



# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

## Chairman's Statement

**Introduction**  
I am pleased to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the half year ended 30 June 2022.

**Operating Environment**  
The half-year period saw the relaxation of the bulk of COVID-19 induced restrictions, allowing the corporate world to slowly transition to a post-crisis mode whilst the subsequent reopening of borders and airspaces, resulted in a noticeable recovery in the tourism, hospitality, and aviation sectors.

In Zimbabwe, provisional figures indicate that tourist arrivals more than doubled during the first five months of 2022, compared to the same period of 2021. Destinations such as Victoria Falls further benefitted through hosting business conferences and major sporting events, which also boosted activity across the value chains. Furthermore, activity in the mining sector remained fairly active, buoyed by ongoing investments in new operations in the lithium, iron & steel and gas subsectors, as well as resuscitation and expansion of existing mines. Additionally, government driven infrastructure projects, among them roads, dams and airports construction projects, continued in earnest, supported by the Government's public sector investments programs. Although these continued to crowd-in the private sector thereby widening business opportunities for the financial services and relate sectors, the period was characterized with an increase in downside risks.

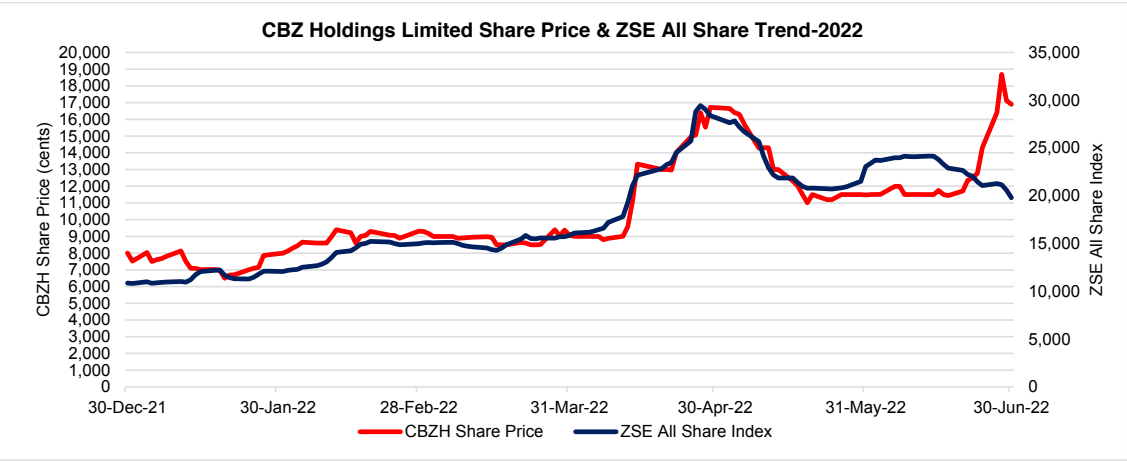
However, the period was also characterised with an increase in downside risks. These included external factors such as rising global inflation and interest rates and firming prices of key raw materials such as fuel, fertilisers and agricultural commodities, which translated into higher domestic production costs, and thus, rising inflationary pressures. Internal factors such as adverse expectations, currency depreciation and general uncertainties also inhibited economic activity during the period under review.

In spite of these adverse macroeconomic conditions, the Group continued to deliver on its value proposition and commitment to its various stakeholders.

**Environmental, Social & Governance**  
Sustainability has become an integral part of our operations as a Group. This is largely borne out of need to responsibly generate a good return for shareholders and all our stakeholders. CBZ Holdings is dedicated to promoting economic growth and human development that is both sustainable and inclusive, as well as ensuring that our business operations have beneficial effects on society, the environment, and the bottom line. For us, embracing Sustainability and ESG concepts as value drivers has shown us that we are socially responsible partners who consider not just our own interests but those of the society in which we operate. To achieve a net beneficial effect, we make intentional and deliberate trade-offs.

In order to have the greatest possible positive effect, we will keep working to improve our knowledge of our environmental and social implications. Currently, the Group is analyzing and reorganizing its governance structures and procedures in order to ensure that they are in line with worldwide best practices for ESG risk management. In order to better identify and manage our portfolio exposure to climate-risk, we are implementing systems throughout the Group and working towards standardizing our reporting.

**Share Price Performance**  
Activity on the capital markets remained fairly strong, with the introduction of Exchange Traded Funds "ETFs" widening the investment options and opportunities on the Zimbabwe Stock Exchange. The CBZH share price rose by 110.4% from ZW\$8,032 at the beginning of the year to close the first half of the year at ZW\$16,900. Meanwhile, the ZSE benchmark index registered a 79.98% growth. CBZH ended the half year with a market capitalisation of ZW\$88.3 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2021 to June 2022.



### Overview of the Group's performance

The table below summarises the Group's financial performance for the half year ended 30 June 2022.

|   | REVIEWED                  |                           | UNAUDITED                 |                           | AUDITED                  | UNAUDITED                |
|---|---------------------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
|   | INFLATION ADJUSTED        |                           | HISTORICAL                | HISTORICAL                | INFLATION ADJUSTED       | HISTORICAL               |
|   | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2021<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 |
| <b>Key Financial Highlights</b>         |                           |                           |                           |                           |                          |                          |
| Profit after taxation                   | 17 452.1                  | 7 072.6                   | 37 884.0                  | 3 837.6                   | 16 872.0                 | 16 164.2                 |
| Total comprehensive income              | 23 286.2                  | 5 944.1                   | 52 725.9                  | 4 131.6                   | 20 706.7                 | 20 101.6                 |
| Total assets                            | 462 255.9                 | 425 878.5                 | 441 899.1                 | 137 502.0                 | 416 605.7                | 182 570.9                |
| Total equity                            | 102 646.1                 | 63 521.9                  | 83 436.2                  | 13 676.6                  | 78 359.9                 | 29 710.3                 |
| Total deposits                          | 288 680.3                 | 291 808.7                 | 288 680.3                 | 100 084.4                 | 287 600.9                | 131 374.1                |
| Total advances                          | 182 893.6                 | 144 309.5                 | 182 893.6                 | 49 495.2                  | 122 377.6                | 55 901.3                 |
| <b>Other statistics</b>                 |                           |                           |                           |                           |                          |                          |
| Basic earnings per share (cents)        | 6 686.59                  | 2 709.78                  | 14 514.08                 | 1 470.16                  | 3 232.43                 | 3 096.43                 |
| Non-interest income to total income (%) | 77.6                      | 80.0                      | 85.3                      | 81.3                      | 54.3                     | 55.7                     |
| Cost to income ratio (%)                | 27.5                      | 46.1                      | 20.9                      | 42.0                      | 40.2                     | 34.8                     |
| Return on assets (%)                    | 13.6                      | 6.6                       | 32.0                      | 9.1                       | 6.2                      | 11.9                     |
| Return on equity (%)                    | 35.2                      | 22.5                      | 100.3                     | 62.0                      | 24.0                     | 79.3                     |
| Growth in deposits (YTD %)              | 0.4                       | 27.2                      | 119.7                     | 53.5                      | 25.4                     | 101.5                    |
| Growth in advances (YTD %)              | 49.5                      | 39.3                      | 227.2                     | 68.1                      | 18.1                     | 89.9                     |
| Growth in PAT (YOY %)                   | 146.8                     | (35.5)                    | 887.2                     | 9.9                       | (5.5)                    | 170.6                    |

**Outlook**  
Going forward, sectors such as mining and construction are expected to remain fairly strong and resilient, whilst recovery in the tourism and aviation sectors may be further catapulted by pent-up demand as tourists travel far and stay longer. The Group will continue to closely monitor these developments in order to better meet the expectations of its customers, employees, shareholders and all stakeholders.

The anticipated introduction of an investment instrument to assist holders to store value in gold coins, announced by the RBZ on June 24, 2022, is an opportunity we will actively participate in as a financial institution. The Central Bank also put in place additional measures to curb inflation and stabilize the economy. We remain optimistic that these steps will help keep the deteriorating economic situation in check and provide the much needed relief.

**Appreciation**  
Our valued clients remain the core of our success and we highly appreciate their continued partnerships with us. I would like to thank fellow Directors of the Board, the Boards of Subsidiary Companies, Management and Staff for their strong commitment to the CBZ brand and their desire to participate in the growth of the country's economy.

Marc Holtzman  
Group Chairman  
31 August 2022

## Statement of Directors' Responsibilities

The Directors are responsible for the oversight of Group's interim condensed consolidated financial statements preparation, to ensure that the statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards (IFRS). The Directors 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 Group interim condensed 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 interim condensed consolidated financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IAS 34
- 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 IFRS and local legislation**  
The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20 and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

The interim condensed 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 a review opinion on this historic 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 interim condensed consolidated financial statements on a going concern basis is 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 interim condensed consolidated financial statements. These interim condensed consolidated 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. GUMBO  
GROUP CFO  
31 August 2022

DR : B. MUDAVANHU  
GROUP CEO  
31 August 2022

## Auditor's Statement

The interim condensed consolidated inflation adjusted financial results of CBZ Holdings Limited, and its subsidiaries and the interim condensed inflation adjusted financial results for CBZ Bank Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). An unmodified review conclusion has been expressed for both CBZ Holdings Limited and CBZ Bank Limited.

