

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021



Marc Holtzman
Group Chairman

Chairman's Statement

Introduction

It is a pleasure to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the year to 31 December 2021.

Although the Covid-19 pandemic and supply chain constraints continued to inhibit activity during the year 2021, the overall impact was lessened by improved vaccine uptake, reduced infection levels and continuation of accommodative policies by most monetary and fiscal authorities. One of the most notable global policy interventions was the allocation and disbursement of Special Drawing Rights "SDRs" in August 2021 by the International Monetary Fund "IMF", which undoubtedly boosted liquidity and foreign currency reserves for its member countries.

In Zimbabwe, both the monetary and fiscal authorities continued to pursue policies aimed at achieving a balance between various competing goals. Government and private sector support in the agricultural sector resulted in the country recording significant improvement in the output of several agricultural commodities, including grains. The Government also enhanced its investment in infrastructure projects, including, road rehabilitation, dam construction and airport expansions, which resulted in growth of private sector investors in the financial services, construction, manufacturing and transport sectors, among others. The monetary authorities also pursued complementary monetary policy measures, to fight evident inflationary pressures and at the same time promote economic activity and growth through credit expansion and investment in the productive sectors. The improved economic activity, together with elevated diaspora remittances, both supported and boosted individual and household incomes, further stimulated and sustained demand in the tertiary sectors of the economy.

In view of these developments, the Group continued to prioritise the well-being of employees, clients and stakeholders. We also steadfastly upheld our promise to offer convenience and satisfaction to our customers, leveraging investment in technology, human and manufactured capital to deliver specialized service and solutions.

Environmental, Social & Governance "ESG"

The shift towards environmental accountability is expected to gather pace in 2022. As a priority, the Group is actively aligning operations, activities and strategies to support Environmental, Social and Governance "ESG" practices and goals.

Corporate Social Responsibility

CBZ Holdings remains dedicated and committed to exemplary corporate citizenship. Through community involvement, the Group hopes to meaningfully promote advancement to marginalized individuals and organizations in society, ultimately enhancing living standards in a sustainable manner.

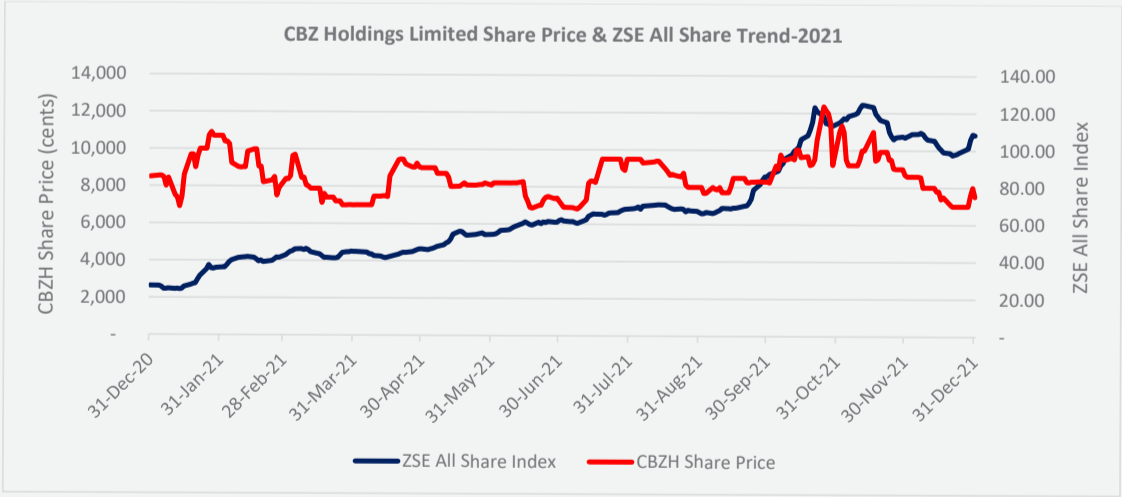
In 2021, the Group continued to partner with the communities in various initiatives including health, education and welfare. In the Health sector, CBZ Holdings donated Personal Protective Equipment (PPE) to major provincial hospitals namely Parirenyatwa Group of Hospitals, Sally Mugabe Hospital, Wilkins Hospital, Chiredzi General Hospital and United Bulawayo Hospital. Hand sanitizers were donated to various institutions including Murwira Primary School in Bikita, Nyazvikwi Primary School in Chipinge, Tanyaradzwa Children's home in Murewa, Tirivanhu Children's home and Danai Children's Home. Groceries were contributed to the following charitable organisations: Tinokwirira Special School, Tirivanhu Therapeutic Centre and The Society for the Destitute Aged (SODA).

The Group donated various equipment to the Traditional Midwives in Epworth Harare assisting with healthy deliveries in their community. During the peak period of the Covid-19 pandemic, the midwives assisted over 2000 marginalized women delivering healthy babies in their homes.

In a drive towards digitization and enabling the community to expand online access, the Group donated laptops to Mpilo Central Hospital doctors and administration staff as well as to Manicaland State University of Applied Sciences.

Share Price Performance

On the capital markets, the CBZH share price declined by 11.8% from ZWL\$85 at the beginning of the year to close at ZWL\$75.20. The ZSE benchmark index rose by 311% growth. CBZH ended the year with a market capitalisation of ZWL\$39.3 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2020 to December 2021.



Statement of Directors' Responsibilities

The Directors are responsible for the oversight of Group financial statements preparation to ensure that financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards ("IFRS"). They have general responsibility through various Board Committees, executive management, compliance and internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities. The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Directors face.

The Group consolidated financial statements are, by Law and International Financial Reporting Standards (IFRS), required to present fairly, the financial position of the Group and its performance for that period. In preparation of the Group financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IFRS; and
- prepared on the going concern basis, unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent;

Compliance with Local Legislation

The consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), the Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25) Microfinance Act (Chapter 24:29) and Asset Management Act (Chapter 24:06).

Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board, which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

Governance & Directorship

The CBZ Holdings governance framework supports the principles of integrity, strong ethical values and professionalism. The Board recognizes that it is accountable to its Shareholders for good corporate governance and is committed to highest standards of governance.

In an environment of increasing change and complexity of regulation, the Board aims to achieve a balance between the governance expectations of shareholders and other stakeholders as well as the need to generate competitive financial returns. The Board has performed amazing work setting the strategic direction of the Group and ensuring that the Group manages risk effectively. Measurable objectives to promote a healthy corporate culture aligned with our strong commitment to our stakeholders remain a top priority.

After twenty-six distinguished years with CBZ Bank Limited, eleven as an Executive Board Member, Peter Zimunya retired from the CBZ Bank Board on 31 December 2021. On behalf of everyone at CBZ, I want to thank Peter for his huge contribution to the CBZ Holdings Group and wish him a long, happy and well deserved retirement.

CBZ has continued to navigate its way well through a tumultuous year that included the effects of the Covid-19 pandemic. We did so thanks to the dedication, capacity and resilience of our people and the strong strategic direction of our Boards.

Overview of the Group's performance

The table below summarises the Group's financial performance for the year ended 31 December 2021.

	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	AUDITED 31 DEC 2021 ZWL\$ M	AUDITED 31 DEC 2020 ZWL\$ M	UNAUDITED 31 DEC 2021 ZWL\$ M	UNAUDITED 31 DEC 2020 ZWL\$ M
Key Financial Highlights				
Profit after taxation	7 707.0	8 155.3	16 164.2	6 147.1
Total comprehensive income	9 458.7	8 861.7	20 101.6	9 502.4
Total assets	190 302.7	152 510.9	182 570.9	88 353.6
Total equity	35 794.3	28 324.4	29 710.3	11 064.2
Total deposits	131 374.1	104 779.6	131 374.1	65 186.9
Total advances	55 901.3	47 319.3	55 901.3	29 438.9
Other statistics				
Basic earnings per share (cents)	1 476.55	1571.25	3 096.43	1 184.09
Non-interest income to total income (%)	54.3	72.8	55.7	79.6
Cost to income ratio (%)	40.2	38.2	34.8	29.2
Return on assets (%)	6.2	5.8	11.9	11.7
Return on equity (%)	24.0	33.5	79.3	93.8
Growth in deposits (YTD %)	25.4	11.2	101.5	398.9
Growth in advances (YTD %)	18.1	107.2	89.9	876.8
Growth in PAT (YOY %)	(5.5)	261.9	170.6	564.6

Dividend

The Board has proposed the declaration of a final dividend of ZWL\$1 000 000 000 or ZWL\$191.57 cents per share. This declaration brings the total dividend declaration to ZWL\$1 500 000 000. A separate dividend announcement with entitlement dates will be published.

Outlook

In 2022, global economies are likely to start the gradual transition towards co-existing with Covid-19, implying reduced disruptions and hopefully improved business activity. However, the major downside risks include the possibility of extended supply chain disruptions, rising global inflationary pressures as well as disparate monetary and fiscal policies as countries transition to the next normal at different levels and scales. The shift towards environmental accountability is expected to gather pace in 2022, hence the Group's ongoing efforts to embed Environmental, Social and Governance "ESG" practices and goals in operations.

Appreciation

Special thanks to our valued clients who are at the core of our success, fellow Directors from the Board, the Boards of Subsidiary Companies, Management and Staff for their continued commitment to CBZ and the growth of Zimbabwe.

Marc Holtzman

Marc Holtzman
Group Chairman

06 June 2022

The consolidated financial statements have also been prepared to take account of the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. The historical cost amounts are shown herein as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). The Group's External auditors have therefore not expressed an opinion on this historical cost financial information.

Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Responsibility

The Directors are responsible for preparing the annual financial statements. These financial statements were prepared by CBZ Holdings Limited's Group Finance Department, under the direction and supervision of the Group Chief Finance Officer, Mr Tawanda L. Gumbo, PAAB Number 0223.

By order of the Board.

T.L. GUMBO

T.L. GUMBO
GROUP CHIEF FINANCE OFFICER

06 June 2022

DR. B. MUDAVANHU

DR. B. MUDAVANHU
GROUP CHIEF EXECUTIVE OFFICER

06 June 2022



ABRIDGED AUDITED
INFLATION ADJUSTED FINANCIAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021



AUDITOR'S STATEMENT

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2021, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon. The opinion includes key audit matters in respect of valuation of owner-occupied property and investment property, legacy debt, expected credit loss allowance on loans and advances and valuation of unlisted investments.

The auditors' report has been made available to management and the directors of CBZ Holdings Limited. The engagement partner responsible for the audit was Themba Mudidi (PAAB Practice Certificate Number 0437).

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTES	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Interest income	21 793 389	8 177 551	19 313 284	3 335 968
Interest expense	(2 755 832)	(2 251 177)	(2 040 312)	(574 610)
Net interest income	19 037 557	5 926 374	17 272 972	2 761 358
Non-interest income	23 097 299	17 074 172	22 081 856	11 166 804
Net underwriting income	413 211	463 335	263 464	100 660
Total income	42 548 067	23 463 881	39 618 292	14 028 822
Operating expenditure	(17 099 934)	(8 955 938)	(13 803 898)	(4 092 266)
Operating income	25 448 133	14 507 943	25 814 394	9 936 556
Transfer to reserves	(262 491)	(159 929)	(178 200)	(86 795)
Credit loss expense	(7 337 007)	(1 522 043)	(7 337 007)	(946 914)
Charge for impairment on insurance assets	(19 458)	(24 816)	(19 458)	(15 439)
Monetary loss	(7 158 607)	(1 172 041)	-	-
Profit before taxation	10 670 570	11 629 114	18 279 729	8 887 408
Taxation	(2 963 581)	(3 473 829)	(2 115 550)	(2 740 341)
Profit after tax for the year	7 706 989	8 155 285	16 164 179	6 147 067
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gains on property revaluations	1 487 801	456 678	3 418 317	2 994 769
Gains on equity instruments at FVOCI	440 957	176 097	1 094 623	788 333
Deferred income tax relating to components of other comprehensive income	(259 414)	(55 260)	(573 232)	(507 665)
	1 669 344	577 515	3 939 708	3 275 437
Items that are or may be reclassified subsequently to profit or loss				
Exchange gains/ (losses) on translation of a foreign subsidiary	82 336	128 873	(2 241)	79 854
Other comprehensive income for the year net of tax	1 751 680	706 388	3 937 467	3 355 291
Total comprehensive income for the year	9 458 669	8 861 673	20 101 646	9 502 358
Profit for the year attributable to:				
Equity holders of parent	7 707 813	8 155 428	16 163 848	6 145 925
Non-controlling interests	(824)	(143)	331	1 142
	7 706 989	8 155 285	16 164 179	6 147 067
Total comprehensive income for the year attributable to:				
Equity holders of parent	9 458 732	8 861 786	20 099 596	9 500 216
Non-controlling interests	(63)	(113)	2 050	2 142
Total comprehensive income for the year	9 458 669	8 861 673	20 101 646	9 502 358
Earnings per share (cents)				
Basic	1 476.55	1 571.25	3 096.43	1 184.09
Fully diluted	1 476.55	1 571.25	3 096.43	1 184.09
Headline	1 257.08	1 550.80	2 622.24	897.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

NOTES	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	RESTATE HISTORICAL 31 DEC 2020 ZWL\$ 000
Cash & cash equivalents	39 562 931	31 749 011	39 562 931	19 752 126
Money market assets	24 353 610	12 189 860	24 353 610	7 583 721
Financial securities	964 517	1 579 852	964 517	982 879
Loans and advances to customers	55 901 268	47 319 306	55 901 268	29 438 930
Insurance assets	1 190 063	977 400	1 162 033	608 073
Equity investments	5 422 039	3 092 310	5 422 039	1 923 830
Land inventory	5 951 662	5 951 994	552 094	470 639
Other assets	37 716 801	36 587 936	37 217 108	20 503 312
Current tax receivable	37 186	867	37 186	540
Intangible assets	304 137	198 558	213 757	87 202
Property and equipment	9 109 091	7 704 327	7 395 991	3 790 193
Investment properties	6 169 958	4 417 649	6 169 958	2 748 368
Deferred tax asset	3 619 425	741 785	3 618 424	463 832
TOTAL ASSETS	190 302 688	152 510 855	182 570 916	88 353 645
LIABILITIES				
Deposits	131 374 141	104 779 611	131 374 141	65 186 915
Insurance liabilities	970 497	888 887	930 419	553 007
Other liabilities	16 296 146	13 934 417	15 963 342	8 467 292
Current tax payable	522 562	1 073 069	522 562	667 592
Life fund	397 799	149 108	397 799	92 765
Investment contract liabilities	62 542	23 508	62 542	14 625
Deferred tax liability	4 848 456	3 303 826	3 573 573	2 286 125
Lease liability	36 270	33 986	36 270	21 144
	154 508 413	124 186 412	152 860 648	77 289 465
EQUITY				
Share capital	269 075	269 075	5 220	5 220
Share premium	1 644 307	1 644 307	33 876	33 876
Revaluation reserve	5 050 305	3 800 006	5 790 710	2 892 977
Share based payment reserve	569 951	-	569 951	-
Fair value reserve	1 605 722	1 187 438	1 964 010	923 754
Retained earnings	26 440 792	21 291 767	21 264 515	7 126 176
Foreign currency translation reserve*	209 750	127 414	77 029	79 270
Equity attributable to equity holders of the parent	35 789 902	28 320 007	29 705 311	11 061 273
Non-controlling interest	4 373	4 436	4 957	2 907
TOTAL EQUITY	35 794 275	28 324 443	29 710 268	11 064 180
TOTAL LIABILITIES AND EQUITY	190 302 688	152 510 855	182 570 916	88 353 645

*Refer to note 1.3, unbundling of the Functional Currency Translation Reserve (FCTR).

The historical cost information has been shown as supplementary information for the benefit of users. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on this historical cost financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED										
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Share based Payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000
RESTATE 31 DEC 2020										
Opening balance	269 075	1 644 307	-	196 419	622 353	3 662 103	13 923 257	20 317 514	3 927	20 321 441
Profit for the year	-	-	-	-	-	-	8 155 428	8 155 428	(143)	8 155 285
Other comprehensive income for the year	-	-	-	411 812	165 673	128 873	-	706 358	30	706 388
Dividend paid	-	-	-	-	-	-	(859 293)	(859 293)	-	(859 293)
Rights Issue (NCI)	-	-	-	-	-	-	-	-	622	622
Inter-category transfer	-	-	-	3 191 775	399 412	(3 663 562)	72 375	-	-	-
Closing balance	269 075	1 644 307	-	3 800 006	1 187 438	127 414	21 291 767	28 320 007	4 436	28 324 443
31 DEC 2021										
Opening balance	269 075	1 644 307	-	3 800 006	1 187 438	127 414	21 291 767	28 320 007	4 436	28 324 443
Profit for the year	-	-	-	-	-	-	7 707 813	7 707 813	(824)	7 706 989
Other comprehensive income for the year	-	-	-	1 250 299	418 284	82 336	-	1 750 919	761	1 751 680
Dividend paid	-	-	-	-	-	-	(2 558 788)	(2 558 788)	-	(2 558 788)
Equity-settled share-based payment	-	-	569 951	-	-	-	-	569 951	-	569 951
Closing balance	269 075	1 644 307	569 951	5 050 305	1 605 722	209 750	26 440 792	35 789 902	4 373	35 794 275
UNAUDITED HISTORICAL										
31 DEC 2020										
Opening balance	5 220	33 876	-	592 078	164 808	91 524	1 149 527	2 037 033	420	2 037 453
Profit for the year	-	-	-	-	-	-	6 145 925	6 145 925	1 142	6 147 067
Other comprehensive-income for the year	-	-	-	2 525 533	748 904	79 854	-	3 354 291	1 000	3 355 291
Dividend paid	-	-	-	-	-	-	(475 976)	(475 976)	-	(475 976)
Rights Issue (NCI)	-	-	-	-	-	-	-	-	345	345
Inter-category transfer	-	-	-	(224 634)	10 042	(92 108)	306 700	-	-	-
Closing balance	5 220	33 876	-	2 892 977	923 754	79 270	7 126 176	11 061 273	2 907	11 064 180
31 DEC 2021										
Opening balance	5 220	33 876	-	2 892 977	923 754	79 270	7 126 176	11 061 273	2 907	11 064 180
Profit for the year	-	-	-	-	-	-	16 163 848	16 163 848	331	16 164 179
Other comprehensive-income for the year	-	-	-	2 897 733	1 040 256	(2 241)	-	3 935 748	1 719	3 937 467
Dividend paid	-	-	-	-	-	-	(2 025 509)	(2 025 509)	-	(2 025 509)
Equity-settled share-based payment	-	-	569 951	-	-	-	-	569 951	-	569 951
Closing balance	5 220	33 876	569 951	5 790 710	1 964 010	77 029	21 264 515	29 705 311	4 957	29 710 268

*Refer to note 1.3, unbundling of the Functional Currency Translation Reserve (FCTR).

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	10 670 570	11 629 114	18 279 729	8 887 408
Non cash items:				
Monetary loss	7 158 607	1 172 041	-	-
Depreciation	631 453	431 724	312 929	143 408
Amortisation of intangible assets	70 393	37 619	39 039	14 915
Write off of property and equipment	4 771	257	947	128
Write off of intangible assets	572	482	323	175
Write off of land inventory	91 268	1 315	12 658	818
Write off of investment properties	-	138 351	-	50 270
Fair value adjustments on investment properties	(1 619 928)	(283 393)	(3 300 355)	(2 041 705)
Write off of right of use asset and lease liability	3 233	2 615	92	(896)
Fair value adjustments on financial instruments	(1 037 638)	84 442	(1 561 872)	(374 355)
Expected credit loss expense	7 337 007	1 522 043	7 337 007	946 915
Impairment on insurance assets	19 458	24 816	19 458	15 439
Unrealised profit on foreign currency position	(4 171 700)	(5 019 049)	(4 171 700)	(3 122 519)
(Profit) / loss on disposal of investment properties	(73 989)	157 913	(50 256)	(9 251)
Unearned premium reserve movement	84 460	28 298	124 902	70 575
Incurred But Not Reported (IBNR) claims provisions	34 258	22 127	29 435	13 760
Deferred commission movement	(27 719)	(3 294)	(23 846)	764
(Profit)/loss on sale of property and equipment	(1 776)	(592)	(1 870)	17 881
Transfer to reserves	262 491	159 929	178 200	86 795
Interest on lease liability	4 506	2 810	3 590	1 139
Operating cash flows before changes in operating assets and liabilities	19 440 297	10 109 568	17 228 410	4 701 864

Changes in operating assets and liabilities

Deposits	95 641 334	65 054 091	72 631 103	13 589 510
Loans and advances to customers	(47 166 987)	(111 638 568)	(35 819 140)	(23 320 799)
Life assurance investment contract liabilities	51 672	20 372	51 672	11 216
Money market assets	(21 778 020)	(22 080 447)	(16 538 472)	(4 612 506)
Financial securities	4 704	962 006	9 957	202 949
Insurance assets	(332 978)	(816 609)	(555 516)	(422 353)
Insurance liabilities	451 023	496 834	352 098	284 378
Land inventory	(90 936)	(644 418)	(94 112)	(332 424)
Other assets	(52 472 164)	31 424 194	(17 055 977)	9 252 465
Other liabilities	37 644 192	33 304 004	7 265 087	2 742 784
	11 951 840	(3 918 541)	10 246 700	(2 604 780)

TAXATION

Corporate tax paid	(5 441 477)	(2 166 384)	(4 738 473)	(1 015 045)
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Net cash inflow from operating activities

	25 950 660	4 024 643	22 736 637	1 082 039
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds on disposal of investment property	147 263	127 314	104 960	49 293
Investment in equities during the year	(384 521)	(1 547 693)	(347 276)	(583 356)
Equity investments disposed during the year	103 341	76 290	75 513	34 103
Purchase of investment property	(205 655)	(484 172)	(175 939)	(236 157)
Proceeds on disposal of property and equipment	1 981	477 837	1 971	293 055
Purchase of property and equipment	(597 482)	(930 389)	(523 936)	(452 058)
Purchase of intangible assets	(103 786)	(3 273)	(119 761)	(1 397)
Net cash outflow from investing activities	(1 038 859)	(2 284 086)	(984 468)	(896 517)

CASH FLOWS FROM FINANCING ACTIVITIES

Rights Issue (Non-Controlling Interest
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ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2021 annual report which is available at the Company registered offices.

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). In addition, these consolidated financial statements have also been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29) and Asset Management Act (Chapter 24:06). The consolidated financial results have been restated to take into account the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Determination of the functional currency

The Group operates in a dynamic environment which has been subjected to considerable changes to monetary and exchange control policies in the recent years. In the year under review, the economy has witnessed a substantial increase in volumes of foreign currency transactions and deposits in both formal and informal sectors hinged on the authorized use of free funds as promulgated by Statutory Instrument (SI) 85 of 2020. The Directors have considered these prevalent market activities and assessed whether the underlying transactions, events and conditions indicate a potential change in the functional currency for the Group.

In doing so management considered parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained

In light of the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL\$) as presented in the prior year financial statements and all values are rounded to the nearest ZWL\$ except when otherwise indicated.

Basis of Consolidation

The Group's consolidated financial results incorporate the financial results of CBZ Holdings (the Company) and entities controlled by the Company.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Control is achieved when the Company has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired up to the date control ceased. The financial results of the subsidiaries are prepared for the same reporting year 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 and income and expenses are eliminated in full. Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to legacy liabilities and nostro gap accounts.

Management has disclosed relevant sensitivities or ranges of possible outcomes for judgements involving significant estimation uncertainty to assist primary users of accounts to understand the assumptions made and the extend of the changes that might be reasonably possible in the next twelve months.

Changes in significant accounting policies

Except as described below, the accounting policies applied in these financial results are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2020. The changes in accounting policies are reflected in the Group's annual report for the year ending 31 December 2021.

The details of changes in accounting policies are disclosed below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial results of the Group for the 2021 financial year. The Group intends to use the practical expedients in future periods if they become applicable.

1.2 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are as follows;

Date	Closing Indices	Movement	Conversion Factors
31 December 2019	551.63	621.15%	7.210
31 December 2020	2 474.51	448.58%	1.607
31 December 2021	3 977.46	160.74%	1.000

The procedures applied in the above restatement of transactions and balances are as follows:

- All comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2021. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2021.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 31 December 2021.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The financial statements of one of the Group subsidiaries which do not report in the currencies of hyperinflationary economies were dealt with in accordance with IAS 21. Comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies". The auditors have not expressed an opinion on the historical cost information.

1.3 Unbundling of the Functional Currency Translation Reserve (FCTR)

Restated amounts totalling ZWL\$3,663,562,242 (Historical: ZWL\$92,108,117), which were in 2019, recognised as exchange gains on change of functional currency, through the Functional Currency Translation reserve (FCTR) were unbundled to the revaluation reserve and the fair value reserve. The unbundling was done in the prior year financial statements by transferring ZWL\$3,264,150,122 (Historical: ZWL\$82,066,224) and ZWL\$ 399,412,120 (Historical: ZWL\$ 10,041,893) to revaluation and fair value reserve, respectively.

The effect of the unbundling on the financial statements for year ended 31 December 2020 equity extract was as follows:

	Inflation Adjusted				Historical			
	As reported 31 Dec 2020 ZWL\$000	Unbundling adjustment 31 Dec 2020 ZWL\$000	After unbundling adjustment 31 Dec 2020 ZWL\$000	Restated 31 Dec 2020 ZWL\$000	As reported 31 Dec 2020 ZWL\$000	Unbundling adjustment 31 Dec 2020 ZWL\$000	After unbundling adjustment 31 Dec 2020 ZWL\$000	
EQUITY								
Share capital	30.1	167 401	–	167 401	269 076	5 220	–	5 220
Share premium	30.2	1 022 979	–	1 022 979	1 644 308	33 876	–	33 876
Revaluation reserve*	30.3	333 371	2 030 737	2 364 108	3 800 001	2 810 911	82 066	2 892 977
Fair value reserve*	30.6	480 257	248 488	728 745	1 187 438	913 712	10 042	923 754
Retained earnings	30.4	13 246 324	–	13 246 324	21 291 768	7 126 176	–	7 126 176
Foreign currency translation reserve*	30.7	2 358 494	(2 279 225)	79 269	127 415	171 378	(92 108)	79 270
Equity attributable to equity holders of the parent		17 618 826	–	17 618 826	28 320 006	11 061 273	–	11 061 273
Non–controlling interest	30.5	2 760	–	2 760	4 436	2 907	–	2 907
TOTAL EQUITY		17 621 586	–	17 621 586	28 324 442	11 064 180	–	11 064 180

*Attendant notes have been adjusted to follow this accounting treatment. There is no impact on statement of profit and loss and statement of cash flows.

