -                                 | -                         | 267 891                                    | <u> </u>                      | 267 891       |
| Balance at end of period                        | -                              | 16 762 889                        | 17 661 091                | 39 103 115                                 | 17 938 378                    | 91 465 473    |
| Accumulated depreciation and impairment charges |                                |                                   |                           |  |                               |               |
| Balance at beginning of period                  | 13 093 492                     | 15 750 147                        | 13 308 318                | 33 832 617                                 | 16 209 020                    | 92 193 594    |
| Transfers to investment property                | (13 093 492)                   | -                                 | -                         | -  | -                             | (13 093 492)  |
| Charge to statement of profit or loss           |                                | 310 999                           | 330 012                   | 435 801                                    | 228 874                       | 1 305 686     |
| Balance at end of period                        | -                              | 16 061 146                        | 13 638 330                | 34 268 418                                 | 16 437 894                    | 80 405 788    |
| Carrying amount at end of period                | -                              | 701 743                           | 4 022 761                 | 4 834 697                                  | 1 500 484                     | 11 059 685    |
| Audited December 2020                           |                                |                                   |                           |  |                               |               |
| Cost / Valuation                                |                                | 46 222 226                        |                           | 20 200 750                                 |                               | 4== 200 20=   |
| Balance at beginning of period                  | 68 880 637                     | 16 322 026                        | 14 757 894                |  |                               | 157 200 297   |
| Transfers between categories Revaluation gains  | 475 291                        | 440 863                           | 2 903 197                 | (440 863)                                  | -                             | 3 378 488     |
| Disposals                                       | 4/5 291                        |                                   | 2 903 197                 | (22 674)                                   | (2 603)                       | (25 277)      |
| Balance at end of period                        | 69 355 928                     | 16 762 889                        | 17 661 091                | 38 835 221                                 |                               | 160 553 508   |
|   |                                |                                   |                           |  |                               |               |
| Accumulated depreciation and impairment charges |                                |                                   |                           |  |                               |               |
| Balance at beginning of period                  | 10 588 614                     | 10 288 685                        | 11 260 470                | 21 169 853                                 | 14 340 371                    | 67 647 993    |
| Transfers between categories                    |                                | 1 365                             | 230 470                   | (1 365)                                    |                               | -             |
| Charge to statement of profit or loss           | 2 504 878                      | 1 929 867                         | 2 047 848                 | 2 704 310                                  | 1 420 248                     | 10 607 151    |
| Impairment charge                               | -                              | 3 530 230                         | -                         | 9 966 361                                  | 448 400                       | 13 944 991    |
| Disposals                                       | -                              | -                                 | -                         | (6 542)                                    | _                             | (6 542)       |
| Balance at end of period                        | 13 093 492                     | 15 750 147                        | 13 308 318                | 33 832 617                                 | 16 209 019                    | 92 193 593    |
| Counting amount at and of ported                | F6 262 426                     | 1 012 742                         | 4 252 772                 | F 002 604                                  | 1 720 260                     | 69 350 015    |
| Carrying amount at end of period                | 56 262 436                     | 1 012 742                         | 4 352 773                 | 5 002 604                                  | 1 729 360                     | 68 359 915    |

| Carrying amount at end of period                                     | 56 262 436     | 1 012 742    | 4 352 773   | 5 002 604            | 1 729 360         | 68 359 915             |
|--|----------------|--------------|-------------|----------------------|-------------------|------------------------|
|  |                |              |             |                      |                   |                        |
|  |                |              | Histo       | orical cost          |                   |                        |
|  |                |              |             | Office               |                   |                        |
|  | Freehold       | Leasehold    | Motor       | furniture            | Computer          |                        |
|  |                | improvements |             | & equipment<br>ZW\$  | equipment<br>ZW\$ | Total<br>ZW\$          |
|  | ZW\$           | ZW\$         | ZW\$        | ZVV\$                | ZVV\$             | ZVV\$                  |
| Jnreviewed June 2021   |                |              |             |                      |                   |                        |
| Cost / Valuation   | 47 242 202     | 4 572 000    | 4 50 4 00 2 | F 642 240            | 2 224 205         | 64 350 706             |
| Balance at beginning of period<br>Additions                          | 47 213 282     | 1 572 988    | 4 504 982   | 5 643 249<br>257 881 | 2 324 295         | 61 258 796<br>257 881  |
| ransfers to investment properties                                    | (47 213 282)   | -            | -           | 237 001              | -                 | (47 213 282)           |
| Balance at end of period   | - (47 213 202) | 1 572 988    | 4 504 982   | 5 901 130            | 2 324 295         | 14 303 395             |
|  |                |              |             |                      |                   |                        |
| Accumulated depreciation and   |                |              |             |                      |                   |                        |
| impairment charges   | 505 202        | 722.040      | 000 356     | 4 400 403            | 004 202           | 4.647.054              |
| Balance at beginning of period                                       | 595 282        | 733 849      | 898 356     | 1 498 182            | 891 382           | 4 617 051              |
| ransfers between categories<br>Charge to statement of profit or loss | (595 282)      | 257 688      | 273 442     | 361 096              | -<br>189 641      | (595 282)<br>1 081 867 |
| Balance at end of period   | -              | 991 537      | 1 171 798   | 1 859 278            | 1 081 023         | 5 103 636              |
| diance at ena or period  |                | 331 337      | 1 171 750   | 1 033 270            | 1 001 023         | 3 103 030              |
| Carrying amount at end of period                                     | -              | 581 451      | 3 333 184   | 4 041 852            | 1 243 272         | 9 199 759              |
|  |                |              |             |                      |                   |                        |
| Jnaudited December 2020<br>Cost / Valuation                          |                |              |             |                      |                   |                        |
| Balance at beginning of period                                       | 10 899 802     | 1 491 556    | 1 166 109   | 1 352 053            | 1 294 119         | 19 204 539             |
| Additions  | 10 099 002     | 1 491 330    | 1 100 103   | 4 332 333            | 1 2 9 4 1 1 9     | 19 204 339             |
| ransfers between categories  | _              | 81 432       | _           | (81 432)             | _                 | _                      |
| Revaluation gains  | 36 313 480     |              | 3 338 873   | 1 390 514            |                   | 42 075 200             |
| Disposals  | -              | -            | -           | (18 786)             | (2 157)           | (20 943)               |
| Balance at end of period   | 47 213 282     | 1 572 988    | 4 504 982   | 5 643 249            | 2 324 295         | 61 258 796             |
|  |                |              |             |                      |                   |                        |
| Accumulated depreciation and<br>impairment charges                   |                |              |             |                      |                   |                        |
| Ralance at beginning of period                                       | 132 602        | 377 129      | 520 095     | 1 004 336            | 629 046           | 2 663 208              |
| ransfers between categories  | 132 002        | 252          | 520 095     | (252)                |                   | 2 003 200              |
| Charge to statement of profit or loss                                | 462 680        | 356 468      | 378 261     | 499 518              |                   | 1 959 263              |
| Disposals  | -              | -            | -           | (5 420)              |                   | (5 420)                |
| Balance at end of period   | 595 282        | 733 849      | 898 356     | 1 498 182            | 891 382           | 4 617 051              |
|  |                |              |             |                      |                   |                        |
| Carrying amount at end of period                                     | 46 618 000     | 839 139      | 3 606 626   | 4 145 067            | 1 432 913         | 56 641 745             |
|  |                |              |             |                      |                   |                        |

|  |                         |                        | 4                         |                          |  |
|--|-------------------------|------------------------|---------------------------|--------------------------|--|
|  | Reviewed<br>30 Jun 2021 | Audited<br>31 Dec 2020 | Unreviewed<br>30 Jun 2021 | Unaudited<br>31 Dec 2020 |  |
|  | ZW\$                    | ZW\$                   | ZW\$                      | ZW\$                     |  |
|  |                         |                        |                           |                          |  |
| 10. INVESTMENT PROPERTIES                        |                         |                        |                           |                          |  |
|  |                         |                        |                           |                          |  |
| 10.1 Assets at fair value through profit or loss |                         |                        |                           |                          |  |
| Balance at beginning of period                   | 542 543 036             | 565 323 652            | 449 541 000               | 104 421 716              |  |
| Transfer from property and equipment             | 56 262 434              | -                      | 46 618 000                | -                        |  |
| Fair value (loss) / gain                         | _                       | (22 780 616)           | -                         | 345 119 284              |  |
| Balance at end of period                         | 598 805 470             | 542 543 036            | 496 159 000               | 449 541 000              |  |
| '  |                         |                        |                           |                          |  |
| Non-current                                      | 598 805 470             | 542 543 036            | 496 159 000               | 449 541 000              |  |

10.2 Measurement of fair value

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



## LIMITED

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

Investments Savings Loans Mortgages Insurance

| NOTES TO THE CONDENSED INFLA | ATION ADJUSTED INTERIM  | FINANCIAL RESULTS (Continued) |
|------------------------------|-------------------------|-------------------------------|
| MOTES TO THE COMPENSED INFLA | ALION ADJUSTED INTERIIN | FINANCIAL RESULTS (CONTINUEU) |

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 11. INVESTMENT IN SUBSIDIARIES                   |                                 |                                |                                   |                                  |
| 11.1 Assets at fair value through profit or loss |                                 |                                |                                   |                                  |
| Balance at beginning of period                   | 321 507 113                     | 1 442 221 717                  | 266 388 063                       | 65 174 750                       |
| Fair value gain / (loss)                         | 10 267 303                      | (1 120 714 604)                | 13 226 084                        | 201 213 313                      |
| Balance at end of period                         | 331 774 416                     | 321 507 113                    | 279 614 147                       | 266 388 063                      |
| Non-current                                      | 331 774 416                     | 321 507 113                    | 279 614 147                       | 266 388 063                      |

#### 11.2 Measurement of fair value

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

|                             | Inflation                       | adjusted                       | Historical cost                   |                                  |
|-----------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|                             | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 12. DEPOSITS FROM CUSTOMERS |                                 |                                |                                   |                                  |
| 12.1 Deposit by type        |                                 |                                |                                   |                                  |
| Savings accounts            | 403 734 567                     | 339 447 671                    | 403 734 567                       | 281 259 984                      |
| Fixed deposits              | 15 701 315                      | 4 924 355                      | 15 701 315                        | 4 080 228                        |
|                             | 419 435 882                     | 344 372 026                    | 419 435 882                       | 285 340 212                      |
| 12.2 Maturity analysis      |                                 |                                |                                   |                                  |
| On demand                   | 331 729 540                     | 238 539 102                    | 331 729 540                       | 197 649 032                      |
| Within 1 month              | 48 069 815                      | 70 215 450                     | 48 069 815                        | 58 179 207                       |
| 1 month to 6 months         | 406 624                         | 463 401                        | 406 624                           | 383 966                          |
| 6 months to 12 months       | 25 051 769                      | 30 229 718                     | 25 051 769                        | 25 047 779                       |
| More than 1 year            | 14 178 134                      | 4 924 355                      | 14 178 134                        | 4 080 228                        |

|                        | Inflational adjusted            |                   |                                |                   |                                   | Historical cost   |                                  |                   |  |
|------------------------|---------------------------------|-------------------|--------------------------------|-------------------|-----------------------------------|-------------------|----------------------------------|-------------------|--|
|                        | Reviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Audited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution | Unreviewed<br>30 Jun 2021<br>ZW\$ | %<br>Contribution | Unaudited<br>31 Dec 2020<br>ZW\$ | %<br>Contribution |  |
| Sectorial analysis     |                                 |                   |                                |                   |                                   |                   |                                  |                   |  |
| Private individuals    | 395 739 562                     | 94%               | 315 773 357                    | 92%               | 395 739 562                       | 94%               | 261 643 892                      | 92%               |  |
| Financial institutions | 640 560                         | 0%                | 773 081                        | 0%                | 640 560                           | 0%                | 640 560                          | 0%                |  |
| Communication          | 420 484                         | 0%                | 507 475                        | 0%                | 420 484                           | 0%                | 420 484                          | 0%                |  |
| Manufacturing          | 56 343                          | 0%                | 67 999                         | 0%                | 56 343                            | 0%                | 56 343                           | 0%                |  |
| Distribution           | 8 723 421                       | 2%                | 10 528 142                     | 3%                | 8 723 421                         | 2%                | 8 723 421                        | 3%                |  |
| Construction           | 231 276                         | 0%                | 279 123                        | 0%                | 231 276                           | 0%                | 231 276                          | 0%                |  |
| Agriculture            | 6 745 319                       | 2%                | 8 140 806                      | 2%                | 6 745 319                         | 2%                | 6 745 319                        | 2%                |  |
| Services               | 6 878 917                       | 2%                | 8 302 043                      | 3%                | 6 878 917                         | 2%                | 6 878 917                        | 3%                |  |
|                        | 419 435 882                     | 100%              | 344 372 026                    | 100%              | 419 435 882                       | 100%              | 285 340 212                      | 100%              |  |

|  | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 13. TRADE AND OTHER PAYABLES             |                                 |                                |                                   |                                  |  |
| Leave pay accrual                        | 132 184                         | 177 045                        | 132 184                           | 146 696                          |  |
| Creditors and other accounts             | 155 522 482                     | 13 905 672                     | 155 522 482                       | 11 521 979                       |  |
| Deferred income                          | 2 296 166                       | 2 771 202                      | 2 296 166                         | 2 296 166                        |  |
| Intercompany balances                    | 27 263 898                      | 20 027 999                     | 27 263 898                        | 16 594 825                       |  |
|  | 185 214 730                     | 36 881 918                     | 185 214 730                       | 30 559 666                       |  |
| Current                                  | 185 214 730                     | 36 881 918                     | 185 214 730                       | 30 559 666                       |  |
| 14. LEASE LIABILITIES                    |                                 |                                |                                   |                                  |  |
| Balance at beginning of period           | 880 038                         | 776 730                        | 729 183                           | 143 471                          |  |
| Lease reassessments                      | -                               | 833 819                        | -                                 | 690 887                          |  |
| Accrued interest expense posted          |                                 |                                |                                   |                                  |  |
| to profit or loss                        | 230 029                         | 462 037                        | 152 685                           | 187 228                          |  |
| Lease commitments paid during the period | (423 945)                       | (712 692)                      | (281 400)                         | (288 800)                        |  |
| Gain on lease modification               | -                               | (4 349)                        | -                                 | (3 603)                          |  |
| Net monetary adjustment                  | (85 654)                        | (475 507)                      | -                                 | -                                |  |
| Balance at end of period                 | 600 468                         | 880 038                        | 600 468                           | 729 183                          |  |