The auditor's review conclusion is available for inspection at the Company's registered office. The engagement partner responsible for this review is Themba Mudidi (PAAB Practising Certificate Number 0437).

The interim condensed inflation adjusted financial results for CBZ Life Limited ("CBZ Life"), CBZ Insurance (Private) Limited ("CBZ Life") and CBZ Asset Management (Private) Limited t/a Datvest ("Datvest"), for the half year ended 30 June 2022 have not been audited or reviewed by Messrs KPMG Chartered Accountants (Zimbabwe).



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Consolidated Statement of  
Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

|   |      | REVIEWED  |                                       | UNAUDITED                               |   |
|---|------|---|---------------------------------------|---|---|
|   |      | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| NOTES   |      |   |                                       |   |   |
|   |      |   |                                       |   |   |
| Interest income   | 2    | 22 389 401                                      | 11 622 857                            | 14 398 892                              | 3 760 864                               |
| Interest expense  | 2    | (1 883 524)                                     | (5 668 184)                           | (1 107 124)                             | (1 807 263)                             |
| <b>Net interest income</b>  |      | <b>20 505 877</b>                               | <b>5 954 673</b>                      | <b>13 291 768</b>                       | <b>1 953 601</b>                        |
| Non-interest income   | 3    | 73 090 093                                      | 26 243 607                            | 78 895 621                              | 9 276 171                               |
| Net underwriting income   | 4    | 612 777   | 612 675                               | 261 946                                 | 183 359                                 |
| <b>Total income</b>   |      | <b>94 208 747</b>                               | <b>32 810 955</b>                     | <b>92 449 335</b>                       | <b>11 413 131</b>                       |
| Operating expenditure   | 5    | (25 887 031)                                    | (15 115 214)                          | (19 277 869)                            | (4 798 928)                             |
| <b>Operating income</b>   |      | <b>68 321 716</b>                               | <b>17 695 741</b>                     | <b>73 171 466</b>                       | <b>6 614 203</b>                        |
| Transfer to reserves  |      | (528 456)                                       | (186 994)                             | (343 001)                               | (64 135)                                |
| Credit loss expense   | 14   | (22 857 913)                                    | (4 149 516)                           | (22 857 913)                            | (1 423 199)                             |
| Charge for impairment on insurance assets                                   | 14   | (81 433)  | (20 226)                              | (81 433)                                | (6 937)                                 |
| Monetary loss   |      | (14 923 209)                                    | (897 517)                             | -                                       | -                                       |
| <b>Profit before taxation</b>   |      | <b>29 930 705</b>                               | <b>12 441 488</b>                     | <b>49 889 119</b>                       | <b>5 119 932</b>                        |
| Taxation  | 6.1  | (12 478 586)                                    | (5 368 916)                           | (12 005 136)                            | (1 282 308)                             |
| <b>Profit after tax for the period</b>                                      |      | <b>17 452 119</b>                               | <b>7 072 572</b>                      | <b>37 883 983</b>                       | <b>3 837 624</b>                        |
| <b>Other comprehensive income</b>   |      |   |                                       |   |   |
| <b>Items that will not be reclassified to profit or loss</b>                |      |   |                                       |   |   |
| Gains/ (Losses) on property revaluations                                    |      | 6 815 096                                       | (1 292 269)                           | 14 472 595                              | 166 129                                 |
| Gains/(Losses) on equity instruments at FVOCI                               |      | 64 121  | (76 007)                              | 2 703 980                               | 188 121                                 |
| Deferred income tax relating to components of other comprehensive income    | 6.3  | (1 103 973)                                     | 131 783                               | (2 393 512)                             | (49 245)                                |
|   |      | <b>5 775 244</b>                                | <b>(1 236 493)</b>                    | <b>14 783 063</b>                       | <b>305 005</b>                          |
| <b>Items that are or may be reclassified subsequently to profit or loss</b> |      |   |                                       |   |   |
| Exchange gains/ (losses) on translation of foreign subsidiary               | 30.7 | 58 870  | 108 021                               | 58 870                                  | (11 014)                                |
| <b>Other comprehensive income for the period net of tax</b>                 |      | <b>5 834 114</b>                                | <b>(1 128 472)</b>                    | <b>14 841 933</b>                       | <b>293 991</b>                          |
| <b>Total comprehensive income for the period</b>                            |      | <b>23 286 233</b>                               | <b>5 944 100</b>                      | <b>52 725 916</b>                       | <b>4 131 615</b>                        |
| <b>Profit for the period attributable to:</b>                               |      |   |                                       |   |   |
| Equity holders of parent  |      | 17 452 546                                      | 7 072 747                             | 37 882 904                              | 3 837 231                               |
| Non-controlling interests   | 30.5 | (427)   | (175)                                 | 1 079                                   | 393                                     |
|   |      | <b>17 452 119</b>                               | <b>7 072 572</b>                      | <b>37 883 983</b>                       | <b>3 837 624</b>                        |
| <b>Total comprehensive income for the period attributable to:</b>           |      |   |                                       |   |   |
| Equity holders of parent  |      | 23 282 881                                      | 5 944 566                             | 52 717 057                              | 4 131 146                               |
| Non-controlling interests   | 30.5 | 3 352   | (466)                                 | 8 859                                   | 469                                     |
| <b>Total comprehensive income for the period</b>                            |      | <b>23 286 233</b>                               | <b>5 944 100</b>                      | <b>52 725 916</b>                       | <b>4 131 615</b>                        |
| <b>Earnings per share (cents)</b>   |      |   |                                       |   |   |
| Basic   | 7.1  | 6 686.59  | 2 709.78                              | 14 514.08                               | 1 470.16                                |
| Fully Diluted   | 7.1  | 6 686.59  | 2 709.78                              | 14 514.08                               | 1 470.16                                |
| Headline  | 7.1  | 2 426.90  | 3 140.90                              | 10 671.57                               | 1 431.25                                |

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2022

| REVIEWED INFLATION ADJUSTED               |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
|---|----------------------------|----------------------------|---------------------|--|----------------------------------|---------------------------------|--------------------|--------------------------------|--|--|--------------------|
|   | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | SAAR**<br>ZWL\$ 000 | Share based Payment reserve<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | Fair value reserve<br>ZWL\$ 000 | *FCTR<br>ZWL\$ 000 | Retained earnings<br>ZWL\$ 000 | Total equity attributable to parent<br>ZWL\$ 000 | Non-controlling interests<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| RESTATED<br>30 JUNE 2021                  |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
| Opening balance                           | 589 053                    | 3 599 675                  | -                   | -  | 1 173 078                        | 1 725 123                       | 8 299 106          | 46 611 388                     | 61 997 423                                       | 9 712                                  | 62 007 135         |
| Profit for the period                     | -                          | -                          | -                   | -  | -                                | -                               | -                  | 7 072 747                      | 7 072 747  | (175)                                  | 7 072 572          |
| Other comprehensive income for the period | -                          | -                          | -                   | -  | (1 163 435)                      | (72 767)                        | 108 021            | -                              | (1 128 181)                                      | (291)                                  | (1 128 472)        |
| Dividend paid                             | -                          | -                          | -                   | -  | -                                | -                               | -                  | (4,429,331)                    | (4,429,331)                                      | -                                      | (4,429,331)        |
| Inter-category transfer                   | -                          | -                          | -                   | -  | 7 145 788                        | 874 385                         | (8 020 173)        | -                              | -  | -                                      | -                  |
| Closing balance                           | 589 053                    | 3 599 675                  | -                   | -  | 7 155 431                        | 2 526 741                       | 386 954            | 49 254 804                     | 63 512 658                                       | 9 246                                  | 63 521 904         |
| 30 JUNE 2022                              |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
| Opening balance                           | 589 053                    | 3 599 675                  | -                   | 1 247 722                                | 11 055 998                       | 3 515 205                       | 459 179            | 57 883 501                     | 78 350 333                                       | 9 573                                  | 78 359 906         |
| Profit for the period                     | -                          | -                          | -                   | -  | -                                | -                               | -                  | 17 452 546                     | 17 452 546                                       | (427)                                  | 17 452 119         |
| Other comprehensive income for the period | -                          | -                          | -                   | -  | 5 707 514                        | 63 951                          | 58 870             | -                              | 5 830 335  | 3 779                                  | 5 834 114          |
| Shares issued during the period           | -                          | -                          | 1 000 000           | -  | -                                | -                               | -                  | -                              | 1 000 000  | -                                      | 1 000 000          |
| Closing balance                           | 589 053                    | 3 599 675                  | 1 000 000           | 1 247 722                                | 16 763 512                       | 3 579 156                       | 518 049            | 75 336 047                     | 102 633 214                                      | 12 925                                 | 102 646 139        |
| UNAUDITED HISTORICAL                      |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
|   | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | SAAR**<br>ZWL\$ 000 | Share based Payment reserve<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | Fair value reserve<br>ZWL\$ 000 | *FCTR<br>ZWL\$ 000 | Retained earnings<br>ZWL\$ 000 | Total equity attributable to parent<br>ZWL\$ 000 | Non-controlling interests<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| 30 JUNE 2021                              |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
| Opening balance                           | 5 220                      | 33 876                     | -                   | -  | 2 810 911                        | 913 712                         | 171 378            | 7 126 176                      | 11 061 273                                       | 2 907                                  | 11 064 180         |
| Profit for the period                     | -                          | -                          | -                   | -  | -                                | -                               | -                  | 3 837 231                      | 3 837 231  | 393                                    | 3 837 624          |
| Other comprehensive income for the period | -                          | -                          | -                   | -  | 126 043                          | 178 886                         | (11 014)           | -                              | 293 915  | 76                                     | 293 991            |
| Dividend paid                             | -                          | -                          | -                   | -  | -                                | -                               | -                  | (1 519 170)                    | (1 519 170)                                      | -                                      | (1 519 170)        |
| Inter-category transfer                   | -                          | -                          | -                   | -  | 82 066                           | 10 042                          | (92 108)           | -                              | -  | -                                      | -                  |
| Closing balance                           | 5 220                      | 33 876                     | -                   | -  | 3 019 020                        | 1 102 640                       | 68 256             | 9 444 237                      | 13 673 249                                       | 3 376                                  | 13 676 625         |
| 30 JUNE 2022                              |                            |                            |                     |  |                                  |                                 |                    |                                |  |  |                    |
| Opening 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         |
| Profit for the period                     | -                          | -                          | -                   | -  | -                                | -                               | -                  | 37 882 904                     | 37 882 904                                       | 1 079                                  | 37 883 983         |
| Other comprehensive income for the period | -                          | -                          | -                   | -  | 12 207 700                       | 2 567 583                       | 58 870             | -                              | 14 834 153                                       | 7 780                                  | 14 841 933         |
| Shares issued during the period           | -                          | -                          | 1 000 000           | -  | -                                | -                               | -                  | -                              | 1 000 000  | -                                      | 1 000 000          |
| Closing balance                           | 5 220                      | 33 876                     | 1 000 000           | 569 951                                  | 17 998 410                       | 4 531 593                       | 135 899            | 59 147 419                     | 83 422 368                                       | 13 816                                 | 83 436 184         |