NOTES TO THE AUDITED INFLATION ADJUSTED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 06 June 2022. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
2. INTEREST				
Interest Income				
Bankers acceptances	210 411	1 071	179 682	100
Overdrafts	3 529 766	4 059 109	2 948 580	1 886 557
Loans	14 806 006	2 951 543	13 545 023	938 686
Mortgage loans	174 805	175 103	138 430	65 708
Staff loans	136 805	58 949	113 942	30 278
Securities investments	457 113	479 366	355 489	178 852
Other investments	2 478 483	452 410	2 032 138	235 787
	21 793 389	8 177 551	19 313 284	3 335 968
Interest expense				
Call deposits	2 527	995	2 098	313
Savings deposits	567 388	1 008 089	328 326	74 872
Money market deposits	2 140 167	1 113 136	1 674 387	451 310
Other offshore deposits	41 244	126 147	31 911	46 976
Lease liability	4 506	2 810	3 590	1 139
	2 755 832	2 251 177	2 040 312	574 610
	19 037 557	5 926 374	17 272 972	2 761 358
3 NET NON-INTEREST INCOME				
Net income from trading securities	49 963	53	41 099	15 326
Fair value adjustments on financial instruments	1 037 638	(84 442)	1 561 872	374 155
Fair value adjustments on investment properties	1 619 928	283 393	3 300 355	2 041 705
Net income from foreign currency dealing	717 335	845 685	561 845	386 327
Unrealised profit on foreign currency exchange	4 171 700	5 019 049	4 171 700	3 122 519
Agro business income	4 467 480	6 826 028	3 322 831	3 147 984
Commission and fee income	9 248 992	3 403 038	7 364 529	1 626 110
Profit/(loss) on disposal of property and equipment	1 776	592	1 869	(17 881)
Profit/(loss) on disposal of investment property	73 989	(157 913)	50 256	9 251
Bad debts recovered	38 536	291 815	30 277	172 101
Property sales	167 377	99 091	137 564	41 890
Lease income	119 927	76 209	94 629	34 671
Other operating income	1 382 658	471 574	1 443 031	212 646
	23 097 299	17 074 172	22 081 856	11 166 804
4 UNDERWRITING INCOME (NET)				
Gross premium insurance	1 428 789	1 497 858	1 178 332	644 205
Reinsurance	(620 854)	(853 389)	(532 068)	(405 318)
Net written premium	807 935	644 469	646 264	238 887
Unearned premium	(84 460)	(28 298)	(124 902)	(70 575)
Net earned premium	723 475	616 171	521 362	168 312
Net commission(a)	20 689	(21 757)	16 805	(8 647)
Net claims (b)	(330 953)	(131 079)	(274 703)	(59 005)
	413 211	463 335	263 464	100 660
(a) Net Commissions				
Commission received	179 298	206 448	151 317	97 187
Commission paid	(186 328)	(231 499)	(158 358)	(106 598)
Deferred acquisition costs	27 719	3 294	23 846	764
	20 689	(21 757)	16 805	(8 647)
(b) Net Claims				
Gross claims incurred	677 004	265 340	596 412	122 410
Reinsurance claims	(427 354)	(166 271)	(383 582)	(79 376)
Incurred but not yet reported claims	34 258	22 127	29 435	13 760
Gross outstanding claims	440 262	24 962	342 773	11 592
Reinsurance share of outstanding claims	(393 217)	(15 079)	(310 335)	(9 381)
	330 953	131 079	274 703	59 005
5 OPERATING EXPENDITURE				
Staff costs	10 133 686	5 110 396	8 311 324	2 154 006
Administration expenses	6 002 190	3 132 376	5 025 091	1 675 385
Audit fees	92 124	88 709	80 041	49 004
Depreciation	631 453	431 724	312 929	143 408
Write off of property and equipment	4 771	257	947	128
Write off of land inventory	91 268	1 315	12 658	818
Amortisation of intangible assets	70 393	37 619	39 039	14 915
Property cost of sales	70 244	12 094	21 454	5 053
Write off intangible assets	572	482	323	175
Write off of investment properties	-	138 351	-	50 270
Write off of right of use asset and lease liability	3 233	2 615	92	(896)
	17 099 934	8 955 938	13 803 898	4 092 266
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	93 579	80 790	72 519	24 581
Pension and retirement benefits for past and present directors	53 337	49 149	41 333	14 954
Salaries and other benefits	858 545	753 309	665 328	229 201
	1 005 461	883 248	779 180	268 736
Short term employment benefits	952 124	834 099	737 847	253 782
Post employment benefits	53 337	49 149	41 333	14 954
	1 005 461	883 248	779 180	268 736
6. TAXATION				
6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.				
Analysis of tax charge in respect of the profit for the period				
Current income tax charge	4 556 005	2 499 691	4 555 926	1 579 622
Deferred income tax	(1 592 424)	974 138	(2 440 376)	1 160 719
Income tax expense	2 963 581	3 473 829	2 115 550	2 740 341
6.2 Tax rate reconciliation				
Notional Tax	%	%	%	%
Aids levy	24.00	24.00	24.00	24.00
Non-Deductible expenditure	0.72	0.72	0.72	0.72
Exempt income	36.60	31.06	5.81	29.25
Tax credits	(30.46)	(21.66)	(18.12)	(19.25)
Effect of rebasing tax bases	(0.38)	(0.06)	(0.22)	(0.06)
Effect of special tax rate	0.06	(4.18)	0.01	(3.82)
	(2.76)	-	(0.62)	-
Effective tax rate	27.78	29.88	11.58	31.84
Included in exempt income is income from government bills, mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income, excess pension costs and disallowable donations.				
6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.				
Revaluation of property and equipment	236 526	44 801	518 926	468 336
Unlisted equities	22 888	10 459	54 306	39 329
Total taxation relating to components of other comprehensive income	259 414	55 260	573 232	507 665
7. EARNINGS PER SHARE				
Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period.				
Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the period and the weighted average number of potentially dilutive ordinary shares.				
The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:				

Partners for Success

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
7.1	Annualised earnings per share (ZWL cents)				
	Basic	1 476.55	1 571.25	3 096.43	1 184.09
	Fully diluted	1 476.55	1 571.25	3 096.43	1 184.09
	Headline	1 257.08	1 550.80	2 622.24	897.89
7.2	Earnings				
	Basic (earnings attributable to holders of parent)	7 707 813	8 155 428	16 163 848	6 145 925
	Fully diluted	7 707 813	8 155 428	16 163 848	6 145 925
	Headline	6 562 157	8 049 310	13 688 488	4 660 403
	Number of shares used in calculations (weighted)				
	Basic	522 016	519 042	522 016	519 042
	Fully diluted	522 016	519 042	522 016	519 042
	Headline	522 016	519 042	522 016	519 042
7.3	Reconciliation of denominators used for calculating basic and diluted earnings per share:				
	Weighted average number of shares before adjustment for treasury shares	522 016	519 042	522 016	519 042
	Weighted average number of shares used for basic EPS	522 016	519 042	522 016	519 042
	Potentially dilutive shares employee share options	-	-	-	-
	Weighted average number of shares used for diluted EPS	522 016	519 042	522 016	519 042
7.4	Headline Earnings				
	Profit attributable to ordinary shareholders	7 707 813	8 155 428	16 163 848	6 145 925
	Adjusted to exclude re-measurements				
	Write off of property and equipment	4 771	257	947	128
	Write off of right of use asset and lease liability	3 233	2 615	92	(896)
	Write off of intangible assets	572	482	323	175
	Write off of investment property	-	138 351	-	50 270
	Write off of land inventory	91 268	1 315	12 658	818
	Disposal (gain)/loss on property and equipment	(1 776)	(592)	(1 869)	17 881
	Gains on investment properties valuation	(1 619 928)	(283 393)	(3 300 355)	(2 041 705)
	Tax relating to re-measurements	376 204	34 847	812 844	487 807
	Headline earnings	6 562 157	8 049 310	13 688 488	4 660 403
8.	DIVIDENDS				
	Cash dividends on ordinary shares declared and paid:				
	Interim dividend	535 500	246 764	506 339	121 520
	Final dividend	2 023 288	612 529	1 519 170	354 456
		2 558 788	859 293	2 025 509	475 976
	Interim paid per share (cents)	102.58	47.27	97.00	23.28
	Final dividend paid per share (cents)	388	117.34	291.02	67.90
	Dividends are paid on shares held at the record date net of treasury shares held on the same date.				
	Proposed dividend on ordinary shares:				
	Final	1 000 000	2 411 058	1 000 000	1 500 000
	Final dividend per share (cents)	191.57	461.87	191.57	287.37
	Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2021.				
9.	CASH AND CASH EQUIVALENTS				
	Cash and banks	17 123 769	12 027 320	17 123 769	7 482 600
	Balances with foreign banks	16 077 868	6 565 839	16 077 868	4 084 829
	Balances with the Reserve Bank of Zimbabwe	2 776 585	12 302 387	2 776 585	7 653 728
	RBZ Statutory reserve	3 584 709	853 465	3 584 709	530 969
		39 562 931	31 749 011	39 562 931	19 752 126
9.1	Restricted cash & cash equivalents				
	RBZ Statutory reserve	3 441 426	827 382	3 441 426	514 742
	Amounts secured as guarantees or collateral	1 226 834	486 844	1 226 834	302 882
		4 668 260	1 314 226	4 668 260	817 624
	The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.				
10.	MONEY MARKET ASSETS				
	Interbank placements	6 012 431	12 188 128	6 012 431	7 582 644
	RBZ Savings bonds	17 122 869	-	17 122 869	-
	Bankers acceptances	1 252 864	-	1 252 864	-
	Accrued interest	42 824	21 796	42 824	13 560
	Total gross money market assets	24 430 988	12 209 924	24 430 988	7 596 204
	Expected credit loss	(77 378)	(20 064)	(77 378)	(12 483)
	Total net money market assets	24 353 610	12 189 860	24 353 610	7 583 721
10.1	Maturity analysis				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	18 925 449	12 209 924	18 925 449	7 596 204
	Between 3 and 6 months	5 503 146	-	5 503 146	-
	Above 12 months	2 393	-	2 393	-
		24 430 988	12 209 924	24 430 988	7 596 204
11.	FINANCIAL SECURITIES				
	Treasury bills	958 426	1 555 596	958 426	967 789
	Accrued interest	20 500	33 908	20 500	21 095
	Total gross financial securities	978 926	1 589 504	978 926	988 884
	Allowance for expected credit loss	(14 409)	(9 652)	(14 409)	(6 005)
	Total net financial securities	964 517	1 579 852	964 517	982 879
11.1	Maturity analysis				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	10 108	9 256	10 108	5 759
	Between 3 and 6 months	45 733	9 083	45 733	5 651
	Between 6 and 12 months	-	6 790	-	4 224
	Between 1 and 5 years	148 616	100 866	148 616	62 752
	Above 5 years	774 469	1 463 509	774 469	910 498
		978 926	1 589 504	978 926	988 884
	Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.				
12.	LOANS AND ADVANCES TO CUSTOMERS				
	Overdrafts	2 822 156	2 900 065	2 822 156	1 804 228
	Commercial loans	20 164 405	16 807 792	20 164 405	10 456 692
	Staff loans	1 882 439	1 954 543	1 882 439	1 215 987
	Mortgage advances	1 078 617	772 850	1 078 617	480 816
	Agro business loans	31 378 399	24 186 828	31 378 399	15 047 438
	Interest accrued	6 646 411	2 566 145	6 646 411	1 596 485
	Total gross loans and advances to customers	63 972 427	49 188 223	63 972 427	30 601 646
	Allowance for Expected Credit Loss (ECL)	(8 071 159)	(1 868 917)	(8 071 159)	(1 162 716)
	Total net advances	55 901 268	47 319 306	55 901 268	29 438 930

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
12.1	Sectoral analysis:				
	Private	6 409 832	3 399 024	6 409 832	2 114 646
	Agriculture	32 342 613	27 195 419	32 342 613	16 919 185
	Mining	4 711 989	4 960 576	4 711 989	3 086 141
	Manufacturing	2 778 250	1 315 830	2 778 250	818 622
	Distribution	11 466 881	9 678 370	11 466 881	6 021 239
	Construction	120 251	87 690	120 251	54 555
	Transport	87 977	115 969	87 977	72 148
	Communication	-	4 692	-	2 919
	Services	5 604 112	1 987 329	5 604 112	1 236 384
	Financial organisations	450 522	443 324	450 522	275 807
		63 972 427	49 188 223	63 972 427	30 601 646

		AUDITED		UNAUDITED				
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000			
12.2	Maturity analysis							
	Less than 1 month	5 217 960	2 261 890	5 217 960	1 407 197			
	Between 1 and 3 months	3 876 923	19 547 185	3 876 923	12 160 961			
	Between 3 and 6 months	8 279 920	2 491 460	8 279 920	1 550 021			
	Between 6 months and 1 year	39 203 860	12 843 814	39 203 860	7 990 568			
	Between 1 and 5 years	5 870 639	9 923 681	5 870 639	6 173 855			
	More than 5 years	1 523 125	2 120 193	1 523 125	1 319 044			
		63 972 427	49 188 223	63 972 427	30 601 646			
	Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.							
12.3	Loans to directors and key management							
	Included in advances are loans to Executive Directors and key management:-							
	Opening balance	354 545	119 474	220 574	16 570			
	Advances made during the year	750 731	772 728	581 778	235 109			
	Monetary adjustment	(251 324)	(435 427)	-	-			
	Repayment during the year	(229 279)	(102 230)	(177 680)	(31 105)			
	Closing balance	624 673	354 545	624 672	220 574			
	Loans to employees							
	Included in advances are loans to employees: -							
	Opening balance	1 599 999	293 583	995 414	40 717			
	Advances made during the year	858 647	3 478 910	665 407	1 058 489			
	Monetary adjustment	(680 774)	(1 831 361)	-	-			
	Repayments during the year	(520 103)	(341 133)	(403 053)	(103 792)			
	Closing balance	1 257 769	1 599 999	1 257 768	995 414			
12.4	Allowance for Expected Credit Loss (ECL)							
	Opening balance	1 868 917	2 008 800	1 162 716	276 560			
	Credit loss expense on loans and advances	6 921 777	1 486 350	6 921 777	924 708			
	Monetary adjustment	(702 846)	(1 375 173)	-	-			
	Amounts written off during the year	(16 689)	(251 060)	(13 334)	(38 552)			
	Closing balance	8 071 159	1 868 917	8 071 159	1 162 716			
12.5	Collateral							
	Government Guarantee	25 399 589	24 186 828	25 399 589	15 047 438			
	Cash cover	98 618	2 327 513	98 618	1 448 024			
	Mortgage bonds	9 199 417	6 271 211	9 199 417	3 901 531			
	Notarial general covering bonds	9 670 394	17 556 511	9 670 394	10 922 495			
		44 368 018	50 342 063	44 368 018	31 319 488			
13.	INSURANCE ASSETS							
	Reinsurance unearned premium reserve	212 903	317 012	191 731	197 223			
	Reinsurance receivables	499 858	42 272	499 858	26 299			
	Deferred acquisition costs	83 978	80 727	73 617	50 223			
	Insurance premium receivables	434 322	565 867	437 825	352 045			
	Suspended premium	(7 298)	(2 553)	(7 298)	(1 588)			
	Impairment provision	(33 700)	(25 925)	(33 700)	(16 129)			
		1 190 063	977 400	1 162 033	608 073			
13.1	Reinsurance unearned premium reserve							
	Opening balance	317 012	201 535	197 223	27 744			
	Written premiums	764 946	1 359 601	642 738	403 028			
	Premiums earned during the year	(869 055)	(1 244 124)	(648 230)	(233 549)			
	Closing balance	212 903	317 012	191 731	197 223			
13.2	Impairment provision on insurance assets							
	Opening balance	25 925	25 260	16 129	3 503			
	Charge for impairment on insurance receivables	19 458	24 816	19 458	15 439			
	Monetary adjustment	(11 683)	(19 163)	-	-			
	Amounts written off during the year	-	(4 988)	(1 887)	(2 813)			
	Closing balance	33 700	25 925	33 700	16 129			
14.	EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL INSTRUMENTS AND IMPAIRMENT ON INSURANCE ASSETS							
	The table below shows the (ECL) charges on financial instruments and charge for impairment on insurance assets for the period recorded in the Statement of Profit or Loss:							
AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 895	19 763	-	-	-	-	64 895	19 763
Financial securities	8 405	9 525	-	-	-	-	8 405	9 525
Loans and advances to customers	178 138	1 380 834	815 520	75 641	5 928 119	29 875	6 921 777	1 486 350
Financial guarantees	(205)	(508)	-	-	(48)	(127)	(253)	(635)
Other commitments	64 331	-	4 046	-	248 111	-	316 488	-
Lease receivables	(98)	154	1 522	1 418	24 271	5 468	25 695	7 040
	315 466	1 409 768	821 088	77 059	6 200 453	35 216	7 337 007	1 522 043
Insurance assets impairment charge	19 458	24 816	-	-	-	-	19 458	24 816
Total	334 924	1 434 584	821 088	77 059	6 200 453	35 216	7 356 465	1 546 859
UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 895	12 295	-	-	-	-	64 895	12 295
Financial securities	8 405	5 926	-	-	-	-	8 405	5 926
Loans and advances to customers	178 138	859 063	815 520	47 059	5 928 119	18 586	6 921 777	924 708
Financial guarantees	(205)	(316)	-	-	(48)	(79)	(253)	(395)
Other commitments	64 331	-	4 046	-	248 111	-	316 488	-
Lease receivables	(98)	96	1 522	882	24 271	3 402	25 695	4 380
	315 466	877 064	821 088	47 941	6 200 453	21 909	7 337 007	946 914
Insurance assets impairment charge	19 458	15 439	-	-	-	-	19 458	15 439
Total	334 924	892 503	821 088	47 941	6 200 453	21 909	7 356 465	962 355

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



AUDITED		UNAUDITED	
INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
16. LAND INVENTORY			
Opening balance	5 951 994	5 308 892	470 639
Additions	183 597	664 551	135 868
Disposals	(92 661)	(20 134)	(41 755)
Write off	(91 268)	(1 315)	(12 658)
Closing balance	5 951 662	5 951 994	470 639
17. EQUITY INVESTMENTS			
Opening balance	3 092 310	1 529 252	1 923 830
Investment in equities during the year	954 475	1 547 693	917 227
Investment disposed during the year	(103 341)	(76 290)	(75 513)
Fair value adjustments - Profit or loss	1 037 638	(84 442)	1 561 872
Fair value adjustments - Other comprehensive income	440 957	176 097	1 094 623
Closing balance	5 422 039	3 092 310	1 923 830
17.1 Investments in Equities			
Unlisted investments	2 217 097	1 652 870	2 217 097
Listed investments	3 204 942	1 439 440	3 204 942
Closing balance	5 422 039	3 092 310	1 923 830
Equity investment designated at fair value through profit or loss	3 204 942	1 439 440	3 204 942
Equity investment designated at fair value through other comprehensive income	2 217 097	1 652 870	2 217 097
Closing balance	5 422 039	3 092 310	1 923 830

There were no transfers between Level 1 and Level 2 during 2021.

The fair values of the non-listed equities have been classified as level three investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities was also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	<ul style="list-style-type: none"> Liquidity discount GDP Growth 	The fair values would increase/ decrease if : <ul style="list-style-type: none"> The GDP growth was higher or lower The Liquidity discount was higher or lower

If the fair value adjustment had been 5% up or down, the Group's other comprehensive income would be ZWL\$ 20 945 478 (December 2020: ZWL\$ 8 364 651) and the Statement of Financial Position would be ZWL\$ 27 567 776 (December 2020 : 8 804 895) higher or lower than the reported position.

20. PROPERTY AND EQUIPMENT

	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computer ZWL\$ 000	Equipment ZWL\$ 000	Furniture & Fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021									
COST									
Opening balance	644 771	4 956 955	88 261	319 207	1 814 704	639 294	414 497	753 914	9 631 603
Additions	—	106 466	—	24 878	305 863	75 316	33 030	91 207	636 760
Revaluation gain	182 200	965 439	—	—	—	—	—	—	1 147 639
Disposals	—	—	—	—	(395)	(11)	(71)	—	(477)
Transfers to intangible assets	—	—	—	—	—	—	—	(72 759)	(72 759)
Write offs	—	(13 086)	—	—	(4 837)	(63)	(421)	—	(18 407)
Transfers(PPE Intercategories)	—	1 738	3 149	1 709	82 490	10 183	11 547	(110 816)	—
Closing balance	826 971	6 017 512	91 410	345 794	2 197 825	724 719	458 582	661 546	11 324 359
Accumulated depreciation									
Opening balance	—	49 058	37 187	253 218	895 343	464 839	227 631	—	1 927 276
Charge for the year	—	426 035	5 380	12 668	139 035	39 548	8 787	—	631 453
Disposals	—	—	—	—	(205)	(10)	(57)	—	(272)
Write offs	—	(2 477)	—	—	(526)	(5)	(19)	—	(3 027)
Revaluation	—	(340 162)	—	—	—	—	—	—	(340 162)
Closing balance	—	132 454	42 567	265 886	1 033 647	504 372	236 342	—	2 215 268
Net Book Value	826 971	5 885 058	48 843	79 908	1 164 178	220 347	222 240	661 546	9 109 091

RESTATE 31 DEC 2020

COST									
Opening balance	1 014 232	4 822 166	79 956	295 447	1 396 385	621 273	398 139	528 624	9 156 222
Additions	94 597	71 912	8 305	18 828	248 395	12 284	17 266	624 387	1 001 377
Revaluation gain	—	74 499	—	—	—	—	—	—	169 096
Disposals	(464 058)	—	—	—	(1 157)	(103)	(1 467)	(12 302)	(479 087)
Transfers intangible assets	—	—	—	—	—	—	—	(158 102)	(158 102)
Transfers Investment Properties	—	—	—	—	—	—	—	(46 014)	(46 014)
Write offs	—	(11 622)	—	—	(267)	—	—	—	(11 889)
Transfers(PPE Intercategories)	—	—	—	4 932	171 348	5 840	559	(182 679)	—
Closing balance	644 771	4 956 955	88 261	319 207	1 814 704	639 294	414 497	753 914	9 631 603
Accumulated depreciation & impairment									
Opening balance	—	18 222	32 182	239 907	832 343	447 954	217 016	—	1 787 624
Charge for the year	—	321 056	5 005	13 311	63 945	16 977	11 430	—	431 724
Disposals	—	—	—	—	(935)	(92)	(815)	—	(1 842)
Write offs	—	(2 638)	—	—	(10)	—	—	—	(2 648)
Revaluation	—	(287 582)	—	—	—	—	—	—	(287 582)
Closing balance	—	49 058	37 187	253 218	895 343	464 839	227 631	—	1 927 276
Net Book Value	644 771	4 907 897	51 074	65 989	919 361	174 455	186 866	753 914	7 704 327

	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computer ZWL\$ 000	Equipment ZWL\$ 000	Furniture & Fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
UNAUDITED HISTORICAL									
31 DEC 2021									
COST									
Opening balance	401 133	2 976 150	34 622	12 508	251 828	23 299	17 671	150 360	3 867 571
Additions	—	95 452	—	19 473	265 515	68 370	29 578	74 155	552 543
Revaluation gain	425 835	2 781 077	—	—	—	—	—	—	3 206 912
Disposals	—	—	—	—	(199)	(9)	(53)	—	(261)
Transfers to intangible assets	—	—	—	—	—	—	—	(46 156)	(46 156)
Write offs	—	(5 832)	—	—	(1 251)	(8)	(67)	—	(7 158)
Transfers(PPE Intercategories)	—	1 305	2 365	1 204	54 092	6 679	8 670	(74 315)	—
Closing balance	826 968	5 848 152	36 987	33 185	569 985	98 331	55 799	104 044	7 573 451
Accumulated depreciation									
Opening balance	—	12 109	1 169	6 652	39 331	12 055	6 062	—	77 378
Charge for the year	—	229 287	827	3 550	58 962	16 933	3 370	—	312 929
Disposals	—	—	—	—	(106)	(8)	(46)	—	(160)
Write offs	—	(902)	—	—	(363)	(3)	(13)	—	(1 281)
Revaluation	—	(211 405)	—	—	—	—	—	—	(211 405)
Closing balance	—	29 089	1 996	10 202	97 824	28 977	9 373	—	177 461
Net Book Value	826 968	5 819 063	34 991	22 983	472 161	69 355	46 426	104 044	7 395 990

31 DEC 2020

COST									
Opening balance	140 662	658 304	3 587	7 533	42 618	16 332	11 850	33 980	914 866
Additions	567 171	336	31 035	3 014	120 266	4 903	5 523	314 315	479 392
Revaluation surplus	(306 700)	2 321 910	—	—	—	—	—	—	2 889 081
Disposals	—	—	—	—	(81)	(9)	(50)	(4 191)	(311 031)
Transfers to intangible assets	—	—	—	—	—	—	—	(97 971)	(97 971)
Transfers to investment properties	—	—	—	—	—	—	—	(2 232)	(2 232)
Write offs	—	(4 400)	—	—	(134)	—	—	—	(4 534)
Transfers(PPE Intercategories)	—	—	—	1 961	89 159	2 073	348	(93 541)	—
Closing balance	401 133	2 976 150	34 622	12 508	251 828	23 299	17 671	150 360	3 867 571
Accumulated depreciation & impairment									
Opening balance	—	1 182	754	5 416	19 020	10 132	4 923	—	41 427
Charge for the year	—	118 283	415	1 236	20 376	1 931	1 167	—	143 408
Disposals	—	—	—	—	(59)	(8)	(28)	—	(95)
Write offs	—	(1 668)	—	—	(6)	—	—	—	(1 674)
Revaluation	—	(105 688)	—	—	—	—	—	—	(105 688)
Closing balance	—	12 109	1 169	6 652	39 331	12 055	6 062	—	77 378
Net Book Value	401 133	2 964 041	33 453	5 856	212 497	11 244	11 609	150 360	3 790 193

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Directors also engaged an independent property valuer to perform a reasonableness test on a sample basis, on the inputs and final property values determined by the internal valuer. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards

carrying out the valuation of the subject properties. Adjustments were made to the following aspects:

- Age of property – state of repair and maintenance,
- Aesthetic quality – quality of fixtures and fittings,
- Structural condition – location,
- Accommodation offered – size of land.