#### 15. DEFERRED TAX LIABILITIES

|                        |                                 | Inflation adjusted                          |   |  |                                   |  |  |  |  |
|------------------------|---------------------------------|---|---|--|-----------------------------------|--|--|--|--|
|                        | Balance at<br>1 January<br>ZW\$ | Recognised in cor<br>profit or loss<br>ZW\$ | Recognised<br>in other<br>nprehensive<br>income<br>ZW\$ | Transfers<br>between<br>categories<br>ZW\$ | Balance at<br>31 December<br>ZW\$ |  |  |  |  |
| Reviewed June 2021     |                                 |   |   |  |                                   |  |  |  |  |
| Property and equipment | 2 813 122                       | -   | -   | (2 813 122)                                | -                                 |  |  |  |  |
| Investment property    | 27 127 152                      | -   | -   | 2 813 122                                  | 29 940 274                        |  |  |  |  |
|                        | 29 940 274                      | -   | -   | -  | 29 940 274                        |  |  |  |  |
| Audited December 2020  |                                 |   |   |  |                                   |  |  |  |  |
| Property and equipment | 2 914 601                       | (125 244)                                   | 23 765  | -  | 2 813 122                         |  |  |  |  |
| Investment property    | 28 266 184                      | (1 139 032)                                 | -   | -  | 27 127 152                        |  |  |  |  |
|                        | 31 180 785                      | (1 264 276)                                 | 23 765  | -  | 29 940 274                        |  |  |  |  |
|                        |                                 |   |   |  |                                   |  |  |  |  |

|                         |                                 | Historical cost                            |   |  |                                   |  |  |  |  |  |
|-------------------------|---------------------------------|--|---|--|-----------------------------------|--|--|--|--|--|
|                         | Balance at<br>1 January<br>ZW\$ | Recognised in co<br>profit or loss<br>ZW\$ | in other<br>mprehensive<br>income<br>ZW\$ | Transfers<br>between<br>categories<br>ZW\$ | Balance at<br>31 December<br>ZW\$ |  |  |  |  |  |
| Unreviewed June 2021    |                                 |  |   |  |                                   |  |  |  |  |  |
| Property and equipment  | 2 330 900                       | -  | -   | (2 330 900)                                | -                                 |  |  |  |  |  |
| Investment property     | 22 477 050                      | -  | -   | 2 330 900                                  | 24 807 950                        |  |  |  |  |  |
|                         | 24 807 950                      | -  | -   | -  | 24 807 950                        |  |  |  |  |  |
| Unaudited December 2020 |                                 |  |   |  |                                   |  |  |  |  |  |
| Property and equipment  | 538 360                         | 476 489                                    | 1 253 155                                 | 62 896                                     | 2 330 900                         |  |  |  |  |  |
| Investment property     | 5 221 086                       | 16 691 973                                 | -   | 563 991                                    | 22 477 050                        |  |  |  |  |  |
|                         | 5 759 446                       | 17 168 462                                 | 1 253 155                                 | 626 887                                    | 24 807 950                        |  |  |  |  |  |

| an year ended 30 J   |   |  |   |  |
|--|---|--|---|--|
| NOTES TO THE CONDENSED INFLATION ADJUSTE   |   | ·  |   |  |
|  | Reviewed<br>30 Jun 2021<br>ZW\$                               | Audited 31 Dec 2020 ZW\$                                   | Historic<br>Unreviewed<br>30 Jun 2021<br>ZW\$                 | Unaudite<br>31 Dec 202<br>ZW   |
| 16. EQUITY AND RESERVES  |   |  |   |  |
| 16.1 Share capital Authorised 100 000 000 ordinary shares of ZW\$0.01 each                                 | 1 000 000   | 1 000 000  | 1 000 000   | 1 000 00   |
| Issued and fully paid 95 481 425 ordinary shares of ZW\$0.01 each  | 47 826 910  | 47 826 910   | 954 814   | 954 81   |
| Share premium  | 445 650 954   | 445 650 954  | 8 896 953   | 8 896 95   |
| 16.2 Reserves  Functional currency translation reserve Revaluation reserves Retained income Total reserves | 67 158 040<br>443 004 873<br>510 162 913                      | -<br>67 158 040<br>377 235 711<br>444 393 751              | 18 061 563<br>54 107 801<br>769 254 714<br>841 424 078        | 18 061 56<br>54 107 80<br>694 896 83<br>767 066 19                         |
| 16.3 Capital adequacy<br>Share capital<br>Share premium<br>Retained income                                 | 47 826 910<br>445 650 954<br>686 907 571                      | 47 826 910<br>445 650 954<br>443 004 873                   | 954 814<br>8 896 953<br>1 303 198 556                         | 954 81<br>8 896 95<br>769 254 71   |
| Tier 1 Capital   | 1 180 385 435   | 936 482 737  | 1 313 050 323   | 779 106 48   |
| Functional currency translation reserve<br>Revaluation reserves  | -<br>78 931 631   | -<br>67 158 040  | 18 061 563<br>37 677 654                                      | 18 061 56<br>54 107 80   |
| Tier 2 Capital   | 78 931 631  | 67 158 040   | 55 739 217  | 72 169 36  |
| Total capital base   | 1 259 317 066   | 1 003 640 777  | 1 368 789 540   | 851 275 84   |
| Credit risk weighted assets<br>Operational risk equivalent assets  | 1 328 929 437<br>174 169 289                                  | 1 238 016 999<br>403 776 930                               | 1 328 929 437<br>174 169 289                                  | 1 025 797 70<br>334 562 0  |
| Total risk weighted assets   | 1 503 098 726   | 1 641 793 929  | 1 503 098 726   | 1 360 359 7  |
| Tier 1 ratio<br>Tier 2 ratio<br>Capital adequacy ratio   | 78.5%<br>5.3%<br>83.8%  | 57.0%<br>4.1%<br>61.1%                                     | 87.4%<br>3.7%<br>91.1%  | 57.3<br>5.3<br>62.6  |
|  | Inflation   | adjusted   | Historic  | al cost  |
|  | Reviewed<br>30 Jun 2021<br>ZW\$                               | Reviewed<br>30 Jun 2020<br>ZW\$                            | Unreviewed<br>30 Jun 2021<br>ZW\$                             | Unreviewe<br>30 Jun 202<br>ZV  |
| 17. NET INTEREST INCOME  |   |  |   |  |
| 17.1 Interest income Mortgage advances Consumer loans Short term funds and securities Other                | 1 882 803<br>64 887 027<br>1 661 086<br>531 301<br>68 962 217 | 2 026 308<br>8 855 576<br>479 958<br>577 486<br>11 939 328 | 1 759 072<br>61 821 856<br>1 522 352<br>503 924<br>65 607 204 | 630 3 <sup>-</sup><br>2 569 58<br>161 88<br>183 3 <sup>-</sup><br>3 545 10 |
| 17.2 Interest expense Fixed deposits Savings accounts  | 171 166<br>751 758  | 222 193<br>350 798   | 162 558<br>715 966  | 106 6<br>123 5   |

| Tier 1 ratio<br>Tier 2 ratio  | 78.5%<br>5.3%                   | 57.0%<br>4.1%                   | 87.4%<br>3.7%                     | 57.3%<br>5.3%                     |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Capital adequacy ratio  | 83.8%                           | 61.1%                           | 91.1%                             | 62.6%                             |
|   | Inflation                       | n adjusted                      | Historica                         | al cost                           |
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |
| 17. NET INTEREST INCOME   |                                 |                                 |                                   |                                   |
| 17.1 Interest income  | 1 882 803                       | 2 026 308                       | 1 759 072                         | 620.210                           |
| Mortgage advances<br>Consumer loans   | 64 887 027                      | 8 855 576                       | 61 821 856                        | 630 319<br>2 569 587              |
| Short term funds and securities Other                                       | 1 661 086<br>531 301            | 479 958<br>577 486              | 1 522 352<br>503 924              | 161 885<br>183 372                |
| ottei   | 68 962 217                      | 11 939 328                      | 65 607 204                        | 3 545 163                         |
| 17.2 Interest expense   |                                 |                                 |                                   |                                   |
| Fixed deposits Savings accounts   | 171 166<br>751 758              | 222 193<br>350 798              | 162 558<br>715 966                | 106 691<br>123 524                |
| Other   | 163 818                         | 51 245                          | 152 685                           | 13 614                            |
|   | 1 086 742                       | 624 236                         | 1 031 209                         | 243 829                           |
| Net interest income   | 67 875 475                      | 11 315 092                      | 64 575 995                        | 3 301 334                         |
| 18. LOAN IMPAIRMENT MOVEMENT  |                                 |                                 |                                   |                                   |
| Balance at beginning of period  | 4 378 861                       | 10 941 322                      | 3 628 241                         | 2 021 003                         |
| Net monetary adjustment<br>Charge / (credit) to statement of profit or loss | (868 504)<br>29 534 984         | (6 765 042)                     | -                                 | -<br>(E92 022)                    |
| Balance at end of period  | 33 045 341                      | (1 204 596)<br>2 971 684        | 29 417 100<br>33 045 341          | (582 933)<br>1 438 070            |
| 19. COMMISSIONS, FEES AND OPERATING INCOME                                  |                                 |                                 |                                   |                                   |
| Account service fees  | 30 225 475                      | 11 354 370                      | 27 993 509                        | 5 494 344                         |
| Transaction fees  | 10 392 465                      | 3 464 511                       | 9 625 046                         | 1 676 466                         |
| Other commissions and fees  | 26 398 206                      | 2 795 123                       | 25 256 307                        | 1 248 916                         |
| Lease rental income Exchange gains  | 14 818 043<br>5 732 778         | 3 657 802<br>7 251 529          | 13 883 430<br>5 732 778           | 1 770 098<br>3 509 189            |
| Profit on disposal of equipment   | -                               | -                               | -                                 | -                                 |
| Dividend income<br>Other  | 2 672 855                       | 3 517 252                       | 2 602 943                         | 1 702 083                         |
| Other   | 174 741<br>90 414 563           | 1 531 106<br>33 571 693         | 155 860<br>85 249 873             | 127 714<br>15 528 810             |
| 20. FAIR VALUE ADJUSTMENT   |                                 |                                 |                                   |                                   |
| Arising from fair value through profit                                      |                                 |                                 |                                   |                                   |
| or loss instruments:  | 20 754 024                      | (2.007.617)                     | 24 021 751                        | 00.060                            |
| <ul> <li>Investment securities</li> <li>Investment properties</li> </ul>    | 28 754 931                      | (2 097 617)<br>157 005 287      | 34 921 751                        | 98 068<br>245 128 444             |
| - Investments in subsidiaries   | 10 267 303                      | 106 576 257                     | 13 226 084                        | 157 138 617                       |
|   | 39 022 234                      | 261 483 927                     | 48 147 835                        | 402 365 129                       |
| 21. OPERATING EXPENSES  |                                 |                                 |                                   |                                   |
| Operating expenses comprise the following:                                  |                                 |                                 |                                   |                                   |
| Staff costs   | 6 629 661                       | 9 235 154                       | 6 202 965                         | 2 865 173                         |
| Communication expenses  | 304 160                         | 225 248                         | 284 579                           | 61 735                            |
| Computer and information technology expenses                                | 27 617 024                      | 6 021 681                       | 26 496 683                        | 1 834 368                         |
| Occupation expenses   | 4 769 847                       | 2 885 458                       | 4 462 009                         | 974 639                           |
| Transport costs   | 85 542                          | 253 343                         | 81 353                            | 86 922                            |
| Security  | 3 563 862                       | 911 218                         | 3 304 750                         | 440 960                           |
| Administration expenses   | 56 290 876                      | 41 709 512                      | 53 366 380                        | 12 303 401                        |
|   | 99 260 972                      | 61 241 614                      | 94 198 719                        | 18 567 198                        |
| Included in administration expenses   |                                 |                                 |                                   |                                   |
| are the following:  | 6.002.674                       | 2.422.22                        | E 042 225                         | 74.44                             |
| Audit fees Directors fees   | 6 002 654<br>905 514            | 2 137 704                       | 5 813 327<br>855 684              | 74 414<br>270 576                 |
| Directors tees  Depreciation of property and equipment                      | 1 305 686                       | 559 129<br>1 812 435            | 855 684<br>1 081 868              | 709 459                           |
| Depreciation of property and equipment  Depreciation right of use assets    | 177 756                         | 328 070                         | 165 676                           | 173 467                           |
| Impairment of assets  | -                               | 484 863                         | -                                 | -                                 |
| Lease liabilities finance cost  | 230 029                         | 462 037                         | 152 685                           | 187 228                           |
| 22. INCOME TAX EXPENSE  |                                 |                                 |                                   |                                   |
|   |                                 |                                 |                                   |                                   |
| Deferred tay expense  |                                 | 2 701 206                       |                                   | 12 252 81/                        |

8 791 896

8 791 896

12 252 814

12 252 814

Deferred tax expense

Total tax expense recognised in

statement of profit or loss



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 23. RISK MANAGEMENT

#### 23.1 Financial assets and financial liabilities classification and fair value

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

|   | Inflation adjusted |                               |            |                               |         |         |            |             |
|---|--------------------|-------------------------------|------------|-------------------------------|---------|---------|------------|-------------|
|   |                    | CARRYING                      | AMOUNT     |                               |         |         | FAIR VALU  | E           |
|   | Classified         | Amortised                     | Classified |                               |         |         |            |             |
|   | at FVTPL           | cost                          | at FVOCI   | Total                         | Level 1 | Level 2 | Level 3    | Total       |
|   | ZW\$               | ZW\$                          | ZW\$       | ZW\$                          | ZW\$    | ZW\$    | ZW\$       | ZW\$        |
| Reviewed as at 30 June 2021                         |                    |                               |            |                               |         |         |            |             |
| Financial assets measured at fair value             |                    |                               |            |                               |         |         |            |             |
| Financial assets at FVTPL                           | 64 730 113         | -                             | -          | 64 730 113                    | -       | - 6     | 54 730 113 | 64 730 113  |
| Investments in subsidiaries                         | 331 774 416        | -                             | -          | 331 774 416                   | -       | - 33    | 31 774 416 | 331 774 416 |
|   | 396 504 529        | -                             | -          | 396 504 529                   | -       | - 39    | 96 504 529 | 396 504 529 |
| Financial assets not measured at fair value         |                    |                               |            |                               |         |         |            |             |
| Trade and other receivables                         | -                  | 40 287 868                    | -          | 40 287 868                    |         |         |            |             |
| Loans and advances                                  | -                  | 402 794 242                   | -          | 402 794 242                   |         |         |            |             |
| Money market investments                            | -                  | 20 013 635                    | -          | 20 013 635                    |         |         |            |             |
| Cash and cash equivalents                           | -                  | 150 701 253                   | -          | 150 701 253                   |         |         |            |             |
|   | -                  | 613 796 998                   | -          | 613 796 998                   |         |         |            |             |
| Financial liabilities not measured at fair value    |                    |                               |            |                               |         |         |            |             |
| Trade and other payables                            | _                  | (185 214 730)                 | -          | (185 214 730)                 |         |         |            |             |
| Deposits from customers                             | -                  | (419 435 882)                 | -          | (419 435 882)                 |         |         |            |             |
|   | -                  | (604 650 612)                 | -          | (604 650 612)                 |         |         |            |             |
| Audited as at 31 December 2020                      |                    |                               |            |                               |         |         |            |             |
| Financial assets measured at fair value             |                    |                               |            |                               |         |         |            |             |
| Financial assets at FVTPL                           | 35 975 182         | -                             | -          | 35 975 182                    | -       | - 3     | 85 975 182 | 35 975 182  |
| Investments in subsidiaries                         | 321 507 113        | -                             | -          | 321 507 113                   | -       | - 32    | 21 507 113 | 321 507 113 |
|   | 357 482 295        | -                             | -          | 357 482 295                   | -       | - 35    | 7 482 295  | 357 482 295 |
| Financial assets not                                |                    |                               |            |                               |         |         |            |             |
| measured at fair value                              |                    |                               |            |                               |         |         |            |             |
| Trade and other receivables                         | -                  | 146 295 294                   | -          | 146 295 294                   |         |         |            |             |
| Loans and advances                                  | -                  | 101 902 640                   | -          | 101 902 640                   |         |         |            |             |
| Money market investments                            | -                  | 60 334 963                    | -          | 60 334 963                    |         |         |            |             |
| Cash and cash equivalents                           | -                  | 51 088 154                    | -          | 51 088 154                    |         |         |            |             |
|   | -                  | 359 621 051                   | -          | 359 621 051                   |         |         |            |             |
| Financial liabilities not<br>measured at fair value |                    |                               |            |                               |         |         |            |             |
|   |                    | (26 001 010)                  |            | (26.001.010)                  |         |         |            |             |
| Trade and other payables Deposits from customers    | -                  | (36 881 918)<br>(344 372 026) | -          | (36 881 918)<br>(344 372 026) |         |         |            |             |
| peposits from customers                             | -                  | (381 253 944)                 | -          | (381 253 944)                 |         |         |            |             |
|   |                    | (301 233 344)                 |            | (501 255 544)                 |         |         |            |             |