\*\* Shares awaiting allotment reserve (Refer to note 30.9)

\* Foreign currency translation reserve

Consolidated Statement of Financial Position

As at 30 June 2022

|  |       | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|-------|---|--------------------------------------|---|--|
|  |       | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| NOTES  |       |   |                                      |   |  |
|  |       |   |                                      |   |  |
| Cash & cash equivalents                                    | 9     | 100 970 755                                     | 86 610 150                           | 100 970 755                             | 39 562 931                             |
| Money market assets  | 10    | 12 589 056                                      | 53 314 296                           | 12 589 056                              | 24 353 610                             |
| Financial securities                                       | 11    | 894 879   | 2 111 496                            | 894 879                                 | 964 517                                |
| Loans and advances to customers                            | 12    | 182 893 601                                     | 122 377 616                          | 182 893 601                             | 55 901 268                             |
| Insurance assets   | 13    | 1 523 633                                       | 2 605 255                            | 1 375 684                               | 1 162 033                              |
| Equity investments   | 17    | 11 487 130                                      | 11 869 788                           | 11 487 130                              | 5 422 039                              |
| Land inventory   | 16    | 12 607 620                                      | 13 029 225                           | 786 249                                 | 552 094                                |
| Other assets   | 15    | 83 971 544                                      | 82 568 648                           | 79 749 199                              | 37 217 108                             |
| Current tax receivable                                     |       | 36 988  | 81 407                               | 36 988                                  | 37 186                                 |
| Intangible assets  | 22    | 580 123   | 665 810                              | 171 999                                 | 213 757                                |
| Property and equipment                                     | 20    | 27 278 706                                      | 19 941 387                           | 22 494 057                              | 7 395 991                              |
| Investment properties                                      | 21    | 19 221 361                                      | 13 507 113                           | 19 221 361                              | 6 169 958                              |
| Deferred tax asset   | 23.1  | 8 200 460                                       | 7 923 552                            | 9 228 174                               | 3 618 424                              |
| <b>TOTAL ASSETS</b>  |       | <b>462 255 856</b>                              | <b>416 605 743</b>                   | <b>441 899 132</b>                      | <b>182 570 916</b>                     |
| <b>LIABILITIES</b>   |       |   |                                      |   |  |
| Deposits   | 24    | 288 680 252                                     | 287 600 886                          | 288 680 252                             | 131 374 141                            |
| Insurance liabilities                                      | 25    | 1 504 515                                       | 2 124 587                            | 1 286 501                               | 930 419                                |
| Other liabilities  | 26    | 45 750 224                                      | 35 675 103                           | 45 724 494                              | 15 963 342                             |
| Current tax payable  |       | 2 520 562                                       | 1 143 979                            | 2 520 562                               | 522 562                                |
| Life fund  | 27.1  | 774 724   | 870 851                              | 774 724                                 | 397 799                                |
| Investment contract liabilities                            | 28.1  | 155 504   | 136 915                              | 155 504                                 | 62 542                                 |
| Deferred tax liability                                     | 23.2  | 20 141 957                                      | 10 614 115                           | 19 238 932                              | 3 573 573                              |
| Lease liability  | 20.1b | 81 979  | 79 401                               | 81 979                                  | 36 270                                 |
|  |       | <b>359 609 717</b>                              | <b>338 245 837</b>                   | <b>358 462 948</b>                      | <b>152 860 648</b>                     |
| <b>EQUITY</b>  |       |   |                                      |   |  |
| Share capital  | 30.1  | 589 053   | 589 053                              | 5 220                                   | 5 220                                  |
| Share premium  | 30.2  | 3 599 675                                       | 3 599 675                            | 33 876                                  | 33 876                                 |
| Revaluation reserve  | 30.3  | 16 763 512                                      | 11 055 998                           | 17 998 410                              | 5 790 710                              |
| Shares awaiting allotment reserve                          | 30.9  | 1 000 000                                       | -                                    | 1 000 000                               | -                                      |
| Share based payment reserve                                | 30.8  | 1 247 722                                       | 1 247 722                            | 569 951                                 | 569 951                                |
| Fair value reserve   | 30.6  | 3 579 156                                       | 3 515 205                            | 4 531 593                               | 1 964 010                              |
| Retained earnings  | 30.4  | 75 336 047                                      | 57 883 501                           | 59 147 419                              | 21 264 515                             |
| Foreign currency translation reserve                       | 30.7  | 518 049   | 459 179                              | 135 899                                 | 77 029                                 |
| <b>Equity attributable to equity holders of the parent</b> |       | <b>102 633 214</b>                              | <b>78 350 333</b>                    | <b>83 422 368</b>                       | <b>29 705 311</b>                      |
| Non-controlling interest                                   | 30.5  | 12 925  | 9 573                                | 13 816                                  | 4 957                                  |
| <b>TOTAL EQUITY</b>  |       | <b>102 646 139</b>                              | <b>78 359 906</b>                    | <b>83 436 184</b>                       | <b>29 710 268</b>                      |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        |       |   |                                      |   |  |
|  |       | <b>462 255 856</b>                              | <b>416 605 743</b>                   | <b>441 899 132</b>                      | <b>182 570 916</b>                     |