The maximum useful lives are as

Buildings	40 years
Motor vehicles	3-5 years
Leasehold improvements	10 years
Computer equipment	5 years
Furniture and fittings	10 years

The carrying amount of buildings would have been ZWL\$ 1 199 352 701 (December 2020: ZWL\$ 1 321 646 401) had they been carried at cost. Property and equipment was tested for impairment through comparison with open market values determined by independent valuers.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL\$ 56 000 828 (31 December 2020: ZWL\$ 22 833 919) higher or lower than the reported position.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Group for periods more than one year. The buildings are used by the Group for its various branches and operations.

The information about the leases for which the Group is a lessee is presented below,

AUDITED		UNAUDITED	
INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
17.2 Investment in subsidiaries			
CBZ Bank Limited	978 156	100	978 156
CBZ Asset Management (Private) Limited	89 036	100	89 036
CBZ Building Society	—	100	856 115
CBZ Insurance (Private) Limited	190 306	98.4	190 306
CBZ Properties (Private) Limited	214 047	100	214 047
CBZ Life Assurance (Private) Limited	62 165	100	62 165
CBZ Asset Management Mauritius	3 981	100	3 981
CBZ Risk Advisory Services (Private) Limited	60 243	100	60 243
Red Sphere Finance (Private) Limited	439 770	100	386 496
CBZ Agro Yield (Private) Limited	9 871	100	9 871
Closing balance	2 047 575	2 850 416	306 564

18.	CATEGORIES OF FINANCIAL ASSETS	At fair value through profit or loss ZWL\$ 000	At fair value through OCI ZWL\$ 000	At amortised cost ZWL\$ 000	Total carrying amount ZWL\$ 000
AUDITED INFLATION ADJUSTED					
31 DEC 2021					
	Balances with banks and cash	-	-	39 562 931	39 562 931
	Money market assets	-	-	24 353 610	24 353 610
	Financial securities	-	-	964 517	964 517
	Loans and advances to customers	-	-	55 901 268	55 901 268
	Equity investments	3 204 942	2 217 097	-	5 422 039
	Other assets	-	-	34 874 579	34 874 579
	TOTAL ASSETS	3 204 942	2 217 097	155 656 905	161 078 944
31 DEC 2020					
	Balances with banks and cash	-	-	31 749 011	31 749 011
	Money market assets	-	-	12 189 860	12 189 860
	Financial securities	-	-	1 579 852	1 579 852
	Loans and advances to customers	-	-	47 319 306	47 319 306
	Equity investments	1 439 440	1 652 870	-	3 092 310
	Other assets	-	-	29 028 771	29 028 771
	TOTAL ASSETS	1 439 440	1 652 870	121 866 800	124 959 110

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
20.1a	Right of use assets				
	Opening balance	121 178	92 651	20 065	3 548
	Additions	39 278	70 988	28 607	27 334
	Write-offs	(10 609)	(8 984)	(4 931)	(2 732)
	Depreciation charge for the year	(85 873)	(33 477)	(17 882)	(8 085)
	Closing balance	63 974	121 178	25 859	20 065
20.1b	Lease liability				
	Opening balance	33 986	28 843	21 144	4 000
	Additions	39 278	70 988	28 607	27 334
	Write-offs	(7 376)	(6 369)	(4 839)	(3 628)
	Interest	4 506	2 810	3 590	1 139
	Repayment	(27 757)	(21 362)	(21 294)	(7 701)
	Exchange loss on Lease liability	9 062	-	9 062	-
	Monetary adjustment	(15 430)	(40 924)	-	-
	Closing balance	36 270	33 986	36 270	21 144
20.1c	Lease liability maturity analysis				
	Less than one month	2 177	1 204	2 177	749
	One to three months	5 327	2 409	5 327	1 499
	Three to six months	6 532	3 613	6 532	2 248
	Six to twelve months	11 636	7 230	11 636	4 498
	One to five years	13 929	27 402	13 929	17 048
		39 601	41 858	39 601	26 042
20.1d	Amounts recognised in Statement of Profit or Loss				
	Interest on lease liabilities	4 506	2 810	3 590	1 139
	Depreciation	85 873	33 477	17 882	8 085
		90 379	36 287	21 472	9 224
20.1e	Amounts recognised in statement of cash flow	27 757	21 362	21 294	7 701
21.	INVESTMENT PROPERTIES				
	Opening balance	4 417 649	4 027 648	2 748 368	558 586
	Additions	205 655	484 172	175 939	236 157
	Disposals	(73 274)	(285 227)	(54 704)	(40 042)
	Transfer from property and equipment	-	46 014	-	2 232
	Write offs	-	(138 351)	-	(50 270)
	Fair valuation gain	1 619 928	283 393	3 300 355	2 041 705
	Closing balance	6 169 958	4 417 649	6 169 958	2 748 368

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Directors also engaged an independent property valuer to perform a reasonableness test on the inputs and final property values determined by the internal valuer. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 31 December 2021.

	Valuation technique	Significant observable inputs	Range
Office and Retail properties	Implicit investment approach	Comparable rentals per month, per square meter	ZWL\$ 1 133– ZWL\$ 140 000
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 1 568 – ZWL\$ 10 000

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2021. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

In assessing the market value of the residential stands, values of various properties that had been recently sold or which are currently on sale and situated in comparable residential areas were used. Market evidence from other estate agents and local press was also taken into consideration.

The rental income derived from investment properties amounted to ZWL\$ 119 927 140 (December 2020: ZWL\$ 76 209 036) and direct Operating expenses amounted to ZWL\$ 4 758 681 (December 2020: ZWL\$ 2 962 415). All the Group's lettable Investment properties were occupied as at 31 December 2021.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 60 974 090 (December 2020: ZWL\$ 10 666 889) higher or lower the reported position the Statement of Financial Position would be ZWL\$ 80 996 400. higher or lower than the reported position

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
22.	INTANGIBLE ASSETS				
	At cost	674 204	498 231	273 836	108 425
	Accumulated amortisation	(370 067)	(299 673)	(60 079)	(21 223)
		304 137	198 558	213 757	87 202
	Movement in intangible assets				
	Opening balance	198 558	75 283	87 202	2 924
	Additions	103 786	3 273	119 761	1 397
	Transfer from property and equipment	72 759	158 103	46 156	97 971
	Write offs	(573)	(482)	(323)	(175)
	Amortisation charge	(70 393)	(37 619)	(39 039)	(14 915)
	Closing balance	304 137	198 558	213 757	87 202

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software, are amortised over a period of 3 years.

23.	DEFERRED TAXATION				
23.1	Deferred tax asset				
	Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences and unused tax credits				unused tax losses
	The deferred tax included in the Statement of Financial Position are comprised of:				
	Assessed losses	1 220 324	43 653	1 220 324	24 248
	Credit loss provisions	2 117 416	454 248	2 117 416	282 603
	Intangible assets	-	-	-	5 819
	Tax claimable impairments	56 258	87 997	56 258	54 745
	Other	225 427	155 887	224 426	96 417
		3 619 425	741 785	3 618 424	463 832

23.2	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the Statement of Financial Position are comprised of:				
	Intangible assets	28 400	34 837	23 700	77
	Equity investments	138 408	80 981	138 408	50 381
	Property and equipment	836 352	675 098	590 449	280 906
	Investment properties	385 986	424 386	385 986	264 025
	Other	3 459 310	2 088 524	2 435 030	1 690 736
		4 848 456	3 303 826	3 573 573	2 286 125

24.	DEPOSITS				
	Call deposits	445 934	129 230	445 934	80 398
	Savings and other deposits	116 308 152	87 282 816	116 308 152	54 301 572
	Money market deposits	13 931 669	16 312 749	13 931 669	10 148 709
	Lines of credit	423 627	817 079	423 627	508 332
	Accrued interest	264 759	237 737	264 759	147 904
		131 374 141	104 779 611	131 374 141	65 186 915
24.1	Deposits by type				
	Retail	9 048 843	6 349 537	9 048 843	3 950 260
	Corporate	107 735 669	81 086 303	107 735 669	50 446 513
	Money market	14 168 002	16 519 628	14 168 002	10 277 415
	Lines of credit	421 627	824 143	421 627	512 727
		131 374 141	104 779 611	131 374 141	65 186 915

Lines of credit relate to borrowings from foreign banks or financial institutions. These have an average tenure of 2.8 years with an average interest rate of 9.2% and are secured by a variety of instruments which include lien over bank accounts, guarantees, treasury bills and sub borrower securities.

24.2	Settlement of legacy liabilities and nostro gap accounts				
	Included in the deposits balance above are amounts that are denominated in USD amounting to US\$145 044 224 (December 2020: US\$ 167 966 227) (being legacy liabilities of US\$50 833 318 (December 2020: US\$52 986 052) and nostro gap accounts of US\$94 210 906 (December 2020: US\$114 980 175)) which are shown at ZWL\$15 761 375 643 (December 2020: ZWL\$13 737 386 593). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ as detailed in Note 26.7 to the financial statements wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US\$35 432 702 (December 2020: US\$7 267 292) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.				

The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts, which risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	%	RESTATED 31 DEC 2020 ZWL\$ 000	%
24.3	Sectoral Analysis				
	Private	11 940 114	9	5 955 354	4
	Agriculture	4 743 814	4	4 547 838	2
	Mining	4 721 027	4	2 369 782	1
	Manufacturing	12 297 264	9	11 000 346	5
	Distribution	16 103 664	12	15 841 167	35
	Construction	3 518 265	3	3 149 451	1
	Transport	2 407 161	2	2 153 626	1
	Communication	1 844 943	1	844 654	-
	Services	71 058 638	54	55 607 639	38
	Financial organisations	2 442 462	2	3 203 650	13
	Financial and investments	296 789	-	106 104	-
		131 374 141	100	104 779 611	100

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
24.4	Maturity analysis				
	Less than 1 month	119 301 857	91 777 346	119 301 857	57 097 770
	Between 1 and 3 months	4 749 930	2 491 608	4 749 930	1 550 113
	Between 3 and 6 months	6 884 853	2 374 839	6 884 853	1 477 467
	Between 6 months and 1 year	220 343	7 210 691	220 343	4 486 013
	Between 1 and 5 years	214 786	916 548	214 786	570 215
	More than 5 year	2 372	8 579	2 372	5 337
		131 374 141	104 779 611	131 374 141	65 186 915

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

25.	INSURANCE LIABILITIES				
	Reinsurance payables (a)	208 353	305 231	208 353	189 895
	Gross outstanding claims (b)	375 639	51 830	375 639	32 245
	Gross unearned premium reserve (c)	331 434	452 285	297 395	281 382
	Deferred reinsurance acquisition reserve (d)	55 071	79 541	49 032	49 485
		970 497	888 887	930 419	553 007

25.1	Insurance contract provisions				
	(a) Reinsurance payables				
	Opening balance	305 231	125 164	189 895	17 358
	Premiums ceded during the year	764 948	848 950	642 739	403 033
	Reinsurance paid	(742 979)	(485 518)	(624 281)	(230 496)
	Monetary adjustment	(118 847)	(183 365)	-	-
	Closing balance	208 353	305 231	208 353	189 895

	(b) Gross outstanding claims provision				
	Opening balance	51 830	44 335	32 245	6 149
	Claims incurred	1 005 769	219 427	844 090	101 275
	Incurred but not yet reported claims provision	9 753	22 103	9 753	13 751
	Claims paid	(576 713)	(192 677)	(510 449)	(88 930)
	Monetary adjustment	(115 000)	(41 358)	-	-
	Closing balance	375 639	51 830	375 639	32 245

	(c) Gross premium reserve				
	Opening balance	452 285	205 922	281 382	28 559
	Written premiums	1 193 590	1 467 765	983 158	608 879
	Premiums earned during the year	(1 314 441)	(1 221 402)	(967 145)	(356 056)
	Closing balance	331 434	452 285	297 395	281 382

(d) Deferred reinsurance acquisition revenue				
	Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000	
	AUDITED		INFLATION ADJUSTED	
31 DEC 2021				
Opening balance	79 541	79 344		197
Written premiums	176 722	206 304		(29 582)
Earned during the year	(201 192)	(221 741)		20 549
Closing balance	55 071	63 907		(8 836)

RESTATED 31 DEC 2020				
	Opening balance	51 427	49 223	2 204
	Written premiums	205 550	219 427	(13 877)
	Earned during the year	(177 436)	(189 306)	11 870
	Closing balance	79 541	79 344	197

		Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
31 DEC 2021				
	Opening balance	49 485	49 363	122
	Written premiums	149 017	173 224	(24 207)
	Earned during the year	(149 470)	(165 151)	15 681
	Closing balance	49 032	57 436	(8 404)

31 DEC 2020				
	Opening balance	7 132	6 827	305
	Written premiums	96 766	101 275	(4 509)
	Earned during the year	(54 413)	(58 739)	4 326
	Closing balance	49 485	49 363	122

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
		ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
26.	OTHER LIABILITIES				
	Revenue received in advance	429 035	115 317	96 231	28 183
	Sundry creditors	3 816 596	11 515 030	3 816 596	7 163 887
	Accruals	7 232 761	1 050 392	7 232 761	653 484
	Suspense	2 238 914	877 185	2 238 914	545 726
	Provisions	2 578 840	376 493	2 578 840	76 012
		16 296 146	13 934 417	15 963 342	8 467 292



The Group is comprised of the following operating segments:

The table below shows the segment operational results for the year ended 31 December 2021:

34.1 Segment operational results

UNAUDITED HISTORICAL										
	Commercial banking ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000
INCOME										
Net Interest income for the year ended 31 Dec 2021	16 377 592	(411 686)	(7 860)	(14 631)	(6 021)	1 846 904	805 777	(1 320 162)	3 059	17 272 972
Net Interest income for the year ended 31 Dec 2020	4 403 281	(53 849)	(5 080)	557	(979)	(1 353 606)	25 579	(256 031)	1 486	2 761 358
Non-Interest income for the year ended 31 Dec 2021	9 583 262	1 361 317	561 271	1 055 463	1 268 672	7 188 779	65 997	4 519 174	(3 522 079)	22 081 856
Non-interest income for the year ended 31 Dec 2020	9 808 837	(2 562 431)	58 905	444 565	536 097	2 842 474	25 071	1 133 478	(1 120 192)	11 166 804
Net underwriting income for the year ended 31 Dec 2021	–	–	–	233 519	–	–	–	–	29 945	263 464
Net underwriting income for the year ended 31 Dec 2020	–	–	–	104 808	–	–	–	–	(4 148)	100 660
Total income for the year ended 31 Dec 2021	25 960 854	949 631	553 410	1 274 350	1 262 651	9 035 683	871 774	3 199 012	(3 489 073)	39 618 292
Total income for the year ended 31 Dec 2020	14 212 118	(2 616 280)	53 825	549 930	535 119	1 488 869	50 650	877 448	(1 122 857)	14 028 822
Depreciation and amortisation	240 468	71 802	2 707	9 410	2 146	16 777	3 412	9 339	(4 093)	351 968
Depreciation and amortisation	110 336	34 792	1 318	5 335	729	3 051	–	4 882	(2 120)	158 323
Impairment of assets for the year ended 31 Dec 2021	1 901 845	95 377	633	22 267	7 942	6 211 302	25 798	–	(908 699)	7 356 465
Impairment of assets for the year ended 31 Dec 2020	535 614	33 936	11	15 416	–	374 044	(3 332)	–	–	955 689
Results										
Profit before taxation for the year ended 31 Dec 2021	15 302 452	(463 775)	70 386	439 501	1 007 480	1 603 325	599 882	1 260 275	(1 539 797)	18 279 729
Profit after taxation for the year ended 31 Dec 2020	11 085 688	(3 076 196)	(197 069)	244 844	419 920	514 313	14 359	429 020	(547 471)	8 887 408
Cash flows:										
Used in operating activities for the year ended 31 Dec 2021	20 459 720	402 976	68 795	200 647	228 116	16 942 602	(25 802)	(528 564)	(15 011 853)	22 736 637
Used in operating activities for the year ended 31 Dec 2020	(90 439)	299 349	13 284	78 522	188 535	(8 659 784)	(219 213)	29 152	9 442 633	1 082 039
Used in investing activities for the year ended 31 Dec 2021	(538 776)	(10 626)	(40 332)	(169 263)	(211 610)	(59 726)	(33 088)	(181 455)	260 408	(984 468)
Used in investing activities for the year ended 31 Dec 2020	(128 926)	(16 350)	(7 180)	(47 907)	(183 475)	(35 443)	(1 900)	(690 626)	215 290	(896 517)
Used in financing activities for the year ended 31 Dec 2021	(2 011 229)	(2 834)	(8 103)	(2 330)	(2 330)	(107 324)	37 546	(2 031 625)	2 081 426	(2 046 803)
Used in financing activities for the year ended 31 Dec 2020	(156 042)	(72)	(746)	21 285	(280)	(353)	209 302	(821)	(555 605)	(483 332)
Total assets and liabilities										
Reportable segment liabilities for the year ended 31 Dec 2021	135 883 294	8 447 276	1 165 165	2 157 066	929 774	42 822 691	107 084	915 127	(39 566 829)	152 860 648
Reportable segment liabilities for the year ended 31 Dec 2020	67 281 507	5 908 513	689 410	849 521	287 922	6 606 514	37 912	324 024	(4 695 858)	77 289 465
Total segment assets for the year ended 31 Dec 2021	158 174 063	7 896 193	949 761	3 424 821	2 657 122	46 438 527	812 113	1 438 775	(39 220 459)	182 570 916
Total segment assets for the year ended 31 Dec 2020	78 242 948	4 248 136	604 553	1 424 495	880 439	6 765 649	254 608	902 849	(4 970 032)	88 353 645



ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



35. RELATED PARTIES

The Group does not have an ultimate parent as it is owned by several shareholders none of which has a controlling interest. The Group has related party relationships with its Directors and key management employees, their companies and close family members. The Group carries out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken at arm's length and in compliance with the relevant Banking Regulations.

Loans and advances to Directors' companies

INFLATION ADJUSTED						
	Gross limits ZWL\$ 000		Utilised limits ZWL\$ 000		Value of security ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Loans to directors' companies	–	482	–	442	–	651

UNAUDITED HISTORICAL						
	Gross limits ZWL\$ 000		Utilised limits ZWL\$ 000		Value of security ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Loans to directors' companies	–	300	–	275	–	405

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non-executive directors and/or their close family members. The loans above are provided at commercial terms with interest rates ranging from 10% to 12% and a tenure ranging from 1 month to 3 years. The loans to directors and key management personnel are shown in note 12.3.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Transactions with Directors' companies				
Interest income	–	358	–	122
Commission and fee income	–	14	–	5
	–	373	–	127

36. CLOSING EXCHANGE RATES

USD	108.666	81.787	108.666	81.787
ZAR	0.146	0.179	0.146	0.179
GBP	146.699	111.467	146.699	111.467
EUR	122.934	100.508	122.934	100.508

37. RISK MANAGEMENT

37.1 Risk overview

CBZ Group Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group's overall Going Concern underpinned by robust strategic planning and policies. Through the CBZ Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

37.2 Group risk management framework

The Group's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The CBZ Group Enterprise Wide Risk Management function is responsible for ensuring that the Group's risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

The CBZ Group Enterprise Wide Governance and Compliance Unit evaluates quality of compliance with policies, processes and governance structures. In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non – Executive Directors of the Group:

Risk Management & Compliance Committee – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational equities, insurance, security, technological, reputational and compliance. Its other responsibilities include reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

Audit & Finance Committee – manages financial risk related to ensuring that the Group's financial results are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

Human Resources & Remunerations Committee – is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

37.3 Credit risk

This is the risk of potential loss arising from the probability of borrowers and or counterparties failing to meet their repayment commitments to the Group as and when they fall due in accordance with agreed terms and conditions.

Credit risk management framework

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors. Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and audited through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

Credit mitigation

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantors in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

37.3 (a) Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Balances with banks	22 439 162	19 721 690	22 439 162	12 269 526
Money market assets	24 353 609	12 189 859	24 353 609	7 583 721
Financial securities	964 517	1 579 852	964 517	982 979
Loans and advances to customers	55 901 268	47 319 306	55 901 268	29 438 930
Other assets	34 874 579	29 028 771	34 874 579	18 059 774
Total	138 533 135	109 839 478	138 533 135	68 334 830
Financial guarantees	167 379	115 332	167 379	71 752
Loans Commitments	4 295 562	1 355	4 295 562	843
Total	4 462 941	116 687	4 462 941	72 595

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash and cash equivalents of ZWL\$ 28 820 826 780(2020: ZWL\$19 695 607 745) (excluding notes and coins) as at 31 December 2021 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks.

37.3(b) An industry sector analysis of the Group's loans and advances before and after taking into account collateral held is as follows:

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2020 ZWL\$ 000
	Net maximum exposure (not covered by mortgage security)	covered by mortgage security)	Net maximum exposure (not covered by mortgage security)	covered by mortgage security)	Net maximum exposure (not covered by mortgage security)	covered by mortgage security)	Net maximum exposure (not covered by mortgage security)	covered by mortgage security)
Private	6 409 832	2 173 257	3 399 024	87 463 733	6 409 832	2 173 257	2 114 646	262 550
Agriculture	32 342 613	8 093 516	27 195 419	25 841 091	32 342 613	8 093 516	16 919 185	2 698 183
Mining	4 711 989	4 266 182	4 960 576	10 143 456	4 711 989	4 266 182	3 086 141	1 160 801
Manufacturing	2 778 250	1 145 790	1 315 830	26 759 704	2 778 250	1 145 790	818 622	249 977
Distribution	11 466 881	5 222 308	9 678 370	25 914 806	11 466 881	5 222 308	6 021 239	125 694
Construction	120 251	–	87 690	202 979	120 251	–	54 555	6 288
Transport	87 977	443	115 969	261 510	87 977	443	72 148	39 782
Communication	–	–	4 692	111 352	–	–	2 919	2 919
Services	5 604 112	3 142 421	1 987 329	31 565 626	5 604 112	3 142 421	1 236 384	804 993
Financial organisations	450 522	4 262 709	443 324	2 523 312 044	450 522	4 262 709	275 807	1 219 113
Gross value	63 972 427	28 306 626	49 188 223	2 731 576 301	63 972 427	28 306 626	30 601 646	6 570 300

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Collateral				
Government Guarantee	25 399 589	24 186 828	25 399 589	15 047 438
Cash cover	98 618	2 327 513	98 618	1 448 024
Collateral (mortgage security)	9 199 417	6 271 211	9 199 417	3 901 531
Notarial general covering bonds	9 670 394	17 556 511	9 670 394	10 922 495
	44 368 018	50 342 063	44 368 018	31 319 488

The Group holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds, leasebacks and stop-orders. Estimates of fair values are based on the value of collateral assessed at the time of borrowing, and are regularly aligned to trends in the market.

37.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	21 285 269	21 555 319	69 059	584 495	–	–	21 354 328	22 139 814
Special mention	"4a – 7c"	7 481 273	26 102 376	6 924 733	814 606	–	–	14 406 006	26 916 982
Non-performing	"8 – 10"	–	–	–	–	28 212 093	131 427	28 212 093	131 427
Total		28 766 542	47 657 695	6 993 792	1 399 101	28 212 093	131 427	63 972 427	49 188 223

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	21 285 269	13 410 288	69 059	363 634	–	–	21 354 328	13 773 922
Special mention	"4a – 7c"	7 481 273	16 239 165	6 924 733	506 794	–	–	14 406 006	16 745 959
Non-performing	"8 – 10"	–	–	–	–	28 212 093	81 765	28 212 093	81 765
Total		28 766 542	29 649 453	6 993 792	870 428	28 212 093	81 765	63 972 427	30 601 646

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

AUDITED INFLATION ADJUSTED									
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2020
Opening balance	47 657 695	22 396 887	1 399 101	591 262	131 427	737 587	49 188 223	23 725 736	
New assets originated or purchased (excluding write offs)	34 768 483	86 744 209	267 763	6 969 694	38 631 060	41 772	73 667 306	93 756 675	
Transfers (from)/to Stage 1	(34 695 710)	(2 388 387)	10 274 787	2 052 575	21 057 213	335 812	(3 363 710)	–	
Transfers to/(from) Stage 2	1 945 141	5 281 248	(1 974 538)	(5 745 597)	217 978	464 349	188 581	–	
Transfers to/(from) Stage 3	91 639	3 581	1 940	162 692	(84 695)	(166 273)	8 884	–	
Repayments during the period	(6 331 910)	(2 402 296)	(505 711)	(847 900)	(41 075)	(582 791)	(6 878 696)	(3 832 987)	
Amounts written off	–	–	–	–	(13 334)	(129 755)	(13 334)	(129 755)	
Monetary adjustment	(14 668 796)	(61 977 547)	(2 469 550)	(1 783 625)	(31 686 481)	(569 274)	(48 824 827)	(64 330 446)	
Gross loans and advances to customers	28 766 542	47 657 695	6 993 792	1 399 101	28 212 093	131 427	63 972 427	49 188 223	
ECL allowance	(896 342)	(1 689 444)	(726 303)	(109 251)	(6 448 514)	(70 222)	(8 071 159)	(1 868 917)	
Net loans and advances to customers	27 870 200	45 968 251	6 267 489	1 289 850	21 763 579	61 205	55 901 268	47 319 306	

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	29 649 453	3 106 176	870 427	82 000	81 765	93 197	30 601 645	3 281 373
New assets originated or purchased (excluding write offs)	26 403 578	26 392 930	81 498	2 120 542	11 753 953	12 499	38 239 029	28 525 971
Transfers (from)/to Stage 1	(24 280 678)	(726 688)	7 962 428	624 514	16 318 250	102 174	–	–
Transfers to/(from) Stage 2	1 361 243	1 606 864	(1 530 165)	(1 748 147)	168 922	141 283	–	–
Transfers to/(from) Stage 3	64 130	1 090	1 503	49 500	(65 633)	(50 590)	–	–
Repayments during the period	(4 431 184)	(730 919)	(391 899)	(257 981)	(31 833)	(177 319)	(4 854 916)	(1 166 219)
Amounts written off	–	–	–	–	(13 331)	(39 479)	(13 331)	(39 479)
Gross loans and advances to customers	28 766 542	29 649 453	6 993 792	870 428	28 212 093	81 765	63 972 427	30 601 646
ECL allowance	(896 342)	(1 051 060)	(726 303)	(67 969)	(6 448 514)	(43 687)	(8 071 159)	(1 162 716)
Net loans and advances to customers	27 870 200	28 598 393	6 267 489	802 459	21 763 579	38 078	55 901 268	29 438 930