|   | CARRYING AMOUNT |                           |            |                           | FAIR VALUE |         |            |             |
|---|-----------------|---------------------------|------------|---------------------------|------------|---------|------------|-------------|
|   | Classified      | Amortised                 | Classified |                           |            |         |            |             |
|   | at FVTPL        | cost                      | at FVOCI   | Total                     | Level 1    | Level 2 | Level 3    | Total       |
|   | ZW\$            | ZW\$                      | ZW\$       | ZW\$                      | ZW\$       | ZW\$    | ZW\$       | ZW\$        |
|   | 2004            | 2009                      | 2003       | 2003                      | 2003       | 2004    | 2004       | 2005        |
| Unreviewed as at 30 June 2021           |                 |                           |            |                           |            |         |            |             |
| Financial assets measured at fair value |                 |                           |            |                           |            |         |            |             |
| Financial assets at FVTPL               | 64 730 113      | _                         | _          | 64 730 113                | _          | _ 6     | 3/ 730 113 | 64 730 113  |
| Investments in subsidiaries             | 279 614 147     | _                         | _          | 279 614 147               | _          |         |            | 279 614 147 |
| investments in substatutes              | 344 344 260     |                           |            | 344 344 260               |            |         |            | 344 344 260 |
|   | 311311200       |                           |            | 311311200                 |            |         |            | 311311200   |
| Financial assets not                    |                 |                           |            |                           |            |         |            |             |
| measured at fair value                  |                 |                           |            |                           |            |         |            |             |
| Trade and other receivables             | -               | 40 287 868                | -          | 40 287 868                |            |         |            |             |
| Loans and advances                      | -               | 402 794 242               | -          | 402 794 242               |            |         |            |             |
| Money market investments                | -               | 20 013 635                | -          | 20 013 635                |            |         |            |             |
| Cash and cash equivalents               | -               | 150 701 253               | -          | 150 701 253               |            |         |            |             |
|   | -               | 613 796 998               | -          | 613 796 998               |            |         |            |             |
|   |                 |                           |            |                           |            |         |            |             |
| Financial liabilities not               |                 |                           |            |                           |            |         |            |             |
| measured at fair value                  |                 |                           |            |                           |            |         |            |             |
| Trade and other payables                | -               | (185 214 730)             | -          | (185 214 730)             |            |         |            |             |
| Deposits from customers                 | -               | (419 435 882)             | -          | (419 435 882)             |            |         |            |             |
|   | -               | (604 650 612)             | -          | (604 650 612)             |            |         |            |             |
| Unaudited as at 31                      |                 |                           |            |                           |            |         |            |             |
| December 2020                           |                 |                           |            |                           |            |         |            |             |
|   |                 |                           |            |                           |            |         |            |             |
| Financial assets measured               |                 |                           |            |                           |            |         |            |             |
| at fair value                           |                 |                           |            |                           |            |         |            |             |
| Financial assets at FVTPL               | 29 808 362      | -                         | -          | 29 808 362                | -          | - 2     | 29 808 362 | 29 808 362  |
| Investments in subsidiaries             | 266 388 063     | -                         | -          | 266 388 063               | -          | - 26    | 66 388 063 | 266 388 063 |
|   | 296 196 425     | -                         | -          | 296 196 425               | -          | - 29    | 96 196 425 | 296 196 425 |
|   |                 |                           |            |                           |            |         |            |             |
| Financial assets not                    |                 |                           |            |                           |            |         |            |             |
| measured at fair value                  |                 |                           |            |                           |            |         |            |             |
| Trade and other receivables             | -               | 121 217 540               | -          | 121 217 540               |            |         |            |             |
| Loans and advances                      | -               | 84 434 619                | -          | 84 434 619                |            |         |            |             |
| Money market investments                | -               | 49 992 421                | -          | 49 992 421                |            |         |            |             |
| Cash and cash equivalents               | -               | 42 330 688<br>297 975 268 | -          | 42 330 688<br>297 975 268 |            |         |            |             |
|   |                 | 29/ 9/3 208               |            | 29/ 9/5 208               |            |         |            |             |
| Financial liabilities not               |                 |                           |            |                           |            |         |            |             |
| measured at fair value                  |                 |                           |            |                           |            |         |            |             |
| Trade and other payables                | _               | (30 559 666)              | _          | (30 559 666)              |            |         |            |             |
| Deposits from customers                 | _               | (285 340 212)             | _          | (285 340 212)             |            |         |            |             |
|   |                 | (315 899 878)             | _          | (315 899 878)             |            |         |            |             |
|   |                 | (5.5055010)               |            | (5.5055070)               |            |         |            |             |

#### 23.2 Interest rate risk

#### 23.2.1 Interest rate gap analysis

|                                |                          |                          | Inflation adjus           | ted                        |                            |
|--------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
|                                | Up to<br>1 month<br>ZW\$ | 2 to 6<br>months<br>ZW\$ | 7 to 12<br>months<br>ZW\$ | Above<br>12 months<br>ZW\$ | Carrying<br>amount<br>ZW\$ |
| Reviewed as at 30 June 2021    |                          |                          |                           |                            |                            |
| Financial assets by type       |                          |                          |                           |                            |                            |
| Local bank accounts            | 115 232 066              | -                        | -                         | -                          | 115 232 066                |
| Money market investments       | 20 013 635               | -                        | -                         | -                          | 20 013 635                 |
| Loans and other advances       | 11 312 189               | 5 886 188                | 46 236 746                | 339 359 119                | 402 794 242                |
|                                | 146 557 890              | 5 886 188                | 46 236 746                | 339 359 119                | 538 039 943                |
| Financial liability by type    |                          |                          |                           |                            |                            |
| Deposits from customers        | 379 799 355              | 406 624                  | 25 051 769                | 14 178 134                 | 419 435 882                |
| Deposits from customers        | 3/9/99333                | 400 024                  | 23 031 709                | 14 170 134                 | 419 433 662                |
| Sensitivity gap                | (233 241 465)            | 5 479 564                | 21 184 977                | 325 180 985                | 118 604 061                |
| Cumulative gap                 | (233 241 465)            | (227 761 901)            | (206 576 924)             | 118 604 061                | -                          |
| <b>3</b>                       | (                        | (,                       | (====,                    |                            |                            |
| Audited as at 31 December 2020 |                          |                          |                           |                            |                            |
| Financial assets by type       |                          |                          |                           |                            |                            |
| Local bank accounts            | 34 795 827               | -                        | -                         | -                          | 34 795 827                 |
| Money market investments       | 60 334 963               | -                        | -                         | -                          | 60 334 963                 |
| Loans and other advances       | 1 064 646                | 1 431 499                | 16 609 287                | 82 797 208                 | 101 902 640                |
|                                | 96 195 436               | 1 431 499                | 16 609 287                | 82 797 208                 | 197 033 430                |
|                                |                          |                          |                           |                            |                            |
| Financial liability by type    |                          |                          |                           |                            |                            |
| Deposits from customers        | 333 634 128              | 56 419                   | 5 633 064                 | 5 048 415                  | 344 372 026                |
|                                |                          |                          |                           |                            |                            |
| Sensitivity gap                | (237 438 692)            | 1 375 080                | 10 976 223                | 77 748 793                 | (147 338 596)              |
| Cumulative gap                 | (237 438 692)            | (236 063 612)            | (225 087 389)             | (147 338 596)              | -                          |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 23 RISK MANAGEMENT (Continued)

Investments Savings Loans Mortgages Insurance

#### 23.2.1 Interest rate gap analysis (continued)

| 0 to<br>nth<br>W\$<br>066<br>635<br>189<br>390<br>355<br>465) | 2 to 6<br>months<br>ZW\$<br>5 886 188<br>5 886 188<br>406 624<br>5 479 564 | 7 to 12 months ZW\$  | Above 12 months ZW\$      | Carrying<br>amoun<br>ZW:<br>115 232 066<br>20 013 63!<br>402 794 242<br>538 039 94:<br>419 435 88:<br>118 604 06 |
|---|--|--|---------------------------|--|
| 635<br>189<br>890<br>355<br>465)                              | 5 886 188<br>406 624<br>5 479 564  | 46 236 746<br>25 051 769   | 339 359 119<br>14 178 134 | 20 013 63:<br>402 794 24:<br>538 039 94:<br>419 435 88:  |
| 635<br>189<br>890<br>355<br>465)                              | 5 886 188<br>406 624<br>5 479 564  | 46 236 746<br>25 051 769   | 339 359 119<br>14 178 134 | 20 013 63:<br>402 794 24:<br>538 039 94:<br>419 435 88:  |
| 635<br>189<br>890<br>355<br>465)                              | 5 886 188<br>406 624<br>5 479 564  | 46 236 746<br>25 051 769   | 339 359 119<br>14 178 134 | 20 013 63:<br>402 794 24:<br>538 039 94:<br>419 435 88:  |
| 189<br>390<br>355<br>465)                                     | 5 886 188<br>406 624<br>5 479 564  | 46 236 746<br>25 051 769   | 339 359 119<br>14 178 134 | 402 794 24<br>538 039 94<br>419 435 88   |
| 355<br>465)   | 5 886 188<br>406 624<br>5 479 564  | 46 236 746<br>25 051 769   | 339 359 119<br>14 178 134 | 538 039 94<br>419 435 88   |
| 355<br>465)   | 406 624<br>5 479 564   | 25 051 769   | 14 178 134                | 419 435 88   |
| 465)  | 5 479 564  |  |                           |  |
| 465)  | 5 479 564  |  |                           |  |
|   |  | 21 184 977   | 225 190 095               | 110 604 06   |
|   |  |  |                           | 11X 604 06   |
| ,   | (227 761 901)  | (206 576 924)  | 118 604 061               | 110 004 00   |
|   |  |  |                           |  |
|   |  |  |                           |  |
| 171   |  | _  | -                         | 28 831 17  |
| 421   | -  | -  | -                         | 49 992 42  |
| 146   | 1 186 113  | 13 762 144   | 68 604 216                | 84 434 61  |
| 738   | 1 186 113  | 13 762 144   | 68 604 216                | 163 258 21   |
|   |  |  |                           |  |
| 201   | 16 719   | 1 667 151  | A 192 022                 | 285 340 21   |
| 191   | 40 /40   | 4 007 451  | 4 103 022                 | 203 340 21   |
| 253)  | 1 139 365  | 9 094 693  | 64 421 194                | (122 082 00  |
| 253)  | (195 597 888)  | (186 503 195)  | (122 082 001)             | ,.22 332 00  |
| ,   | ,  | ,  | ,                         |  |
| 1   | 121<br>146<br>738<br>991   | 121 -<br>146 1186 113<br>138 1186 113<br>1991 46 748<br>1253) 1139 365 | 121                       | 121  |

| 23.3 Liquidity risk  |  |  |   |  |   |   |
|--|--|--|---|--|---|---|
| 23.3.1 Liquidity gap analysis  |  |  |   |  |   |   |
|  |  |  | Infla   | ation adjusted   |   |   |
|  | Up to<br>1 month<br>ZW\$   | 2 to 6<br>months<br>ZW\$   | 7 to 12<br>months<br>ZW\$   | Above<br>12 months<br>ZW\$   | Total<br>ZW\$   | Carrying<br>amount<br>ZW\$  |
| Reviewed as at 30 June 2021  |  |  |   |  |   |   |
| Financial assets by type<br>Cash and cash equivalents<br>Money market investments  | 150 701 253<br>50 043 836  | -  | -   | -  | 150 701 253<br>50 043 836   | 150 701 253<br>20 013 635   |
| oans and other advances.<br>Financial assets at FVTPL  | 333 660<br>-<br>201 078 749  | 8 299 374<br>-<br>8 299 374  | 33 231 485<br>-<br>33 231 485   | 774 544 636<br>64 730 113<br>839 274 749                                     | 816 409 155<br>64 730 113<br>1 081 884 357  | 402 794 242<br>64 730 113<br>638 239 243  |
| Financial liabilities by type<br>Deposits from customers   |  |  |   |  |   | 419 435 882   |
| Trade and other payables<br>Lease liabilities  | -  | 182 918 564<br>-<br>182 918 564  | -   | 600 468<br>600 468   | 182 918 564<br>600 468<br>183 519 032   | 185 214 730<br>600 468<br>605 251 080   |
| Sensitivity gap<br>Cumulative gap  | 201 078 749<br>201 078 749   | (174 619 190)<br>26 459 559  | 33 231 485<br>59 691 044  | 838 674 281<br>898 365 325   | 898 365 325<br>-  | 32 988 163<br>-   |
| Audited as at 31 December 2020   |  |  |   |  |   |   |
| Financial assets by type<br>Cash and cash equivalents<br>Money market investments  | 51 088 154<br>60 397 015   |  |   |  | 51 088 154<br>60 397 015  | 51 088 154<br>60 334 963  |
| Loans and other advances<br>Financial assets at FVTPL  | 327 850<br>-<br>111 813 019  | 6 997 712<br>-<br>6 997 712  | 35 128 688<br>-<br>35 128 688   | 196 001 804<br>35 975 182<br>231 976 986                                     | 238 456 054<br>35 975 182<br>385 916 405  | 101 902 640<br>35 975 182<br>249 300 939  |
| Financial liabilities by type<br>Deposits from customers<br>Trade and other payables<br>Lease liabilities  | 308 821 019  | 469 115<br>34 110 715  | 31 351 944  | 5 211 608<br>-<br>880 038  | 345 853 686<br>34 110 715<br>880 038  | 344 372 026<br>36 881 918<br>880 038  |
| Lease Habilities   | 308 821 019  | 34 579 830   | 31 351 944  | 6 091 646  | 380 844 439   | 382 133 982   |
| Sensitivity gap<br>Eumulative gap  | (197 008 000)<br>(197 008 000)   | (27 582 118)<br>(206 590 338)  | 3 776 744<br>(202 813 594)  | 225 885 250<br>5 071 966   | 5 071 966<br>-  | (132 833 043)   |
|  |  |  |   |  |   |   |
|  |  |  | H   | listorical cost  |   |   |
|  | Up to<br>1 month<br>7W\$   | 2 to 6<br>months   | 7 to 12<br>months   | Above<br>12 months   | Total<br>7W\$   | Carrying<br>amount<br>7W\$  |
| Jnreviewed as at 30 June 2021  | •  |  | 7 to 12   | Above  | Total<br>ZW\$   |   |
|  | 1 month  | months   | 7 to 12<br>months   | Above<br>12 months   |   | amount  |
| Financial assets by type Cash and cash equivalents Money market investments Loans and other advances   | 1 month  | months   | 7 to 12<br>months<br>ZW\$   | Above<br>12 months<br>ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155  | amount<br>ZW\$<br>150 701 253<br>20 013 635<br>402 794 242  |
| Financial assets by type Cash and cash equivalents Money market investments Loans and other advances   | 1 month<br>ZW\$<br>150 701 253<br>50 043 836   | months<br>ZW\$   | 7 to 12<br>months<br>ZW\$   | Above<br>12 months<br>ZW\$   | ZW\$  150 701 253 50 043 836  | amount<br>ZW\$<br>150 701 253<br>20 013 635   |
| Financial assets by type  Cash and cash equivalents  Money market investments  Coans and other advances  Financial assets at FVTPL  Financial liabilities by type  Deposits from customers   | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660  | months<br>ZW\$   | 7 to 12<br>months<br>ZW\$   | Above<br>12 months<br>ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113   | amount<br>ZW\$<br>150 701 253<br>20 013 635<br>402 794 242<br>64 730 113  |
| cinancial assets by type Cash and cash equivalents Money market investments oans and other advances inancial assets at FVTPL  Cinancial liabilities by type Deposits from customers trade and other payables   | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>201 078 749   | months<br>ZW\$   | 7 to 12<br>months<br>ZW\$   | Above 12 months ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357   | amount<br>ZW\$<br>150 701 253<br>20 013 635<br>402 794 242<br>64 730 113<br>638 239 243<br>419 435 882  |
| Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Gensitivity gap  | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>-<br>201 078 749<br>379 881 117   | months<br>ZW\$<br>-<br>8 299 374<br>-<br>8 299 374<br>411 637<br>182 918 564 | 7 to 12 months ZW\$   | Above 12 months ZW\$  774 544 636 64 730 113 839 274 749  15 005 191 600 468 | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468  | amount<br>ZW\$<br>150 701 253<br>20 013 635<br>402 794 242<br>64 730 113<br>638 239 243<br>419 435 882<br>185 214 730<br>600 468  |
| Einancial assets by type Lash and cash equivalents Whoney market investments Loans and other advances Einancial assets at FVTPL  Einancial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Einancial service of the service o | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>-<br>201 078 749<br>379 881 117<br>-<br>379 881 117<br>(178 802 368)  | months<br>ZW\$<br>   | 7 to 12 months ZW\$   | Above 12 months ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  | amount ZW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080   |
| Einancial assets by type Cash and cash equivalents Woney market investments Coans and other advances Financial assets at FVTPL  Einancial liabilities by type Deposits from customers Firade and other payables Lease liabilities  Einancial sease liabilities  Einancial sease liabilities  Einancial assets by type Cash and cash equivalents  | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>-<br>201 078 749<br>379 881 117<br>-<br>379 881 117<br>(178 802 368)<br>(178 802 368)                           | months<br>ZW\$<br>   | 7 to 12 months ZW\$   | Above 12 months ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607   | amount zW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163   |
| cinancial assets by type Cash and cash equivalents Money market investments coans and other advances cinancial assets at FVTPL  cinancial liabilities by type Deposits from customers crade and other payables cease liabilities  censitivity gap Cumulative gap  Jnaudited as at 31 December 2020  cinancial assets by type Cash and cash equivalents Money market investments coans and other advances   | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>201 078 749<br>379 881 117<br>  | months<br>ZW\$<br>   | 7 to 12 months ZW\$   | Above 12 months ZW\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607   | amount ZW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163   |
| inancial assets by type iash and cash equivalents Money market investments oans and other advances inancial liabilities by type leposits from customers rade and other payables ease liabilities ensitivity gap umulative gap Inaudited as at 31 December 2020 inancial assets by type ash and cash equivalents Money market investments oans and other advances   | 1 month<br>ZW\$<br>150 701 253<br>50 043 836<br>333 660<br>-<br>201 078 749<br>379 881 117<br>-<br>-<br>379 881 117<br>(178 802 368)<br>(178 802 368)                      | months<br>ZW\$   | 7 to 12 months ZW\$   | Above 12 months 2W\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607 - 42 330 688 50 043 836 197 580 221   | amount ZW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163 -  42 330 688 49 992 421 84 434 619   |
| cinancial assets by type Cash and cash equivalents Money market investments coans and other advances cinancial assets at FVTPL  Cinancial liabilities by type Deposits from customers rade and other payables cease liabilities  Cinancial assets at 31 December 2020  Cinancial assets by type Cash and cash equivalents Coney market investments coans and other advances cinancial assets at FVTPL  Cinancial liabilities by type Deposits from customers coans and other advances cinancial assets at FVTPL  | 1 month ZW\$  150 701 253 50 043 836 333 660 201 078 749  379 881 117  | months<br>ZW\$   | 7 to 12 months ZW\$   | Above 12 months 2W\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607 - 42 330 688 50 043 836 197 580 221 29 808 362  | amount ZW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163 -  42 330 688 49 992 421 84 434 619 29 808 362  |
| Unreviewed as at 30 June 2021  Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Gensitivity gap Cumulative gap  Unaudited as at 31 December 2020  Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  | 1 month<br>ZW\$  150 701 253<br>50 043 836<br>333 660 - 201 078 749  379 881 117 - 379 881 117 (178 802 368) (178 802 368)  42 330 688 50 043 836 271 650 - 92 646 174     | months zW\$  | 7 to 12 months ZW\$  33 231 485  33 231 485  25 981 773   | Above 12 months 2W\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607   | amount zW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163 -  42 330 688 49 992 421 84 434 619 29 808 362 206 566 090  285 340 212 30 559 666                                  |
| Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Gensitivity gap Cumulative gap  Unaudited as at 31 December 2020  Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Gensitivity gap  Gensitivity gap   | 1 month ZW\$  150 701 253 50 043 836 333 660 - 201 078 749  379 881 117 - 379 881 117 (178 802 368) (178 802 368) (178 802 368) 42 330 688 50 043 836 271 650 - 92 646 174 | months zW\$  | 7 to 12 months ZW\$   | Above 12 months 2W\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607  42 330 688 50 043 836 197 580 221 29 808 362 319 763 107  286 567 889 28 263 500 729 183             | amount zW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163 2988 163 2988 49 992 421 84 434 619 29 808 362 206 566 090  285 340 212 30 559 666 729 183                          |
| Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Trade and other payables Lease liabilities  Gensitivity gap Cumulative gap  Unaudited as at 31 December 2020  Financial assets by type Cash and cash equivalents Money market investments Loans and other advances Financial assets at FVTPL  Financial liabilities by type Deposits from customers Financial liabilities by type Deposits from customers Firade and other payables  | 1 month ZW\$  150 701 253 50 043 836 333 660   | months zW\$  | 7 to 12 months zw\$  33 231 485  33 231 485  25 981 773  7 249 712 (346 583 483)  29 106 973  29 106 973  25 977 634  3 129 339 (182 961 828) | Above 12 months 2W\$   | 2W\$  150 701 253 50 043 836 816 409 155 64 730 113 1 081 884 357  421 279 718 182 918 564 600 468 604 798 750  477 085 607  42 330 688 50 043 836 197 580 221 29 808 362 319 763 107  286 567 889 28 263 500 729 183 315 560 572 | amount zW\$  150 701 253 20 013 635 402 794 242 64 730 113 638 239 243  419 435 882 185 214 730 600 468 605 251 080  32 988 163  42 330 688 49 992 421 84 434 619 29 808 362 206 566 090  285 340 212 30 559 666 729 183 316 629 061  (110 062 971) |