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 Cash Flows

For the half year ended 30 June 2022

|   | REVIEWED  |                                       | UNAUDITED                               |   |
|---|---|---------------------------------------|---|---|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| CASH FLOWS FROM OPERATING ACTIVITIES                                    |   |                                       |   |   |
| Profit before taxation  | 29 930 705                                      | 12 441 488                            | 49 889 119                              | 5 119 932                               |
| Non-cash items:   |   |                                       |   |   |
| Monetary loss   | 14 923 209                                      | 897 517                               | -                                       | -                                       |
| Depreciation  | 771 726   | 539 018                               | 372 091                                 | 142 161                                 |
| Amortisation of intangible assets                                       | 83 040  | 67 118                                | 42 966                                  | 17 446                                  |
| Write off of property and equipment                                     | 2 728   | 235 460                               | 415                                     | -                                       |
| Write off of intangible assets  | 7 479   | -                                     | 3 599                                   | -                                       |
| Write down of land inventory  | -   | 27 214                                | -                                       | 8 985                                   |
| Fair value adjustments on investment properties                         | (6 857 873)                                     | 1 240 083                             | (13 558 805)                            | (141 195)                               |
| Write off of right of use asset and lease liability                     | -   | 306                                   | -                                       | 92                                      |
| Fair value adjustments on financial instruments                         | 2 141 659                                       | (7 595 923)                           | (1 745 397)                             | (2 792 532)                             |
| Expected credit loss expense  | 22 857 913                                      | 4 149 516                             | 22 857 913                              | 1 423 199                               |
| Impairment on insurance assets  | 81 433  | 20 226                                | 81 433                                  | 6 937                                   |
| Unrealised gain on foreign currency position                            | (48 210 300)                                    | (315 448)                             | (48 210 300)                            | (108 192)                               |
| Loss/ (Profit) on disposal of investment properties                     | 494 730   | (8 079)                               | 222 062                                 | (2 720)                                 |
| Unearned premium reserve movement                                       | 67 692  | (21 418)                              | 205 252                                 | 9 962                                   |
| Incurred But Not Reported (IBNR) claims provisions                      | 35 581  | 13 395                                | 35 581                                  | 4 594                                   |
| Deferred commission movement  | (21 805)  | (66 494)                              | (20 276)                                | (23 068)                                |
| Profit on sale of property and equipment                                | (1 690)   | (225)                                 | (1 282)                                 | (75)                                    |
| Transfer to reserves  | 528 456   | 186 994                               | 343 001                                 | 64 135                                  |
| Interest on lease liability   | 3 762   | 5 365                                 | 2 719                                   | 1 753                                   |
| Operating cash flows before changes in operating assets and liabilities | 16 838 445                                      | 11 816 113                            | 10 520 091                              | 3 731 414                               |
| Changes in operating assets and liabilities                             |   |                                       |   |   |
| Deposits  | 21 632 029                                      | 101 260 777                           | 13 331 915                              | 32 370 243                              |
| Loans and advances to customers   | (148 040 587)                                   | (64 398 015)                          | (83 219 025)                            | (20 586 247)                            |
| Life assurance investment contract liabilities                          | 71 329  | 43 740                                | 71 329                                  | 13 469                                  |
| Money market assets   | 30 703 817                                      | (19 802 671)                          | 18 922 900                              | (6 330 360)                             |
| Financial securities  | 114 511   | 62 549                                | 70 218                                  | 20 858                                  |
| Insurance assets  | (86 873)  | 328 681                               | (43 573)                                | 37 764                                  |
| Insurance liabilities   | 364 164   | (111 164)                             | 199 551                                 | (33 808)                                |
| Land inventory  | 421 605   | (307 316)                             | (234 155)                               | (99 278)                                |
| Other assets  | 67 771 510                                      | (28 815 409)                          | 44 432 901                              | (7 720 983)                             |
| Other Liabilities   | 13 282 311                                      | 34 460 658                            | 5 384 048                               | 10 773 990                              |
|   | (13 766 184)                                    | 22 721 830                            | (1 083 891)                             | 8 445 648                               |
| TAXATION  |   |                                       |   |   |
| Corporate tax paid  | (2 844 015)                                     | (4 147 673)                           | (2 341 988)                             | (1 373 193)                             |
| Net cash inflow from operating activities                               | 228 246   | 30 390 270                            | 7 094 212                               | 10 803 869                              |
| CASH FLOWS FROM INVESTING ACTIVITIES                                    |   |                                       |   |   |
| Proceeds on disposal of investment property                             | 658 807   | 202 281                               | 315 843                                 | 63 271                                  |
| Investment in equities during the period                                | (2 063 456)                                     | (347 817)                             | (1 846 496)                             | (114 213)                               |
| Equity investments disposed during the period                           | 368 578   | 160 778                               | 230 782                                 | 53 533                                  |
| Purchase of investment property   | (9 913)   | (177 782)                             | (30 503)                                | (56 991)                                |
| Proceeds on disposal of property and equipment                          | 2 464   | 336                                   | 1 584                                   | 105                                     |
| Purchase of property and equipment                                      | (1 301 709)                                     | (637 725)                             | (1 002 530)                             | (176 780)                               |
| Purchase of intangible assets   | (580)   | (8 426)                               | (555)                                   | (2 540)                                 |
| Net cash outflow from investing activities                              | (2 345 809)                                     | (808 355)                             | (2 331 875)                             | (233 615)                               |
| CASH FLOWS FROM FINANCING ACTIVITIES                                    |   |                                       |   |   |
| Proceeds from issue of shares awaiting allotment                        | 1 000 000                                       | -                                     | 1 000 000                               | -                                       |
| Lease liability principal repayment                                     | (30 018)  | (23 144)                              | (15 516)                                | (7 122)                                 |
| Interest on lease liability paid  | (3 761)   | (5 365)                               | (2 719)                                 | (1 753)                                 |
| Dividend paid   | -   | (4 429 331)                           | -                                       | (1 519 170)                             |
| Net cash inflow/ (outflow) from financing activities                    | 966 221   | (4 457 840)                           | 981 765                                 | (1 528 045)                             |
| Net (Decrease)/ Increase in cash and cash equivalents                   | (1 151 342)                                     | 25 124 075                            | 5 744 102                               | 9 042 209                               |
| Cash and cash equivalents at beginning of the period                    | 86 610 150                                      | 69 504 115                            | 39 562 931                              | 19 752 126                              |
| Exchange gains on foreign cash balances                                 | 55 663 722                                      | 1 943 731                             | 55 663 722                              | 666 660                                 |
| Inflation effects on cash and cash equivalents                          | (40 151 775)                                    | (10 674 682)                          | -                                       | -                                       |
| Cash and cash equivalents at end of the period                          | 100 970 755                                     | 85 897 239                            | 100 970 755                             | 29 460 995                              |



## Accounting Policies

For the half year ended 30 June 2022

### 1. GROUP ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for new standards and amendments adopted effective 1 January 2022 (see 1.1c). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements 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 interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20 and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019. The consolidated financial results have been adjusted to take into account the impact of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

#### a) Basis of consolidation

The Group's consolidated financial results incorporate the financial results of 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 period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities 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.

#### b) Use of judgements and estimates

In preparing these interim condensed consolidated 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.

#### c) New standards, interpretations and amendments adopted by the Group

##### i. Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period

##### ii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

##### iii. IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

##### iv. IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the interim condensed consolidated financial statements of the Group, as there were no modifications of the Group's financial instruments during the period.

##### v. IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

##### vi. Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets),

The amendment clarifies that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract, like direct labour and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract).

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

| Date             | Indices  | Percentage (%) movement | Conversion Factors |
|------------------|----------|-------------------------|--------------------|
| 30 June 2022     | 8,707.35 | 119%                    | 1.0000             |
| 31 December 2021 | 3,977.46 | 192%                    | 2.1892             |
| 30 June 2021     | 2,986.44 | 502%                    | 2.9156             |
| 30 June 2020     | 1,445.21 |                         | 6.0250             |

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 given below.

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 2021 and 30 June 2021 were restated by applying the change in the index from the date of last re-measurement to 30 June 2022.
- 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 30 June 2022. Property and equipment is restated by applying the change in the index from the date of transaction to 30 June 2022.
- 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 30 June 2022.
- 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 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. 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.

## Notes to the Reviewed Inflation Adjusted Consolidated Financial Results

For the half year ended 30 June 2022

### 1.4 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group For the half year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 31 August 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.

|   | REVIEWED  |                                       | UNAUDITED                               |   |
|---|---|---------------------------------------|---|---|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| 2. INTEREST                                       |   |                                       |   |   |
| Interest Income                                   |   |                                       |   |   |
| Bankers acceptances                               | 290 145   | 55 607                                | 174 902                                 | 17 721                                  |
| Overdrafts  | 2 525 656                                       | 5 159 357                             | 1 435 685                               | 1 562 341                               |
| Loans   | 15 056 775                                      | 3 679 511                             | 9 860 627                               | 1 294 901                               |
| Mortgage loans                                    | 277 032   | 178 853                               | 183 017                                 | 57 444                                  |
| Staff loans                                       | 168 214   | 116 121                               | 106 902                                 | 37 126                                  |
| Securities investments                            | 350 319   | 560 826                               | 231 922                                 | 179 563                                 |
| Other investments                                 | 3 721 260                                       | 1 872 582                             | 2 405 837                               | 611 768                                 |
|   | 22 389 401                                      | 11 622 857                            | 14 398 892                              | 3 760 864                               |
| Interest expense                                  |   |                                       |   |   |
| Call deposits                                     | 41 637  | 61 464                                | 28 942                                  | 19 666                                  |
| Savings deposits                                  | 397 088   | 3 234 520                             | 131 439                                 | 1 024 116                               |
| Money market deposits                             | 1 337 189                                       | 2 313 021                             | 864 377                                 | 744 734                                 |
| Other offshore deposits                           | 103 848   | 53 814                                | 79 647                                  | 16 994                                  |
| Lease liability                                   | 3 762   | 5 365                                 | 2 719                                   | 1 753                                   |
|   | 1 883 524                                       | 5 668 184                             | 1 107 124                               | 1 807 263                               |
| NET INTEREST INCOME                               | 20 505 877                                      | 5 954 673                             | 13 291 768                              | 1 953 601                               |
| 3. NON-INTEREST INCOME                            |   |                                       |   |   |
| Net income from trading securities                | 197 987   | 15 278                                | 119 020                                 | 7 957                                   |
| Fair value adjustments on financial instruments   | (2 141 659)                                     | 7 595 923                             | 1 745 397                               | 2 792 532                               |
| Fair value adjustments on investment properties   | 6 857 873                                       | (1 240 083)                           | 13 558 805                              | 141 195                                 |
| Net income from foreign currency dealing          | 1 245 735                                       | 891 254                               | 881 126                                 | 286 076                                 |
| Unrealised on foreign currency exchange           | 48 210 300                                      | 315 448                               | 48 210 300                              | 108 192                                 |
| Agro business income                              | 8 327 887                                       | 9 446 450                             | 7 251 249                               | 3 015 630                               |
| Commission and fee income                         | 10 971 500                                      | 8 727 413                             | 7 035 140                               | 2 767 253                               |
| Profit on disposal of property and equipment      | 1 690   | 225                                   | 1 282                                   | 75                                      |
| (Loss)/ Profit on disposal of investment property | (494 730)                                       | 8 079                                 | (222 062)                               | 2 720                                   |
| Bad debts recovered                               | 22 472  | 39 422                                | 14 111                                  | 12 504                                  |
| Property sales                                    | (416 415)                                       | 153 088                               | 114 566                                 | 51 018                                  |
| Lease income                                      | 144 593   | 111 633                               | 103 368                                 | 18 056                                  |
| Other operating income                            | 162 860   | 179 477                               | 83 319                                  | 72 963                                  |
|   | 73 090 093                                      | 26 243 607                            | 78 895 621                              | 9 276 171                               |

Included in unrealised gains, are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agro business segments. Commission and fee income largely comprises income earned from banking operations.