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



ECL RECONCILIATION		UNAUDITED HISTORICAL						
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	1 051 060	190 828	67 969	21 059	43 687	55 585	1 162 716	267 472
New assets originated or purchased	1 591 692	924 361	4 011	200 751	5 546 427	11 515	7 142 130	1 136 627
Transfers (from)/to Stage 1	(1 637 383)	(100 907)	815 015	46 182	822 368	54 725	–	–
Transfers to/(from) Stage 2	21 558	63 407	(87 649)	(169 146)	66 091	105 739	–	–
Transfers to/(from) Stage 3	1 939	33	738	3 284	(2 677)	(3 317)	–	–
Amounts written off	–	(24 120)	–	(30 977)	(11 118)	(148 111)	(11 118)	(203 208)
Amounts paid off	(132 524)	(2 542)	(73 781)	(3 184)	(16 264)	(32 449)	(222 569)	(38 175)
Closing balance	896 342	1 051 060	726 303	67 969	6 448 514	43 687	8 071 159	1 162 716

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	1 589 504	–	–	–	–	978 926	1 589 504
Total		978 926	1 589 504	–	–	–	–	978 926	1 589 504

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	988 884	–	–	–	–	978 926	988 884
Total		978 926	988 884	–	–	–	–	978 926	988 884

(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities as follows:

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	1 589 504	8 593 636	–	–	–	–	1 589 504	8 593 636
Monetary adjustment	(597 728)	(6 346 788)	–	–	–	–	(597 728)	(6 346 788)
Maturities during the period	(12 850)	(657 344)	–	–	–	–	(12 850)	(657 344)
Gross financial securities	978 926	1 589 504	–	–	–	–	978 926	1 589 504
ECL allowance	(14 409)	(9 652)	–	–	–	–	(14 409)	(9 652)
Closing balance	964 517	1 579 852	–	–	–	–	964 517	1 579 852

UNAUDITED HISTORICAL									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	
Opening balance	988 884	1 191 832	–	–	–	–	988 884	1 191 832	
Maturities during the period	(9 958)	(202 948)	–	–	–	–	(9 958)	(202 948)	
Gross financial securities	978 926	988 884	–	–	–	–	978 926	988 884	
ECL allowance	(14 409)	(6 005)	–	–	–	–	(14 409)	(6 005)	
Closing balance	964 517	982 879	–	–	–	–	964 517	982 879	

c. Money market asset

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 430 988	12 209 924	–	–	–	–	24 430 988	12 209 924
Total		24 430 988	12 209 924	–	–	–	–	24 430 988	12 209 924

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 430 988	7 596 204	–	–	–	–	24 430 988	7 596 204
Total		24 430 988	7 596 204	–	–	–	–	24 430 988	7 596 204

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market assets is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	12 209 924	1 617 686	–	–	–	–	12 209 924	1 617 686
New assets originated or purchased (excluding write offs)	34 310 647	54 716 427	–	–	–	–	34 310 647	54 716 427
Maturities during the period	(10 254 699)	(712 063)	–	–	–	–	(10 254 699)	(712 063)
Monetary adjustment	(11 834 884)	(43 412 126)	–	–	–	–	(11 834 884)	(43 412 126)
Gross money market assets	24 430 988	12 209 924	–	–	–	–	24 430 988	12 209 924
ECL allowance	(77 378)	(20 064)	–	–	–	–	(77 378)	(20 064)
Closing balance	24 353 610	12 189 860	–	–	–	–	24 353 610	12 189 860

GROSS CARRYING AMOUNT		UNAUDITED HISTORICAL						
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	7 596 204	224 353	–	–	–	–	7 596 204	224 353
New assets originated or purchased (excluding write offs)	24 011 205	7 588 502	–	–	–	–	24 011 205	7 588 502
Maturities during the period	(7 176 421)	(216 651)	–	–	–	–	(7 176 421)	(216 651)
Gross money market assets	24 430 988	7 596 204	–	–	–	–	24 430 988	7 596 204
ECL allowance	(77 378)	(12 483)	–	–	–	–	(77 378)	(12 483)
Closing balance	24 353 610	7 583 721	–	–	–	–	24 353 610	7 583 721

d. Financial guarantees

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	115 332	–	–	–	–	167 379	115 332
Total		167 379	115 332	–	–	–	–	167 379	115 332

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	71 752	–	–	–	–	167 379	71 752
Total		167 379	71 752	–	–	–	–	167 379	71 752

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	115 332	602 011	–	–	–	–	115 332	602 011
New assets originated or purchased (excluding write offs)	239 173	235 824	–	–	–	–	239 173	235 824
Monetary adjustment	(84 598)	(448 093)	–	–	–	–	(84 598)	(448 093)
Guarantees Expired	(102 528)	(274 410)	–	–	–	–	(102 528)	(274 410)
Gross Guarantees	167 379	115 332	–	–	–	–	167 379	115 332
ECL allowance	(376)	(934)	–	–	–	–	(376)	(934)
Closing balance	167 003	114 398	–	–	–	–	167 003	114 398

UNAUDITED HISTORICAL									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	
Opening balance	71 752	83 491	–	–	–	–	71 752	83 491	
New assets originated or purchased (excluding write offs)	167 377	71 751	–	–	–	–	167 377	71 751	
Guarantees expired during the period	(71 750)	(83 490)	–	–	–	–	(71 750)	(83 490)	
Gross Guarantees	167 379	71 752	–	–	–	–	167 379	71 752	
ECL allowance	(376)	(581)	–	–	–	–	(376)	(581)	
Closing balance	167 003	71 171	–	–	–	–	167 003	71 171	

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 31 December 2021.

Expected Credit Losses is determined through a



Forward looking information

In its ECL model, the Group considers three scenarios, namely, Best Case, Base Case and Worst Case from a spectrum of macro-economic fortunes and the scenarios are probability weighted. The ECL model focuses on perturbing PDs by treating this ECL component as a random variable. It is assumed that macro-economic fortunes are related to credit default.

Gross Domestic Product (GDP) growth rates is the variable in use for forward looking PDs. GDP growth rate is a consistent macro-economic variable that may have the requisite intuitive correlation to credit default risk measurement and can be easily corroborated over time. It is assumed that low GDP growth rate environments will result in higher credit default probabilities and the opposite is also assumed to be true. In addition to being intuitive, the approach relies on observations at both external and internal environments. The model is applicable in the case when there is insufficient data to calibrate standard models with the added feature that implicitly improves credit risk measurement with continued use.

Credit default risk is modelled as a Bernoulli trial in which either default or no default occurs over a specified time interval. The probability of default itself is also treated as a random variable that follows a beta distribution. The model is based on the notion of a mixed Bernoulli-Beta distribution and this mixture has a conjugate prior distribution which will allow a simple way in which the models are re-calibrated in the future as lending portfolios grow and evolve, hence the implicit improvement to credit default measurement.

The GDP growth rates are assumed to be random variables and follow a Gaussian distribution. The parameters of the Gaussian distribution are also treated as random variables. IMF historical GDP growth rates for similar economies are used to calibrate parameters for the Gaussian distribution. In addition to historical GDP for the nation and similar economies, Group Economics team provides estimates of future Best Case GDP growth rate for Zimbabwe. Using the statistical concepts of Bayesian Inference, parameter estimates are incorporated to derive predictive distribution of GDP growth rates.

The centre of the distribution (Base Case) for the predictive model is assumed to be the expected growth rate as per Ministry of Finance and Economic development. In order to postulate credit default probabilities in alternative macro-economic conditions, there is a function that maps the GDP growth rates distribution to the default probabilities distribution. The method employed here relies on establishing Best Case GDP growth rate to be compared to the Base Case GDP growth rate and a measure of likelihood obtained using the assumed Gaussian distribution for GDP growth rates. Using this measure of likelihood, an applicable quantile on the distribution for probability of default is obtained and defined as the upper bound for the Best Case probability of default for the respective credit rating. The Base Case probability of default is determined as the mode of the probability of default distribution. The Worst Case probability of default is determined as function of the mean of the default distribution under the low GDP growth scenarios.

The combination of the Bernoulli-Beta and Gaussian distribution for forward looking PDs resulted in the weightings of 20%, 52% and 28% being applied for Best Case, Base Case and Worst Case scenarios respectively. The scenarios and their attributes are reassessed at least annually.

Based on financial asset's stage, 12 Months or Life-Time Expected Credit Losses were calculated.

- a) 12 Months Expected Credit Losses is a portion of Lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
- b) Lifetime Expected Credit Losses are the expected present value of losses that arise if borrowers default on their obligations at some time during the life of the financial asset. These are weighted average credit losses that result from all possible default events over the expected life of the financial asset or instrument.

Stage 1: Performing

The Financial assets in this stage are neither past due nor specifically impaired, and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: Underperforming

The assets have early arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: Credit Impaired

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
- b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
- c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
- d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.
- Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

Purchased or originated credit impaired (POCI)

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Cure, Modification and Forbearance of Financial Assets

During the period under Review, some of the financial assets were cured, modified and forborene.

Cure

Cure is the reclassification of a non-performing or underperforming asset into performing status.

The specific requirements for reclassifying non-performing forborene exposures comprise the completion of a "cure period" of six(6) months and that the debtor's behaviour demonstrates that financial difficulties no longer exist. To dispel concerns regarding financial difficulties, all of the following criteria should be satisfied:

- i) The borrower should have settled, by means of regular payments, an amount equivalent to all the amounts past due on the date the forbearance measures were granted (if there were past-due amounts at this date), or to the amount written-off as part of these forbearance measures (if there was no past-due amount at the date of the forbearance measures).
- ii) It has been established that the obligor is able to meet the requirements of the revised terms and conditions.
- iii) For retail exposures, the borrower should have settled 6 full consecutive monthly payments under the revised terms.
- iv) For other Corporate, Agriculture and some wholesale clients with quarterly or longer dated repayment terms, further evaluation should be done by the Management Credit Committee which may include qualitative factors in additions to compliance with revised payment terms.
- v) The borrower does not have any other transactions with amounts more than 90 days past due at the date when the exposure is reclassified to the performing category.

Modification and Forbearance

These are formal, contractual agreements between the customer and the Group to change cash flows from that originally agreed or previously amended as well as contractual terms and conditions. Where a contract was subjected to some or all of the above forbearance measures, it was referred to as modification. It was also referred to as Restructuring by the Group. Modification in some instances resulted in change in PD, instalment and interest rate among other factors.

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborene when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborene loans to help ensure that future payments continue to be likely to occur.

If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborene asset until it is collected or written off.

Any loan that has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborene, it will remain forborene for a minimum six months' probation period. In order for the loan to be reclassified out of the forborene category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of six months has passed from the date the forborene contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due

The Group also recalculate for recognition, the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss if the contractual cash flows of a financial asset are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Derecognition

Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group de-recognizes a financial asset when, and only when:

- a) The contractual rights to the cash flows from the financial asset expire, or
- b) It transfers the financial asset and the transfer qualifies for de-recognition.

Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance. Any subsequent recoveries are treated as Other income.

- A loan or asset graded "loss" shall be written off after at least a year(360 days) from date of such classification whether or not the Bank intends or is in the process of attempting to recover the loan or asset. These write-offs will require the recommendation of Recoveries and Collections department and approved as per the Group Expenditure policy in place.
- Write-off of debt arising from Bank charges, service fees, commissions and resultant interest accruals with supporting schedules must be approved as per current the Group expenditure policy.

37.3.2 Market risk

This is the risk of loss under both the banking book and or trading book arising from unfavourable changes in market price such as interest rates, foreign exchanges rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings and or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

37.3.3 Group market risks management framework

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategic plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

37.4 Liquidity risk

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group.

The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to limits such as levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures, liquidity coverage ratio, net stable funding ratio as well as prudential liquidity ratio.

The primary funding sources under the Group are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group, through the ALCO processes and statement of financial position management ensures that asset growth and maturity are funded by appropriate growth in deposits and stable funding, respectively.

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	39 562 931	—	—	—	—	—	39 562 931
Money market assets	17 371 181	1 645 042	6 578 337	—	2 392	—	25 596 952
Financial securities	14 871	—	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	6 062 825	5 280 239	13 564 375	40 909 033	7 597 486	2 000 065	75 414 023
Insurance assets	531 247	172 939	231 983	—	—	—	936 169
Financial guarantees	2 353	56 276	21 635	83 759	3 356	—	167 379
Current tax receivable	836	37 186	—	—	—	—	38 022
Other liquid assets	3 623 331	17 292 774	1 171 691	2 981 623	16 133 148	—	41 202 567
Total assets	67 169 575	24 484 456	21 623 162	44 016 927	23 904 245	3 381 831	184 580 196
Liabilities							
Deposits	119 486 461	4 871 046	6 915 874	237 110	255 294	3 891	131 769 676
Insurance liabilities	350 395	116 798	116 798	—	—	—	583 991
Other liabilities	2 431 609	9 680 070	339 758	16 975 410	—	—	29 426 847
Current tax payable	—	522 562	—	—	—	—	522 562
Life Fund	397 799	—	—	—	—	—	397 799
Investment contract liabilities	62 542	—	—	—	—	—	62 542
Lease Liabilities	2 177	5 327	6 532	11 636	13 929	—	39 601
Financial guarantees	2 353	56 276	21 635	83 759	3 356	—	167 379
Loans Commitments	4 295 562	—	—	—	—	—	4 295 562
Total liabilities	127 028 898	15 252 079	7 400 597	17 307 915	272 579	3 891	167 265 959
Liquidity gap	(59 859 323)	9 232 377	14 222 565	26 709 012	23 631 666	3 377 940	17 314 237
Cumulative liquidity gap	(59 859 323)	(50 626 946)	(36 404 381)	(9 695 369)	13 936 297	17 314 237	17 314 237

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	31 749 011	—	—	—	—	—	31 749 011
Money market assets	10 609 696	1 577 729	—	2 435	—	—	12 189 860
Financial securities	—	9 257	9 083	6 790	100 866	1 453 857	1 579 853
Loans and advances to customers	1 317 087	19 556 443	2 497 571	16 427 682	5 432 277	2 088 246	47 319 046
Insurance assets	521 067	2 197	—	57 780	—	—	581 044
Financial guarantees	1 786	47 837	55 165	10 544	—	—	115 332
Current tax receivable	622	—	—	—	—	—	622
Other liquid assets	18 573	28 462 919	551	—	—	—	28 482 043
Total assets	44 217 842	49 656 382	2 562 370	16 505 231	5 533 143	3 542 103	122 017 071
Liabilities							
Deposits	91 777 346	2 491 608	2 374 839	7 210 691	916 548	8 579	104 779 611
Insurance liabilities	357 062	—	—	—	—	—	357 062
Other liabilities	1 276 139	1 709 276	4 915	45 870	—	—	3 036 200
Current tax payable	—	438 377	13 082	—	—	—	451 459
Life Fund	149 108	—	—	—	—	—	149 108
Lease Liability	1 279	3 789	4 284	7 076	17 558	—	33 986
Investment contract liabilities	23 508	—	—	—	—	—	23 508
Financial guarantees	1 786	47 837	55 165	10 544	—	—	115 332
Total liabilities	93 586 228	4 690 887	2 452 285	7 274 181	934 106	8 579	108 946 266
Liquidity gap	(49 368 386)	44 965 495	110 085	9 231 050	4 599 037	3 533 524	13 070 805
Cumulative liquidity gap	(49 368 386)	(4 402 891)	(4 292 806)	4 938 244	9 537 281	13 070 805	13 070 805

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	39 562 931	—	—	—	—	—	39 562 931
Money market assets	17 371 181	1 645 042	6 578 337	—	2 392	—	25 596 952
Financial securities	14 871	—	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	6 062 825	5 280 239	13 564 375	40 909 033	7 597 486	2 000 065	75 414 023
Insurance assets	531 247	172 939	231 983	—	—	—	936 169
Financial guarantees	2 353	56 276	21 635	83 759	3 356	—	167 379
Current tax receivable	836	37 186	—	—	—	—	38 022
Other liquid assets	3 623 331	17 292 774	1 171 691	2 981 623	16 133 148	—	41 202 567
Total assets	67 169 575	24 484 456	21 623 162	44 016 927	23 904 245	3 381 831	184 580 196
Liabilities							
Deposits	119 486 461	4 871 046	6 915 874	237 110	255 294	3 891	131 769 676
Insurance liabilities	350 395	116 798	116 798	—	—	—	583 991
Other liabilities	2 431 609	9 680 070	339 758	16 975 410	—	—	29 426 847
Current tax payable	—	522 562	—	—	—	—	522 562
Life Fund	397 799	—	—	—	—	—	397 799
Investment contract liabilities	62 542	—	—	—	—	—	62 542
Lease Liabilities	2 177	5 327	6 532	11 636	13 929	—	39 601
Financial guarantees	2 353	56 276	21 635	83 759	3 356	—	167 379
Loans Commitments	4 295 562	—	—	—	—	—	4 295 562
Total liabilities	127 028 898	15 252 079	7 400 597	17 307 915	272 579	3 891	167 265 959
Liquidity gap	(59 859 323)	9 232 377	14 222 565	26 709 012	23 631 666	3 377 940	17 314 237
Cumulative liquidity gap	(59 859 323)	(50 626 946)	(36 404 381)	(9 695 369)	13 936 297	17 314 237	17 314 237

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	19 752 126	—	—	—	—	—	19 752 1



ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



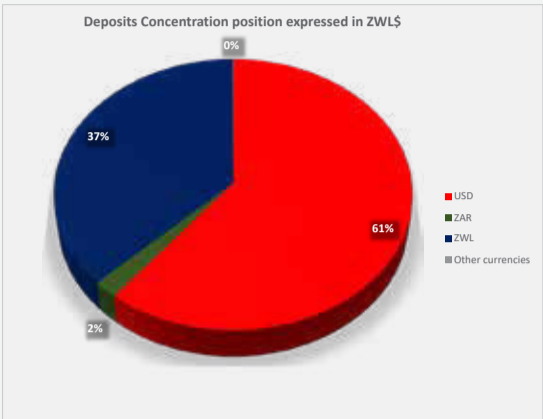
	CBZ Bank Limited
At 31 December 2021	51.35
At 31 December 2020	62.30
Average for the year	59.98
Maximum for the year	62.80
Minimum for the year	50.70

37.4.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Group's liabilities when they are concentrated in few counterparties. The impact on the Group's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Group, assuming no adequate monetary assets denominated in the same currency, significant exchange losses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Bank's deposits is shown below;

Included in the USD deposits are legacy liabilities and nostro gap accounts amounting to US\$145 044 224 (2020: US\$167 966 227). These liabilities contribute 12.33% (2020: 21.62%) to the Group's total deposits.



37.5 Interest rate risk

This is the possibility of a Banking Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a banking Group's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds, asset yield, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Group and its SBU's ability to sustain a stressed interest rate environment, value at risk (VaR), interest rate risk set limits and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency, the ZWL\$ in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 31 December 2021, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL\$ 242 130 767 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	18 854 453	—	—	—	—	—	20 708 478	39 562 931
Money market assets	3 109 728	1 596 825	5 503 530	—	2 253	—	14 141 274	24 353 610
Financial securities	10 109	—	45 733	—	148 616	760 059	—	964 517
Loans and advances to customers	3 745 585	3 983 879	8 372 383	32 881 683	5 597 018	1 320 720	—	55 901 268
Insurance assets	—	—	—	—	—	—	1 190 063	1 190 063
Equity investments	—	—	—	—	—	—	5 422 039	5 422 039
Land inventory	—	—	—	—	—	—	5 951 662	5 951 662
Other assets	—	—	—	—	—	—	37 716 801	37 716 801
Current tax receivable	—	—	—	—	—	—	37 186	37 186
Intangible assets	—	—	—	—	—	—	304 137	304 137
Investment properties	—	—	—	—	—	—	6 169 958	6 169 958
Property and equipment	—	—	—	—	—	—	9 109 091	9 109 091
Deferred taxation	—	—	—	—	—	—	3 619 425	3 619 425
Total assets	25 719 875	5 580 704	13 921 646	32 881 683	5 747 887	2 080 779	104 370 114	190 302 688
Equity & Liabilities								
Deposits	104 635 814	4 749 408	6 884 711	220 343	214 786	2 372	14 666 707	131 374 141
Insurance liabilities	—	—	—	—	—	—	970 497	970 497
Other liabilities	—	—	—	—	—	—	16 296 146	16 296 146
Current tax payable	—	—	—	—	—	—	522 562	522 562
Life Fund	—	—	—	—	—	—	397 799	397 799
Investment contract liabilities	—	—	—	—	—	—	62 542	62 542
Deferred taxation	—	—	—	—	—	—	4 848 456	4 848 456
Lease liability	2 177	5 327	6 532	11 636	10 598	—	—	36 270
Equity	—	—	—	—	—	—	35 794 275	35 794 275
Total liabilities and equity	104 637 991	4 754 735	6 891 243	231 979	225 384	2 372	73 558 984	190 302 688
Interest rate repricing gap	(78 918 116)	825 969	7 030 403	32 649 704	5 522 503	2 078 407	30 811 130	—
Cumulative gap	(78 918 116)	(78 092 147)	(71 061 744)	(38 412 040)	(32 889 537)	(30 811 130)	—	—

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	18 868 226	—	—	—	—	—	12 880 784	31 749 010
Money market assets	10 609 696	—	—	2 435	—	—	—	12 189 860
Financial securities	—	9 257	9 083	6 790	100 866	1 453 857	—	1 579 853
Loans and advances to customers	1 317 087	19 556 443	2 497 571	16 427 682	5 432 277	2 088 246	—	47 319 306
Insurance assets	—	—	—	—	—	—	977 400	977 400
Equity investments	—	—	—	—	—	—	3 092 310	3 092 310
Land inventory	—	—	—	—	—	—	5 951 994	5 951 994
Other assets	—	—	—	—	—	—	36 587 935	36 587 935
Current tax receivable	—	—	—	—	—	—	867	867
Intangible assets	—	—	—	—	—	—	198 557	198 557
Investment properties	—	—	—	—	—	—	4 417 649	4 417 649
Property and equipment	—	—	—	—	—	—	7 704 328	7 704 328
Deferred taxation	—	—	—	—	—	—	741 785	741 785
Total assets	30 795 009	21 143 429	2 506 654	16 436 907	5 533 143	3 542 103	72 553 609	152 510 854
Equity & Liabilities								
Deposits	91 777 346	2 491 608	2 374 839	7 210 691	916 548	8 579	—	104 779 611
Insurance liabilities	—	—	—	—	—	—	888 888	888 888
Other liabilities	—	—	—	—	—	—	13 934 415	13 934 415
Current tax payable	—	—	—	—	—	—	1 073 069	1 073 069
Life Fund	—	—	—	—	—	—	149 108	149 108
Investment contract liabilities	—	—	—	—	—	—	23 508	23 508
Deferred taxation	—	—	—	—	—	—	3 303 826	3 303 826
Lease Liability	—	—	—	—	—	—	33 986	33 986
Equity	—	—	—	—	—	—	28 324 443	28 324 443
Total liabilities and equity	91 777 346	2 491 608	2 374 839	7 210 691	916 548	8 579	47 731 243	152 510 854
Interest rate repricing gap	(60 982 337)	18 651 821	131 815	9 226 216	4 616 595	3 533 524	24 822 366	—

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	18 854 453	—	—	—	—	—	20 708 478	39 562 931
Money market assets	3 109 728	1 596 825	5 503 530	—	2 252	—	14 141 275	24 353 610
Financial securities	10 109	—	45 733	—	148 616	760 059	—	964 517
Loans and advances to customers	3 745 585	3 983 879	8 372 383	32 881 683	5 597 018	1 320 720	—	55 901 268
Insurance assets	—	—	—	—	—	—	1 162 033	1 162 033
Equity investments	—	—	—	—	—	—	5 422 039	5 422 039
Land inventory	—	—	—	—	—	—	552 094	552 094
Other liquid assets	—	—	—	—	—	—	37 217 109	37 217 109
Current tax receivable	—	—	—	—	—	—	37 186	37 186
Intangible assets	—	—	—	—	—	—	213 757	213 757
Investment properties	—	—	—	—	—	—	6 169 958	6 169 958
Property and equipment	—	—	—	—	—	—	7 395 991	7 395 991
Deferred taxation	—	—	—	—	—	—	3 618 424	3 618 424
Total assets	25 719 875	5 580 704	13 921 646	32 881 683	5 747 886	2 080 779	96 638 344	182 570 917
Equity & Liabilities								
Deposits	104 635 814	4 749 408	6 884 711	220 343	214 786	2 372	14 666 707	131 374 141
Insurance liabilities	—	—	—	—	—	—	930 419	930 419
Other liabilities	—	—	—	—	—	—	15 963 342	15 963 342
Current tax payable	—	—	—	—	—	—	522 562	522 562
Life Fund	—	—	—	—	—	—	397 799	397 799
Investment contract liabilities	—	—	—	—	—	—	62 542	62 542
Deferred taxation	—	—	—	—	—	—	3 573 573	3 573 573
Lease liability	1 875	4 540	5 702	10 757	13 396	—	—	36 270
Equity	—	—	—	—	—	—	29 710 269	29 710 269
Total liabilities and equity	104 637 689	4 753 948	6 890 413	231 100	228 182	2 372	65 827 213	182 570 917
Interest rate repricing gap	(78 917 814)	826 756	7 031 233	32 650 583	5 519 704	2 078 407	30 811 131	—
Cumulative gap	(78 917 814)	(78 091 058)	(71 059 825)	(38 409 242)	(32 889 538)	(30 811 131)	—	—

37.5.1 INTEREST RATE REPRICING (continued)

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	11 738 557	—	—	—	—	—	8 013 569.00	19 752 126
Money market assets	6 600 648	981 558	—	1 515	—	—	—	7 583 721
Financial securities	—	5 759	5 651	4 224	62 752	904 493	—	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	—	29 436 930
Insurance assets	—	—	—	—	—	—	608 073	608 073
Equity investments	—	—	—	—	—	—	1 923 830	1 923 830
Land inventory	—	—	—	—	—	—	470 639	470 639
Other liquid assets	—	—	—	—	—	—	20 503 312	20 503 312
Current tax receivable	—	—	—	—	—	—	540	540
Intangible assets	—	—	—	—	—	—	87 202	87 202
Investment properties	—	—	—	—	—	—	2 748 368	2 748 368
Property and equipment	—	—	—	—	—	—	3 730 193	3 730 193
Deferred taxation	—	—	—	—	—	—	463 832	463 832
Total assets	19 158 609	13 154 037	1 559 474	10 225 952	3 442 354	2 203 661	38 609 558	88 353 645
Equity & Liabilities								
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	—	65 186 915
Insurance liabilities	—	—	—	—	—	—	553 007	553 007
Other liabilities	—	—	—	—	—	—	8 467 292	8 467 292
Current tax payable	—	—	—	—	—	—	667 592	667 592
Life Fund	—	—	—	—	—	—	92 765	92 765
Investment contract liabilities	—	—	—	—	—	—	14 625	14 625
Deferred taxation	—	—	—	—	—	—	2 286 125	2 286 125
Lease Liability	—	—	—	—	—	—	21 144	21 144
Equity	—	—	—	—	—	—	11 064 180	11 064 180
Total liabilities and equity	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	23 166 730	88 353 645
Interest rate repricing gap	(37 939 161)	11 603 924	82 007	5 739 939	2 872 139	2 198 324	15 442 828	—
Cumulative gap	(37 939 161)	(26 335 237)	(26 253 230)	(20 513 291)	(17 641 152)	(15 442 828)	—	—

37.6 Exchange rate risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rate where open positions either spot or forward, are taken for both on and off – statement of financial position transactions.