|                                   | Inflation                       | n adjusted                     | Historical cost                   |                                  |  |
|-----------------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|                                   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| 23.3.2 Liquidity ratios           |                                 |                                |                                   |                                  |  |
| Total liquid assets               | 170 714 888                     | 111 423 117                    | 170 714 888                       | 92 323 109                       |  |
| Deposits from customers           | 419 435 882                     | 344 372 026                    | 419 435 882                       | 285 340 212                      |  |
| Liquidity ratio                   | 41%                             | 32%                            | 41%                               | 32%                              |  |
| Average for the period            | 45%                             | 80%                            | 45%                               | 80%                              |  |
| Maximum for the period            | 60%                             | 112%                           | 60%                               | 112%                             |  |
| Minimum for the period            | 35%                             | 54%                            | 35%                               | 54%                              |  |
| Minimum statutory liquidity ratio | 30%                             | 30%                            | 30%                               | 30%                              |  |



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021



## **REVIEWED FINANCIAL RESULTS**

for the half year ended 30 June 2021

## CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2021

LIFE ASSURANCE LIMITED

|                                      |       | Inflation                       | ı adjusted                     | Historic                          | al cost                          |  |
|--------------------------------------|-------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|                                      | Notes | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| ASSETS                               |       |                                 |                                |                                   |                                  |  |
| Cash and cash equivalents            |       | 9 435 849                       | 5 069 388                      | 9 435 849                         | 4 200 400                        |  |
| Funds on deposit                     | 2     | 25 113 591                      | 7 171 474                      | 25 113 591                        | 5 942 149                        |  |
| Reinsurance claim receivable         |       | 17 701                          | 20 846                         | 17 701                            | 17 273                           |  |
| Inventories, trade and               | _     | 24 652 202                      | 4.6.303.466                    | 24 652 202                        |                                  |  |
| other receivables                    | 3     | 21 652 283                      | 16 303 466                     | 21 652 283                        | 13 508 749                       |  |
| Investment securities                | 4     | 641 001 882                     | 568 452 041                    | 641 001 882                       | 471 008 719                      |  |
| Treasury bills and bonds             | 4     | 25 538 050                      | 14 748 717                     | 25 538 050                        | 12 220 510                       |  |
| Investment properties                | 5     | 251 332 288                     | 251 332 288                    | 208 249 228                       | 208 249 228                      |  |
| Right of use asset                   | 6     | 13 091 641                      | 8 889 758                      | 9 384 394                         | 5 099 666                        |  |
| Equity accounted investments         | 7     | 3 330 658 859                   | 2 996 371 452                  | 3 062 059 151                     | 2 450 748 623                    |  |
| Intangible assets                    | 8     | 28 778 286                      | 28 923 486                     | 865 138                           | 996 295                          |  |
| Equipment                            | 9     | 31 545 448                      | 33 033 753                     | 25 943 130                        | 27 371 149                       |  |
| TOTAL ASSETS                         |       | 4 378 165 877                   | 3 930 316 669                  | 4 029 260 397                     | 3 199 362 761                    |  |
| LIABILITIES                          |       |                                 |                                |                                   |                                  |  |
| Life assurance funds                 | 10    | 2 245 912 870                   | 2 020 026 521                  | 2 245 912 870                     | 1 673 756 150                    |  |
| Lease liabilities                    | 11    | 10 124 119                      | 6 602 342                      | 10 124 119                        | 5 470 576                        |  |
| Deferred tax liability               |       | 182 292 108                     | 187 935 124                    | 170 544 831                       | 155 719 526                      |  |
| Trade and other payables             | 12    | 61 559 678                      | 62 443 983                     | 61 559 678                        | 50 704 315                       |  |
| Provisions                           |       | 9 476 821                       | 6 442 640                      | 9 476 821                         | 6 373 856                        |  |
| Reinsurance premium payable          |       | 3 089 740                       | 2 481 973                      | 3 089 740                         | 2 056 516                        |  |
| Taxation                             |       | 57 983 317                      | 41 741 639                     | 57 983 317                        | 34 586 340                       |  |
| Total liabilities                    |       | 2 570 438 653                   | 2 327 674 222                  | 2 558 691 376                     | 1 928 667 279                    |  |
| EQUITY                               |       |                                 |                                |                                   |                                  |  |
| Share capital                        |       | 11 628 180                      | 11 628 180                     | 231 908                           | 231 908                          |  |
| Share premium                        |       | 222 190 527                     | 222 190 527                    | 4 431 623                         | 4 431 623                        |  |
| Investment reserve                   |       | -                               |                                | 827 451 668                       | 827 451 668                      |  |
| Revaluation reserve                  |       | 63 188 567                      | 63 188 567                     | 38 701 969                        | 38 701 969                       |  |
| Foreign currency translation reserve | 2     |                                 | 05 100 307                     | 28 051 287                        | 28 051 287                       |  |
| Retained earnings                    | -     | 1 510 719 950                   | 1 305 635 173                  | 571 700 566                       | 371 827 027                      |  |
| Total equity                         |       | 1 807 727 224                   | 1 602 642 447                  | 1 470 569 021                     | 1 270 695 482                    |  |
| TOTAL EQUITY AND LIABILITIES         |       | 4 378 165 877                   | 3 930 316 669                  | 4 029 260 397                     | 3 199 362 761                    |  |

## CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2021

|  | Inflation                              | adjusted                                     | Historical cost                        |  |  |
|--|--|--|--|--|--|
| Notes  | Reviewed<br>30 Jun 2021<br>ZW\$        | *Restated<br>Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$      | *Restated<br>Unreviewed<br>30 Jun 2020<br>ZW\$ |  |
| INCOME   |  |  |  |  |  |
| Gross premium income 13 Premiums ceded to reinsurers 14  | 195 647 172<br>(23 275 325)            | 68 697 808<br>(2 404 301)                    | 184 300 567<br>(21 966 115)            | 25 298 486<br>(924 611)                        |  |
| <b>Net premiums</b><br>Fair value gains on fair value<br>Through profit or loss financial  | 172 371 847                            | 66 293 507                                   | 162 334 452                            | 24 373 875                                     |  |
| instruments<br>Fair value gain on investment   | 112 111 557                            | 291 901 277                                  | 202 773 262                            | 309 536 554                                    |  |
| properties Investment income 15 Profit on disposal of listed equity  | 10 900 678                             | 90 206 969<br>4 888 398                      | 10 154 555                             | 118 658 116<br>1 499 392                       |  |
| investments Other (loss)/ income 16 Total income   | 11 769 452<br>5 441 454<br>312 594 988 | 23 212 264<br>1 012 437<br>477 514 852       | 10 721 262<br>5 144 748<br>391 128 277 | 6 328 645<br>351 350<br>460 747 932            |  |
| Expenses and Policyholder Benefits   |  | .,, 5,,, 552                                 | 33. 120 2.77                           |  |  |
| Policyholders' benefits 17<br>Changes to policyholder liabilities  | (48 111 689)<br>(225 886 349)          | (27 075 259)<br>(27 717 764)                 | (45 129 202)<br>(572 156 720)          | (9 608 322)<br>(282 053 348)                   |  |
| Operating expenses 18 Commissions Profit share under bancassurance   | (114 948 840)<br>(13 063 687)          | (69 134 016)<br>(15 779 086)                 | (108 220 572)<br>(10 698 814)          | (19 455 901)<br>(5 526 806)                    |  |
| agreements Total expenses and policyholder benefits  | (429 178 487)                          | (3 151 579)                                  | (27 167 922)                           | (1 058 220)                                    |  |
| Operating profit before taxation   | (116 583 499)                          | 334 657 148                                  | (372 244 953)                          | 143 045 335                                    |  |
| Share of profit/ (loss) of equity accounted investee net of tax 7 Lease finance charge   | 340 393 340<br>(1 905 780)             | (222 754 266)                                | 617 416 462<br>(1 776 271)             | 167 971 493<br>-                               |  |
| Net monetary gain/loss Profit before taxation  | 17 520 125<br>239 424 186              | (206 417)<br>111 696 465                     | 243 395 238                            | -<br>311 016 828                               |  |
| Income tax expense 19  | (34 339 409)                           | (21 809 102)                                 | (43 521 699)                           | (15 009 229)                                   |  |
| Profit for the period  | 205 084 777                            | 89 887 363                                   | 199 873 539                            | 296 007 599                                    |  |
| Other comprehensive income<br>Revaluation of Property and<br>Equipment<br>Share of other comprehensive<br>income of equity accounted | -                                      | -  | -                                      | -  |  |
| investee net of tax Other comprehensive income   | -                                      | 12 391 112                                   | -                                      | 7 236 896                                      |  |
| for the period   | -                                      | 12 391 112                                   | -                                      | 7 236 896                                      |  |
| Total comprehensive income for<br>the period   | 205 084 777                            | 102 278 475                                  | 199 873 539                            | 303 244 495                                    |  |

\* The restatement is in respect of prior period error on revaluation of intangible assets (see note 8)

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2021

| 30 June 2021              |  |
|---------------------------|--|
| Balance at 1 January 2021 |  |
| Profit for the period     |  |
| Balance at 30 June 2021   |  |

| Prior period error<br>lestated balance at 31 December 2019  |  |
|---|--|
| rofit for the period<br>rofit for the period as previously reported<br>Prior period error<br>tevaluation of property<br>ividend paid<br>lalance at 30 June 2020 |  |
|   |  |

| ca    | hare<br>pital<br>ZW\$ | Share<br>premium<br>ZW\$ | Revaluation<br>reserve<br>ZW\$ | Investment<br>reserve<br>ZW\$ | Retained<br>earnings<br>ZW\$ | FCTR<br>equity<br>ZW\$ | Total<br>ZW\$                |
|-------|-----------------------|--------------------------|--------------------------------|-------------------------------|------------------------------|------------------------|------------------------------|
|       |                       |                          |                                |                               |                              |                        |                              |
| 11 62 | 8 180                 | 222 190 527              | 63 188 567                     | - 1                           | 1 305 635 173                | -                      | 1 602 642 447                |
| 11 62 | 8 180                 | 222 190 527              | 63 188 567                     | -<br>- 1                      | 205 084 777<br>510 719 950   | -                      | 205 084 777<br>1 807 727 224 |
|       |                       |                          |                                |                               |                              |                        |                              |
| 11 62 | 8 180                 | 222 190 527              | 155 354 934                    | - 1                           | 177 927 698                  | -                      | 1 567 101 339                |
|       | -                     | -                        | (103 522 242)                  | -                             | (32 437 860)                 | -                      | (135 960 102                 |
| 11 62 | 8 180                 | 222 190 527              | 51 832 692                     | -                             | 1 145 489 838                | -                      | 1 431 141 23                 |
|       | -                     | -                        | -                              | -                             | 89 887 363                   | -                      | 89 887 363                   |
|       | -                     | -                        | -                              | -                             | 78 433 844                   | -                      | 78 433 844                   |
|       | -                     | -                        | -                              | -                             | 11 453 519                   | -                      | 11 453 519                   |
|       | -                     | -                        | 12 391 112                     | -                             | -                            | -                      | 12 391 112                   |
|       | -                     | -                        | -                              | -                             | (2 054 656)                  | -                      | (2 054 650                   |
| 11 62 | 8 180                 | 222 190 527              | 64 223 804                     | -                             | 1 235 377 201                | -                      | 1 531 365 05                 |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued) For the half year ended 30 June 2021

|   | Unreviewed historical cost |                          |                                |                               |                              |                           |                              |
|---|----------------------------|--------------------------|--------------------------------|-------------------------------|------------------------------|---------------------------|------------------------------|
|   | Share<br>capital<br>ZW\$   | Share<br>premium<br>ZW\$ | Revaluation<br>reserve<br>ZW\$ | Investment<br>reserve<br>ZW\$ | Retained<br>earnings<br>ZW\$ | FCTR<br>equity<br>ZW\$    | Total<br>ZW\$                |
| 30 June 2021<br>Balance at 1 January 2021                             | 231 908                    | 4 431 623                | 38 701 969                     | 827 451 668                   | 371 827 027                  | 28 051 287                | 1 270 695 482                |
| Profit for the period<br>Balance at 30 June 2021                      | 231 908                    | 4 431 623                | 38 701 969                     | 827 451 668                   | 199 873 539<br>571 500 566   | 28 051 287                | 199 873 539<br>1 470 569 021 |
| Restated 30 June 2020 Balance at 31 December 2019 *Prior period error | 231 908                    | 4 431 623                | 37 353 225<br>(30 339 524)     | 117 351 328                   | 112 294 366<br>132 882       | 29 155 989<br>(1 104 702) | 300 818 439<br>(31 311 344)  |
| Restated balance at 31 December 2019                                  | 231 908                    | 4 431 623                | 7 013 701                      | 117 351 328                   | 112 427 248                  | 28 051 287                | 269 507 095                  |
| Profit for the period   | -                          | -                        | -                              | -                             | 296 007 599                  | -                         | 296 007 599                  |
| Profit for the period as previously reported *Prior period error      | _                          | -                        | -                              | -                             | 292 922 974<br>3 084 625     | -                         | 292 922 974<br>3 084 625     |
| Revaluation of Property<br>Dividend paid                              | -                          | -                        | 7 236 896                      | -                             | (1 200 000)                  | -                         | 7 236 896<br>(1 200 000)     |
| Balance at 30 June 2020   | 231 908                    | 4 431 623                | 14 250 597                     | 117 351 328                   | 407 234 847                  | 28 051 287                | 571 551 590                  |