### 4 UNDERWRITING INCOME (NET)

|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| Gross premium insurance                 | 1 730 038 | 1 469 636 | 1 267 301 | 480 138   |
| Reinsurance                             | (576 339) | (698 794) | (469 916) | (229 178) |
| Net written premium                     | 1 153 699 | 770 842   | 797 385   | 250 960   |
| Unearned premium                        | (67 692)  | 21 418    | (205 252) | (9 962)   |
| Net earned premium                      | 1 086 007 | 792 260   | 592 133   | 240 998   |
| Net commission(a)                       | (35 513)  | (5 117)   | (20 482)  | (466)     |
| Net claims (b)                          | (437 717) | (174 468) | (309 705) | (57 173)  |
|   | 612 777   | 612 675   | 261 946   | 183 359   |
| (a) Net Commissions                     |           |           |           |           |
| Commission received                     | 150 881   | 160 333   | 94 243    | 52 700    |
| Commission paid                         | (208 199) | (231 944) | (135 001) | (76 234)  |
| Deferred acquisition costs              | 21 805    | 66 494    | 20 276    | 23 068    |
|   | (35 513)  | (5 117)   | (20 482)  | (466)     |
| (b) Net Claims                          |           |           |           |           |
| Gross claims incurred                   | 818 142   | 334 288   | 532 380   | 107 573   |
| Reinsurance claims                      | (472 821) | (209 523) | (304 268) | (63 258)  |
| Incurred but not yet reported claims    | 35 581    | 13 395    | 35 581    | 4 594     |
| Gross outstanding claims                | 204 148   | 202 968   | 149 410   | 65 425    |
| Reinsurance share of outstanding claims | (147 333) | (166 660) | (103 398) | (57 161)  |
|   | 437 717   | 174 468   | 309 705   | 57 173    |

### 5 OPERATING EXPENDITURE

|  |            |            |            |           |
|--|------------|------------|------------|-----------|
| Staff costs  | 19 585 234 | 8 330 369  | 15 351 717 | 2 715 117 |
| Administration expenses                              | 5 227 316  | 5 819 277  | 3 397 903  | 1 883 697 |
| Audit fees   | 124 075    | 78 617     | 97 355     | 25 550    |
| Depreciation   | 771 726    | 539 018    | 372 091    | 142 161   |
| Write off of property and equipment                  | 2 728      | 235 460    | 415        | -         |
| Write down of land inventory                         | -          | 27 214     | -          | 8 985     |
| Amortisation of intangible assets                    | 83 040     | 67 118     | 42 966     | 17 446    |
| Property cost of sales                               | 85 433     | 17 835     | 11 823     | 5 880     |
| Write off intangible assets                          | 7 479      | -          | 3 599      | -         |
| Write offs of right of use asset and lease liability | -          | 306        | -          | 92        |
|  | 25 887 031 | 15 115 214 | 19 277 869 | 4 798 928 |

### Remuneration of directors and key management personnel (included in staff costs)

|  |           |         |         |         |
|--|-----------|---------|---------|---------|
| Fees for services as directors                                 | 16 173    | 60 537  | 9 968   | 19 352  |
| Pension and retirement benefits for past and present directors | 58 833    | 40 772  | 36 259  | 13 034  |
| Salaries and other benefits                                    | 1 322 719 | 419 043 | 815 197 | 133 956 |
|  | 1 397 725 | 520 352 | 861 424 | 166 342 |
| Short term employment benefits                                 | 1 338 892 | 479 580 | 825 165 | 153 308 |
| Post employment benefits                                       | 58 833    | 40 772  | 36 259  | 13 034  |
|  | 1 397 725 | 520 352 | 861 424 | 166 342 |

### 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                                      | 4 331 625  | 4 774 509 | 4 331 625  | 1 637 559 |
| Deferred income tax  | 8 146 961  | 594 407   | 7 673 511  | (355 251) |
| Income tax expense   | 12 478 586 | 5 368 916 | 12 005 136 | 1 282 308 |

|                              |         |        |        |        |
|------------------------------|---------|--------|--------|--------|
| 6.2 Tax rate reconciliation  | %       | %      | %      | %      |
| Notional tax                 | 24.00   | 24.00  | 24.00  | 24.00  |
| Aids levy                    | 0.72    | 0.72   | 0.72   | 0.72   |
| Non-deductible expenses      | 41.27   | 19.13  | 3.90   | 5.16   |
| Exempt income                | (22.09) | (0.68) | (2.96) | (4.82) |
| Tax credit                   | (0.70)  | (0.02) | (0.83) | (0.01) |
| Effect of rebasing tax bases | 0.12    | -      | 0.09   | -      |
| Effect of special tax rate   | (1.63)  | -      | (0.85) | -      |
| Effective tax rate           | 41.69   | 43.15  | 24.06  | 25.05  |

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  | 1 104 633 | (128 693) | 2 258 735 | 40 023 |
| Unlisted equities  | (660)     | (3 090)   | 134 777   | 9 222  |
| Total taxation relating to components of other comprehensive income  | 1 103 973 | (131 783) | 2 393 512 | 49 245 |

### 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:



# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

|     |   | REVIEWED  |                                       | UNAUDITED                               |   |
|-----|---|---|---------------------------------------|---|---|
|     |   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| 7.1 | Annualised earnings per share (ZWL cents)   |   |                                       |   |   |
|     | Basic   | 6 686.59  | 2 709.78                              | 14 514.08                               | 1 470.16                                |
|     | Fully Diluted   | 6 686.59  | 2 709.78                              | 14 514.08                               | 1 470.16                                |
|     | Headline  | 2 426.90  | 3 140.90                              | 10 671.57                               | 1 431.25                                |
| 7.2 | Earnings  |   |                                       |   |   |
|     | Basic (earnings attributable to holders of parent)  | 17 452 546                                      | 7 072 747                             | 37 882 904                              | 3 837 231                               |
|     | Fully Diluted   | 17 452 546                                      | 7 072 747                             | 37 882 904                              | 3 837 231                               |
|     | Headline  | 12 668 784                                      | 8 198 002                             | 27 853 658                              | 3 735 668                               |
|     | Number of shares used in calculations (weighted)  |   |                                       |   |   |
|     | Basic   | 522 016   | 522 016                               | 522 016                                 | 522 016                                 |
|     | Fully diluted   | 522 016   | 522 016                               | 522 016                                 | 522 016                                 |
|     | Headline  | 522 016   | 522 016                               | 522 016                                 | 522 016                                 |
| 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   | 522 016                               | 522 016                                 | 522 016                                 |
|     | Weighted average number of shares used for basic EPS  | 522 016   | 522 016                               | 522 016                                 | 522 016                                 |
|     | Potentially dilutive shares employee share options  | -   | -                                     | -                                       | -                                       |
|     | Weighted average number of shares used for diluted EPS  | 522 016   | 522 016                               | 522 016                                 | 522 016                                 |
| 7.4 | Headline Earnings   |   |                                       |   |   |
|     | Profit attributable to ordinary shareholders  | 17 452 546                                      | 7 072 747                             | 37 882 904                              | 3 837 231                               |
|     | Ajusted to exclude re-measurements  |   |                                       |   |   |
|     | Impairment on property and equipment  | 2 728   | 235 460                               | 11 823                                  | -                                       |
|     | Write off of right of use asset and lease liability   | -   | 306                                   | -                                       | 92                                      |
|     | Write off of intangible assets  | 7 479   | -                                     | 3 599                                   | -                                       |
|     | Write down of land inventory  | -   | 27 214                                | -                                       | 8 985                                   |
|     | Disposal gain on property and equipment   | (1 690)   | (225)                                 | (1 282)                                 | (75)                                    |
|     | Profit/(loss) on disposal of investment property  | 494 730   | (8 079)                               | 222 062                                 | (2 720)                                 |
|     | Gains/(loss) on investment properties valuation   | (6 857 873)                                     | 1 240 083                             | (13 558 805)                            | (141 195)                               |
|     | Tax relating to remeasurements  | 1 570 864                                       | (369 504)                             | 3 293 347                               | 33 350                                  |
|     | Headline earnings   | 12 668 784                                      | 8 198 002                             | 27 853 648                              | 3 735 668                               |
| 8.  | DIVIDENDS   |   |                                       |   |   |
|     | Cash dividends on ordinary shares declared and paid:  |   |                                       |   |   |
|     | Final Dividend  | -   | 4 429 331                             | -                                       | 1 519 170                               |
|     |   | -   | 4 429 331                             | -                                       | 1 519 170                               |
|     | Interim paid per share (Cents)  | -   | -                                     | -                                       | -                                       |
|     | Final dividend paid per share (cents)   | -   | 849.00                                | -                                       | 291.02                                  |
|     | Dividends are paid on shares held at the record date net of treasury shares held on the same date.                      |   |                                       |   |   |
|     | Proposed dividend on ordinary shares:   |   |                                       |   |   |
|     | Interim   | -   | 1 457 813                             | -                                       | 500 000                                 |
|     | Interim dividend per share (cents)  | -   | 279.27                                | -                                       | 95.78                                   |
|     | Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 30 June 2022. |   |                                       |   |   |