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management Assets and Liabilities Committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits.

At 31 December 2021, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been ZWL\$ 209 056 537 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Group as at 31 December 2021 is as below:

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
Position expressed in ZWL\$ 000	Total	ZWL\$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	39 562 931	12 930 133	23 884 890	2 135 204	29 189	583 474	41
Money market assets	24 353 610	7 218 751	16 464 916	669 943	—	—	—
Financial securities	964 517	964 517	—	—	—	—	—
Loans and advances to customers	55 901 268	18 274 659	37 602 439	23 967	203	—	—
Insurance assets	1 190 063	1 190 063	—	—	—	—	—
Equity investments	5 422 039	5 422 039	—	—	—	—	—
Land inventory	5 951 662	5 951 662	—	—	—	—	—
Other assets	37 716 801	16 475 466	12 829 918	7 351 058	418 880	635 389	6 090
Current tax receivable	37 186	37 186	—	—	—	—	—
Intangible assets	304 137	304 137	—	—	—	—	—
Investment properties	6 169 958	6 169 958	—	—	—	—	—
Property and equipment	9 109 091	9 109 091	—	—	—	—	—
Deferred taxation	3 619 425	3 619 425	—	—	—	—	—
	190 302 688	87 667 087	90 782 163	10 180 172	448 272	1 218 863	6 131
Equity & Liabilities							
Deposits	131 374 141	49 775 096	78 876 544	2 626 020	21 816	74 665	—
Insurance liabilities	970 497	970 497	—	—	—	—	—
Other liabilities	16 296 146	12 520 394	600 937	1 957 733	419 566	647 017	150 499
Current tax payable	522 562	522 562	—	—	—	—	—
Life Fund	397 799	397 799	—	—	—	—	—
Investment contract liabilities	62 542	62 542	—	—	—	—	—
Deferred taxation	4 848 456	4 848 456	—	—	—	—	—
Lease Liability	36 270	36 270	—	—	—	—	—
Equity	35 794 275	35 794 275	—	—	—	—	—
Total equity and liabilities	190 302 688	104 927 891	79 477 481	4 583 753	441 382	721 682	150 499



FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
Position expressed in ZWL\$ 000	TOTAL	ZWL\$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land Inventory	470 639	470 639	–	–	–	–	–
Other assets	20 503 312	7 770 350	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	87 202	87 202	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	3 790 193	3 628 966	116 775	44 376	–	76	–
Deferred taxation	463 832	463 832	–	–	–	–	–
Total assets	88 353 645	52 634 784	33 832 650	1 361 728	6 519	363 743	154 221
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 467 292	3 819 297	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 286 125	2 286 125	–	–	–	–	–
Lease Liability	21 144	21 144	–	–	–	–	–
Equity	11 064 180	11 064 180	–	–	–	–	–
Total equity and liabilities	88 353 645	52 014 711	30 558 700	5 567 076	27 792	144 831	40 535

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNDERLYING CURRENCY					
	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL\$ 000
Assets					
Balances with banks and cash	219 801	312 380	199	4 746	41
Money market assets	151 519	98 013	–	–	–
Loans and advances to customers	346 037	3 506	1	–	–
Other assets	118 067	1 075 460	2 855	5 169	6 090
Total assets	835 424	1 489 359	3 055	9 915	6 131
Liabilities					
Deposits	725 862	384 187	149	607	–
Other liabilities	5 530	286 416	2 860	5 263	150 499
Total liabilities	731 392	670 603	3 009	5 870	150 499
Net position	104 032	818 756	46	4 045	(144 368)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNDERLYING CURRENCY					
	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL\$ 000
Assets					
Balances with banks and cash	201 468	72 538	–	3 610	154 220
Money market assets	34 156	111 028	–	–	–
Loans and advances to customers	24 277	4 428	1	–	1
Other assets	152 341	47 680	57	7	–
Property and equipment	1 428	7 939	–	–	–
Total assets	413 670	243 613	58	3 617	154 221
Liabilities					
Deposits	363 730	310 757	222	1 397	40 489
Other liabilities	9 910	685 193	27	44	46
Total liabilities	373 640	995 950	249	1 441	40 535
Net position	40 030	(752 337)	(191)	2 176	113 686

37.7 Operational risk

This is the risk that loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Group and its SBUs revenue or erosion of the Group and its SBUs' statement of financial position value.

37.7.1 Operational risk management framework

The Group Risk Management Committee exercises adequate oversight over operational risks across the Group with the support of SBU Boards as well as business and functional level committees. Group Risk Management is responsible for setting and approving of Group Operational Policies and maintaining standards for operational risk.

The Group Board Audit Committee through the Internal Audit function as well as Group Enterprise Wide Governance and Compliance, performs their independent review and assurances under processes and procedures as set under Business Units policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Department with assistance from the Organisation and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

37.8 Strategic risk

This is the risk that arises where the Group's strategy may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning processes, weak decision making processes as well as weak strategic implementation programs.

To mitigate this risk, the Group's Board, SBU Boards and Management teams craft the strategy which is underpinned by the Group's corporate goals. Approval of the strategy is the responsibility of the appropriate Board whilst implementation is carried out by Management. On the other hand, strategy and goal congruency is audited monthly by management and quarterly by the appropriate Board.

37.9 Regulatory risk

Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise Wide Governance and Compliance unit which ensures that:

- a.Comprehensive and consistent compliance policies and procedures exist covering the Group and its SBUs;
- b.A proactive and complete summary statement of the Group and its SBUs position on ethics and compliance exists;
- c.A reporting structure of the Group Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and
- d.Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

37.10 Reputation risk

This is the risk of potential damage to the Group's image that arises from the market perception of the manner in which the Group and its SBUs package and deliver their products and services as well as how staff and management conduct themselves. It also relates to the Group's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Group and its actions. The risk can further arise from the Group's inability to address any of its other key risks. This risk is managed and mitigated through:

- a.continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
- b.ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
- c.stakeholders' feedback systems that ensures proactive attention to the Group's reputation management.

37.11 Money-laundering risk

This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the subsidiaries of the Group and then use the funds to support illegal activities. The Group manages this risk through:

- a.adherence to Know Your Customer Procedures;
- b.effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- c.development of early warning systems; and
- d.integration of compliance into individual performance measurement and reward structures.

37.12 Insurance risk

The principal risk that the insurance segment faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the insurance subsidiary is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The subsidiaries also purchase reinsurance as part of their risk mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The insurance company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract.

37.13 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Long term)	AA ^{-(Zw)}	A+	A+	A	A	A	A	A+	A+	A+	A+

CBZ Life Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Financial strength)	A ^{-(Zw)}	A ^{-(Zw)}	A-	A-	BBB+	BBB+	BBB+	-	-	-	-

CBZ Insurance Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating(Claims paying ability)	BBB ^{-(Zw)}	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-	-	-	-

CBZ Asset Management Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Manager quality)	MQ2 ^{-(Zw)}	MQ2 ^{-(Zw)}	MQ2 ^{-(Zw)}	A	A	A	A	-	-	-	-

37.13.2 Reserve Bank Ratings

CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank (current)	2	1	3	2	2	2	2
CBZ Bank (previous)	1	1	2	1	1	2	2

Key

1. Strong 2. Satisfactory 3. Fair 4. Substandard 5. Weak

CBZ Bank Limited Risk Matrix Summary

Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
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	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY

Level of inherent risk

- Low –** reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
- Moderate –** could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
- High –** reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

- Weak –** risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
- Acceptable –** management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
- Strong –** management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk

- Low Risk –** would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
- Moderate Risk –** risk management effectively identifies and controls all types of risk posed by the relevant functional area. Significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

Direction of Overall Composite Risk Rating

- Increasing–** based on the current information composite risk is expected to increase in the next twelve months.
- Decreasing–** based on current information composite risk is expected to decrease in the next twelve months.
- Stable –** based on the current information composite risk is expected to be stable in the next twelve months.

38. COMPLIANCE AND REGULATORY RISK

During the year, the Group was fined ZWL\$ 1,820,000 and ZWL\$ 70,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Interim Financial Statements after the set statutory deadline of 31 August 2021 and for breaching section 18 (3) of the Banking Act, respectively.

39. GOING CONCERN

The Directors have assessed the ability of the Group and its subsidiaries' (the Group) to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these consolidated financial statements.

Impact of Covid-19

The Covid-19 pandemic has been one of the biggest shocks to the global economy and society in recent times. The consequences of the disease outbreak were unprecedented and felt around the world. The world of work was profoundly affected by the pandemic. In addition to the threat to public health, the economic and social disruption threatened the long-term livelihoods and wellbeing of millions. The pandemic heavily affected labour markets, economies and enterprises, including global supply chains, leading to widespread business disruptions. As a result, various governments responded by imposing lockdown measures which had the unintended consequence of affecting business activities across all economic sectors. Supply chain disruptions which affected business production cycles, were highly prevalent. Aid agencies and fiscal support provided essential relief to the public and business community.

The Group continued to leverage on its strong capital and balance sheet positions, great understanding of the local markets, extensive investment in Information Technology infrastructure and a culture of innovation to provide the much-needed support and be a source of resilience to its employees, clients and other stakeholders. In 2021, improved vaccine uptake, declining infection levels and relaxed Covid-19 related restrictions from level 4 to level 2 particularly towards the end of the year, enabled resumption of economic and business activity on a large scale.

In 2022, global economies are likely to start the gradual transition towards co-existing with Covid-19, implying reduced disruptions and potentially improved business activity. However, the major downside risks include the possibility of extended supply chain disruptions, rising global inflationary pressures as well as disparate monetary and fiscal policies as countries transition to the next normal at different levels and scales.

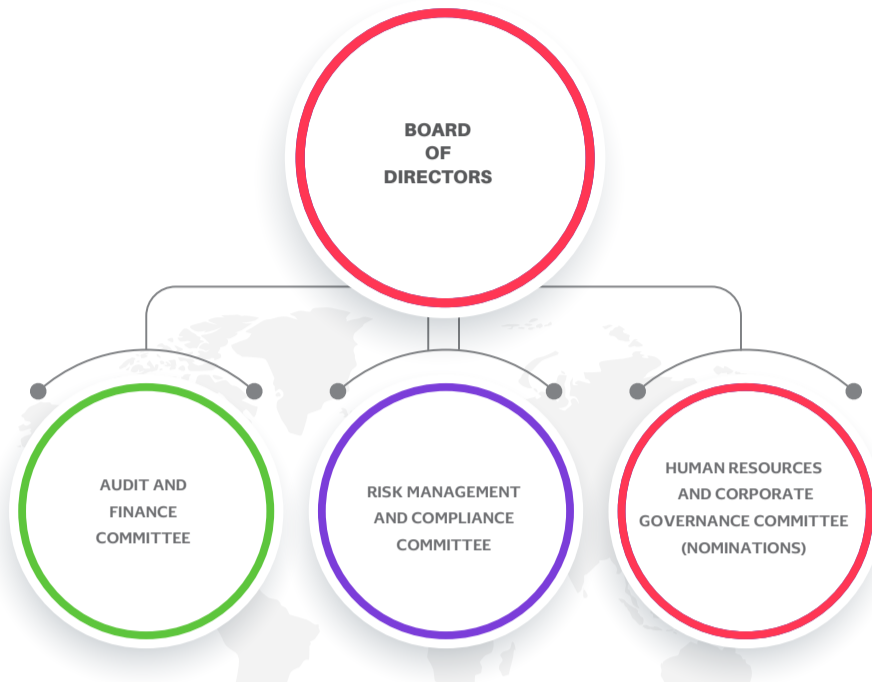
The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern. Despite the foregoing, the Group has assessed that Covid-19 will not have an inhibiting impact on its ability to continue operating as a



Corporate Governance

The CBZ Holdings Limited governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognizes that it is accountable to Shareholders for good corporate governance and is committed to high standards of governance that are recognised and understood throughout the Group. The Board is primarily accountable to shareholders, whilst also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, management aims to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to generate competitive financial returns.

GOVERNANCE STRUCTURE



We aim to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures compliance with the Companies and other Business Entities Act [chapter 24:31], Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019, the Reserve Bank of Zimbabwe Corporate governance guidelines No. 01-2004/BSD, The Banking Act (Chapter 24:20), the Banking Amendment Act of 2015, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016; Securities Act (Chapter 24:25); Securities Amendment Act No. 2 of 2013; Asset Management Act (Chapter 24:26) and the South African King reports.

THE BOARD OF DIRECTORS

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders. In addition, the board is responsible for the overall stewardship of the Group and in particular for its long term growth and profitability through implementation of agreed financial objectives.

The Board comprises of 7 Directors being; 5 Non-Executive Directors and two Executive Directors.

Retirements and Appointment of New Directors

During the course of the period the Group effected the following Board Changes:

Board Retirements during 2021

NAME	STATUS	BOARD	DATE OF RETIREMENT
Peter Zimunya	Executive Director	CBZ Bank	31 December 2021

Board Appointments during 2021

NAME	STATUS	BOARD	DATE OF APPOINTMENT
Darby Archibald	Non-Executive Director	CBZ Agro-Yield	4 February 2021
Muneshkumar Bhabubai Narotam	Non-Executive Director	CBZ Life	4 February 2021
Kamal Khalfan	Executive Director	CBZ Life	1 September 2021

The recruitment of new Directors is currently ongoing and the appointment of new directors is based on pre-established criteria having regard to the existing skills mix on the Board as a whole and having assessed areas where additional skill, expertise or experience is required. These appointments to the Board are made with due cognizance of the need to ensure that the board comprises of a diverse range of skills, knowledge and expertise and has the requisite independence, including, the professional and industry knowledge necessary to meet the Group's strategic objectives.

All appointments follow a transparent procedure and are subject to confirmation by shareholders at the Annual General Meeting. Before appointment, potential board appointees must undergo a fitness and Probity assessment in line with the Banking Act [Chapter 24:20], the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016 were applicable.

BOARD COMMITTEES

The Board committees continued to play a crucial role in the company's governance framework, undertaking their work comprehensively and effectively supporting the work of the board. The Board has established and delegated specific roles and responsibilities to three standing committees, to assist it in discharging its duties and these are :- Audit and Finance Committee; Risk Management Committee and Human Resources & Corporate Governance Committee (also sits as Nominations Committee).

The committees meet quarterly in accordance with their terms of reference and members of the executive committee and management attend meetings of the various committees by invitation.

The Boards of Directors of the various units as at 31 December 2021 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman M.L*	Holtzman M.L*	Mhlanga N*	Tshuma H*	Matika ATK*	Magorimbo L*	R Snow*	Jinnah J*	Parham W D*	Bhamre P*
Mashingaidze E.U	Shangwa ET	Moyo MTV	Munesh Narotam	Chitiga WR	Ndlovu N	C Makwiranzou	Dr Mudavanhu B	Mazike P S	Dr Mudavanhu B
Galante E.E	Dr Marufu MPA	Joshi H G	Kamal Khalfan	Dr Mudavanhu B	Marandu N	M. Sinyoro	Gumbo T.L	Archibald A D	Gumbo T.L
Gerken L.C	Dr Beddies CH	Mukanganga C	Dr Mudavanhu B	Gumbo T.L	Dr Mudavanhu B	Dr B Mudavanhu	Ali D**	Dr Mudavanhu B	
Gaskin Gain R	Shah J.G	Dr Mudavanhu B	Gumbo T.L	Mharadze J***	Gumbo T.L	T.L Gumbo		Gumbo T.L	
Dr Mudavanhu B**	Dr Mudavanhu B	Gumbo T.L	Mutizwa J ***		Chinyani T***	J.F Smith		Chigodora W**	
Gumbo T.L**	Gumbo T.L	Smith J.F				H Bvumburai**			
	Zimunya P**	Muzadzi T**							
	Nyazema L **								

Key

* Chairman
** Executive Director
*** Ex-Officio member

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	AUDIT & FINANCE	SPECIAL AUDIT & FINANCE	HR & CORPORATE GOVERNANCE	RISK MANAGEMENT & COMPLIANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	4	11	4	4	4	23	4
Holtzman M.L	*	*	4	*	4	4	4
Gerken L.C	4	11	*	4	4	19	4
Gaskin Gain R	*	*	4	4	4	8	4
Mashingaidze E.U	4	11	4	*	4	19	4
Galante E.E	4	11	*	*	4	15	4
Dr Mudavanhu B **	4	11	4	4	4	23	4
Gumbo T.L**	4	11	*	4	4	19	4

NB Special Audit Committee Meetings were a result of the recruitment process for External Auditors

Key

** Executive
* Not a member
- did not attend

CBZ BANK LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	AUDIT & FINANCE	RISK MANAGEMENT & COMPLIANCE	CREDIT	SPECIAL CREDIT	LOANS REVIEW	MAIN BOARD	TOTAL COMMITTEES	TOTAL MAIN BOARD
Meetings Held	4	4	4	9	4	4	25	13
Holtzman M.L*	*	*	4	9	—	4	13	13
Marufu M.P.A	*	*	4	9	*	4	13	13
Shangwa E.T	4	4	4	9	*	4	21	13
Beddies C.H	4	4	*	*	*	4	8	13
Shah J.G	4	*	*	*	4	4	8	13
Dr Mudavanhu B	4	*	4	*	*	4	8	13
Gumbo T.L	4	4	*	*	4	4	12	13
Zimunya P**	4	4	4	9	4	4	25	13
Nyazema L**	4	4	4	9	4	4	25	13

Key

** Executive
* Not a member
- did not attend

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	AUDIT & COMPLIANCE	INVESTMENTS & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Number of meetings held	3	4	4	7	4
Mhlanga N*	3	4	4	7	4
Moyo M.T.V	*	4	4	7	4
Mukanganga C.F	3	4	4	7	4
Heena J.J	3	4	4	7	4
Dr B Mudavanhu	3	4	4	7	4
Gumbo T.L	3	4	4	7	4
Smith J.F	3	4	4	7	4
Muzadzi T**	3	4	4	7	4

Key

** Executive
* Not a member
- did not attend

CBZ LIFE LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	INVESTMENTS & RISK	HR & REMUNERATION	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings held	4	4	4	4	12	4
H Tshuma	4	4	4	4	12	4
M.B Narotam	4	4	4	4	12	4
K.M. Khalfan	1	1	1	1	3	1
Dr Mudavanhu, B	—	1	1	1	2	1
T.L Gumbo	3	3	3	3	9	3

Key

** Executive
* Not a member
- did not attend

CBZ INSURANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	HR & REMUNERATION	INVESTMENTS & RISK	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	4	4	4	4	12	4
Matika A.K.T	4	4	*	4	8	4
Chitiga W	*	4	4	4	8	4
Dr Mudavanhu B	1	1	1	1	3	1
Gumbo T.L	3	3	3	3	9	3

Key

** Executive
* Not a member
- did not attend

CBZ RISK ADVISORY SERVICES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	AUDIT & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	3	4	3	4
L Magorimbo	*	4	—	4
N Ndlovu	3	4	3	4
N Marandu	3	4	3	4
J.F Smith	3	4	3	4
Dr B Mudavanhu	1	2	1	2
T.L Gumbo	3	4	3	4

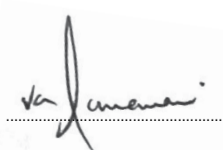
Key

** Executive
* Not a member
- did not attend

STATEMENT OF COMPLIANCE

Based on the information set out in this corporate governance statement the Board believes that throughout the accounting year under review, the Group complied with the requisite regulatory requirements.

By order of the Board



Rumbidzayi Angeline Jakanani

GROUP LEGAL CORPORATE SECRETARY

06 June 2022

CBZ PROPERTIES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	MAIN BOARD	TOTAL BOARDS
Meetings held	4	4
Snow R	4	4
Makwiranzou C	4	4
Sinyoro M	3	3
Dr Mudavanhu B	2	2
Gumbo T.L	3	3
Smith J.F	4	4
Bvumburai H**	4	4

Key

** Executive
* Not a member
- did not attend

RED SPHERE FINANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	MAIN BOARD	TOTAL BOARDS
Meetings Held	4	4
Jinnah J	4	4
Dr B Mudavanhu	2	2
Gumbo T.L	4	4
J.F Smith	4	4
Ali D**	4	4

Key

** Executive
* Not a member
- did not attend

CBZ AGRO YIELD BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	MAIN BOARD	TOTAL BOARDS
Meetings Held	4	4
Parham W.D	3	3
Mazike P.S	4	4
D. Archibald	3	3
Dr Mudavanhu B	3	3
Gumbo T.L	3	3
Chigodora W**	4	4
Mhungu S**	4	4

Key

** Executive
* Not a member
- did not attend



AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
NOTES					
Interest income	2.1	22 893 258	10 505 422	18 319 915	4 977 938
Interest expense	2.2	(2 486 877)	(1 429 286)	(1 942 323)	(574 657)
Net interest income		20 406 381	9 076 136	16 377 592	4 403 281
Non-interest income	3	10 958 086	16 675 435	9 583 262	9 808 837
Total income		31 364 467	25 751 571	25 960 854	14 212 118
Operating expenditure	4	(10 888 476)	(6 027 192)	(8 756 557)	(2 590 816)
Operating income		20 475 991	19 724 379	17 204 297	11 621 302
Credit loss expense	12.1	(1 901 845)	(860 931)	(1 901 845)	(535 614)
Monetary loss		(8 610 623)	(2 872 228)	-	-
Profit before taxation		9 963 523	15 991 220	15 302 452	11 085 688
Taxation	5	(4 618 396)	(3 498 790)	(3 735 056)	(2 402 272)
Profit for the period after tax		5 345 127	12 492 430	11 567 396	8 683 416
Other comprehensive income					
Items that will not be reclassified to Profit or Loss in subsequent periods					
Gains on property revaluations		754 555	197 633	1 736 839	1 681 465
Gains on equity instruments at FVOCI		341 908	29 572	478 354	164 428
Deferred income tax relating to components of other comprehensive income	5.3	(203 621)	(50 333)	(453 264)	(423 880)
		892 842	176 872	1 761 929	1 422 013
Total comprehensive income for the period		6 237 969	12 669 302	13 329 325	10 105 429
Profit for the period attributable to:					
Equity holders of parent		5 345 124	12 492 431	11 567 396	8 683 416
Total comprehensive income for the period attributable to:					
Equity holders of parent		6 237 969	12 669 302	13 329 325	10 105 429
Earnings per share (cents)					
Basic	6.1	1 044 34	2 440 80	2 260 06	1 696 58
Fully Diluted	6.1	1 044 34	2 440 80	2 260 06	1 696 58

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	RESTATE HISTORICAL 31 DEC 2020 ZWL\$ 000
NOTES					
ASSETS					
Cash & cash equivalents	8	37 277 189	30 962 072	37 277 189	19 262 545
Money market assets	9	24 314 545	11 515 354	24 314 545	7 164 089
Financial securities	10	964 517	1 579 851	964 517	982 879
Loans and advances to customers	11	63 572 666	39 925 020	63 572 666	24 838 696
Equity investments	15	735 413	339 027	735 413	210 920
Land inventory	14	5 133 279	5 175 036	440 259	412 622
Other assets	13	25 291 730	35 809 841	24 964 083	22 271 338
Intangible assets	20	215 630	178 647	159 618	84 723
Investment properties	19	1 023 538	1 169 611	1 023 538	727 654
Property and equipment	18	5 549 770	4 752 585	4 029 578	2 087 815
TOTAL ASSETS		164 078 277	131 407 044	157 481 406	78 043 281
LIABILITIES					
Deposits	22	127 880 147	102 014 413	127 880 147	63 466 593
Other liabilities	23	5 689 641	2 777 638	5 364 041	1 529 631
Current tax payable		501 970	424 956	501 970	264 380
Deferred taxation	21	2 667 501	2 413 153	1 428 625	1 807 974
Lease liability		15 856	21 317	15 856	13 262
		136 755 115	107 651 477	135 190 639	67 081 840
EQUITY					
Share capital	25.1	229 231	229 231	5 118	5 118
Share premium	25.2	748 926	748 926	16 722	16 722
Revaluation reserve	25.3	2 604 412	2 036 383	2 615 114	1 307 622
Retained Earnings	25.4	23 155 038	20 480 285	19 004 826	9 437 429
Fair value reserve	25.5	585 555	260 742	648 987	194 550
Total Equity		27 323 162	23 755 567	22 290 767	10 961 441
TOTAL LIABILITIES AND EQUITY		164 078 277	131 407 044	157 481 406	78 043 281

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED							
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	*FCTR ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
31 Dec 2020							
Opening balance	229 231	748 926	105 449	1 873 232	213 946	8 328 305	11 499 089
Profit for the period	—	—	—	—	—	12 492 431	12 492 431
Total comprehensive income for the period	—	—	148 778	—	28 094	—	176 872
Transfer from other category	—	—	1 782 156	(1 873 232)	18 702	72 374	—
Dividend paid	—	—	—	—	—	(412 825)	(412 825)
Closing balance	229 231	748 926	2 036 383	—	260 742	20 480 285	23 755 567
31 Dec 2021							
Opening balance	229 231	748 926	2 036 383	—	260 742	20 480 285	23 755 567
Profit for the period	—	—	—	—	—	5 345 127	5 345 127
Other comprehensive income for the period	—	—	568 029	—	324 813	—	892 842
Dividend paid	—	—	—	—	—	(2 670 374)	(2 670 374)
Closing balance	229 231	748 926	2 604 412	—	585 555	23 155 038	27 323 162
UNAUDITED HISTORICAL							
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	*FCTR ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
31 Dec 2020							
Opening balance	5 118	16 722	301 889	47 096	37 874	597 313	1 006 012
Profit for the period	—	—	—	—	—	8 683 416	8 683 416
Other comprehensive income for the period	—	—	1 265 807	—	156 206	—	1 422 013
Dividend paid	—	—	—	—	—	(150 000)	(150 000)
Inter category transfer	—	—	(260 074)	(47 096)	470	306 700	—
Closing balance	5 118	16 722	1 307 622	—	194 550	9 437 429	10 961 441
31 Dec 2021							
Opening balance	5 118	16 722	1 307 622	—	194 550	9 437 429	10 961 441
Profit for the period	—	—	—	—	—	11 567 397	11 567 397
Other comprehensive income for the period	—	—	1 307 492	—	454 437	—	1 761 929
Dividend paid	—	—	—	—	—	(2 000 000)	(2 000 000)
Closing balance	5 118	16 722	2 615 114	—	648 987	19 004 826	22 290 767