<sup>\*</sup> The restatement is in respect of prior period error on revaluation of intangible assets (see note 8)

## CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2021

|  | Inflation  | adjusted   | Historical cost  |  |  |
|--|--|--|--|--|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$  | Reviewed<br>30 Jun 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$  | Unreviewed<br>30 Jun 2020<br>ZW\$  |  |
|  |  |  |  |  |  |
| Cash generated from operations   | 9 439 021  | (282 963 675)  | 6 787 388  | (8 779 404)  |  |
| Cash generated /(used) to increase working capital   | (3 026 048)  | 17 580 878   | 8 185 844  | 6 195 000  |  |
| Cash generated from operating activities   | 6 412 973  | (265 382 797)  | 14 973 232   | (2 584 404)  |  |
| Interest received  | 2 551 220  | 3 531 104  | 2 342 001  | 457 465  |  |
| Interest expense Paid  | (1 905 780)  | (5 090 251)  | (1 776 271)  | -  |  |
| Lease liability payments   | -  | -  | -  | 164 261  |  |
| Taxation paid  | (12 454 720)   | (48 529 184)   | (5 299 420)  | (1 126 125)  |  |
| Cash generated from operating activities   | (5 396 307)  | (315 471 128)  | 10 239 542   | (3 088 803)  |  |
| Cash flows from investing activities Purchase of property and equipment Purchase of intangible assets Net (purchase) / disposal of financial assets at amortised cost Purchase of equity investments (Purchase) /maturity of funds on deposit Proceeds on disposal of listed equity investments Dividends received from other equity investments | (394 713)<br>-<br>(18 022 228)<br>(12 073 795)<br>-<br>41 765 209<br>2 312 583 | (2 076 210)<br>-<br>(6 677 609)<br>242 787 768<br>-<br>90 218 708<br>2 493 147 | (327 052)<br>-<br>(8 957 449)<br>(19 251 371)<br>23 884 608<br>2 182 923 | (187 698)<br>(475 621)<br>(728 822)<br>(1 909 082)<br>2 004 558<br>7 510 888 |  |
| Cash used in investing activities  | 13 587 056   | 326 745 804  | (2 468 341)  | 6 214 223  |  |
| Cash flows from financing activities<br>Lease payment<br>Dividend paid   | (3 832 265)  | (4 657 633)<br>(2 479 728)   | (2 543 728)<br>-   | (398 054)<br>(1 200 000)   |  |
| Cash used in financing activities  | (3 832 265)  | (7 137 361)  | (2 543 728)  | (1 598 054)  |  |
| (Decrease)/Increase in cash and cash equivalents Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of period   | 4 358 484<br>5 069 388<br>9 427 872  | 4 137 315<br>934 639<br>5 071 954  | 5 227 472<br>4 200 400<br>9 427 872                                      | 1 527 366<br>172 638   |  |
| Cash and cash equivalents at the end of period   | 9 42 / 8 / 2   | 5 0/1 954  | 9 42/ 8/2  | 1 /00 004  |  |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2021

#### 1. STATEMENT OF COMPLIANCE

The condensed inflation adjusted interim financial results are required to be prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting." They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last Company annual financial statements. They should therefore be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020.

|                     | ,                               |                                |                                   |                                  |
|---------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|                     | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 2. FUNDS ON DEPOSIT |                                 |                                |                                   |                                  |
| Fixed deposits      | 25 113 591                      | 7 171 474                      | 25 113 591                        | 5 942 149                        |

These are money market placements with terms of not more than a year.

|   | Inflation                            | adjusted                        | Historica                            | al cost                          |
|---|--------------------------------------|---------------------------------|--------------------------------------|----------------------------------|
|   | Reviewed<br>30 Jun 2021<br>ZW\$      | Audited<br>31 Dec 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$    | Unaudited<br>31 Dec 2020<br>ZW\$ |
| : INVENTORIES & TRADE AND OTHER RECEIVABLES                             |                                      |                                 |                                      |                                  |
| Printing and stationery stock<br>Prepayments                            | 246 116<br>902 324                   | 315 452<br>3 464 840            | 246 116<br>902 324                   | 261 377<br>2 870 901             |
| Related party balances<br>Rent debtors<br>Sundry debtors                | 1 227 129<br>1 400 824<br>15 963 188 | 666 834<br>101 296<br>9 118 133 | 1 227 129<br>1 400 824<br>15 963 188 | 535 256<br>83 932<br>7 572 387   |
| Advances for sales agents Allowance for credit losses                   | 2 023 915<br>(111 213)               | 2 771 133<br>(134 221)          | 2 023 915<br>(111 213)               | 2 296 109<br>(111 213            |
| Closing balance   | 21 652 283                           | 16 303 466                      | 21 652 283                           | 13 508 749                       |
| . INVESTMENT SECURITIES   |                                      |                                 |                                      |                                  |
| Designated as fair value through profit and loss:-                      |                                      |                                 |                                      |                                  |
| Equity securities – Listed<br>Equity securities – Unlisted<br>Gold Fund | 322 392 794<br>318 609 088           | 167 127 005<br>359 559 827      | 322 392 794<br>318 609 088           | 138 478 307<br>297 924 541       |
| Balance at end of period  | 641 001 882                          | 41 765 209<br>568 452 041       | 641 001 882                          | 34 605 871<br>471 008 719        |
| At Amortised cost   |                                      |                                 |                                      |                                  |
| Bonds   | 23 616 915                           | 12 526 598                      | 23 616 915                           | 10 379 305                       |
| Treasury bills<br>Debentures  | 1 884 163<br>36 972                  | 2 178 562<br>43 557             | 1 884 163<br>36 972                  | 1 805 115<br>36 090              |
| Total   | 25 538 050                           | 14 748 717                      | 25 538 050                           | 12 220 510                       |

#### Fair Value Measurement

|  | Inflation adjusted              |                                | Historical cost                   |                                  |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| <b>Level 1</b><br>Quoted equities<br>Gold Fund | 322 392 794<br>-                | 167 127 005<br>41 765 209      | 322 392 794<br>-                  | 138 478 307<br>34 605 871        |
| Total Level 3                                  | 322 392 794                     | 208 892 214                    | 322 392 794                       | 173 084 178                      |
| Unquoted equities                              | 318 609 088                     | 359 559 827                    | 318 609 088                       | 297 924 541                      |



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 4.1 Reconciliation of carrying amount

|                           | Inflation adjusted |              |              |              |
|---------------------------|--------------------|--------------|--------------|--------------|
|                           | Equities           | Equities     |              |              |
|                           | listed             | unlisted     | Gold fund    | Total        |
|                           | zw\$               | zw\$         | zw\$         | ZW\$         |
| Reviewed 30 June 2021     |                    |              |              |              |
| Balance at 1 January 2021 | 167 127 005        | 359 559 827  | 41 765 209   | 568 452 041  |
| Additions                 | 2 203 493          | -            | -            | 2 203 493    |
| Disposals                 | -                  | -            | (41 765 209) | (41 765 209) |
| Fair value gains          | 153 062 296        | (40 950 739) | -            | 112 111 557  |
| Balance at end of period  | 322 392 794        | 318 609 088  | -            | 641 001 882  |
| Audited 31 December 2020  |                    |              |              |              |
| Balance at 1 Janaury 2020 | 155 576 371        | 375 070 379  | 30 382 773   | 561 029 523  |
| Additions                 | 10 777 757         | -            | -            | 10 777 757   |
| Disposals                 | (26 142 951)       | -            | -            | (26 142 951) |
| Fair value gains          | 26 915 828         | (15 510 552) | 11 382 436   | 22 787 713   |
| Balance at end of period  | 167 127 005        | 359 559 827  | 41 765 209   | 568 452 041  |

|                             |                            | Histo                        | orical cost       |               |
|-----------------------------|----------------------------|------------------------------|-------------------|---------------|
|                             | Equities<br>listed<br>ZW\$ | Equities<br>unlisted<br>ZW\$ | Gold fund<br>ZW\$ | Total<br>ZW\$ |
| Unreviewed 30 June 2021     |                            |                              |                   |               |
| Balance at beginning period | 138 478 307                | 297 924 542                  | 34 605 871        | 471 008 720   |
| Additions                   | 1 825 773                  | -                            | -                 | 1 825 773     |
| Disposals                   | -                          | -                            | (34 605 871)      | (34 605 871)  |
| Fair Value gains            | 182 088 714                | 20 684 546                   | -                 | 202 773 260   |
| Balance at end of period    | 322 392 794                | 318 609 088                  | -                 | 641 001 882   |
| Unaudited 31 December 2020  |                            |                              |                   |               |
| Balance at 1 January 2020   | 28 736 727                 | 69 279 772                   | 5 612 045         | 103 628 544   |
| Additions                   | 4 175 363                  | -                            | -                 | 4 175 363     |
| Disposals                   | (52 948 186)               | -                            | -                 | (52 948 186)  |
| Fair value gains            | 158 514 403                | 228 644 770                  | 28 993 826        | 416 152 999   |
| Balance at end of year      | 138 478 307                | 297 924 542                  | 34 605 871        | 471 008 720   |

|    |                                    | Inflation adjusted              |                                | Historical cost                   |                                  |
|----|------------------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|    |                                    | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 5. | INVESTMENT PROPERTIES              |                                 |                                |                                   |                                  |
|    | Reconciliation of carrying amount  |                                 |                                |                                   |                                  |
|    | Opening balance at 1 January       | 251 332 288                     | 250 677 107                    | 208 249 228                       | 46 302 916                       |
|    | Fair value adjustment              | -                               | 655 181                        | -                                 | 161 946 312                      |
|    | Closing balance at end of period   | 251 332 288                     | 251 332 288                    | 208 249 228                       | 208 249 228                      |
| 6. | RIGHT OF USE ASSET                 |                                 |                                |                                   |                                  |
|    | Cost                               |                                 |                                |                                   |                                  |
|    | Balance at 1 January               | 35 906 157                      | 25 737 930                     | 7 010 210                         | 1 674 396                        |
|    | Remeasurement of lease asset       | 5 420 999                       | 10 168 226                     | 5 420 999                         | 5 335 814                        |
|    | Balance at end of period           | 41 327 156                      | 35 906 156                     | 12 431 209                        | 7 010 210                        |
|    | Amortisation and impairment losses |                                 |                                |                                   |                                  |
|    | Balance as at 1 January            | 27 016 398                      | 19 872 235                     | 1 910 544                         | 590 936                          |
|    | Amortisation                       | 1 219 117                       | 7 144 163                      | 1 136 271                         | 1 319 608                        |
|    | Balance at end of period           | 28 235 515                      | 27 016 398                     | 3 046 815                         | 1 910 544                        |
|    |                                    |                                 |                                |                                   |                                  |
|    | Net book value at end of period    | 13 091 641                      | 8 889 758                      | 9 384 394                         | 5 099 666                        |

#### 7. EQUITY ACCOUNTED INVESTMENTS

|                                       |                   | Inflation adjusted |               |
|---------------------------------------|-------------------|--------------------|---------------|
|                                       | Associate<br>ZW\$ | Subsidiary<br>ZW\$ | Total<br>ZW\$ |
| Reviewed 30 June 2021                 |                   |                    |               |
| Balance at 1 January 2021             | 2 983 333 940     | 13 037 513         | 2 996 371 453 |
| Share of profit/(loss) for the period | 341 475 898       | (1 082 558)        | 340 393 340   |
| Dividends receieved                   | (6 105 934)       | -                  | (6 105 934)   |
| Balance at 30 June 2021               | 3 318 703 904     | 11 954 955         | 3 330 658 859 |
| Audited 31 December 2020              |                   |                    |               |
| Balance at 1 January 2020             | 1 974 920 691     | 12 625 234         | 1 987 545 925 |
| Share of profit/(loss) for the year   | 1 263 728 943     | 414 843            | 1 264 143 786 |
| Share of other comprehensive income   | -                 | (2 565)            | (2 565)       |
| Dividends received                    | (12 222 997)      | -                  | (12 222 997)  |
| Termination transfer                  | (243 092 697)     | -                  | (243 092 697) |
| Balance at 31 December 2020           | 2 983 333 940     | 13 037 513         | 2 996 371 452 |

|                                       |                   | Historical cost    |               |
|---------------------------------------|-------------------|--------------------|---------------|
|                                       | Associate<br>ZW\$ | Subsidiary<br>ZW\$ | Total<br>ZW\$ |
| Unreviewed 30 June 2021               |                   |                    |               |
| Balance at 1 January 2021             | 2 440 255 455     | 10 493 168         | 2 450 748 623 |
| Share of profit/(loss) for the period | 618 313 225       | (896 763)          | 617 416 462   |
| Dividends received                    | (6 105 934)       | -                  | (6 105 934)   |
| Balance at 30 June 2021               | 3 052 462 746     | 9 596 405          | 3 062 059 151 |
|                                       |                   |                    |               |
| Unaudited 31 December 2020            |                   |                    |               |
| Balance at 1 January 2020             | 362 455 673       | 2 330 446          | 364 786 119   |
| Share of profit/(loss) for the year   | 2 288 659 604     | (931 410)          | 2 287 728 194 |
| Share of other comprehensive income   | -                 | 9 094 132          | 9 094 132     |
| Dividends received                    | (9 437 765)       | -                  | (9 437 765)   |
| Termination transfer                  | (201 422 057)     | -                  | (201 422 057) |
| Balance at 31 December 2020           | 2 440 255 455     | 10 493 168         | 2 450 748 623 |

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|    |   | Inflation adjusted              |                                | Historical cost                   |                                  |
|----|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|    |   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 8. | INTANGIBLE ASSETS                         |                                 |                                |                                   |                                  |
|    | Cost<br>Balance at 1 January<br>Additions | 40 030 464<br>-                 | 38 277 730<br>1 752 733        | 1 311 569                         | 835 948<br>475 621               |
|    | Balance at end of period                  | 40 030 464                      | 40 030 463                     | 1 311 569                         | 1 311 569                        |
|    | Amortisation and impairment losses        |                                 |                                |                                   |                                  |
|    | Balance at 1 January                      | 11 106 977                      | 3 188 521                      | 315 274                           | 68 814                           |
|    | Amortisation                              | 145 201                         | 7 918 456                      | 131 157                           | 246 460                          |
|    | Balance at end of period                  | 11 252 178                      | 11 106 977                     | 446 431                           | 315 274                          |
|    | Balance at end of period                  | 28 778 286                      | 28 923 486                     | 865 138                           | 996 295                          |

Investments Savings Loans Mortgages Insurance

Prior period error
The Comapny changed its accounting policy on intangible assets to revaluation model in 2018. The intangible assets comprised of computer software and work in progress in the development of internally generated computer software. The Company has significant computer software assets that were acquired during the multicurrency period as well as in the mono currency period. The computer software acquired in the multi-currency period was, through implementation of SI 33 of 2019, converted to local currency at the rate of 1:1 for USD to ZWL currency. The implementation of SI 33 of 2019, coupled with the significant depreciation of the local currency and the resultant hyperinflation that occurred in the period following currency reforms, which were implemented on 22 February 2019, resulted in significant erosion of carrying value of assets including the computer software.