|    |  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|----|--|---|--------------------------------------|---|--|
|    |  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 9. | CASH AND CASH EQUIVALENTS                  |   |                                      |   |  |
|    | Cash                                       | 15 644 652                                      | 37 486 914                           | 15 644 652                              | 17 123 769                             |
|    | Balances with foreign banks                | 17 504 659                                      | 35 197 255                           | 17 504 659                              | 16 077 868                             |
|    | Balances with the Reserve Bank of Zimbabwe | 62 969 573                                      | 6 078 428                            | 62 969 573                              | 2 776 585                              |
|    | RBZ Statutory reserve                      | 4 851 871                                       | 7 847 553                            | 4 851 871                               | 3 584 709                              |
|    |  | 100 970 755                                     | 86 610 150                           | 100 970 755                             | 39 562 931                             |

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.

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 Group:

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| RBZ Statutory reserve                       | 4 851 871        | 7 533 881        | 4 851 871        | 3 441 426        |
| Amounts secured as guarantees or collateral | 4 185 367        | 2 029 916        | 4 185 367        | 927 252          |
|   | <b>9 037 238</b> | <b>9 563 797</b> | <b>9 037 238</b> | <b>4 368 678</b> |

|      |  |                   |                   |  |                   |                   |
|------|--|-------------------|-------------------|--|-------------------|-------------------|
| 10.  | MONEY MARKET ASSETS  |                   |                   |  |                   |                   |
|      | Interbank Placements   | 7 563 722         | 13 162 259        |  | 7 563 722         | 6 012 433         |
|      | RBZ Savings bonds  | 4 073 279         | 37 484 944        |  | 4 073 279         | 17 122 869        |
|      | Bankers acceptances  | 1 381 401         | 2 742 738         |  | 1 381 401         | 1 252 864         |
|      | Accrued interest   | 52 276            | 93 749            |  | 52 276            | 42 824            |
|      | <b>Total gross money market assets</b>                       | <b>13 070 678</b> | <b>53 483 690</b> |  | <b>13 070 678</b> | <b>24 430 988</b> |
|      | Allowance for expected credit loss                           | (481 622)         | (169 394)         |  | (481 622)         | (77 378)          |
|      | <b>Total net money market assets</b>                         | <b>12 589 056</b> | <b>53 314 296</b> |  | <b>12 589 056</b> | <b>24 353 610</b> |
| 10.1 | Maturity analysis  |                   |                   |  |                   |                   |
|      | The maturity analysis of money market assets is shown below. |                   |                   |  |                   |                   |
|      | Between 0 and 3 months                                       | 12 239 077        | 41 431 106        |  | 12 239 077        | 18 925 449        |
|      | Between 3 and 6 months                                       | 827 469           | 12 047 346        |  | 827 469           | 5 503 146         |
|      | Above 12 months  | 4 132             | 5 238             |  | 4 132             | 2 393             |
|      |  | <b>13 070 678</b> | <b>53 483 690</b> |  | <b>13 070 678</b> | <b>24 430 988</b> |

|     |   |                |                  |                        |
|-----|---|----------------|------------------|------------------------|
| 11. | FINANCIAL SECURITIES                    |                |                  |                        |
|     | Treasury bills                          | 895 330        | 2 098 162        | 895 330 958 426        |
|     | Accrued interest                        | 13 378         | 44 878           | 13 378 20 500          |
|     | <b>Total gross financial securities</b> | <b>908 708</b> | <b>2 143 040</b> | <b>908 708 978 926</b> |
|     | Allowance for expected credit loss      | (13 829)       | (31 544)         | (13 829) (14 409)      |
|     | <b>Total net financial securities</b>   | <b>894 879</b> | <b>2 111 496</b> | <b>894 879 964 517</b> |

|      |   |                |                  |                |                |
|------|---|----------------|------------------|----------------|----------------|
| 11.1 | <b>Maturity analysis</b>                                      |                |                  |                |                |
|      | The maturity analysis of financial securities is shown below: |                |                  |                |                |
|      | Between 0 and 3 months  | -              | 22 128           | -              | 10 108         |
|      | Between 3 and 6 months  | 9 299          | 100 118          | 9 299          | 45 733         |
|      | Between 6 and 12 months                                       | 3 312          | -                | 3 312          | -              |
|      | Between 1 and 5 years   | 46 756         | 325 346          | 46 756         | 148 616        |
|      | Above 5 years   | 849 341        | 1 695 448        | 849 341        | 774 469        |
|      |   | <b>908 708</b> | <b>2 143 040</b> | <b>908 708</b> | <b>978 926</b> |

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

|     |  |                    |                    |                    |                   |
|-----|--|--------------------|--------------------|--------------------|-------------------|
| 12. | LOANS AND ADVANCES TO CUSTOMERS                    |                    |                    |                    |                   |
|     | Overdrafts   | 18 211 075         | 6 178 191          | 18 211 075         | 2 822 156         |
|     | Commercial loans                                   | 68 650 802         | 44 143 396         | 68 650 802         | 20 164 405        |
|     | Staff loans  | 3 768 766          | 4 120 987          | 3 768 766          | 1 882 439         |
|     | Mortgage advances                                  | 3 685 346          | 2 361 281          | 3 685 346          | 1 078 617         |
|     | Agro business loans                                | 109 460 421        | 68 692 783         | 109 460 421        | 31 378 399        |
|     | Interest accrued                                   | 9 482 069          | 14 550 152         | 9 482 069          | 6 646 411         |
|     | <b>Total gross loans and advances to customers</b> | <b>213 258 479</b> | <b>140 046 790</b> | <b>213 258 479</b> | <b>63 972 427</b> |
|     | Allowance for expected credit loss                 | (30 364 878)       | (17 669 174)       | (30 364 878)       | (8 071 159)       |
|     | <b>Total net advances</b>                          | <b>182 893 601</b> | <b>122 377 616</b> | <b>182 893 601</b> | <b>55 901 268</b> |

|      |                             | REVIEWED           | AUDITED     | UNAUDITED    |             |
|------|-----------------------------|--------------------|-------------|--------------|-------------|
|      |                             | INFLATION ADJUSTED | RESTATED    | HISTORICAL   | HISTORICAL  |
|      |                             | 30 JUNE 2022       | 31 DEC 2021 | 30 JUNE 2022 | 31 DEC 2021 |
|      |                             | ZWL\$ 000          | ZWL\$ 000   | ZWL\$ 000    | ZWL\$ 000   |
| 12.2 | Maturity analysis           |                    |             |              |             |
|      | Less than 1 month           | 19 782 388         | 11 423 024  | 19 782 388   | 5 217 960   |
|      | Between 1 and 3 months      | 6 230 841          | 8 487 260   | 6 230 841    | 3 876 923   |
|      | Between 3 and 6 months      | 67 713 469         | 18 126 188  | 67 713 469   | 8 279 920   |
|      | Between 6 months and 1 year | 77 633 332         | 85 824 081  | 77 633 332   | 39 203 860  |
|      | Between 1 and 5 years       | 22 729 722         | 12 851 852  | 22 729 722   | 5 870 639   |
|      | More than 5 years           | 19 168 727         | 3 334 385   | 19 168 727   | 1 523 125   |
|      |                             | 213 258 479        | 140 046 790 | 213 258 479  | 63 972 427  |