* FCTR - Foreign Currency Translation Reserve

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	9 963 523	15 991 220	15 302 452	11 085 688
Non cash items:				
Depreciation	421 744	257 673	207 367	96 302
Amortisation of intangible assets	53 431	25 146	33 101	14 034
Monetary Loss	8 610 623	2 872 228	-	-
Impairment land inventory	91 268	1 315	12 658	818
Fair value adjustments on properties	(99 073)	(204 345)	(515 047)	(566 523)
Fair value adjustments on financial instruments	(14 318)	312	(17 112)	-
Expected credit loss expense	1 901 845	860 931	1 901 845	535 614
Unrealised loss on foreign currency exchange	(535 627)	(11 180 419)	(535 627)	(6 955 714)
Profit on disposal of investment properties	-	(615)	-	(303)
(Profit)/loss on sale of property and equipment	(1 817)	(1 098)	(1 840)	17 972
Write off IFRS 16	-	(1 412)	-	(879)
Write offs intangible asset	-	482	-	175
Interest on lease liability	1 292	1 203	1 047	540
Operating cash flows before changes in operating assets and liabilities	20 392 891	8 622 621	16 388 844	4 227 724
Changes in operating assets and liabilities				
Deposits	78 093 052	39 358 175	64 308 620	11 975 066
Loans and advances to customers	(54 894 589)	(97 860 583)	(40 020 119)	(19 342 777)
Financial securities	(3 961)	6 982 596	9 957	200 003
Money market assets	(21 959 998)	13 805 855	(16 918 350)	(4 200 550)
Land inventory	(49 510)	(462 270)	(40 295)	(289 204)
Other assets	(3 615 276)	130 466 118	(2 773 476)	6 898 985
Other Liabilities	10 772 640	(91 542 085)	3 834 615	1 351 018
Net cash flow before corporate tax	8 342 358	747 806	8 400 952	(3 407 459)
TAXATION				
Corporate tax paid	(4 947 825)	(1 983 609)	(4 330 079)	(910 704)
Net cash inflow/(outflow) from operating activities	23 787 424	7 386 818	20 459 717	(90 439)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	-	1 986	-	978
Purchase of investment property	-	(123 498)	-	(44 873)
Net change in investments	(40 160)	-	(29 027)	-
Proceeds on disposal of property and equipment	1 934	477 537	1 934	292 938
Purchase of property and equipment	(454 591)	(762 559)	(403 687)	(377 969)
Purchase of intangible assets	(90 414)	-	(107 996)	-
Net cash outflow from investing activities	(583 231)	(406 534)	(538 776)	(128 926)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(2 670 374)	(412 825)	(2 000 000)	(150 000)
Lease liability payment	(13 198)	(18 653)	(10 182)	(5 502)
Interest on lease liability	(1 292)	(1 203)	(1 047)	(540)
Net cash outflow from financing activities	(2 684 864)	(432 681)	(2 011 229)	(156 042)
Net increase/ (decrease) in cash and cash equivalents	20 519 329	6 547 603	17 909 712	(375 407)
Cash and cash equivalents at beginning of period	30 962 072	16 787 972	19 262 545	2 328 287
Exchange gains on foreign cash balances	104 932	27 823 068	104 932	17 309 665
Inflation effects on cash	(14 309 144)	(20 196 571)	-	-
Cash and cash equivalents at end of period	37 277 189	30 962 072	37 277 189	19 262 545

NOTES TO THE INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. INCORPORATION ACTIVITIES

The Bank is incorporated in Zimbabwe and registered in terms of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20). It offers retail banking, mortgage finance, commercial banking, investment banking, small to medium enterprise financing, treasury management, wealth management, agribusiness, lease financing and custodial services.

1.1 Basis of preparation

Refer to Group accounting policies note 1.1 for basis of preparation.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATE 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
2. NET INTEREST INCOME				
2.1 Interest income				
Bankers acceptances	210 411	-	179 682	-
Overdrafts	3 511 222	3 915 751	2 643 623	1 853 159
Loans	16 181 167	5 621 687	13 066 517	2 689 901
Staff loans	109 642	47 856	91 165	24 532
Securities investments	457 113	479 367	353 521	178 662
Other investments	2 423 703	440 761	1 985 407	231 684
	22 893 258	10 505 422	18 319 915	4 977 938
2.2 Interest expense				
Call deposits	2 527	995	2 098	313
Savings deposits	301 861	188 398	233 044	75 700
Money market deposits	2 139 953	1 112 542	1 674 222	451 128
Other offshore deposits	41 244	126 148	31 912	46 976
Lease liability	1 292	1 203	1 047	540
	2 486 877	1 429 286	1 942 323	574 657
3 NET NON-INTEREST INCOME				
Fair value adjustments on financial instruments	14 318	(312)	17 112	-
Fair value adjustments on properties	99 073	204 345	515 047	566 523
Net income from foreign currency dealing	704 834	818 290	552 040	374 583
Unrealised profit on foreign currency exchange	1 080 962	11 180 419	1 080 962	6 955 714
Realised profit on foreign currency exchange	535 627	-	535 627	-
Commission and fee income	8 191 181	4 042 231	6 582 624	1 714 760
Profit/(loss) on disposal of property and equipment	1 817	1 098	1 840	(17 972)
Profit on disposal of investment property	-	615	-	303
Bad debts recovered	38 543	290 477	30 280	171 568
Property sales	33 771	35 794	28 379	5 134
Lease income	48 088	32 912	38 538	15 902
Other operating income	209 872	69 566	200 813	22 322
	10 958 086	16 675 435	9 583 262	9 808 837
4 OPERATING EXPENDITURE				
Staff costs	5 743 846	3 231 925	4 790 429	1 381 638
NSSA	34 721	15 954	28 480	7 212
Pension	239 424	124 227	194 379	55 454
Administration expenses	2 907 857	1 487 228	2 379 693	670 256
Zimswatch fees	596 696	275 591	478 445	105 891
Licence fees	628 743	510 384	494 642	212 195
Property Management fees	4 593	1 868	3 010	894
Insurance	135 243	53 643	109 695	22 278
Audit fees	29 571	39 448	23 825	23 313
Depreciation	421 744	257 673	207 367	96 302
Amortisation of intangible assets	53 431	25 146	33 101	14 034
Property cost of sales	1 339	3 720	833	515
Impairment of Land inventory	91 268	1 315	12 658	818
Write off IFRS 16	-	(1 412)	-	(879)
Write off of Intangible assets	-	482	-	175
	10 888 476	6 027 192	8 756 557	2 590 816
Remuneration of directors and key management personnel (included in staff costs)				
Fees for service as directors	15 606	20 756	12 094	6 315
Pension for past and present directors	10 645	5 783	8 249	1 916
Salaries and other benefits	165 782	83 126	128 473	30 481
	192 033	109 665	148 816	38 712



ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
5.	TAXATION				
5.1	Analysis of tax charge in respect of the profit or loss The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
	Current income tax charge	4 567 669	2 328 526	4 567 669	1 163 983
	Deferred income tax	50 727	1 170 264	(832 613)	1 238 289
	Income tax expense	4 618 396	3 498 790	3 735 056	2 402 272
5.2	Income tax rate reconciliations	%	%	%	%
	Notional tax	24.00	24	24.00	24.00
	Aids levy	0.72	0.72	0.72	0.72
	Non-deductible expenses	22.86	16	0.49	13.92
	Exempt income	(1.19)	(19)	(0.77)	(16.96)
	Tax credit	(0.04)	-	(0.03)	(0.01)
	Effective tax rate	46.35	22	24.41	21.67

Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess management fees excess pension costs and disallowable donations.

5.3	Analysis of tax effects in respect of other comprehensive income				
	The following constitutes the major components of deferred tax expense recognised in the statement of comprehensive income.				
	Deferred tax expense on revaluation gains	186 525	48 854	429 347	415 659
	Deferred tax expense on fair value adjustment on financial assets	17 096	1 479	23 917	8 221
	Total taxation relating to components of other comprehensive income	203 621	50 333	453 264	423 880

6.	EARNINGS PER SHARE				
	Basic earnings per share is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period after adjusting for treasury shares.				
	Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.				
	The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:				

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
6.1.	Earnings per share (cents)				
	Basic	1 044.34	2 440.80	2 260.06	1 696.58
	Fully Diluted	1 044.34	2 441.80	2 260.06	1 696.58
6.2.	Earnings				
	Basic (earnings attributable to holders of parent)	5 345 127	12 492 430	11 567 396	8 683 416
	Fully Diluted	5 345 127	12 492 430	11 567 396	8 683 416
6.3.	Number of shares used in calculations (weighted)				
	Basic	511 818	511 818	511 818	511 818
	Fully diluted	511 818	511 818	511 818	511 818

7.	DIVIDENDS				
	Cash dividend on ordinary shares declared and paid:				
	Final dividend	2 670 374	412 825	2 000 000	150 000

8.	CASH AND CASH EQUIVALENTS				
	Cash & bank	8 811 216	12 604 573	8 811 216	7 841 729
	Balances with Foreign bank balances	16 084 027	5 227 730	16 084 027	3 252 346
	Balances and settlement accounts with RBZ	8 954 110	12 302 387	8 954 110	7 653 728
	RBZ Statutory reserve	3 441 426	827 382	3 441 426	514 742
	Gross cash and cash equivalents	37 290 779	30 962 072	37 290 779	19 262 545
	ECL	(13 590)	-	(13 590)	-
	Net cash and cash equivalents	37 277 189	30 962 072	37 277 189	19 262 545

The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL

Included in cash and cash equivalents are the following balances that are reserved and restricted in nature and are not available for use by the Bank:

	RBZ Statutory Reserves	3 441 426	827 382	3 441 426	514 742
	Amounts secured as guarantees or collateral	1 226 834	486 844	1 226 834	302 882
	Total Restricted cash and cash equivalents	4 668 260	1 314 226	4 668 260	817 624

9.	MONEY MARKET ASSETS				
	Money market assets are non-credit financial assets securities with an original maturity of one year or less.				
	Treasury Placements	5 973 828	8 358 333	5 973 828	5 200 000
	Savings bonds	17 122 869	3 155 076	17 122 869	1 962 878
	Bankers acceptances	1 252 864	-	1 252 864	-
	Accrued interest	41 522	21 769	41 522	13 544
	Total gross money market	24 391 083	11 535 178	24 391 083	7 176 422
	Expected credit loss	(76 538)	(19 824)	(76 538)	(12 333)
	Total net money market	24 314 545	11 515 354	24 314 545	7 164 089

9.1	Maturity analysis				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	18 889 806	11 535 178	18 889 806	7 176 422
	Between 3 and 6 months	5 501 277	-	5 501 277	-
		24 391 083	11 535 178	24 391 083	7 176 422

10.	FINANCIAL SECURITIES				
	Financial securities are non credit financial assets with an original maturity of more than 1 year.				
	Treasury bills	958 426	1 555 596	958 426	967 789
	Accrued interest	20 500	33 907	20 500	21 095
	Total gross financial securities	978 926	1 589 503	978 926	988 884
	Expected credit loss	(14 409)	(9 652)	(14 409)	(6 005)
	Total net financial securities	964 517	1 579 851	964 517	982 879

10.1	Maturity analysis				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	10 109	9 257	10 109	5 759
	Between 3 and 6 months	45 733	9 084	45 733	5 651
	Between 6 and 12 months	-	6 789	-	4 224
	Between 1 and 5 years	148 616	100 865	148 616	62 752
	Above 5 years	774 468	1 463 508	774 468	910 498
		978 926	1 589 503	978 926	988 884

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

11.	LOANS AND ADVANCES TO CUSTOMERS				
	Overdrafts	7 935 375	21 769 929	7 935 375	13 543 804
	Commercial loans	52 651 232	15 995 193	52 651 232	9 951 148
	Staff loans	1 484 033	1 576 660	1 484 033	980 893
	Interest accrued	3 817 036	1 508 836	3 817 036	938 697
	Total gross advances	65 887 676	40 850 618	65 887 676	25 414 542
	Allowance for Expected Credit Loss (ECL)	(2 315 010)	(925 598)	(2 315 010)	(575 846)
	Total net advances	63 572 666	39 925 020	63 572 666	24 838 696

11.1	Maturity analysis				
	Less than 1 month	10 268 933	3 995 839	10 268 933	2 485 946
	Between 1 and 3 months	3 846 063	19 300 546	3 846 063	12 007 517
	Between 3 and 6 months	8 201 456	2 447 904	8 201 456	1 522 924
	Between 6 months and 1 year	38 453 327	8 973 275	38 453 327	5 582 576
	Between 1 and 5 years	4 214 171	4 760 069	4 214 171	2 961 399
	More than 5 years	903 726	1 372 985	903 726	854 180
		65 887 676	40 850 618	65 887 676	25 414 542

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

		AUDITED			UNAUDITED				
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	%	RESTATED 31 DEC 2020 ZWL\$ 000	%	HISTORICAL 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 31 DEC 2020 ZWL\$ 000	%
11.2	Sectoral Analysis								
	Private	4 101 799	6%	2 143 055	5%	4 101 799	6%	1 333 267	5%
	Agriculture	35 641 362	54%	19 201 534	48%	35 641 362	54%	11 945 920	48%
	Mining	4 604 709	7%	4 960 072	12%	4 604 709	7%	3 085 827	12%
	Manufacturing	2 734 941	4%	1 312 444	3%	2 734 941	4%	816 516	3%
	Distribution	10 511 470	16%	9 446 319	23%	10 511 470	16%	5 876 872	23%
	Construction	38 984	-	10 107	-	38 984	-	6 288	-
	Transport	75 128	-	104 372	-	75 128	-	64 933	-
	Communication	-	-	4 692	-	-	-	2 919	-
	Services	3 843 576	6%	1 652 822	4%	3 843 576	6%	1 028 276	4%
	Financial organisations	4 335 707	7%	2 015 201	5%	4 335 707	7%	1 253 724	5%
		65 887 676	100%	40 850 618	100%	65 887 676	100%	25 414 542	100%

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
11.3	Loans to directors and key management personnel				
	Opening balance	316 425	95 123	196 859	13 192
	Advances made during the period	652 740	696 310	505 840	211 859
	Monetary adjustment	(135 249)	(382 349)	-	-
	Repayment during the period	(27 438)	(92 659)	(21 265)	(28 192)
	Day one loss adjustment	(280 641)	-	(155 597)	-
	Balance at end of the year	525 837	316 425	525 837	196 859
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	1 260 235	244 349	784 034	33 888
	Advances made during the period	704 674	2 738 987	546 087	833 360
	Monetary Adjustment	(384 812)	(1 449 604)	-	-
	Repayments during the period	(122 963)	(273 497)	(95 307)	(83 214)
	Day one loss adjustment	(498 918)	-	(276 618)	-
	Balance at end of the year	958 196	1 260 235	958 196	784 034

11.4	Allowance for Expected Credit Loss (ECL)				
	Opening balance	925 598	726 883	575 846	91 617
	Credit loss expense on loans and advances	1 748 710	829 274	1 748 710	515 919
	Monetary Adjustment	(346 981)	(402 056)	-	-
	Amounts written off during the period	(12 317)	(228 503)	(9 546)	(31 690)
	Closing balance	2 315 010	925 598	2 315 010	575 846

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

The table below shows the ECL charges on financial instruments for the period recorded in the Statement of Profit or Loss:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 205	19 738	-	-	-	-	64 205	19 738
Financial securities	8 405	9 568	-	-	-	-	8 405	9 568
Loans and advances to customers	(277 334)	755 336	1 684 564	49 353	341 480	24 585	1 748 710	829 274
Financial guarantees	(205)	(508)	-	-	-	-	(205)	(508)
Other commitments	62 551	-	-	-	-	-	62 551	-
Lease receivables	(44)	71	(43)	563	18 266	2 225	18 179	2 859
Expected credit loss expense	(142 422)	784 205	1 684 521	49 916	359 746	26 810	1 901 845	860 931

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 205	12 280	-	-	-	-	64 205	12 280
Financial securities	8 405	5 953	-	-	-	-	8 405	5 953
Loans and advances to customers	(277 334)	469 920	1 684 564	30 704	341 480	15 295	1 748 710	515 919
Financial guarantees	(205)	(316)	-	-	-	-	(205)	(316)
Other commitments	62 551	-	-	-	-	-	62 551	-
Lease receivables	(44)	44	(43)	350	18 266	1 384	18 179	1 778
Expected credit loss expense	(142 422)	487 881	1 684 521	31 054	359 746	16 679	1 901 845	535 614

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
		ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
13.	OTHER ASSET				
	Prepayments and deposits	1 180 860	460 258	853 213	279 176
	Other receivables	24 179 860	35 349 583	24 179 860	21 992 162
	Gross other assets	25 360 720	35 809 841	25 033 073	22 271 338
	ECL	(68 990)	-	(68 990)	-
	Net other assets	25 291 730	35 809 841	24 964 083	22 271 338



ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000
Equity investments	21 712	4 600	–	–	713 701	206 320	736 413	210 920
Land and Buildings	–	–	3 431 538	1 778 325	–	–	3 431 538	1 778 325
Investment properties	–	–	1 023 538	727 654	–	–	1 023 538	727 654
Total assets at fair value	21 712	4 600	4 455 076	2 505 979	713 701	206 320	5 190 489	2 716 899

The fair values of the non-listed equities which have been classified as level 3 investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Liquidity discount • GDP Growth	The fair values would increase/ decrease if : <ul style="list-style-type: none">• The GDP growth was higher or lower• The Liquidity discount was higher or lower

If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$ 919 899 and the Statement of Financial Position would be ZWL\$692 224 higher or lower than the reported position.

18. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
RESTATED 31 DEC 2021									
COST									
Opening balance	–	3 030 776	33 447	229 399	1 501 263	464 028	291 512	703 037	6 253 462
Right of use assets	–	9 900	–	–	–	–	–	–	9 900
Additions	–	66 027	–	–	272 147	63 536	4 600	48 281	454 591
Revaluation gain	–	536 557	–	–	–	–	–	–	536 557
Disposals	–	–	–	–	(221)	(7)	(40)	–	(268)
Transfers(PPE Intercategories)	–	1 738	3 149	1 709	82 126	10 183	11 547	(110 452)	–
Closing balance	–	3 644 996	36 596	231 108	1 855 315	537 740	307 619	640 866	7 254 242
Accumulated depreciation									
Opening balance	–	67 913	24 322	195 856	694 518	353 230	165 038	–	1 500 877
Right of use assets	–	58 657	–	–	–	–	–	–	58 657
Charge for the period	–	217 999	282	1 221	114 100	27 483	2 003	–	363 088
Disposals	–	–	–	–	(114)	(6)	(31)	–	(151)
Revaluation	–	(217 999)	–	–	–	–	–	–	(217 999)
Closing balance	–	126 570	24 604	197 077	808 504	380 707	167 010	–	1 704 472
Net Book Value	–	3 518 428	11 992	34 031	1 046 811	157 033	140 609	640 866	5 549 770
31 DEC 2020									
COST									
Opening balance	453 536	2 976 316	33 447	224 378	1 151 052	453 578	287 725	480 071	6 060 103
Right of use assets	–	53 664	–	–	–	–	–	–	53 664
Additions	–	–	–	89	179 235	4 627	3 306	575 302	762 559
Revaluation surplus	10 523	5 057	–	–	–	–	–	–	15 580
Disposals	(464 059)	–	–	–	(372)	(17)	(78)	(12 302)	(476 828)
Transfers to intangible assets	–	–	–	–	–	–	–	(157 355)	(157 355)
Write offs	–	(4 261)	–	–	–	–	–	–	(4 261)
Transfers(PPE Intercategories)	–	–	–	4 932	171 348	5 840	559	(182 679)	–
Closing balance	–	3 030 776	33 447	229 399	1 501 263	464 028	291 512	703 037	6 253 462
Accumulated depreciation & impairment									
Opening balance	–	49 977	24 042	194 422	647 859	348 557	160 788	–	1 425 645
Right of use assets	–	17 936	–	–	–	–	–	–	17 936
Charge for the year	–	182 052	280	1 434	46 981	4 684	4 306	–	239 737
Disposals	–	–	–	–	(322)	(11)	(56)	–	(389)
Revaluation	–	(182 052)	–	–	–	–	–	–	(182 052)
Closing balance	–	67 913	24 322	195 856	694 518	353 230	165 038	–	1 500 877
Net Book Value	–	2 962 863	9 125	33 543	806 745	110 798	126 474	703 037	4 752 585

UNAUDITED HISTORICAL									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021									
COST									
Opening balance	–	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972
Right of use asset	–	8 696	–	–	–	–	–	–	8 696
Additions	–	66 027	–	–	237 752	58 643	3 921	37 344	403 687
Revaluation gain	–	1 605 300	–	–	–	–	–	–	1 605 300
Disposals	–	–	–	–	(178)	(7)	(33)	–	(218)
Transfers(PPE Intercategories)	–	1 305	2 364	1 204	53 866	6 679	8 670	(74 088)	–
Closing balance	–	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437
Accumulated depreciation									
Opening balance	–	6 880	576	4 748	31 886	8 810	4 257	–	57 157
Right of use asset	–	9 291	–	–	–	–	–	–	9 291
Charge for the period	–	131 539	176	706	49 597	14 885	1 171	–	198 074
Disposals	–	–	–	–	(90)	(6)	(28)	–	(124)
Revaluation	–	(131 539)	–	–	–	–	–	–	(131 539)
Closing balance	–	16 171	752	5 454	81 393	23 689	5 400	–	132 859
Net Book Value	–	3 443 481	2 359	3 147	421 638	56 297	16 377	86 279	4 029 578
31 DEC 2020									
Cost									
Opening balance	62 900	396 757	747	5 413	35 013	10 647	7 387	31 632	550 496
Right of use Asset	–	18 278	–	–	–	–	–	–	18 278
Additions	–	–	–	23	87 477	1 953	1 497	287 019	377 969
Revaluation surplus	243 800	1 367 507	–	–	–	–	–	–	1 611 307
Disposals	(306 700)	–	–	–	(58)	(2)	(13)	(4 191)	(310 964)
Transfers to intangible assets	–	–	–	–	–	–	–	(97 896)	(97 896)
Write offs	–	(4 218)	–	–	–	–	–	–	(4 218)
Transfers(PPE Intercategories)	–	–	–	1 961	89 159	2 073	348	(93 541)	–
Closing balance	–	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972
Accumulated depreciation & impairment									
Opening balance	–	1 373	537	4 357	14 918	7 824	3 636	–	32 645
Right of use asset	–	7 085	–	–	–	–	–	–	7 085
Charge for the year	–	70 158	39	391	17 013	987	629	–	89 217
Disposals	–	–	–	–	(45)	(1)	(8)	–	(54)
Transfers / Acquisitions	–	(1 578)	–	–	–	–	–	–	(1 578)
Revaluation	–	(70 158)	–	–	–	–	–	–	(70 158)
Closing balance	–	6 880	576	4 748	31 886	8 810	4 257	–	57 157
Net Book Value	–	1 771 444	171	2 649	179 705	5 861	4 962	123 023	2 087 815

Properties were revalued on an open market basis by an professional valuer, as at 31 December 2021 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

- In determining the market values of the subject properties, the following was considered:
- Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised;
 - Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location to the properties owned by the Bank;
 - The reasonableness of the market values of commercial properties so determined, per the above bullet, was assessed by reference to the properties in the transaction; and
 - The values per square metre of lettable space for both the subject properties and comparables were analysed.

With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which has been sold or rented out. The procedure was performed as follows:

- Surveys and data collection on similar past transactions;
- Analysis of the collected data; and
- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties.

Adjustments were made to the following aspects:

- Age of property - state of repair and maintenance
- Aesthetic quality - quality of fixtures and fittings
- Structural condition - location
- Accommodation offered - size of land.

The maximum useful lives of property and equipment are as follows:

- Motor vehicles 3 – 5 years
- Computer equipment 5 years
- Leasehold improvements 10 years
- Furniture and fittings 10 years
- Buildings 40 years

The carrying amount of buildings would have been ZWL\$807 763 276(2020: ZWLS 828 475 155) had they been carried at cost.

Property was tested for impairment through comparisons with open market values determined by an independent valuer.

AUDITED		UNAUDITED	
INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
18.1a Right of Use Assets			
Opening balance	135 647	104 180	12 538
Additions	9 900	53 664	8 696
write offs	–	(4 261)	–
Depreciation	(58 657)	(17 936)	(9 291)
	86 890	135 647	12 538
At cost	213 459	203 559	29 692
Accumulated depreciation	(126 569)	(67 912)	(17 749)
	86 890	135 647	11 943

AUDITED		UNAUDITED	
INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
18.1b Lease liability			
Opening Balance	21 317	28 869	13 262
Additions	9 900	53 664	8 696
Interest	1 292	1 203	1 047
Exchange loss	4 080	–	4 080
Write offs	–	(5 674)	–
Repayment	(14 491)	(19 856)	(11 229)
Monetary adjustment	(6 242)	(36 889)	–
	15 856	21 317	15 856
18.1c Lease liability maturity analysis			
Less than one year	1 139	931	1 139
One to 3 months	2 279	1 862	2 279
3 to six months	3 418	2 793	3 418
6 to twelve months	6 786	4 801	6 786
One to five years	3 022	15 224	3 022
	16 644	25 611	16 644
18.1d Amounts recognised in statement of profit or loss			
Interest on lease liabilities	1 292	1 203	1 047
18.1e Amounts recognised in statement of cash flow			
Total cashoutflow for leases	14 490	19 856	11 229
			6 042
19. INVESTMENT PROPERTIES			
Opening balance	1 169 611	843 139	727 654
Additions	–	123 498	–
Disposals	–	(1 371)	–
Interclass transfer	(245 146)	–	(219 163)
Fair valuation gain	99 073	204 345	515 047
Closing balance	1 023 538	1 169 611	1 023 538

Investment property pertains to commercial and residential properties leased to third parties. The carrying amount of investment properties is the fair value of the properties as at 31 December 2021 as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar property.

	Valuation technique	Significant observable inputs	Range
Office and Retail properties	Implicit investment approach	Comparable rentals per month, per square meter	ZWS 1 133– ZWS 140 000
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWS 1 568 – ZWS 10 000

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2021. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

In assessing the market value of the residential stands, values of various properties that had been recently sold or which are currently on sale and situated in comparable residential areas were used. Market evidence from other estate agents and local press was also taken into consideration.