In the course of preparation of financial statements, management made judgement for certain items that are especially critical for the Company's results and financial situation due to materiality, and a judgement was made to adopt the revaluation model for computer software with a view to provide financial information that is meaningful and reasonable to the users of financial statements. The revaluation exercise was undertaken by an independent external valuer and the necessary adjustments were done to the financial statements for the year ended 31 December 2019 and 31 December 2020.

Further reassessment made on the application of revaluation model on computer software in the year ended 31 December 2020 pointed to a technical difficulty in satisfying the requirement of the existence of an active market "as is required by IAS 38 [Intangible Assets]" for adoption of the revaluation model for intangible assets. This was due to the following reasons:

- The pricing information of the computer software is not publicly available as contracts are negotiated between individual buyers and sellers. Computer software was considered a packaged deal designed to meet the specific selection of the
- The computer software is customized to satisfy the requirements of the Company and this has made it a unique product.

The Company reverted to the historical cost model from the 2020 financial year.

The condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2020 have been restated to reverse the revaluation gain adjustment on computer software and recognised amortisation. The condensed consolidated inflation adjusted interim financial results have also been restated to apply the exchange rate of USD1:ZWL1 on the date of change of functional currency (22 February 2019), which was the earliest observable exchange rate per IAS 21.

#### 9. EQUIPMENT

|  | Inflation adjusted          |                                       |                                     |                                      |
|--|-----------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
|  |                             | Equipment                             |                                     |                                      |
|  | Motor                       | furniture                             |                                     |                                      |
|  | vehicles                    | & fittings                            | Computers                           | Total                                |
|  | ZW\$                        | ZW\$                                  | ZW\$                                | ZW\$                                 |
|  | 2003                        | 2003                                  | Z V V Þ                             | 2003                                 |
| Reviewed 30 June 2021  |                             |                                       |                                     |                                      |
| Cost or valuation  |                             |                                       |                                     |                                      |
| At 1 January 2021  | 5 654 715                   | 20 367 600                            | 7 011 438                           | 33 033 753                           |
| Additions  | -                           | -                                     | 394 713                             | 394 713                              |
| At 30 June 2021  | 5 654 715                   | 20 367 600                            | 7 406 151                           | 33 428 466                           |
| Accumulated depreciation and impairment  |                             |                                       |                                     |                                      |
| Balance at 1 January 2021  | _                           | _                                     | _                                   | _                                    |
| Charge for the period  | 344 239                     | 856 962                               | 681 817                             | 1 883 018                            |
| Balance at 30 June 2021  | 344 239                     | 856 962                               | 681 817                             | 1 883 018                            |
|  |                             |                                       |                                     |                                      |
| Balance at 30 June 2021  | 5 310 476                   | 19 510 638                            | 6 724 334                           | 31 545 448                           |
| Balance at 31 December 2020  | 5 654 715                   | 20 367 600                            | 7 011 438                           | 33 033 753                           |
| Audited 31 December 2020   |                             |                                       |                                     |                                      |
| Cost or valuation  |                             |                                       |                                     |                                      |
|  | 16 044 361                  | 5 979 953                             | 6 854 783                           | 28 879 096                           |
| Additions  | -                           | 923 751                               | 1 152 459                           | 2 076 210                            |
| Revaluation  | (10 389 646)                | 13 463 896                            | (995 804)                           | 2 078 446                            |
| At 31 December 2020  | 5 654 715                   | 20 367 600                            | 7 011 438                           | 33 033 753                           |
|  |                             |                                       |                                     |                                      |
|  |                             |                                       |                                     |                                      |
|  | 5 453 380                   | 2 198 921                             | 1 627 693                           | 9 279 994                            |
| Revaluation  | (5 453 380)                 | (2 198 921)                           | (1 627 693)                         | (9 279 994)                          |
| Balance at 31 December 2020  | -                           | -                                     | -                                   | -                                    |
|  |                             |                                       |                                     |                                      |
| Balance at 31 December 2020  | 5 654 715                   | 20 367 600                            | 7 011 438                           | 33 033 753                           |
| Revaluation At 31 December 2020  Accumulated depreciation and impairment Balance at 1 January 2020 Charge for the year Revaluation | 5 654 715<br>-<br>5 453 380 | 13 463 896<br>20 367 600<br>2 198 921 | (995 804)<br>7 011 438<br>1 627 693 | 2 078 446<br>33 033 753<br>9 279 994 |

|   | Historical cost                          |  |  |  |
|---|--|--|--|--|
|   | Motor                                    | Equipment furniture                              |  |  |
|   | vehicles<br>ZW\$                         | & fittings<br>ZW\$                               | Computers<br>ZW\$                              | Total<br>ZW\$                                    |
| Unreviewed 30 June 2021   |  |  |  |  |
| Cost or valuation<br>At 1 January 2020<br>Additions                                       | 4 685 391                                | 16 876 212<br>-                                  | 5 809 546<br>327 052                           | 27 371 149<br>327 052                            |
| At 30 June 2021   | 4 685 391                                | 16 876 212                                       | 6 136 598                                      | 27 698 201                                       |
| Accumulated depreciation and impairment<br>Balance at 1 January 2021                      | -  | <del>.</del>                                     |  | -  |
| Charge for the period  Balance at 30 June 2021  | 320 849<br>320 849                       | 798 733<br>798 733                               | 635 489<br>635 489                             | 1 755 071<br>1 755 071                           |
| Balance at 30 June 2021   | 320 649                                  | /90 /33  | 035 469  | 1 / 55 0/ 1                                      |
| Balance at 30 June 2021   | 4 364 542                                | 16 077 479                                       | 5 501 109                                      | 25 943 130                                       |
| Unaudited 31 December 2020  |  |  |  |  |
| Cost or valuation<br>At 1 January 2020<br>Additions<br>Revaluation<br>At 31 December 2020 | 2 963 576<br>-<br>1 721 815<br>4 685 391 | 1 104 566<br>209 855<br>15 561 792<br>16 876 213 | 1 266 155<br>772 970<br>3 770 420<br>5 809 545 | 5 334 297<br>982 825<br>21 054 027<br>27 371 149 |
| Accumulated depreciation and impairment<br>Balance at 1 January 2020                      |  |  |  |  |
| Charge for the year<br>Revaluation  | 1 007 301<br>(1 007 301)                 | 244 812  | 287 997  | 1 540 110  |
| Revaluation<br>Balance at 31 December 2020  | (1 007 301)                              | (244 812)  | (287 997)                                      | (1 540 110)                                      |
| Balance at 31 December 2020   | 4 685 391                                | 16 876 213                                       | 5 809 545                                      | 27 371 149                                       |

|  | Inflation adjusted  |  | Historical cost   |  |              |
|--|---|--|---|--|--------------|
|  | Reviewed<br>30 Jun 2021<br>ZW\$   | Audited<br>31 Dec 2020<br>ZW\$                                     | Unreviewed<br>30 Jun 2021<br>ZW\$                                     | Unaudited<br>31 Dec 2020<br>ZW\$                                     | _            |
| . LIFE ASSURANCE FUNDS   |   |  |   |  |              |
| Balance at 1 January<br>Changes to policyholder liabilities<br>Additional expense reserve<br>Balance at end of period                    | 2 020 026 521<br>225 886 349<br>-<br>2 245 912 870                            | 1 297 276 268<br>558 174 760<br>164 575 493<br>2 020 026 521       | 1 673 756 150<br>572 156 719<br>-<br>2 245 912 870                    | 238 655 969<br>1 298 736 009<br>136 364 172<br>1 673 756 150         | -            |
| . LEASE LIABILITIES  |   |  |   |  | -            |
| Balance at 1 January<br>Remeasurement<br>Finance charge<br>Effects of monetary adjustments<br>Lease payments<br>Balance at end of period | 6 602 342<br>5 421 000<br>2 676 050<br>(743 008)<br>(3 832 265)<br>10 124 119 | 5 730 698<br>439 026<br>5 090 251<br>-<br>(4 657 633)<br>6 602 342 | 5 470 576<br>5 421 000<br>1 776 271<br>-<br>(2 543 728)<br>10 124 119 | 1 058 525<br>5 335 814<br>2 062 685<br>-<br>(2 986 448)<br>5 470 576 | I<br>BFH 147 |

11.

Deferred taxation



ZB FINANCIAL HOLDINGS LIMITED

## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|   | Inflation adjusted              |                                | Historical cost                   |                                  |
|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 12. TRADE AND OTHER PAYABLES                |                                 |                                |                                   |                                  |
| Policyholders claims intimated but not paid | 5 197 676                       | 24 885 165                     | 5 197 676                         | 20 619 382                       |
| Other liabilities                           | 12 763 975                      | 13 798 157                     | 12 763 975                        | 10 397 294                       |
| Related parties                             | 15 954 502                      | 6 701 404                      | 15 954 502                        | 5 552 658                        |
| Unearned Premium                            | 27 643 525                      | 17 059 257                     | 27 643 525                        | 14 134 981                       |
|   | 61 559 678                      | 62 443 983                     | 61 559 678                        | 50 704 315                       |
|   |                                 |                                |                                   |                                  |

|   | 61 559 678                      | 62 443 983                      | 61 559 678                        | 50 704 315                        |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|   |                                 |                                 |                                   |                                   |
|   | Inflation                       | ı adjusted                      | Historical cost                   |                                   |
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |
| 13. GROSS PREMIUM INCOME                        |                                 |                                 |                                   |                                   |
| Individual life                                 | 16 626 899                      | 8 688 827                       | 15 662 619                        | 3 157 227                         |
| Group business                                  | 179 020 273                     | 60 008 981                      | 168 637 948                       | 22 141 259                        |
| •   | 195 647 172                     | 68 697 808                      | 184 300 567                       | 25 298 486                        |
| 14. PREMIUMS CEDED TO REINSURERS                |                                 |                                 |                                   |                                   |
| Individual life                                 | (187 821)                       | 441 717                         | (177 256)                         | 90 361                            |
| Group business                                  | (23 087 504)                    | (2 846 016)                     | (21 788 859)                      | (1 014 972)                       |
|   | (23 275 325)                    | (2 404 301)                     | (21 966 115)                      | (924 611)                         |
| 15. INVESTMENT INCOME                           |                                 |                                 |                                   |                                   |
| Interest income on held to maturity             |                                 |                                 |                                   |                                   |
| financial instruments                           | 2 551 220                       | 1 350 243                       | 2 342 001                         | 457 465                           |
| Rentals from investment properties              | 6 036 875                       | 3 085 134                       | 5 629 631                         | 877 667                           |
| Dividends from financial assets                 |                                 |                                 |                                   |                                   |
| designated at fair value through profit or loss | 2 312 583                       | 453 021                         | 2 182 923                         | 164 260                           |
|   | 10 900 678                      | 4 888 398                       | 10 154 555                        | 1 499 392                         |
|   |                                 |                                 |                                   |                                   |

| NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued) |                                 |                                 |                                   |                                   |  |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--|
|   | Inflation                       | adjusted                        | Historic                          | al cost                           |  |
|   | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |  |
| 16. OTHER INCOME  |                                 |                                 |                                   |                                   |  |
| Loss on disposal of property and equipment                                      | -                               | -                               | -                                 | -                                 |  |
| Sundry income   | 108 781                         | 125 302                         | 101 778                           | 48 877                            |  |
| Reinsurance commission Asset Management income                                  | 4 373 822<br>958 851            | 573 213<br>313 922              | 4 135 383<br>907 586              | 197 066<br>105 407                |  |
| Asset Management Income   | 5 441 454                       | 1 012 437                       | 5 144 748                         | 351 350                           |  |
|   |                                 |                                 |                                   |                                   |  |
| 17. POLICYHOLDERS' BENEFITS   |                                 |                                 |                                   |                                   |  |
| Claims during the period were as follows:-                                      |                                 |                                 |                                   |                                   |  |
| Death and disability benefits   | 29 342 977                      | 10 548 051                      | 27 166 170                        | 3 603 913                         |  |
| Maturities  | 891 867                         | 6 619 204                       | 854 491                           | 1 880 979                         |  |
| Annuities   | 2 474 259                       | 1 751 127                       | 2 330 148                         | 585 679                           |  |
| Surrenders and pensions withdrawals   | 15 402 586                      | 8 156 878                       | 14 778 393                        | 3 537 751                         |  |
|   | 48 111 689                      | 27 075 259                      | 45 129 202                        | 9 608 322                         |  |
| 18. OPERATING EXPENSES  |                                 |                                 |                                   |                                   |  |
| Staff expenses  | 55 517 189                      | 19 619 886                      | 52 383 912                        | 7 463 344                         |  |
| Administration expenses   | 44 036 559                      | 29 990 956                      | 41 396 624                        | 8 597 740                         |  |
| Depreciation of equipment   | 1 883 018                       | 9 857 174                       | 1 755 071                         | 123 223                           |  |
| Depreciation of software  | 145 200                         | 2 293 370                       | 131 157                           | 770 055                           |  |
| Depreciation of right of use asset  | 1 219 117                       | -                               | 1 136 271                         | -                                 |  |
| Foreign exchange loss   | 2 150 172                       | 4 513 332                       | 2 121 850                         | 1 444 590                         |  |
| Directors Fees  | 3 408 589                       | 1 483 488                       | 3 154 400                         | 613 565                           |  |
| Audit Fees<br>Total   | 6 588 996                       | 1 375 810                       | 6 141 287                         | 468 384                           |  |
| iotai   | 114 948 840                     | 69 134 016                      | 108 220 572                       | 19 455 901                        |  |
| 19. INCOME TAX CHARGE   |                                 |                                 |                                   |                                   |  |
| Current taxation  | 28 696 394                      | (4 355 739)                     | 28 696 394                        | 1 253 023                         |  |

# We understand that life has to go on!

Tinewe nguva dzose/ Silani isikhathi sonke



14 825 305

13 756 206

26 164 841



## **Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results** for the half year ended 30 June 2021

# **ZB** REINSURANCE LIMITED

## **REVIEWED FINANCIAL RESULTS**

for the half year ended 30 June 2021

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION

|                                  |        | 1                               | a altitude al                  | _11:-4                            | Lacat                            |  |
|----------------------------------|--------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|
|                                  |        | Inflation                       | adjusted                       | Historical cost                   |                                  |  |
|                                  | Notes  | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |  |
| Non-current assets               |        |                                 |                                |                                   |                                  |  |
| Equipment                        |        | 13 660 803                      | 14 179 516                     | 11 232 920                        | 11 748 882                       |  |
| Right of use assets              |        | 6 922 552                       | 7 391 936                      | 5 687 333                         | 6 124 820                        |  |
| nvestment properties             | 2      | 226 727 306                     | 226 727 306                    | 187 862 000                       | 187 862 000                      |  |
| nvestments                       | 3      | 214 926 081                     | 158 425 541                    | 214 926 081                       | 131 268 437                      |  |
| Deferred tax asset               | _      | 3 834 497                       | -                              | -                                 | .5. 200 .5.                      |  |
| otal non-current assets          |        | 466 071 239                     | 406 724 299                    | 419 708 334                       | 337 004 139                      |  |
|                                  |        |                                 |                                |                                   |                                  |  |
| Current assets                   |        |                                 |                                |                                   |                                  |  |
| Other assets                     |        | 8 009 647                       | 522 440                        | 8 009 647                         | 432 884                          |  |
| Balances receivable from         |        |                                 |                                |                                   |                                  |  |
| nsurance companies               | 4      | 154 441 484                     | 96 497 264                     | 154 441 484                       | 79 955 826                       |  |
| Cash and cash equivalent         | 5      | 500 285 459                     | 509 118 032                    | 500 285 459                       | 421 845 668                      |  |
| otal current assets              |        | 662 736 590                     | 606 137 736                    | 662 736 590                       | 502 234 378                      |  |
|                                  |        | 4.430.007.030                   | 4 042 062 025                  | 4 002 444 024                     | 020 220 545                      |  |
| otal assets                      |        | 1 128 807 829                   | 1 012 862 035                  | 1 082 444 924                     | 839 238 517                      |  |
| QUITY AND LIABILITIES            |        |                                 |                                |                                   |                                  |  |
| Equity                           |        |                                 |                                |                                   |                                  |  |
| Share capital                    |        | 247 165                         | 247 165                        | 5 000                             | 5 000                            |  |
| hare premium                     |        | 123 335 498                     | 123 335 498                    | 2 495 000                         | 2 495 000                        |  |
| oreign currency translation rese | erve   | -                               | -                              | 9 649 178                         | 9 649 178                        |  |
| roperty revaluation reserve      |        | 3 879 374                       | 3 879 374                      | 8 959 434                         | 8 959 434                        |  |
| Retained earnings                |        | 606 522 608                     | 511 326 032                    | 601 603 306                       | 508 179 221                      |  |
| otal shareholders' equity        |        | 733 984 645                     | 638 788 069                    | 622 711 918                       | 529 287 833                      |  |
| Non-current liabilities          |        |                                 |                                |                                   |                                  |  |
| Deferred tax liability           |        | -                               | 38 706 694                     | 64 909 822                        | 32 071 642                       |  |
| Current liabilities              |        |                                 |                                |                                   |                                  |  |
|                                  | 6      | 204 088 099                     | 124 257 440                    | 204 088 099                       | 111 326 041                      |  |
| Inearned premium reserve         | О      | 204 000 099                     | 134 357 418                    | 204 000 099                       | 111 320 04                       |  |
| ncurred but not reported         | 7      | 71 522 106                      | 100 016 000                    | 71 522 196                        | 00 162 624                       |  |
| laims reserve (IBNR)             | ,<br>8 | 71 522 186                      | 108 816 889                    | 71 522 186                        | 90 163 636                       |  |
| outstanding claims               | ŏ      | 28 787 686                      | 34 482 517                     | 28 787 686                        | 28 571 568                       |  |
| alances payable to               |        | 38 442 125                      | 13 055 960                     | 38 442 125                        | 10 817 924                       |  |
| nsurance companies               |        | 36 442 125                      |                                | 30 442 125                        |                                  |  |
| axation                          |        | 4E 04 C C03                     | 10 053 437                     | 4E 046 602                        | 8 330 090                        |  |
| Other payables                   |        | 45 816 682                      | 26 893 400                     | 45 816 682                        | 22 283 368                       |  |
| ease Liabilities                 |        | 6 166 406                       | 7 707 651                      | 6 166 406                         | 6 386 415                        |  |
| otal current liabilities         |        | 394 823 184                     | 335 367 272                    | 394 823 184                       | 277 879 042                      |  |

<sup>\*</sup> The deferred tax asset arose from provisions on insurance advances.