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

|      |                                       |             |           |           |           |
|------|---------------------------------------|-------------|-----------|-----------|-----------|
| 12.3 | Loans to directors and key management |             |           |           |           |
|      | Opening balance                       | 1 367 516   | 776 159   | 624 672   | 220 574   |
|      | Advances made during the period       | 1 416 195   | 1 643 481 | 872 808   | 581 778   |
|      | Monetary adjustment                   | (1 257 101) | (550 192) | -         | -         |
|      | Repayment during the period           | (75 920)    | (501 932) | (46 791)  | (177 680) |
|      | Closing balance                       | 1 450 690   | 1 367 516 | 1 450 689 | 624 672   |

|  |             |             |           |           |  |
|--|-------------|-------------|-----------|-----------|--|
| Loans to employees                             |             |             |           |           |  |
| Included in advances are loans to employees: - |             |             |           |           |  |
| Opening balance                                | 2 753 473   | 3 502 674   | 1 257 768 | 995 414   |  |
| Advances made during the period                | 2 037 499   | 1 879 728   | 1 255 720 | 665 407   |  |
| Monetary adjustment                            | (3 646 161) | (1 490 333) | -         | -         |  |
| Repayments during the period                   | (317 066)   | (1 138 596) | (195 409) | (403 053) |  |
| Closing balance                                | 827 745     | 2 753 473   | 2 318 079 | 1 257 768 |  |

|      |   |                   |                   |                   |                  |
|------|---|-------------------|-------------------|-------------------|------------------|
| 12.4 | Allowance for Expected Credit Loss (ECL)  |                   |                   |                   |                  |
|      | Opening balance                           | 17 669 174        | 4 091 385         | 8 071 159         | 1 162 716        |
|      | Credit loss expense on loans and advances | 22 309 758        | 15 152 976        | 22 309 758        | 6 921 777        |
|      | Monetary adjustment                       | (9 588 027)       | (1 538 652)       | -                 | -                |
|      | Amounts written off during the period     | (26 027)          | (36 535)          | (16 039)          | (13 334)         |
|      | <b>Closing balance</b>                    | <b>30 364 878</b> | <b>17 669 174</b> | <b>30 364 878</b> | <b>8 071 159</b> |

|      |                                   |             |            |             |            |
|------|-----------------------------------|-------------|------------|-------------|------------|
| 12.5 | Collateral                        |             |            |             |            |
|      | Cash cover                        | 1 018 843   | 215 892    | 1 018 843   | 98 618     |
|      | Government Guarantee              | 87 065 133  | 55 604 126 | 87 065 133  | 25 399 589 |
|      | Registered Marketable Commodities | 28 709 602  | -          | 28 709 602  | -          |
|      | Mortgage bonds                    | 11 341 252  | 20 139 127 | 11 341 252  | 9 199 417  |
|      | Notarial general covering bonds   | 19 807 691  | 21 170 178 | 19 807 691  | 9 670 394  |
|      |                                   | 147 942 521 | 97 129 323 | 147 942 521 | 44 368 018 |

|     |                                      |           |           |           |           |
|-----|--------------------------------------|-----------|-----------|-----------|-----------|
| 13. | INSURANCE ASSETS                     |           |           |           |           |
|     | Reinsurance unearned premium reserve | 270 638   | 466 082   | 169 237   | 191 731   |
|     | Reinsurance receivables              | 462 241   | 1 094 276 | 462 241   | 499 858   |
|     | Deferred acquisition costs           | 146 105   | 183 842   | 87 643    | 73 617    |
|     | Insurance premium receivables        | 762 744   | 950 807   | 774 658   | 437 825   |
|     | Suspended premium                    | (2 962)   | (15 977)  | (2 962)   | (7 298)   |
|     | Impairment provision                 | (115 133) | (73 775)  | (115 133) | (33 700)  |
|     |                                      | 1 523 633 | 2 605 255 | 1 375 684 | 1 162 033 |

|      |                                      |           |             |           |           |
|------|--------------------------------------|-----------|-------------|-----------|-----------|
| 13.1 | Reinsurance unearned premium reserve |           |             |           |           |
|      | Opening balance                      | 466 082   | 693 995     | 191 731   | 197 223   |
|      | Written premiums                     | 641 458   | 1 674 600   | 413 557   | 642 738   |
|      | Premiums earned during the period    | (836 902) | (1 902 513) | (436 051) | (648 230) |
|      | Closing balance                      | 270 638   | 466 082     | 169 237   | 191 731   |

|      |  |          |          |         |
|------|--|----------|----------|---------|
| 13.2 | Impairment provision on insurance assets       |          |          |         |
|      | Opening balance                                | 73 775   | 56 754   | 33 700  |
|      | Charge for impairment on insurance receivables | 81 433   | 42 597   | 81 433  |
|      | Monetary adjustment                            | (40 075) | (25 576) | -       |
|      | Amounts written off during the period          | -        | -        | (1 887) |
|      | Closing balance                                | 115 133  | 73 775   | 115 133 |
|      |  |          |          | 33 700  |

## 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:

| INFLATION ADJUSTED                 |                   |              |                   |              |                   |              |                 |              |
|------------------------------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-----------------|--------------|
|                                    | Stage 1 ZWL\$ 000 |              | Stage 2 ZWL\$ 000 |              | Stage 3 ZWL\$ 000 |              | Total ZWL\$ 000 |              |
|                                    | 30 JUNE 2022      | 30 JUNE 2021 | 30 JUNE 2022      | 30 JUNE 2021 | 30 JUNE 2022      | 30 JUNE 2021 | 30 JUNE 2022    | 30 JUNE 2021 |
| Money market assets                | 404 244           | 36 929       | -                 | -            | -                 | -            | 404 244         | 36 929       |
| Financial securities               | (580)             | 2 694        | -                 | -            | -                 | -            | (580)           | 2 694        |
| Loans and advances to customers    | 3 735 531         | 2 953 838    | 496 077           | 93 694       | 18 078 150        | 294 370      | 22 309 758      | 3 341 902    |
| Financial guarantees               | 167               | 36 186       | -                 | -            | -                 | -            | 167             | 36 186       |
| Other commitments                  | 121 337           | 722 168      | (2 158)           | (507)        | 9 184             | 1 916        | 128 363         | 723 577      |
| Lease receivables                  | -                 | 2 309        | 4 924             | 2 446        | 11 037            | 3 473        | 15 961          | 8 228        |
|                                    | 4 260 699         | 3 754 124    | 498 843           | 95 633       | 18 098 371        | 299 759      | 22 857 913      | 4 149 516    |
| Insurance assets impairment charge | 81 433            | 20 226       | -                 | -            | -                 | -            | 81 433          | 20 226       |
| Total                              | 4 342 132         | 3 774 350    | 498 843           | 95 633       | 18 098 371        | 299 759      | 22 939 346      | 4 169 744    |

|      |   | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|------|---|---|--------------------------------------|---|--|
|      |   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 16.  | LAND INVENTORY  |   |                                      |   |  |
|      | Opening balance   | 13 029 225                                      | 13 029 952                           | 552 094                                 | 470 639                                |
|      | Additions   | 244 048   | 401 926                              | 239 463                                 | 135 868                                |
|      | Disposals   | (665 653)                                       | (202 851)                            | (5 308)                                 | (41 755)                               |
|      | Write off   | -   | (199 802)                            | -                                       | (12 658)                               |
|      | Closing balance   | 12 607 620                                      | 13 029 225                           | 786 249                                 | 552 094                                |
| 17   | EQUITY INVESTMENTS  |   |                                      |   |  |
|      | Opening balance   | 11 869 788                                      | 6 769 605                            | 5 422 039                               | 1 923 830                              |
|      | Investment in equities during the period                                      | 2 063 457                                       | 2 089 512                            | 1 846 496                               | 917 227                                |
|      | Investment disposed during the period   | (368 578)                                       | (226 231)                            | (230 782)                               | (75 513)                               |
|      | Fair value adjustments - Profit or loss                                       | (2 141 659)                                     | 2 271 570                            | 1 745 397                               | 1 561 872                              |
|      | Fair value adjustments - Other comprehensive income                           | 64 122  | 965 332                              | 2 703 980                               | 1 094 623                              |
|      |   | 11 487 130                                      | 11 869 788                           | 11 487 130                              | 5 422 039                              |
| 17.1 | Investments in Equities   |   |                                      |   |  |
|      | Unlisted investments  | 6 555 167                                       | 4 853 612                            | 6 555 167                               | 2 217 097                              |
|      | Listed investments  | 4 931 963                                       | 7 016 176                            | 4 931 963                               | 3 204 942                              |
|      |   | 11 487 130                                      | 11 869 788                           | 11 487 130                              | 5 422 039                              |
|      | Equity investment designated at fair value through profit or loss             | 4 931 963                                       | 7 016 176                            | 4 931 963                               | 3 204 942                              |
|      | Equity investment designated at fair value through other comprehensive income | 6 555 167                                       | 4 853 612                            | 6 555 167                               | 2 217 097                              |
|      |   | 11 487 130                                      | 11 869 788                           | 11 487 130                              | 5 422 039                              |

|      |  | REVIEWED  |      | AUDITED                              |      | UNAUDITED                               |      |  |
|------|--|---|------|--------------------------------------|------|---|------|--|
|      |  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | %    | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | %    | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | %    | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 17.2 | Investment in subsidiaries                   |   |      |                                      |      |   |      |  |
|      | CBZ Bank Limited                             | 2 141 354                                       | 100  | 2 141 354                            | 100  | 21 840                                  | 100  | 21 840                                 |
|      | CBZ Asset Management (Private) Limited       | 194 915   | 100  | 194 915                              | 100  | 1 988                                   | 100  | 1 988                                  |
|      | CBZ Building Society                         | -   | 100  | -                                    | 100  | -                                       | 100  | -                                      |
|      | CBZ Insurance (Private) Limited              | 416 613   | 98.4 | 416 613                              | 98.4 | 23 615                                  | 98.4 | 23 615                                 |
|      | CBZ Properties (Private) Limited             | 468 586   | 100  | 468 586                              | 100  | 4 779                                   | 100  | 4 779                                  |
|      | CBZ Life Assurance (Private) Limited         | 136 090   | 100  | 136 090                              | 100  | 1 388                                   | 100  | 1 388                                  |
|      | CBZ Asset Management Mauritius               | 8 715   | 100  | 8 715                                | 100  | 89                                      | 100  | 89                                     |
|      | CBZ Risk Advisory Services (Private) Limited | 131 882   | 100  | 131 882                              | 100  | 1 345                                   | 100  | 1 345                                  |
|      | Red Sphere Finance (Private) Limited         | 962 733   | 100  | 962 733                              | 100  | 250 520                                 | 100  | 250 520                                |
|      | CBZ Agro Yield (Private) Limited             | 21 609  | 100  | 21 609                               | 100  | 1 000                                   | 100  | 1 000                                  |
|      |  | 4 482 497                                       |      | 4 482 497                            |      | 306 564                                 |      | 306 564                                |