The rental income derived from investments properties amounted to ZWL\$ 48 087 683 (2020: ZWL\$ 32 912 041) with direct operating expenses amounting to ZWL\$4 593 275 (2020: ZWL\$1 867 858)

If the fair value adjustment had been 5% up or down the Bank's profit would have been ZWL\$ 4 785 1



ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
23.	OTHER LIABILITIES				
	Revenue received in advance	374 621	309 424	49 021	2 678
	Sundry creditors	1 295 747	812 687	1 295 747	505 599
	Accruals	173 014	165 803	173 014	103 152
	Suspense	2 209 048	831 249	2 209 048	517 148
	Provisions	1 637 211	658 475	1 637 211	401 054
		5 689 641	2 777 638	5 364 041	1 529 631
24.	CATEGORIES OF FINANCIAL LIABILITIES				
	The Bank's financial liabilities are carried at amortised cost as follows:				
	Deposits	127 880 147	102 014 413	127 880 147	63 466 593
	Other liabilities	5 315 020	2 468 214	5 315 020	1 526 953
	Leases	15 856	21 317	15 856	13 262
		133 211 023	104 503 944	133 211 023	65 006 808
25.	EQUITY				
25.1	Share capital				
	Authorised 600 000 000 ordinary shares of ZWL\$ 0.01 each	6 000	6 000	6 000	6 000
	Issued and fully paid 511 817 951 ordinary shares at ZWL\$ 0.01 each	229 231	229 231	5 118	5 118
25.2	Share premium				
	Opening balance	748 926	748 926	16 722	16 722
	Closing balance	748 926	748 926	16 722	16 722
25.3	Revaluation reserve				
	Opening balance	2 036 383	105 449	1 307 622	301 889
	Net revaluation gain	568 029	148 778	1 307 492	1 265 807
	Inter category transfer	-	1 782 156	-	(260 074)
	Closing balance	2 604 412	2 036 383	2 615 114	1 307 622
25.4	Retained earnings				
	Opening balance	20 480 285	8 328 305	9 437 429	597 313
	Profit for the year	5 345 127	12 492 431	11 567 397	8 683 416
	Inter category transfer	(2 670 374)	(412 825)	(2 000 000)	(150 000)
	Dividend paid	23 155 038	20 480 285	19 004 826	9 437 429
25.5	Fair value reserve				
	Opening balance	260 742.00	213 946	194550	37 874
	Intercategory transfer	-	18702	-	470
	Other comprehensive income	324813	28 094	454437	156 206
		585 555	260 742	648 987	194 550
25.6	Foreign currency translation reserve				
	Opening balance	-	1 873 232	-	47 096
	Intercategory transfer	-	(1 873 232)	-	(47 096)
		-	-	-	-
26.	RELATED PARTY DISCLOSURES				

CBZ Holdings Limited owns 100% of CBZ Bank(Private) Limited , CBZ Properties (Private) Limited, CBZ Building Society, CBZ Asset Management (Private) Limited, CBZ Insurance (Private) Limited , CBZ Life (Private) Limited and CBZ Risk Advisory Services (Private) Limited are related to CBZ Bank Limited through common shareholding. The Bank has related party relationships with its Directors and key management employees, their companies and close family members.

The volumes of related party transactions and related income and expenses are as follows:

Loans and advances to Directors' companies

There were no loans and advances to Director's Companies during the year.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
(a)	Deposits from directors and key management personnel				
	Closing balance	25 956	35	25 956	22
	(b) Balances with group company				
	Amounts due from group companies	-	-	-	-
	Deposits held for group Companies	80 378	14 909	80 378	9 295
	(c) Balances with fellow subsidiaries				
	Amounts due from fellow subsidiaries*	40 047 991	2 620 553	40 047 991	1 633 761
	Deposits held for fellow subsidiaries	698 929	426 366	698 929	265 814
	(d) Transactions with group companies				
	Interest income on amounts due from group companies	13 799 614	76 095	10 881 618	47 441
	Interest expense on amounts due to group companies	18 635	4 807	15 693	2 997
	Non – interest income from group companies	87 226	865	70 386	539
	Costs charged by group companies	1 211 961	30 616	955 829	19 087

27. RISK MANAGEMENT

27.1 Risk overview

CBZ Bank Limited has continued to be guided by a desire to uphold a "High Risk Management and Compliance Culture" as one of its major strategic thrusts which is embedded under clearly defined risk appetite in terms of the various key risk exposures. This approach has given direction to the Bank's overall strategic planning and policies. Through the CBZ Bank risk management function, the Bank regularly carries out risk analysis through value at risk (VAR) assessment, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

27.2 Bank risk management framework

The Bank's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take effect, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. Bank Management and staff are responsible for the management of the risks that fall within their organisational responsibilities. The CBZ Bank Risk Management function is responsible for ensuring that the Bank's risk taking remains within the set risk benchmarks. The CBZ Bank Internal Audit function continuously provides independent assurance on the adequacy and effectiveness of the deployed risk management processes. The CBZ Bank Enterprise Wide Governance and Compliance Unit evaluates the quality of compliance with policies, processes and governance structures.

27.3 Credit risk

27.3.1 Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
	Bank Balances with foreign banks	16 084 027	5 227 730	16 084 027	3 252 346
	Bank Balances with RBZ	12 395 536	13 129 769	12 395 536	8 168 200
	Money market assets	24 314 545	11 515 355	24 314 545	7 164 089
	Financial securities	964 517	1 579 852	964 517	982 879
	Loans and advances to customers	63 572 666	39 925 020	63 572 666	24 838 696
	Other assets	24 179 860	35 798 326	24 179 860	22 271 341
	Total	141 511 151	107 176 052	141 511 151	66 677 551
	Financial guarantees	167 379	115 333	167 379	71 752
	Loan Commitments	3 901 505	1 356	3 901 505	843
	Total	4 068 884	116 689	4 068 884	72 595

Where financial instruments are recorded at fair value, the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Bank held cash and cash equivalents of ZWL\$ 28 820 826 780(2020: ZWL\$19 695 607 745) (excluding notes and coins) as at 31 December 2021 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

27.3.2 An industry sector analysis of the Bank's advances before and after taking into account collateral held is as follows:

	INFLATION ADJUSTED		RESTATED		HISTORICAL		
	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2020 ZWL\$ 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure
Private	4 101 799	909 520	2 143 055	-	4 101 799	909 520	1 333 267
Agriculture	35 641 362	8 069 291	19 201 534	4 311 303	35 641 362	8 069 291	11 945 920
Mining	4 604 709	4 266 181	4 960 072	1 865 838	4 604 709	4 266 181	3 085 827
Manufacturing	2 734 941	1 145 786	1 312 444	401 739	2 734 941	1 145 786	816 516
Distribution	10 511 470	5 183 093	9 446 319	201 580	10 511 470	5 183 093	5 876 872
Construction	38 984	-	10 107	10 107	38 984	-	6 288
Transport	75 128	-	104 372	63 876	75 128	-	64 933
Communication	-	-	4 692	4 692	-	-	2 919
Services	3 843 576	2 987 726	1 652 822	1 293 904	3 843 576	2 987 726	1 028 276
Financial organisations	4 335 707	4 262 707	2 015 201	1 959 568	4 335 707	4 262 707	1 253 724
Gross value at 30 Dece	65 887 676	26 824 304	40 850 618	10 112 607	65 887 676	26 824 304	25 414 542

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Collateral analysis					
Government guarantee		33 436 386	18 859 646	33 436 386	11 733 219
Cash cover		87 000	2 092 836	87 000	1 302 024
Collateral (mortgage security)		7 657 536	3 934 829	7 657 536	2 447 990
Registered Marketable Commodities		8 363 438	-	8 363 438	-
Other forms of security including Notarial General Covering Bonds (NGCBs) cessions etc.		10 888 641	17 076 020	10 888 641	10 623 565
		60 433 001	41 963 331	60 433 001	26 106 798

The Bank holds collateral against loans and advances to customers in the form of mortgage bonds over property, other registered securities over assets, guarantees, cash cover, assignment of crop or export proceeds and leasebacks. Estimates of fair values are based on the values of collateral assessed at the time of borrowing, and are regularly aligned with trends in the market.

28. Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	12 662 734	14 077 180	68 176	494 888	–	–	12 730 910	14 572 068
Special mention	"4a – 7c"	7 066 266	25 722 684	45 463 127	471 950	–	–	52 529 393	26 194 634
Non-performing	"8 – 10"	–	–	–	-	627 373	83 916	627 373	83 916
Total		19 729 000	39 799 864	45 531 303	966 838	627 373	83 916	65 887 676	40 850 618

		UNAUDITED HISTORICAL								
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	
Internal rating grade										
	Performing	"1 – 3c"	12 662 734	8 757 887	68 176	307 887	–	–	12 730 910	9 065 774
	Special mention	"4a – 7c"	7 066 266	16 002 945	45 463 127	293 616	–	–	52 529 393	16 296 561
	Non-performing	"8 – 10"	–	–	–	–	627 373	52 207	627 373	52 207
Total			19 729 000	24 760 832	45 531 303	601 503	627 373	52 207	65 887 676	25 414 542

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

		AUDITED INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance		39 799 864	17 498 241	966 838	372 284	83 916	244 227	40 850 618	18 114 752
New assets originated or purchased (excluding write offs)		45 078 307	72 155 796	5 468	6 623 238	-	26 189	45 083 775	78 805 223
Transfers from Stage 1		(47 184 094)	(1 637 139)	46 680 723	1 326 259	503 371	310 880	-	-
Transfers from Stage 2		1 262 225	5 150 680	(1 415 248)	(5 501 212)	153 023	350 532	-	-
Transfers from Stage 3		62 139	435	324	110 870	(62 463)	(111 305)	-	-
Amounts paid off		(4 250 409)	(2 264 982)	(341 467)	(816 473)	(9 220)	(579 183)	(4 601 096)	(3 660 638)
Amounts written off		-	-	-	-	(9 545)	(104 157)	(9 545)	(104 157)
Monetary adjustment		(15 039 032)	(51 103 167)	(365 335)	(1 148 128)	(31 709)	(53 267)	(15 436 076)	(52 304 562)
Gross loans and advances to customers		19 729 000	39 799 864	45 531 303	966 838	627 373	83 916	65 887 676	40 850 618
Expected credit loss allowance		(425 981)	(799 532)	(1 580 722)	(80 931)	(308 307)	(45 135)	(2 315 010)	(925 598)
Net loans and advances to customers		19 303 019	39 000 332	43 950 581	885 907	319 066	38 781	63 572 666	39 925 020

		UNAUDITED HISTORICAL	
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ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	1 589 503	8 572 016	–	–	–	–	1 589 503	8 572 016
Maturities during the year	(9 958)	(657 345)	–	–	–	–	(9 958)	(657 345)
Monetary adjustment	(600 619)	(6 325 168)	–	–	–	–	(600 619)	(6 325 168)
Gross financial securities	978 926	1 589 503	–	–	–	–	978 926	1 589 503
ECL allowance	(14 409)	(9 652)	–	–	–	–	(14 409)	(9 652)
Net financial securities	964 517	1 579 851	–	–	–	–	964 517	1 579 851

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	988 884	1 188 886	–	–	–	–	988 884	1 188 886
Maturities during the year	(9 958)	(200 002)	–	–	–	–	(9 958)	(200 002)
Gross financial securities	978 926	988 884	–	–	–	–	978 926	988 884
ECL allowance	(14 409)	(6 005)	–	–	–	–	(14 409)	(6 005)
Net financial securities	964 517	982 879	–	–	–	–	964 517	982 879

c. Money market

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 391 083	11 535 178	–	–	–	–	24 391 083	11 535 178
Total		24 391 083	11 535 178	–	–	–	–	24 391 083	11 535 178

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 391 083	7 176 422	–	–	–	–	24 391 083	7 176 422
Total		24 391 083	7 176 422	–	–	–	–	24 391 083	7 176 422

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	11 535 178	1 561 252	–	–	–	–	11 535 178	1 561 252
New assets originated or purchased (excluding write offs)	24 391 082	11 986 313	–	–	–	–	24 391 082	11 986 313
Maturities during the year	(7 176 421)	(1 311 769)	–	–	–	–	(7 176 421)	(1 311 769)
Monetary adjustment	(4 358 756)	(700 618)	–	–	–	–	(4 358 756)	(700 618)
Gross money market assets	24 391 083	11 535 178	–	–	–	–	24 391 083	11 535 178
ECL allowance	(76 538)	(19 824)	–	–	–	–	(76 538)	(19 824)
Net money market assets	24 314 545	11 515 354	–	–	–	–	24 314 545	11 515 354

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount at beginning of period	7 176 422	216 526	–	–	–	–	7 176 422	216 526
New assets originated or purchased (excluding write offs)	24 391 082	7 176 422	–	–	–	–	24 391 082	7 176 422
Maturities during the year	(7 176 421)	(216 526)	–	–	–	–	(7 176 421)	(216 526)
Gross money market assets	24 391 083	7 176 422	–	–	–	–	24 391 083	7 176 422
ECL allowance	(76 538)	(12 333)	–	–	–	–	(76 538)	(12 333)
Net money market asset	24 314 545	7 164 089	–	–	–	–	24 314 545	7 164 089

d. Financial guarantees

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 37.3.1 of the Group's results.

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
	Performing	"1 – 3c"	167 379	115 333	–	–	–	–	167 379 115 333
Total		167 379	115 333	–	–	–	–	167 379	115 333

HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	71 752	–	–	–	-	167 379	71 752
Total		167 379	71 752	–	–	–	-	167 379	71 752

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial guarantees is as follows:

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying opening balance	559 096	594 050	–	–	–	–	559 096	594 050
New assets originated or purchased (excluding write offs)	167 379	235 827	–	–	–	–	167 379	235 827
Guarantees Expired	(71 752)	(270 781)	–	–	–	–	(71 752)	(270 781)
Monetary adjustment	(487 344)	(443 763)	–	–	–	–	(487 344)	(443 763)
Gross financial guarantees	167 379	115 333	–	–	–	–	167 379	115 333
Expected credit loss allowance	(376)	(934)	–	–	–	–	(376)	(934)
Net financial guarantees	167 003	114 399	–	–	–	–	167 003	114 399

HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying opening balance	71 752	82 388	–	–	–	–	71 752	82 388
New assets originated or purchased (excluding write offs)	167 379	71 752	–	–	–	–	167 379	71 752
Guarantees Expired	(71 752)	(82 388)	–	–	–	–	(71 752)	(82 388)
Gross financial guarantees	167 379	71 752	–	–	–	–	167 379	71 752
Expected credit loss allowance	(376)	(581)	–	–	–	–	(376)	(581)
Net financial guarantees	167 003	71 171	–	–	–	–	167 003	71 171

29. Liquidity risk

Liquidity relates to the Bank's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Bank recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk. Market liquidity risk is the risk that the Bank cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk, on the other hand, is the risk that the Bank will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Bank. The Bank's liquidity risk management framework ensures that limits are set relating to levels of wholesale funding, retail funding, loans to deposit ratio, counter- party exposures as well as prudential liquidity ratio.

The primary source of funding under the Bank are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Bank tries to ensure through the Assets and Liabilities Committee (ALCO) processes and balance sheet management processes that asset growth and maturity are funded by appropriate growth in deposits and stable funding respectively.

29.1 CONTRACTUAL LIQUIDITY GAP ANALYSIS

AUDITED INFLATION ADJUSTED							
AUDITED 31 DEC 2021	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	37 277 189	–	–	–	–	–	37 277 189
Money market assets	17 345 667	1 635 614	6 562 627	–	–	–	25 543 908
Financial securities	14 871	–	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	10 931 759	4 838 258	12 937 041	41 546 939	5 623 576	1 329 640	77 207 213
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Other liquid assets	6 905 128	17 274 732	–	–	–	–	24 179 860
Total assets	72 476 967	23 804 880	19 576 444	41 673 210	5 794 795	2 711 406	166 037 702
Liabilities							
Deposits	115 978 628	4 871 046	6 929 713	237 110	255 294	3 891	128 275 682
Other liabilities	–	5 364 041	–	–	–	–	5 364 041
Current tax payable	–	501 970	–	–	–	–	501 970
Lease liabilities	1 067	2 114	3 123	6 739	2 813	–	15 856
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Commitments	3 901 505	–	–	–	–	–	3 901 505
Total liabilities	119 883 553	10 795 447	6 954 471	327 608	261 463	3 891	138 226 433
Liquidity gap	(47 406 586)	13 009 433	12 621 973	41 345 602	5 533 332	2 707 515	27 811 269
Cumulative liquidity gap	(47 406 586)	(34 397 153)	(21 775 180)	19 570 422	25 103 754	27 811 269	27 811 269

AUDITED

31 DECEMBER 2020

Deposits	115 376 626	4 671 046	6 323 713	237 110	233 294	3 591	126 273 682
Other liabilities	–	5 364 041	–	–	–	–	5 364 041
Current tax payable	–	501 970	–	–	–	–	501 970
Lease Liabilities	1 067	2 114	3 123	6 739	2 813	–	15 856
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Commitments	3 901 505	–	–	–	–	–	3 901 505
Total liabilities	119 883 553	10 795 447	6 954 471	327 608	261 463	3 891	138 226 433



30. INTEREST RATE RISK

This is the possibility of a Bank's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a Bank's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involve daily monitoring of costs of funds, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Bank's ability to sustain a stressed interest rate environment and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Bank denominates its credit facilities in the base currency, the ZWL\$ in order to minimize cross currency interest rate risk. The Bank's interest rate risk profiling is illustrated below:

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non–interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	16 438 881	–	–	–	–	–	20 838 308	37 277 189
Money market assets	3 084 215	1 587 782	5 501 275	–	–	–	14 141 273	24 314 545
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 728	–	63 572 666
Equity investments	–	–	–	–	–	–	735 413	735 413
Land inventory	–	–	–	–	–	–	5 133 279	5 133 279
Other assets	–	–	–	–	–	–	25 291 730	25 291 730
Intangible assets	–	–	–	–	–	–	215 630	215 630
Investment properties	–	–	–	–	–	–	1 023 538	1 023 538
Property and equipment	–	–	–	–	–	–	5 549 770	5 549 770
Total assets	27 487 125	5 433 845	13 748 464	38 453 328	4 362 787	1 663 787	72 928 941	164 078 277
Equity & Liabilities								
Deposits	101 487 167	4 749 408	6 898 550	220 343	214 786	2 372	14 307 521	127 880 147
Other liabilities	–	–	–	–	–	–	5 689 641	5 689 641
Current tax payable	–	–	–	–	–	–	501 970	501 970
Deferred taxation	–	–	–	–	–	–	2 667 501	2 667 501
Lease liability	1 067	2 114	3 123	6 739	2 813	–	–	15 856
Equity	–	–	–	–	–	–	27 323 162	27 323 162
Total liabilities and equity	101 488 234	4 751 522	6 901 673	227 082	217 599	2 372	50 489 795	164 078 277
Interest rate repricing gap	(74 001 109)	682 323	6 846 791	38 226 246	4 145 188	1 661 415	22 439 146	–
Cumulative gap	(74 001 109)	(73 318 786)	(66 471 995)	(28 245 749)	(24 100 561)	(22 439 146)	–	–

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non–interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	18 868 226	–	–	–	–	–	12 093 846	30 962 072
Money market assets	9 937 816	1 577 538	–	–	–	–	–	11 515 354
Financial securities	–	9 200	9 029	6 748	100 252	1 454 622	–	1 579 851
Loans and advances to customers	3 903 703	18 871 851	2 391 460	8 766 368	4 650 310	1 341 328	–	39 925 020
Equity investments	–	–	–	–	–	–	339 027	339 027
Land inventory	–	–	–	–	–	–	5 175 036	5 175 036
Other assets	–	–	–	–	–	–	35 809 841	35 809 841
Intangible assets	–	–	–	–	–	–	178 647	178 647
Investment properties	–	–	–	–	–	–	1 169 611	1 169 611
Property and equipment	–	–	–	–	–	–	4 752 585	4 752 585
Total assets	32 709 745	20 458 589	2 400 489	8 773 116	4 750 562	2 795 950	59 518 593	131 407 044
Equity & Liabilities								
Deposits	100 989 745	50 851	689 557	277 030	7 230	–	–	102 014 413
Other liabilities	–	–	–	–	–	–	2 777 638	2 777 638
Current tax payable	–	–	–	–	–	–	424 956	424 956
Deferred taxation	–	–	–	–	–	–	2 413 153	2 413 153
Lease Liability	842	2 547	2 578	3 583	11 767	–	–	21 317
Equity	–	–	–	–	–	–	23 755 567	23 755 567
Total liabilities and equity	100 990 587	53 398	692 135	280 613	18 997	–	29 371 314	131 407 044
Interest rate repricing gap	(68 280 842)	20 405 191	1 708 354	8 492 503	4 731 565	2 795 950	30 147 279	–
Cumulative gap	(68 280 842)	(47 875 651)	(46 167 297)	(37 674 794)	(32 943 229)	(30 147 279)	–	–

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non–interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	16 438 881	–	–	–	–	–	20 838 308	37 277 189
Money market assets	3 084 215	1 587 782	5 501 275	–	–	–	14 141 273	24 314 545
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 728	–	63 572 666
Equity investments	–	–	–	–	–	–	735 413	735 413
Land inventory	–	–	–	–	–	–	440 259	440 259
Other assets	–	–	–	–	–	–	24 964 083	24 964 083
Intangible assets	–	–	–	–	–	–	159 618	159 618
Investment properties	–	–	–	–	–	–	1 023 538	1 023 538
Property and equipment	–	–	–	–	–	–	4 029 578	4 029 578
Total assets	27 487 125	5 433 845	13 748 464	38 453 328	4 362 787	1 663 787	66 332 070	157 481 406
Equity & Liabilities								
Deposits	101 487 166	4 749 408	6 898 550	220 343	214 786	2 372	14 307 522	127 880 147
Other liabilities	–	–	–	–	–	–	5 364 041	5 364 041
Current tax payable	–	–	–	–	–	–	501 970	501 970
Deferred taxation	–	–	–	–	–	–	1 428 625	1 428 625
Lease liability	1 067	2 114	3 123	6 739	2 813	–	–	15 856
Equity	–	–	–	–	–	–	22 290 767	22 290 767
Total liabilities and equity and reserves	101 488 233	4 751 522	6 901 673	227 082	217 599	2 372	43 892 925	157 481 406
Interest rate repricing gap	(74 001 108)	682 323	6 846 791	38 226 246	4 145 188	1 661 415	22 439 145	–
Cumulative gap	(74 001 108)	(73 318 785)	(66 471 994)	(28 245 748)	(24 100 560)	(22 439 145)	–	–

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non–interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DECEMBER 2020								
Assets								
Balances with banks and cash	12 253 299	–	–	–	–	–	7 009 246	19 262 545
Money market assets	6 182 650	981 439	–	–	–	–	–	7 164 089
Financial securities	–	5 724	5 617	4 198	62 371	904 969	–	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	–	24 838 696
Equity investments	–	–	–	–	–	–	210 920	210 920
Land inventory	–	–	–	–	–	–	412 622	412 622
Other assets	–	–	–	–	–	–	22 271 338	22 271 338
Intangible assets	–	–	–	–	–	–	84 723	84 723
Investment properties	–	–	–	–	–	–	727 654	727 654
Property and equipment	–	–	–	–	–	–	2 087 815	2 087 815
Total assets	20 864 573	12 727 976	1 493 425	5 458 050	2 955 486	1 739 453	32 804 318	78 043 281
Equity & Liabilities								
Deposits	62 829 112	31 636	428 997	172 350	4 498	–	–	63 466 593
Other liabilities	–	–	–	–	–	–	1 529 631	1 529 631
Current tax payable	–	–	–	–	–	–	264 380	264 380
Deferred taxation	–	–	–	–	–	–	1 807 974	1 807 974
Lease Liability	524	1 585	1 604	2 229	7 320	–	–	13 262
Equity	–	–	–	–	–	–	10 961 441	10 961 441
Total liabilities and equity	62 829 636	33 221	430 601	174 579	11 818	–	14 563 426	78 043 281
Interest rate repricing gap	(41 965 063)	12 694 755	1 062 824	5 283 471	2 943 668	1 739 453	18 240 892	–
Cumulative gap	(41 965 063)	(29 270 308)	(28 207 484)	(22 924 013)	(19 980 345)	(18 240 892)	–	–

31. Foreign exchange risk

This risk arises from the changes in exchange rates and originates from mismatches between the values of assets and liabilities denominated in different currencies and can lead to losses if there is an adverse movement in exchange rates where open positions either spot or forward, are taken for both on and off statement of financial position transactions.

Supervision is at CBZ Bank Board level through the Bank Board ALCO Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The committee meets on a quarterly basis. Furthermore, the Bank Management ALCO which meets on a monthly basis, reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits. Derivative contracts with characteristics and values derived from underlying financial instruments, exchange rates which relate to futures, forwards, swaps and options can be used to mitigate exchange risk.

At 31 December 2021 if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant post tax profit for the period would have been ZWL\$494 940 865 higher or lower respectively than the reported position update.