Total equity and liabilities

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2021

|                             |       | Inflation adjusted              |                                 | Historical cost                   |                                   |  |
|-----------------------------|-------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--|
|                             | Notes | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |  |
|                             |       |                                 |                                 |                                   |                                   |  |
| Gross premium               |       | 699 015 596                     | 673 831 596                     | 656 890 965                       | 224 237 563                       |  |
| Retrocession premium        |       | (193 487 787)                   | (164 455 979)                   | (183 457 803)                     | (46 299 235)                      |  |
| Net premium income          |       | 505 527 809                     | 509 375 617                     | 473 433 162                       | 177 938 328                       |  |
| Unearned premium            |       | (99 911 557)                    | (110 245 811)                   | (92 762 058)                      | (45 703 295)                      |  |
| Net earned premium          |       | 405 616 252                     | 399 129 806                     | 380 671 104                       | 132 235 033                       |  |
| Net claims                  | 9     | (142 177 300)                   | (202 075 998)                   | (135 724 020)                     | (68 456 964)                      |  |
| Net commission              | 10    | (148 268 847)                   | (128 832 491)                   | (138 761 192)                     | (44 805 189)                      |  |
| Operating expenses          | 11    | (93 034 619)                    | (48 632 088)                    | (88 188 100)                      | (11 643 723)                      |  |
| Underwriting result         |       | 22 135 486                      | 19 589 229                      | 17 997 792                        | 7 329 157                         |  |
| Investment income           | 12    | 30 176 892                      | 260 601 549                     | 28 092 932                        | 125 655 447                       |  |
| Fair value adjustment       | 13    | 53 360 075                      | 132 512 646                     | 71 844 706                        | 168 617 397                       |  |
| Net operating profit        |       | 105 672 453                     | 412 703 424                     | 117 935 430                       | 301 602 001                       |  |
| Net monetary loss           |       | (62 925 615)                    | (137 411 268)                   | -                                 | -                                 |  |
| Profit before tax           |       | 42 746 838                      | 275 292 156                     | 117 935 430                       | 301 602 001                       |  |
| Income tax expense / credit |       | 52 449 738                      | (8 814 367)                     | (24 511 345)                      | (17 417 024)                      |  |
| Profit for the period       |       | 95 196 576                      | 266 477 789                     | 93 424 085                        | 284 184 977                       |  |

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2021

|                           |                          | Revie                    | wed inflation a                            | djusted                      |                         |
|---------------------------|--------------------------|--------------------------|--|------------------------------|-------------------------|
|                           | Share<br>capital<br>ZW\$ | Share<br>premium<br>ZW\$ | Property<br>revaluation<br>reserve<br>ZW\$ | Retained<br>earnings<br>ZW\$ | Total<br>equity<br>ZW\$ |
|                           |                          |                          |  |                              |                         |
| 2021                      |                          |                          |  |                              |                         |
| Balance at 1 January 2021 | 247 165                  | 123 335 498              | 3 879 374                                  | 511 326 032                  | 638 788 069             |
| Profit for the period     | -                        | -                        | -  | 95 196 576                   | 95 196 576              |
| Balance at 30 June 2021   | 247 165                  | 123 335 498              | 3 879 374                                  | 606 522 608                  | 733 984 645             |
| 2020                      |                          |                          |  |                              |                         |
| Balance at 1 January 2020 | 247 165                  | 123 335 498              | 5 916 959                                  | 406 555 958                  | 536 055 580             |
| Profit for the period     | -                        | -                        | -  | 266 477 789                  | 266 477 789             |
| Balance at 30 June 2020   | 247 165                  | 123 335 498              | 5 916 959                                  | 673 033 747                  | 802 533 369             |

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued) For the half year ended 30 June 2021

|                         |                          | Foreign                                    |  | Unreviewed historical cost  |  |  |  |  |  |
|-------------------------|--------------------------|--|--|---|--|--|--|--|--|
| Share<br>apital<br>ZW\$ | Share<br>premium<br>ZW\$ | currency<br>translation<br>reserve<br>ZW\$ | Property<br>revaluation<br>reserve<br>ZW\$ | Retained<br>earnings<br>ZW\$  | Total<br>equity<br>ZW\$  |  |  |  |  |
|                         |                          |  |  |   |  |  |  |  |  |
| 5 000                   | 2 495 000                | 9 649 178                                  | 8 959 434                                  | 508 179 221   | 529 287 833  |  |  |  |  |
| -                       | -                        | -  | -  | 93 424 085  | 93 424 085   |  |  |  |  |
| 5 000                   | 2 495 000                | 9 649 178                                  | 8 959 434                                  | 601 603 306   | 622 711 918  |  |  |  |  |
|                         |                          |  |  |   |  |  |  |  |  |
| 5 000                   | 2 495 000                | 9 649 178                                  | 3 120 527                                  | 83 745 866  | 99 015 571   |  |  |  |  |
| -                       | -                        | -  | -  | 284 184 977   | 284 184 977  |  |  |  |  |
| 5 000                   | 2 495 000                | 9 649 178                                  | 3 120 527                                  | 367 930 843   | 383 200 548  |  |  |  |  |
|                         | 5 000<br>5 000<br>5 000  | zw\$ zw\$  5 000                           | ZW\$ ZW\$ ZW\$  5 000                      | ZW\$         ZW\$         ZW\$         ZW\$           5 000         2 495 000         9 649 178         8 959 434           5 000         2 495 000         9 649 178         8 959 434           5 000         2 495 000         9 649 178         3 120 527           -         -         -         - | ZW\$         ZW\$         ZW\$         ZW\$         ZW\$           5 000         2 495 000         9 649 178         8 959 434         508 179 221           -         -         -         93 424 085           5 000         2 495 000         9 649 178         8 959 434         601 603 306           5 000         2 495 000         9 649 178         3 120 527         83 745 866           -         -         -         284 184 977 |  |  |  |  |

#### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS

For the half year ended 30 June 2021

|  | Inflation                       | adjusted                        | Historica                         | ıl cost                           |  |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--|
|  | Reviewed<br>30 Jun 2021<br>ZW\$ | Reviewed<br>30 Jun 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unreviewed<br>30 Jun 2020<br>ZW\$ |  |
| Cash generated from operating activities                                   | 3 668 344                       | (108 810 480)                   | 96 376 455                        | 30 303 768                        |  |
| Income taxes paid  | (7 243 026)                     | (2 124 375)                     | (7 101 391)                       | (739 307)                         |  |
| Interest received  | 1 651 079                       | 830 645                         | 1 529 691                         | 195 386                           |  |
| Net cash generated from operating activities                               | (1 923 603)                     | (110 104 210)                   | 90 804 755                        | 29 759 847                        |  |
| cash generated hom operating activities                                    | (1.525.555)                     | (1.10.10.12.10)                 | 30 00 1755                        | 25 7 55 5 17                      |  |
| Cash flows from investing activities                                       |                                 |                                 |                                   |                                   |  |
| Additions to equipment   | (933 751)                       | (61 090)                        | (838 100)                         | (13 095)                          |  |
| Purchase of prescribed assets  | (52 706 238)                    | ` -                             | (52 706 238)                      | •                                 |  |
| Purchase of listed securities  | -                               | (774 927)                       | -                                 | (375 006)                         |  |
| Maturity of prescribed assets  | 46 813 081                      | 5 648 804                       | 40 893 300                        | 2 076 202                         |  |
| Proceeds on disposal of listed securities                                  | -                               | 787 884                         | -                                 | 381 276                           |  |
| Dividend received  | 1 261 368                       | 750 130                         | 1 186 565                         | 265 724                           |  |
| Net cash generated from investing activities                               | (5 565 540)                     | 6 350 801                       | (11 464 473)                      | 2 335 101                         |  |
|  |                                 |                                 |                                   |                                   |  |
| Cash flows from financing activities                                       |                                 |                                 |                                   |                                   |  |
| Lease liability paid   | (1 977 106)                     | (351 173)                       | (1 638 193)                       | (108 000)                         |  |
| Interest paid  | (1 522 210)                     | -                               | (1 418 183)                       | -                                 |  |
| Net cash utilised in financing activities                                  | (3 499 316)                     | (351 173)                       | (3 056 376)                       | (108 000)                         |  |
| Net decrease in cash and cash equivalents Cash and cash equivalents at the | (10 988 459)                    | (104 104 582)                   | 76 283 906                        | 31 986 948                        |  |
| beginning of the period  | 509 118 033                     | 275 276 004                     | 421 845 668                       | 50 847 014                        |  |
| Effect of movement in exchange rates                                       | 2 155 885                       | 258 306 257                     | 2 155 885                         | 125 000 600                       |  |
| Cash and cash equivalents at the end of the period                         | 500 285 459                     | 429 477 679                     | 500 285 459                       | 207 834 562                       |  |

#### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS For the half year ended 30 June 2021

#### 1. STATEMENT OF COMPLIANCE

The condensed inflation adjusted interim financial results are required to be prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting." They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last Company annual financial statements. They should therefore be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020.

|                        | Inflation adjusted              |                                | Historical cost                   |                                  |
|------------------------|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
|                        | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
| 2. INVESTMENT PROPERTY |                                 |                                |                                   |                                  |
| Opening balances       | 226 727 306                     | 241 943 546                    | 187 862 000                       | 44 689 728                       |
| Fair value adjustment  | -                               | (15 216 240)                   | -                                 | 143 172 272                      |
| Closing balances       | 226 727 306                     | 226 727 306                    | 187 862 000                       | 187 862 000                      |

Investment properties comprise a number of residential properties that are leased out to third parties to earn rental income. The Company recognises the rental income from its investment property in profit or loss. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements. There are no restrictions or encumbrances over investment property as at the reporting date.

#### 3. INVESTMENTS

|                                 |  | Inflation adjusted                             |  |               |  |  |
|---------------------------------|--|--|--|---------------|--|--|
|                                 | Quoted Shares<br>classified<br>at FVPL<br>ZW\$ | Bonds &<br>Bills classified<br>at AMCO<br>ZW\$ | Unquoted<br>investment<br>classified at FVPL<br>ZW\$ | Total<br>ZW\$ |  |  |
| Reviewed June 2021              |  |  |  |               |  |  |
| Balance at 1 January 2021       | 107 206 432                                    | 50 592 333                                     | 626 776  | 158 425 541   |  |  |
| Fair value adjustments          | 53 467 516                                     | -  | (107 441)  | 53 360 075    |  |  |
| Effects of monetary adjustments | -  | (2 752 692)                                    | -  | (2 752 692)   |  |  |
| Additions                       | -  | 52 706 238                                     | -  | 52 706 238    |  |  |
| Maturities                      | -  | (46 813 081)                                   | -  | (46 813 081)  |  |  |
| Balance at 30 June 2021         | 160 673 948                                    | 53 732 798                                     | 519 335  | 214 926 081   |  |  |
| Audited December 2020           |  |  |  |               |  |  |
| Balance at 1 January 2020       | 104 470 355                                    | 11 384 039                                     | 2 811 605  | 118 665 999   |  |  |
| Fair value adjustments          | 2 740 677                                      | -  | (2 184 829)  | 555 848       |  |  |
| Effects of monetary adjustments | -  | (503 677)                                      | -  | (503 677)     |  |  |
| Additions                       | 783 498  | 50 707 642                                     | -  | 51 491 140    |  |  |
| Maturities                      | (788 098)                                      | (10 995 671)                                   | -  | (11 783 769)  |  |  |
| Balance at 31 December 2020     | 107 206 432                                    | 50 592 333                                     | 626 776  | 158 425 541   |  |  |

|                             |  | Hist   | orical cost  |               |
|-----------------------------|--|--|--|---------------|
|                             | Quoted Shares<br>classified<br>at FVPL<br>ZW\$ | Bonds &<br>Bills classified<br>at AMCO<br>ZW\$ | Unquoted<br>investment<br>classified at FVPL<br>ZW\$ | Total<br>ZW\$ |
| Unreviewed June 2021        |  |  |  |               |
| Balance at 1 January 2021   | 88 829 242                                     | 41 919 860                                     | 519 335  | 131 268 437   |
| Fair value adjustments      | 71 844 706                                     | -  | -  | 71 844 706    |
| Additions                   | -  | 52 706 238                                     | -  | 52 706 238    |
| Maturities                  | -  | (40 893 300)                                   | -  | (40 893 300)  |
| Balance at 30 June 2021     | 160 673 948                                    | 53 732 798                                     | 519 335  | 214 926 081   |
| Unaudited December 2020     |  |  |  |               |
| Balance at 1 January 2020   | 19 296 864                                     | 2 102 762                                      | 519 335  | 21 918 961    |
| Fair value adjustments      | 69 532 710                                     | -  | -  | 69 532 710    |
| Additions                   | 381 102  | 41 893 300                                     | -  | 42 274 402    |
| Maturities                  | (381 434)                                      | (2 076 202)                                    | -  | (2 457 636)   |
| Balance at 31 December 2020 | 88 829 242                                     | 41 919 860                                     | 519 335  | 131 268 437   |



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2021

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|    |   | Reviewed<br>30 Jun 2021<br>ZW\$ | Audited<br>31 Dec 2020<br>ZW\$ | Unreviewed<br>30 Jun 2021<br>ZW\$ | Unaudited<br>31 Dec 2020<br>ZW\$ |
|----|---|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|
| 4. | BALANCES RECEIVABLE FROM<br>INSURANCE COMPANIES |                                 |                                |                                   |                                  |
|    | Balances receivable                             | 183 719 045                     | 122 640 827                    | 183 719 045                       | 101 617 893                      |
|    | Impairment allowance                            | (29 277 561)                    | (26 143 563)                   | (29 277 561)                      | (21 662 067)                     |
|    | ·   | 154 441 484                     | 96 497 264                     | 154 441 484                       | 79 955 826                       |
| 5. | CASH AND CASH EQUIVALENTS                       |                                 |                                |                                   | _                                |
|    | Local banks                                     | 228 196 407                     | 186 667 714                    | 228 196 407                       | 154 669 372                      |
|    | Foreign banks                                   | 272 089 052                     | 322 450 318                    | 272 089 052                       | 267 176 296                      |
|    |   | 500 285 459                     | 509 118 032                    | 500 285 459                       | 421 845 668                      |
| 6. | UNEARNED PREMIUM RESERVE (UPR)                  |                                 |                                |                                   |                                  |
|    | Balance at 1 January                            | 134 357 418                     | 84 240 572                     | 111 326 041                       | 15 560 193                       |
|    | Charge/(credit) to profit or loss               | 99 911 557                      | 175 240 847                    | 92 762 058                        | 95 765 848                       |
|    | Effects of monetary movements                   | (30 180 876)                    | (125 124 001)                  | -                                 |                                  |
|    | Balance at end of period                        | 204 088 099                     | 134 357 418                    | 204 088 099                       | 111 326 041                      |
| 7. | INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR) |                                 |                                |                                   |                                  |
|    | Balance at 1 January                            | 108 816 889                     | 65 582 253                     | 90 163 636                        | 12 113 789                       |
|    | Charge/(credit) to profit or loss               | (21 473 676)                    | 111 130 872                    | (18 641 450)                      | 78 049 847                       |
|    | Effects of monetary movements                   | (15 821 027)                    | (67 896 236)                   | -                                 | -                                |
|    | Balance at end of period                        | 71 522 186                      | 108 816 889                    | 71 522 186                        | 90 163 636                       |
| 8. | OUTSTANDING CLAIMS RESERVE                      |                                 |                                |                                   |                                  |
|    | Balance at 1 January                            | 34 482 517                      | -                              | 28 571 568                        | -                                |
|    | Charge/(credit) to profit or loss               | 1 849 434                       | 58 182 905                     | 216 118                           | 28 571 568                       |
|    | Effects of monetary movements                   | (7 544 265)                     | (23 700 388)                   | -                                 |                                  |
|    | Balance at end of period                        | 28 787 686                      | 34 482 517                     | 28 787 686                        | 28 571 568                       |

Inflation adjusted

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

|   | Inflation  | adjusted   | Historical cost  |  |
|---|--|--|--|--|
|   | Reviewed<br>30 Jun 2021<br>ZW\$  | Reviewed<br>30 Jun 2020<br>ZW\$  | Unreviewed<br>30 Jun 2021<br>ZW\$  | Unreviewed<br>30 Jun 2020<br>ZW\$  |
| 9. NET CLAIMS   |  |  |  |  |
| Gross claims<br>Retrocession recoveries<br>IBNR movement<br>Outstanding claims movement   | 185 334 136<br>(23 532 594)<br>(21 473 676)<br>1 849 434<br>142 177 300      | 150 078 189<br>(7 536 305)<br>24 971 082<br>34 563 032<br>202 075 998                      | 176 569 003<br>(22 419 651)<br>(18 641 450)<br>216 118<br>135 724 020                      | 44 174 086<br>(2 133 222<br>14 096 376<br>12 319 724<br>68 456 964                 |
| 10. NET COMMISSIONS   |  |  |  |  |
| Gross commissions<br>Retrocession commissions   | 195 685 561<br>(47 416 714)<br>148 268 847                                   | 172 277 692<br>(43 445 201)<br>128 832 491   | 183 137 337<br>(44 376 145)<br>138 761 192   | 57 638 401<br>(12 833 212<br>44 805 189  |
| 11. OPERATING EXPENSES  |  |  |  |  |
| Staff expenses Impairment on balances receivable from insurance companies Adminstration expenses Depreciation of PPE Directors' remuneration Audit fees | 7 615 494<br>48 070 848<br>1 452 464<br>5 097 446<br>3 903 836<br>93 034 619 | 13 735 837<br>6 774 452<br>21 774 145<br>1 783 210<br>1 536 698<br>3 027 746<br>48 632 088 | 25 392 141<br>7 615 494<br>45 089 325<br>1 354 060<br>4 910 670<br>3 826 408<br>88 188 100 | 4 337 990<br>(1 202 841<br>6 964 924<br>503 28<br>438 250<br>602 119<br>11 643 723 |
| 12. INVESTMENT INCOME   |  |  |  |  |
| Interest income<br>Dividend income<br>Exchange gain/loss<br>Rental Income   | 1 651 079<br>1 261 368<br>25 425 325<br>1 839 120<br>30 176 892              | 830 645<br>750 130<br>258 306 257<br>714 517<br>260 601 549                                | 1 529 691<br>1 186 565<br>23 660 076<br>1 716 600<br>28 092 932                            | 195 386<br>265 724<br>125 000 600<br>193 737<br>125 655 447                        |
| 13. FAIR VALUE ADJUSTMENT   |  |  |  |  |
| Increase in fair value of equity investments Increase in fair value of investment property  | 53 360 075<br>-  | 32 227 376<br>100 285 270  | 71 844 706   | 47 695 303<br>120 922 090  |

#### 14. REGULATORY FRAMEWORK

The Insurance and Pensions Commission (IPEC) requires reinsurers to maintain a minimum solvency level of 25%. The solvency ratio is calculated as shareholder's equity divided by net premium income. As at 30 June 2021 the company had a solvency margin of 145%(Inflation adjusted), 132% (Historical) (December 2020: 52%- Inflation adjusted and 73%-Historical). The solvency ratio is not significantly affected by the application of IPEC asset admissibility guidelines for the calculation of regulatory capital given the company's strong liquidity position. The company is also compliant with the IPEC prescribed minimum capital requirement of ZW\$75,000,000. The minimum prescribed assets ratios for short-term reinsurance businesses is at the rate of 10% of the market value of total adjusted assets. The Company did not comply with this ratio as it closed the June 2021 period with ratio at 5%.





KPMG
Mutual Gardens
100 The Chase (West)
Emerald Hill
P O Box 6 Harare
Zimbabwe

Tel: +263 (4) 303700, 302600

Fax: +263 (4) 303699

Independent Reviewer's Report on Review of the Condensed Inflation Adjusted Interim Financial Results

To the shareholders of ZB Financial Holdings Limited, ZB Bank Limited, ZB Building Society, ZB Life Assurance Limited and ZB Reinsurance Limited

#### Introduction

We have reviewed the accompanying condensed inflation adjusted interim financial results of:

- ZB Financial Holdings Limited and its subsidiaries ("the Group"), set out on pages 2 to 9, which comprise the condensed consolidated inflation adjusted interim statement of financial position as at 30 June 2021, the condensed consolidated inflation adjusted interim statement of profit or loss and other comprehensive income, the condensed consolidated inflation adjusted interim statement of changes in equity and the condensed consolidated inflation adjusted interim statement of cash flows for the half year then ended, and selected notes to the condensed consolidated inflation adjusted interim financial results;
- ZB Bank Limited ("the Bank"), set out on pages 10 to 15, which comprise the condensed inflation adjusted interim statement of financial position as at 30 June 2021, the condensed inflation adjusted interim statement of profit or loss and other comprehensive income, the condensed inflation adjusted interim statement of changes in equity and the condensed inflation adjusted interim statement of cash flows for the half year then ended, and selected notes to the condensed inflation adjusted interim financial results;
- ZB Building Society ("the Society"), set out on pages 16 to 19, which
  comprise the condensed inflation adjusted interim statement of financial
  position as at 30 June 2021, the condensed inflation adjusted interim
  statement of profit or loss and other comprehensive income, the condensed
  inflation adjusted interim statement of changes in equity and the condensed
  inflation adjusted interim statement of cash flows for the half year then
  ended, and selected notes to the condensed inflation adjusted interim
  financial results;
- ZB Life Assurance Limited ("the Life Assurer"), set out on pages 20 to 22, which comprise the condensed inflation adjusted interim statement of financial position as at 30 June 2021, the condensed inflation adjusted interim statement of profit or loss and other comprehensive income, the condensed inflation adjusted interim statement of changes in equity and the condensed inflation adjusted interim statement of cash flows for the half year then ended, and selected notes to the condensed inflation adjusted interim financial results: and



• ZB Reinsurance Limited ("the Reinsurer"), set out on pages 23 to 24, which comprise the condensed inflation adjusted interim statement of financial position as at 30 June 2021, the condensed inflation adjusted interim statement of profit or loss and other comprehensive income, the condensed inflation adjusted interim statement of changes in equity and the condensed inflation adjusted interim statement of cash flows for the half year then ended, and selected notes to the condensed inflation adjusted interim financial results.

#### Directors' responsibility for the:

 ZB Financial Holdings Limited and its subsidiaries' (the Group) condensed inflation adjusted interim financial results

The directors are responsible for the preparation and fair presentation of these condensed inflation adjusted interim financial results in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34) and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange (ZSE') Listings Rules, 2019.

 ZB Bank Limited's, ZB Building Society's, ZB Life Assurance Limited's and ZB Reinsurance Limited's condensed inflation adjusted interim financial results

The directors are responsible for the preparation and fair presentation of these condensed inflation adjusted interim financial results in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34).

Auditor's responsibility in respect of ZB Financial Holdings Limited and its subsidiaries, ZB Bank Limited, ZB Building Society, ZB Life Assurance Limited and ZB Reinsurance Limited's condensed inflation adjusted interim financial results

Our responsibility is to express our conclusions on these interim financial results based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial results are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial results in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures primarily consisting of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these results.



## Basis for Adverse Conclusion in respect of ZB Financial Holdings Limited and its subsidiaries and ZB Life Assurance Limited

Inconsistent application of fair value measurement principles related to valuation of investment properties and owner occupied properties between ZB Financial Holdings Limited and its subsidiaries (the group) and an associate in the current and prior year financial statements

ZB Financial Holdings Limited, through its life assurance subsidiary, ZB Life Assurance Limited has an associate investment in a property development and investment company. Both the group and the associate engaged the same external property valuer to perform property valuations for the December 2020 year end valuations, with ZB Financial Holdings Limited and its subsidiaries' and ZB Life Assurance Limited's property portfolio being valued in United States dollars and being converted into Zimbabwe dollars using the official exchange rate as at 31 December 2020, which was consistent with the basis adopted in the prior years. The associate engaged the same valuer to conduct two full valuations at December 2020 year end, one in United States dollars and the other in Zimbabwe dollars, with the Zimbabwe dollar valuation being adopted for year-end reporting purposes, which is inconsistent with the valuation basis adopted in prior years as well as with the valuation approach applied in respect of ZB Financial Holdings Limited's and ZB Life Assurance Limited's owner occupied and investment properties.

Furthermore, for half year interim reporting purposes in the current year, the associate valued its property portfolio by performing a director's (internal) valuation using Zimbabwe dollar based inputs for commercial properties whilst for non-commercial properties it adopted the market comparable approach, whilst the rest of the ZB Financial Holdings Limited and its subsidiaries and ZB Life Assurance Limited did not perform an interim valuation and maintained year end values, determined using United States dollar inputs and converted using the official exchange rate.

There is a lack of consistency between property valuation basis and translation methods applied by ZB Financial Holdings Limited and its subsidiaries, ZB Life Assurance Limited and the associate. International Financial Reporting Standards 13 'Fair Value Measurement' (IFRS 13) paragraph 65 requires valuation techniques used to measure fair value to be applied consistently. The change from including the valuation of investment properties of the associate on the basis of direct ZW\$ valuations in the current year compared to USD valuation in the prior year does not comply with the conditions in the standard that allow for a change in valuation techniques due to limited ZW\$ market evidence.

In accordance with International Accounting Standard 28, 'Investments in Associates and Joint Ventures' paragraph 35, the investee's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances except as described in paragraph 36A. IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 5 defines accounting policies as the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements. If an associate or a joint venture uses methods and techniques other than those of the entity for like transactions and events in similar circumstances, adjustments shall be made to make the associate's or joint venture's results to conform to those of the entity when the associate's or joint venture's financial statements are used by the entity in applying the equity method.



The Directors of ZB Financial Holdings Limited (the Group) and the directors of ZB Life Assurance Limited did not adjust the comparative financial records for the year ended 31 December 2020 and their condensed inflation adjusted interim financial results respectively to align the valuation approaches between the Group, the Life Assurer and their associate at the prior year end, as well as for this interim reporting period. Had the directors adjusted the financial records to align the valuation approaches between the Group, the Life Assurer and the associate, the following financial statement captions for the respective companies would have resulted in significant decreases:

- Equity accounted investments
- Deferred tax liability
- Life assurance funds liability
- Retained income
- Share of profit from equity accounted investments
- Changes to policyholder liabilities
- Income tax expense

The Group and the Life Assurer have not restated the comparative condensed inflation adjusted interim financial results respectively, as required by International Accounting Standard 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (IAS 8), to resolve the matter of non-compliance with IFRS13 and IAS 28 which resulted in the adverse opinions in the prior year financial statements respectively. In addition, the effect of this non-compliance with IAS 28 and IFRS 13 on the condensed inflation adjusted interim financial results of both ZB Financial Holdings Limited and ZB Life Assurance Limited of the current interim period was also seen as material and pervasive.

Restatement of comparative information presented: Amortisation of Intangible Assets in respect of ZB Financial Holdings Limited and its subsidiaries, and ZB Life Assurance Limited

In addition, we draw attention to note 8 to the condensed inflation adjusted interim financial results of ZB Financials Holdings Limited and its subsidiaries and ZB Life Assurance Limited, which indicates that the comparative information presented in respect of the previously reviewed condensed inflation adjusted interim statements for the six month period ended 30 June 2020 have been restated. The review conclusions of ZB Financial Holdings Limited and its subsidiaries and ZB Life Assurance Limited would not be further modified in this respect.

## Adverse Conclusion in respect of ZB Financial Holdings Limited and its subsidiaries

Based on our review, because of the significance of the matters described in the *Basis for Adverse Conclusion* paragraph, the accompanying condensed consolidated inflation adjusted interim financial results for ZB Financial Holdings Limited comprising the condensed consolidated inflation adjusted interim statement of financial position as at 30 June 2021, and its condensed consolidated inflation adjusted interim statements of performance and cash flows for the period then ended, are not prepared, in all material respects, in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34) and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange ('ZSE') Listings Rules, 2019.



#### Adverse Conclusion in respect of ZB Life Assurance Limited

Based on our review, because of the significance of the matters described in the *Basis for Adverse Conclusion* paragraph, the accompanying condensed inflation adjusted interim financial results for ZB Life Assurance Limited comprising the condensed inflation adjusted interim statement of financial position as at 30 June 2021, and its condensed inflation adjusted interim statements of performance and cash flows for the period then ended, are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34).

## Restatement of comparative information presented: Amortisation of Intangible Assets in respect of ZB Bank Limited

In addition, we draw attention to note 11 to the condensed inflation adjusted interim financial results of ZB Bank Limited which indicates that the comparative information presented in respect of the reviewed condensed inflation adjusted interim statement of profit or loss and other comprehensive income, reviewed condensed inflation adjusted interim statement of changes in equity and reviewed condensed inflation adjusted interim statement of cash flows for the six month period ended 30 June 2020 have been restated. The review conclusion for ZB Bank Limited would not be modified in this respect.

## Conclusion in respect of ZB Building Society, ZB Reinsurance Limited and ZB Bank Limited

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed inflation adjusted interim financial results of ZB Building Society, ZB Reinsurance Limited and ZB Bank Limited, comprising the condensed inflation adjusted interim statement of financial position as at 30 June 2021, and its condensed inflation adjusted interim statements of performance and cash flows for the period then ended, have not been prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34).

#### Other Information

The Directors of the respective entities are responsible for the other information. The other information comprises the Chairman's Statement, the Group Chief Executive's Report and the financial information in the condensed inflation adjusted interim financial results titled "unreviewed historical cost" and "unaudited historical cost" but does not include the condensed inflation adjusted interim financial results.

Our conclusion on the condensed inflation adjusted interim financial results does not cover the other information and we do not express a conclusion or any form of assurance conclusion thereon.

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



As described in the *Basis for Adverse Conclusion* section above in respect of ZB Financial Holdings Limited and its subsidiaries, and ZB Life Assurance Limited, the Group and the Life Assurer have not restated the condensed inflation adjusted interim financial results, as required by IAS 8 to resolve the matters which resulted in the adverse opinion in the prior year and the adverse conclusion of the current interim period relating to the non-compliance with IFRS 13 and IAS 28. We have, therefore, concluded that the other information is materially misstated for the same reasons with respect to the financial information in the Chairman's Statement, the Group Chief Executive's Report and the financial information in the condensed inflation adjusted interim financial results titled "Unreviewed Historical cost" and "Unaudited historical cost", affected by the failure to comply with the requirements of IFRS 13 and IAS 28.

KPMC

Michael de Beer Chartered Accountant (Zimbabwe) Registered Auditor PAAB Practicing Certificate Number 0369

15 September 2021

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

Mutual Gardens 100 The Chase (West) Emerald Hill P.O Box 6, Harare Zimbabwe