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
	Total	ZWL\$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	37 277 189	10 745 211	23 767 064	2 121 941	29 157	583 394	30 422
Money market assets	24 314 545	7 179 686	16 464 916	669 943	–	–	–
Financial securities	964 517	964 517	–	–	–	–	–
Loans and advances to customers	63 572 666	37 660 544	25 888 027	23 892	203	–	–
Equity investments	735 413	735 413	–	–	–	–	–
Land inventory	5 133 279	5 133 279	–	–	–	–	–
Other assets	25 291 730	3 917 822	12 827 361	7 346 956	417 999	635 241	146 351
Intangible assets	215 630	215 630	–	–	–	–	–
Investment properties	1 023 538	1 023 538	–	–	–	–	–
Property and equipment	5 549 770	5 549 770	–	–	–	–	–
	164 078 277	73 125 410	78 947 368	10 162 732	447 359	1 218 635	176 773
Equity & Liabilities							
Deposits	127 880 147	47 549 626	77 563 735	2 621 422	21 816	74 665	48 883
Other liabilities	5 689 641	5 093 178	542 733	36 041	1 972	15 717	–
Current tax payable	501 970	501 970	–	–	–	–	–
Deferred taxation	2 667 501	2 667 501	–	–	–	–	–
Lease Liability	15 856	15 856	–	–	–	–	–
Equity	27 323 162	27 323 162	–	–	–	–	–
Total equity and liabilities	164 078 277	83 151 293	78 106 468	2 657 463	23 788	90 382	48 883



ABRIDGED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Gross written premium	445 295	159 369	362 147	54 265
Reinsurance premium	(24 308)	(4 442)	(21 415)	(2 287)
Net written premium	420 987	154 927	340 732	51 978
Unearned premium movement	(101 204)	(5 576)	(103 397)	(2 026)
Net earned premium	319 783	149 351	237 335	49 952
Net commission	(33 725)	(9 888)	(27 267)	(4 322)
Net claims	(142 364)	(25 075)	(119 857)	(8 713)
Underwriting profit	143 694	114 388	90 211	36 917
Operating expenditure	(362 074)	(273 434)	(289 520)	(98 195)
Transfer to reserves	(262 491)	(159 929)	(178 200)	(86 795)
Expected credit loss	(1 787)	425	(1 787)	264
Monetary gain	156 303	64 192	-	-
Operating profit	(326 355)	(254 358)	(379 296)	(147 809)
Investment and Other income	515 273	82 937	697 652	309 129
Interest from money market investments	1 413	998	1 185	276
Profit / (loss) before taxation	190 331	(170 423)	319 541	161 596
Taxation	(783)	(367)	(712)	(158)
Profit for the year	189 548	(170 790)	318 829	161 438
Other comprehensive income				
Gains on property revaluations	70 550	5 308	136 950	74 610
Exchange gains on equity instruments at FVOCI	(16 480)	(6 031)	8 708	1 740
Other comprehensive income for the year net of tax	54 070	(723)	145 658	76 350
Total comprehensive income	243 618	(171 513)	464 487	237 788

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	RESTATED HISTORICAL 31 DEC 2020 ZWL\$ 000
ASSETS				
Current assets				
Cash and cash equivalents	70 063	9 592	70 063	5 968
Money market assets	30 829	13 008	30 829	8 093
Equity investments	426 333	137 788	426 333	85 723
Insurance contract assets	12 814	4 738	12 429	2 947
Other receivables	18 897	18 846	18 897	11 724
Current tax receivable	449	-	449	-
Non-current assets	559 385	183 972	559 000	114 455
Property and equipment	254 785	198 587	232 175	98 401
Investment properties	718 046	498 764	718 046	310 298
TOTAL ASSETS	1 532 216	881 323	1 509 220	523 154
EQUITY AND LIABILITIES				
Liabilities				
Life fund	397 800	149 108	397 800	92 765
Investment contract liabilities	62 542	23 508	62 542	14 625
Current tax payable	-	92	-	57
Other payables	249 434	129 794	249 434	80 749
Equity	709 776	302 501	709 776	188 196
Share capital				
Share premium	62 166	62 166	1 388	1 388
Revaluation reserve	177 283	106 733	230 013	93 063
Revenue reserves	605 502	415 955	557 596	238 767
Fair value reserve	(22 511)	(6 031)	10 448	1 740
TOTAL EQUITY AND LIABILITIES	1 532 216	881 323	1 509 220	523 154

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED					
	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	FCFR ZWL\$ 000	Fair Value reserve ZWL\$ 000	Revenue reserve ZWL\$ 000	Total ZWL\$ 000
31 December 2020						
Opening balance	62 166	-	101 425	-	586 745	750 336
Total comprehensive income	-	5 308	-	(6 031)	(170 790)	(171 513)
Inter-category transfer	-	101 425	(101 425)	-	-	-
Closing balance	62 166	106 733	-	(6 031)	415 955	578 822
31 December 2021						
Opening balance	62 166	106 733	-	(6 031)	415 955	578 822
Total comprehensive income	-	70 550	-	(16 480)	189 548	243 618
Closing balance	62 166	177 283	-	(22 511)	605 502	822 440
HISTORICAL						
31 December 2020						
Opening balance	1 388	15 903	2 550	-	77 329	97 170
Total comprehensive income	-	74 610	-	1 740	161 438	237 788
Inter-category transfer	-	2 550	(2 550)	-	-	-
Closing balance	1 388	93 063	-	1 740	238 767	334 958
31 December 2021						
Opening balance	1 388	93 063	-	1 740	238 767	334 958
Total comprehensive income	-	136 950	-	8 708	318 829	464 487
Closing balance	1 388	230 013	-	10 448	557 596	799 444

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit /(Loss) before taxation	190 330	(170 423)	319 541	161 596
Adjust for:				
Depreciation	15 158	15 989	3 735	2 274
Amortisation	-	4 829	-	108
Unearned premium movement	101 204	5 576	103 397	2 026
Monetary gain/loss	(156 302)	(64 192)	-	-
Claims incurred but not reported	24 505	25	19 682	9
Deferred commission movement	(18 688)	(1 287)	(15 323)	(581)
Fair value adjustment on investment properties	(229 817)	(258 656)	(412 853)	(270 221)
Fair value adjustment on financial instruments	(185 534)	(14 851)	(212 342)	(34 301)
Loss on sale of property and equipment	-	463	-	(14)
Annuity reserve movement	262 491	159 929	178 200	86 795
Expected Credit loss	1 787	(29)	1 787	(18)
Impairment on insurance assets	-	(396)	-	(246)
Unrealised loss on foreign currency position	(2 895)	16 748	(1 612)	10 491
(Profit)/loss on disposal of investment properties	(69 981)	158 528	(8 947)	9 753
Operating profit before changes in operating assets and liabilities	(67 742)	(147 747)	(63 324)	(51 029)
Changes in operating assets and liabilities				
Other receivables	(457)	(19 651)	(8 300)	(11 483)
Insurance contract assets	8 740	2 628	5 841	(1 488)
Other payables	168 650	96 341	167 402	63 531
Money market assets	(24 233)	41 095	(29 395)	(726)
Financial securities	-	11 272	-	2 947
Life assurance investment contract liabilities	42 933	31 745	51 673	11 216
Net cash inflow from operating activities	195 633	163 430	187 221	63 997
Corporate tax paid	(1 324)	(200)	(1 218)	(91)
Net cash inflow from operating activities	126 567	15 483	128 679	12 875
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments	(119 491)	(95 612)	(119 560)	(45 056)
Purchase of property and equipment	(806)	(8 679)	(560)	(3 183)
Proceeds on disposal of property and equipment	-	141	-	35
Proceeds on disposal of investment properties	134 764	125 327	95 808	48 315
Purchase of investment properties	(54 248)	(15 879)	(43 167)	(8 979)
Net cash outflow from investing activities	(39 781)	5 298	(67 479)	(8 867)
CASH FLOWS FROM FINANCING ACTIVITIES				
	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	86 786	20 781	61 200	4 010
Cash and cash equivalents at the beginning of the year	9 592	13 607	5 968	1 887
Exchange gains on foreign cash balances	2 895	114	2 895	71
Effects of inflation on cash and cash equivalents	(29 210)	(24 910)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	70 063	9 592	70 063	5 968

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Gross written premium	1 193 590	1 361 111	983 158	594 088
Reinsurance premium	(764 946)	(848 947)	(642 737)	(403 031)
Net written premium	428 644	512 164	340 421	191 057
Unearned premium movement	16 744	(22 722)	(21 505)	(68 549)
Net earned premium	445 388	489 442	318 916	122 508
Net commission	(20 550)	(11 870)	(15 684)	(4 325)
Net claims	(194 941)	(106 003)	(159 924)	(50 292)
Technical result	229 897	371 569	143 308	67 891
Operating expenditure	(297 579)	(184 855)	(231 051)	(71 556)
Impairment loss	(11 026)	(24 432)	(11 026)	(15 214)
Underwriting profit	(78 708)	162 282	(98 769)	(18 879)
Other expense / (income)	70 667	(24 889)	109 065	42 314
Monetary Loss	(24 600)	(199 980)	-	-
Profit before taxation	(32 641)	(62 587)	10 296	23 435
Taxation	(19 201)	53 629	10 546	48 429
Profit for the year	(51 842)	(8 958)	20 842	71 864
Other comprehensive income				
Gains on property revaluations	81 443	5 363	136 932	74 594
Equity instruments Fair value gains	(14 111)	(1 573)	4 102	6 466
Deferred income tax relating to components of other comprehensive income	(19 427)	(1 846)	(32 995)	(18 186)
Other comprehensive income for the year net of tax	47 905	1 944	108 039	62 874
Total comprehensive (loss)/income for the year	(3 937)	(7 014)	128 881	134 738

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	RESTATED HISTORICAL 31 DEC 2020 ZWL\$ 000
ASSETS				
Cash and cash equivalents	41 879	64 979	41 879	40 426
Investments- short term	21 691	-	21 691	-
Other receivables	15 150	20 929	2 737	2 822
Tax receivables	387	623	387	387
Premium receivables	341 838	476 263	341 838	296 299
Technical Assets				
Reinsurance receivables	178 459	23 495	178 459	14 617
Reinsurance claims outstanding	321 099	18 768	321 099	11 676
Deferred acquisition costs	63 906	79 344	57 434	49 362
Reinsurance unearned premium reserve	212 904	317 012	191 731	197 224
Listed equity investments	71 251	45 504	71 251	28 309
Investment property	130 085	71 152	130 085	44 266
Property and equipment	248 260	182 236	233 083	100 701
Intangible assets	6 655	4 861	3 791	132
Deferred tax	72 340	50 578	72 340	55 979
TOTAL ASSETS	1 725 904	1 355 744	1 667 805	842 200
LIABILITIES				
Other Payables	360 213	128 077	360 213	79 680
Deferred Tax	69 909	9 558	65 449	26 670
Technical Liabilities				
Reinsurance payables	208 352	305 231	208 352	189 894
Gross outstanding claims	349 978	26 259	349 978	16 337
Incurred but not reported claims	25 662	25 571	25 662	15 909
Unearned commission reserve	55 072	79 540	49 033	49 485
Gross unearned premium reserve	331 434	452 286	297 395	281 382
TOTAL LIABILITIES	1 400 620	1 026 522	1 356 082	659 357
EQUITY				
Share capital	3 499	3 499	78	78
Share premium	155 960	155 960	23 179	23 179
Revaluation Reserve	166 773	105 463	174 979	70 837
Fair value reserve	(15 499)	(2 093)	10 041	6 143
Retained earnings	14 551	66 393	103 446	82 606
TOTAL EQUITY	325 284	329 222	311 723	182 843
TOTAL LIABILITIES AND EQUITY	1 725 904	1 355 744	1 667 805	842 200

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair Value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
31 December 2020						
Opening balance	3 499	66 245	—	—	75 350	246 519
Profit for the year	—	—	—	—	(8 958)	(8 958)
Other comprehensive income for the period	—	—	4 038	(2 093)	—	1 945
Rights Issue	—	89 715	—	—	—	89 715
Intercategory transfer	—	—	101 425	—	—	—
Closing balance	3 499	155 960	105 463	(2 093)	66 392	329 221
31 December 2021						
Opening balance	3 499	155 960	105 463	(2 093)	66 392	329 221
Profit for the period	—	—	—	—	(51 842)	(51 842)
Other comprehensive income for the period	—	61 310	(13 405)	—	47 905	—
Closing balance	3 499	155 960	166 773	(15 498)	14 550	325 284
HISTORICAL						
31 December 2020						
Opening balance	78	1 479	11 555	—	10 742	26 405
Profit for the year	—	—	—	—	71 864	71 864
Other comprehensive income for the year	—	—	56 731	6 143	—	62 874
Rights issue	—	21 700	—	—	—	21 700
Intercategory transfer	—	—	2 550	—	—	—
Closing balance	78	23 179	70 836	6 143	82 606	182 843
31 December 2021						
Opening balance	78	23 179	70 837	6 143	82 606	182 843
Profit for the year	—	—	—	—	20 842	20 842
Other comprehensive income for the period	—	—	104 141	3 897	—	108 038
Closing balance	78	23 179	174 978	10 040	103 448	311 723



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
Revenue	533 273	160 988	561 283	164 159
Operating expenditure	(245 996)	(174 087)	(201 646)	(67 002)
Operating income/ (loss)	287 277	(13 099)	359 637	97 157
Monetary gain	12 488	50 174	-	-
Profit before taxation	299 765	37 075	359 637	97 157
Taxation	(60 288)	42 428	(53 620)	9 889
Profit for year the after taxation	239 477	79 503	306 017	107 046
Other comprehensive income	4 142	3 552	5 974	2 809
Total comprehensive income	243 619	83 055	311 991	109 855

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
ASSETS				
Cash and cash equivalents	27 409	8 824	27 409	5 490
Money market assets	-	3 998	-	2 487
Equity investments	41 991	11 527	41 991	7 172
Other assets	37 876	25 431	37 876	15 821
Investment property	437 943	183 540	437 943	114 186
Intangible assets	1 341	314	923	37
Property and equipment	77 390	75 415	18 853	16 959
Deferred taxation	11 462	15 008	11 462	9 917
TOTAL ASSETS	635 412	324 057	576 457	172 069
LIABILITIES				
Current taxation	12 260	6 504	12 260	4 046
Other liabilities	73 314	34 164	73 314	21 255
Lease liability	19 383	26 015	19 383	16 185
Deferred taxation	35 413	-	33 926	-
TOTAL LIABILITIES	140 370	66 683	138 883	41 486
EQUITY				
Share capital	2 822	2 822	63	63
Share premium	86 214	86 214	1 925	1 925
Revenue reserves	400 457	166 931	426 803	125 786
Fair value reserve	5 549	1 407	8 783	2 809
TOTAL EQUITY	495 042	257 374	437 574	130 583
TOTAL LIABILITIES AND EQUITY	635 412	324 057	576 457	172 069

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED				
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
31 December 2020					
Opening balance	2 822	86 214	(2 145)	87 428	174 319
Profit for the period	-	-	-	79 503	79 503
Other comprehensive loss	-	-	3 552	-	3 552
Closing balance	2 822	86 214	1 407	166 931	257 374
31 December 2021					
Opening balance	2 822	86 214	1 407	166 931	257 374
Profit for the year	-	-	-	239 477	239 477
Other comprehensive income	-	-	4 142	-	4 142
Dividend paid	-	-	-	(5 951)	(5 951)
Closing balance	2 822	86 214	5 549	400 457	495 042

	HISTORICAL				
31 December 2020					
Opening balance	63	1 925	-	18 740	20 728
Profit for the year	-	-	-	107 046	107 046
Other comprehensive income	-	-	2 809	-	2 809
Closing balance	63	1 925	2 809	125 786	130 583
31 December 2021					
Opening balance	63	1 925	2 809	125 786	130 583
Profit for the year	-	-	-	306 017	306 017
Other comprehensive income	-	-	5 974	-	5 974
Dividend paid	-	-	-	(5 000)	(5 000)
Closing balance	63	1 925	8 783	426 803	437 574

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL\$ 000	RESTATED 31 DEC 2020 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2020 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	299 765	37 075	359 637	97 157
Adjust for:				
Fair value adjustments	(233 286)	14 360	(314 685)	(87 363)
Depreciation and amortisation	3 438	8 719	2 707	1 317
Monetary (gain) / loss	(12 488)	(50 174)	-	-
Expected credit loss expense	633	18	633	11
Unrealised (gain)/loss on foreign currency position	3 359	(896)	3 359	(558)
Loss / (profit) on sale of property and equipment	-	48	-	(75)
Profit on disposal of investment properties	(4 009)	-	(2 720)	-
Interest on lease liability	1 736	1 829	1 355	746
Operating cash inflow before changes in operating assets and liabilities	59 148	10 979	50 286	11 235
Changes in operating assets and liabilities				
Money market assets	3 511	(2 225)	2 499	(676)
Equity investments	(21 805)	(6 812)	(16 799)	(88)
Other assets	(28 831)	(40 497)	(22 699)	(13 862)
Other liabilities	51 261	81 030	52 059	17 495
Cash generated from operating activities	47 452	40 725	51 996	13 197
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	12 498	-	9 152	-
Purchase of investment property	(33 887)	(18 847)	(27 224)	(5 983)
Proceeds on disposal of equipment	-	147	-	79
Purchase of equipment	(5 240)	(2 956)	(4 456)	(1 551)
Purchase of intangible assets	(1 158)	(188)	(1 004)	(38)
Net cash outflow from investing activities	(27 787)	(21 844)	(23 532)	(7 093)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(5 951)	-	(5 000)	-
Lease liability repayment	(2 220)	(2 021)	(1 749)	(844)
Interest on lease liability	(1 736)	(1 829)	(1 355)	(746)
Net cash outflow from financing activities	(9 907)	(3 850)	(8 104)	(1 590)
NET INCREASE IN BALANCES WITH BANKS AND CASH	9 758	15 031	20 360	4 514
Balances with banks and cash at the beginning of the year	8 824	3 014	5 490	418
Exchange gains on foreign cash balances	1 559	896	1 559	558
Inflation effects on cash	7 268	(10 117)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	27 409	8 824	27 409	5 490



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Independent Auditors' Report

To the shareholders of CBZ Holdings Limited

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of CBZ Holdings Limited (the Group and Company) set out on pages 15 to 127, which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2021, and the inflation adjusted consolidated and company statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and company statements of changes in equity and the inflation adjusted consolidated and company statements of cash flows for the year then ended, and the group and company accounting policies and notes to the inflation adjusted consolidated and company financial statements.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of CBZ Holdings Limited as at 31 December 2021, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31], the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06).

Basis for opinion

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

Key audit matters

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

(a) Valuation of investment and owner occupied property

This matter relates to both the inflation adjusted consolidated and separate financial statements.

Refer to:

- Group and company accounting policies - the investment properties accounting policy note 1.5, the property and equipment accounting policy note 1.6 and the significant accounting estimates and judgements note 1.3;
- Consolidated financial statements notes - the investment properties note 21, the property and equipment note 20 and the fair value measurement note 19; and
- Company financial statement notes - property and equipment company note 8.

Key audit matter	How the matter was addressed in our audit
<p>The Group and the Company hold owner occupied properties that are measured at fair value in accordance with IAS 16, <i>Property, Plant and Equipment</i> ("IAS 16"). The Group also holds investment properties which are measured at fair value in accordance with IAS 40, <i>Investment Property</i> ("IAS 40").</p> <p>As at reporting date the Group had owner occupied properties amounting to ZWL6.7 billion inflation adjusted, of which ZWL86.7 million inflation adjusted relates to the Company, and investment properties amounting to ZWL6.1 billion inflation adjusted relating to the Group.</p> <p>In the current year there was a change to the basis of determining the fair value estimate, in that property valuations were performed, by an internal professionally qualified appraiser ("internal appraiser"), directly in ZWL currency, compared to prior periods where valuations were in USD and translated to the local currency at the auction (official) rate. The Directors also engaged an independent property valuer to perform a reasonableness test, on a sample basis, on the inputs and final property values determined by the internal valuer.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluating the professional qualifications and competence of the registered internal appraiser, employed by management, who valued the Group and Company's properties; • Evaluating the professional competence, objectivity and independence of the external valuer engaged by management who performed an independent assessment of the reasonableness of the property values determined by the internal appraiser; • Evaluating the appropriateness of the valuation methodologies used by the internal appraiser, specifically in relation to the change in the basis of determining the fair value estimate, based on our knowledge of the industry and the requirements of IFRS 13, <i>Fair Value Measurement</i> ("IFRS 13"); and challenging the inputs used to value properties including requesting market

Key audit matter	How the matter was addressed in our audit
<p>The key inputs and assumptions used in the valuations, such as, comparable market prices, rental rates per square meter and capitalisation rates are determined in an environment where there is limited market activity in the local currency.</p> <p>Given the change in basis for determining the fair value (from USD to ZWL valuation), the degree of complexity involved in determining the fair value of the owner occupied and investment properties, the significant judgement and estimation required in determining the key inputs and assumptions used in determining the fair values in the local property market with significant uncertainty arising from limited transactions activity, the valuation of the Group and the Company's owner occupied properties and the Group's investment properties was considered a key audit matter.</p>	<p>support in respect of the 2021 values in ZWL;</p> <ul style="list-style-type: none"> For a sample of property valuations, we validated the valuation inputs used by the internal appraiser, by comparing the inputs against inputs used by the independent valuer engaged by management. Where there were significant differences between the inputs, we evaluated the appropriateness of the fair value used by management; and Assessing the adequacy of the disclosures in the financial statements in respect of the valuation of owner occupied and investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

(b) Valuation of unlisted investments

This matter relates to both the inflation adjusted consolidated and separate financial statements.

Refer to:

- Group and company accounting policies - the financial assets accounting policy note 1.7 and the significant accounting estimates and judgements note 1.3;
- Consolidated financial statements notes - the equity investments note 17 and the fair value measurement note 19; and
- Company financial statement notes - the equities investment note 7(a) and 7(c).

Key audit matter	How the matter was addressed in our audit
<p>The Group holds unlisted investments amounting to ZWL2.2 billion inflation adjusted which are measured at fair value, of which ZWL734 million inflation adjusted relates to the Company. Unlisted investments are shares that are not listed on a registered stock exchange therefore the prices are not quoted in any active market and are classified as level 3 financial instruments, in terms of IFRS 13, <i>Fair value measurement</i> ("IFRS</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We used our own valuation specialist who assisted with: <ul style="list-style-type: none"> Evaluating and challenging the appropriateness of the methodologies applied, assumptions and inputs used in the valuation of the unlisted investments; Performing a sensitivity

Key audit matter	How the matter was addressed in our audit
<p>13”), in the fair value hierarchy.</p> <p>Where a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.</p> <p>We identified assessing the fair value of the unlisted investments as a key audit matter because the valuation methodologies, assumptions and inputs used by management include significant unobservable inputs.</p>	<p>analysis to assess the impact on the calculated fair value of changes to the certain key inputs used in the valuation methodology; and</p> <ul style="list-style-type: none"> ➤ For a sample, of unlisted investments, confirming the holding of the shares held directly with the investee and confirmed that the holding was appropriately considered in the determination of the fair value of the investments; • Assessing whether the disclosures in the inflation adjusted financial statements appropriately reflected the Group’s and Company’s exposure to financial instrument valuation risk and the requirements of IFRS 13.

(c) Legacy debt accounting

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3; and legacy debts and nostro gap accounts note 1.32.
- Consolidated financial statements notes - other assets note 15.

Key audit matter	How the matter was addressed in our audit
<p>The Group recorded a legacy debt receivable of ZWL17,2 billion inflation adjusted included in the other assets.</p> <p>The legacy debt arose in 2019 due to the change in currency from United States dollars (US\$) to Zimbabwe dollars (ZWL). The Reserve Bank of Zimbabwe (RBZ) directed that legacy debt denominated in foreign currency be registered with the RBZ. The RBZ committed to settling registered legacy debt on a 1:1 basis and required that an equivalent amount (of the legacy debt) in ZWL be transferred to them.</p> <p>Given the degree of complexity involved in determining whether the legacy debt asset meets the definition of a financial asset in terms of IFRS 9, <i>Financial Instruments</i> (“IFRS 9”), this was considered to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • With the assistance of our internal technical accounting team, assessing the appropriateness of the accounting treatment of the legacy debt by the Group in terms of the IFRS 9 recognition and measurement criteria; • Verifying actual receipts in relation to the legacy debt receivable; and • Evaluating the appropriateness of the legacy debt disclosures for compliance with the requirements of IFRS 9.

(d) Expected Credit Losses

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the impairment accounting policy note 1.9 ; and
- Consolidated financial statements notes - money market assets note 10; financial securities note 11; loans and advances to customers note 12 and credit risk note 37.3.

Key audit matter	How the matter was addressed in our audit
<p>The Group assesses at each reporting date on a forward looking basis, the Expected Credit Losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. This assessment determines which grading/classification stage the instrument is in and the amount of ECL to recognise.</p> <p>As at reporting date, the Group assessed the ECL in respect of the following financial assets: gross loans and advances to customers of ZWL64 billion inflation adjusted, money market assets of ZWL24,4 billion inflation adjusted, financial securities ZWL978 million inflation adjusted to the Group.</p> <p>The Group's ECL model includes certain judgements and assumptions such as:</p> <ul style="list-style-type: none"> • the credit rating allocated to the counterparties; • the probability of a loan becoming past due and subsequently defaulting (probability of default PD); • the determination of the Group's definition of default; • the magnitude of the likely loss if there is default (loss given default LGD); • the expected exposure in the event of a default (exposure at default EAD); • the criteria for assessing significant increase in credit risk (SICR); • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; 	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination, approval, monitoring and the grading of the loans and advances to customers for impairment provisioning; • Engaging our Financial Risk Management (FRM) specialists to evaluate the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models and reviewing the reasonability of the methodology updates within the Group's IFRS 9 ECL model and credit policies; • Using available external and independent information to challenge management's judgements and assumptions in determining ECLs; • Assessing the completeness, accuracy and validity of data and inputs used during the development and application of the ECL model; • For a sample of loans and advances, we evaluated the appropriateness of the credit rating through the performance of credit reviews and an analysis of the financial performance of selected entities; • Evaluated the collateral held for various exposures in terms

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios; <p>The ECLs were calculated taking into account the guarantee and the promissory notes from the government.</p> <p>Due to the significance of the loans and advances to customers and money market assets to the Group and the level of judgement applied in determining the ECL, the expected credit loss on loans and advances, money market assets and financial securities was considered a key audit matter.</p>	<p>of valuation of the collateral, enforceability and assessment of the value of collateral used for the LGD calculation;</p> <ul style="list-style-type: none"> Engaged valuation specialists to independently assess the impact of government guarantee and promissory notes on the ECLs; With the assistance of valuation specialists, assessed adequacy of LGD and PD for Stage 3 ECLs; and Assessing the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 9.

Other matter

The inflation adjusted consolidated and separate financial statements of the Group and Company as at and for the year ended 31 December 2020, were audited by another auditor who expressed a qualified opinion on those inflation adjusted consolidated and separate financial statements on 19 May 2021.

The 31 December 2020 audit opinion was qualified by the predecessor auditor on the basis of non-compliance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, IAS 21, *The Effects of Changes in Foreign Exchange Rates* in respect of the change in functional currency in 2020 and the related impact on the application of IAS 29, *Financial Reporting in Hyperinflationary Economies* and the non-compliance with IFRS 13, *Fair Value Measurement* in respect of the valuation of investment properties and owner occupied properties.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "CBZ Holdings Limited Group and Company Annual Report 2021" and including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical", but does not include the inflation adjusted consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the inflation adjusted consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have

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

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

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with International Financial Reporting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31], the Banking Act (Chapter 24:20), the Building Societies act (Chapter 24:02), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the inflation adjusted consolidated and separate



financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Themba Mudidi
Chartered Accountant
Registered Auditor
PAAB Practicing Certificate Number 0437

7 June 2022

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

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