## 18. CATEGORIES OF FINANCIAL ASSETS

|  |  | At fair value<br>through<br>profit or loss<br>ZWL\$ 000 | At fair value<br>through<br>OCI<br>ZWL\$ 000 | At amortised<br>cost<br>ZWL\$ 000 | Total<br>carrying<br>amount<br>ZWL\$ 000 |
|--|--|---|--|-----------------------------------|--|
|--|--|---|--|-----------------------------------|--|

| REVIEWED INFLATION ADJUSTED     |           |           |             |             |             |
|---------------------------------|-----------|-----------|-------------|-------------|-------------|
| 30 JUNE 2022                    |           |           |             |             |             |
| Balances with banks and cash    | -         | -         | -           | 100 970 755 | 100 970 755 |
| Money market Assets             | -         | -         | -           | 12 589 056  | 12 589 056  |
| Financial securities            | -         | -         | -           | 894 879     | 894 879     |
| Loans and advances to customers | -         | -         | -           | 182 893 601 | 182 893 601 |
| Equity investments              | 4 931 963 | 6 555 167 | -           | 11 487 130  | -           |
| Other assets                    | -         | -         | 74 826 680  | 74 826 680  | -           |
| TOTAL ASSETS                    | 4 931 963 | 6 555 167 | 372 174 971 | 383 662 101 | -           |

| AUDITED INFLATION ADJUSTED      |           |           |             |             |             |
|---------------------------------|-----------|-----------|-------------|-------------|-------------|
| 31 DEC 2021                     |           |           |             |             |             |
| Balances with banks and cash    | -         | -         | -           | 86 610 150  | 86 610 150  |
| Money Market assets             | -         | -         | -           | 53 314 296  | 53 314 296  |
| Financial securities            | -         | -         | -           | 2 111 496   | 2 111 496   |
| Loans and advances to customers | -         | -         | -           | 122 377 616 | 122 377 616 |
| Equity investments              | 7 016 176 | 4 853 612 | -           | 11 869 788  | -           |
| Other assets                    | -         | -         | 76 346 529  | 76 346 529  | -           |
| TOTAL ASSETS                    | 7 016 176 | 4 853 612 | 340 760 087 | 352 629 875 | -           |

|  | At fair value<br>through<br>profit or loss<br>ZWL\$ 000 | At fair value<br>through<br>OCI<br>ZWL\$ 000 | At amortised<br>cost<br>ZWL\$ 000 | Total<br>carrying<br>amount<br>ZWL\$ 000 |
|--|---|--|-----------------------------------|--|
|--|---|--|-----------------------------------|--|

| UNAUDITED HISTORICAL            |           |           |             |             |
|---------------------------------|-----------|-----------|-------------|-------------|
| 30 JUNE 2022                    |           |           |             |             |
| Balances with banks and cash    | -         | -         | 100 970 755 | 100 970 755 |
| Money market assets             | -         | -         | 12 589 056  | 12 589 056  |
| Financial securities            | -         | -         | 894 879     | 894 879     |
| Loans and advances to customers | -         | -         | 182 893 601 | 182 893 601 |
| Equity investments              | 4 931 963 | 6 555 167 | -           | 11 487 130  |
| Other assets                    | -         | -         | 74 826 680  | 74 826 680  |
| TOTAL ASSETS                    | 4 931 963 | 6 555 167 | 372 174 971 | 383 662 101 |

|                                 |           |           |             |             |
|---------------------------------|-----------|-----------|-------------|-------------|
| 31 DEC 2021                     |           |           |             |             |
| Financial assets                | -         | -         | 39 562 931  | 39 562 931  |
| Balances with banks and cash    | -         | -         | 24 353 610  | 24 353 610  |
| Money market assets             | -         | -         | 964 517     | 964 517     |
| Financial securities            | -         | -         | 55 901 268  | 55 901 268  |
| Loans and advances to customers | 3 204 942 | 2 217 097 | 5 422 039   | -           |
| Equity investments              | -         | -         | 34 874 579  | 34 874 579  |
| Other assets                    | -         | -         | -           | -           |
| TOTAL ASSETS                    | 3 204 942 | 2 217 097 | 155 656 905 | 161 078 944 |

## 19. FAIR VALUE MEASUREMENT

### 19.1 The following table presents items of the Statement of Financial Position which are recognised at fair value:

| INFLATION ADJUSTED         |                           |                          |                           |                          |                           |                          |                           |                          |
|----------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
|                            | Level 1                   |                          | Level 2                   |                          | Level 3                   |                          | Total carrying amount     |                          |
|                            | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 |
| Equity investments         | 4 931 963                 | 7 016 176                | -                         | -                        | 6 555 167                 | 4 853 612                | 11 487 130                | 11 869 788               |
| Land and buildings         | -                         | -                        | 20 794 014                | 14 492 706               | -                         | -                        | 20 794 014                | 14 492 706               |
| Investment properties      | -                         | -                        | 19 221 361                | 13 507 113               | -                         | -                        | 19 221 361                | 13 507 113               |
| Total assets at fair value | 4 931 963                 | 7 016 176                | 40 015 375                | 27 999 819               | 6 555 167                 | 4 853 612                | 51 502 505                | 39 869 607               |

Level 2 valuation techniques are highlighted on note 20 for Property and Equipment and note 21 for Investment properties.

| UNAUDITED HISTORICAL       |                           |                          |                           |                          |                           |                          |                           |                          |
|----------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
|                            | Level 1                   |                          | Level 2                   |                          | Level 3                   |                          | Total carrying amount     |                          |
|                            | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 |
| Equity investments         | 4 931 963                 | 3 204 942                | -                         | -                        | 6 555 167                 | 2 217 097                | 11 487 130                | 5 422 039                |
| Land and buildings         | -                         | -                        | 20 794 014                | 6 620 170                | -                         | -                        | 20 794 014                | 6 620 170                |
| Investment properties      | -                         | -                        | 19 221 361                | 6 169 958                | -                         | -                        | 19 221 361                | 6 169 958                |
| Total assets at fair value | 4 931 963                 | 3 204 942                | 40 015 375                | 12 790 128               | 6 555 167                 | 2 217 097                | 51 502 505                | 18 212 167               |

There were no transfers between Level 1 and Level 2 during 2022.

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"> <li>Liquidity discount</li> <li>GDP Growth</li> </ul> | The fair values would increase/ decrease if : <ul style="list-style-type: none"> <li>The GDP growth was higher or lower</li> <li>The Liquidity discount was higher or lower</li> </ul> |

If the fair value adjustment had been 5% up or down, the Group's Fair value r reserve would be ZWL\$ 16,873,871.61 and the Statement of Financial Position would be ZWL\$ 17,761,970 higher or lower than the reported position.

|                                | REVIEWED INFLATION ADJUSTED |                        |  |                                |                       |                        |                                      |                                  |                    |
|--------------------------------|-----------------------------|------------------------|--|--------------------------------|-----------------------|------------------------|--------------------------------------|----------------------------------|--------------------|
|                                | Land<br>ZWL\$ 000           | Buildings<br>ZWL\$ 000 | Leasehold<br>improvements<br>ZWL\$ 000 | Motor<br>vehicles<br>ZWL\$ 000 | Computer<br>ZWL\$ 000 | Equipment<br>ZWL\$ 000 | Furniture &<br>Fittings<br>ZWL\$ 000 | Work in<br>progress<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| 30 JUNE 2022                   |                             |                        |  |                                |                       |                        |                                      |                                  |                    |
| COST                           |                             |                        |  |                                |                       |                        |                                      |                                  |                    |
| Opening balance                | 1 810 384                   | 13 173 382             | 200 113                                | 757 003                        | 4 811 421             | 1 586 536              | 1 003 915                            | 1 448 239                        | 24 790 993         |
| Additions                      | -                           | -                      | -                                      | 1 001                          | 91 709                | 10 076                 | 16 613                               | 1 182 310                        | 1 301 709          |
| Revaluation gain               | 868 584                     | 5 457 051              | -                                      | -                              | -                     | -                      | -                                    | -                                | 6 325 635          |
| Disposals                      | -                           | -                      | -                                      | -                              | (1 183)               | (22)                   | (24)                                 | -                                | (1 229)            |
| Transfers to intangible assets | -                           | -                      | -                                      | -                              | -                     | -                      | -                                    | (4 252)                          | (4 252)            |
| Write offs                     | -                           | -                      | -                                      | (123)                          | (6 054)               | -                      | -                                    | -                                | (6 177)            |
| Transfers(PPE Intercategories) | -                           | -                      | -                                      | 35 967                         | -                     | -                      | -                                    | (35 967)                         | -                  |
| Closing balance                | 2 678 968                   | 18 630 433             | 200 113                                | 793 848                        | 4 895 893             | 1 596 590              | 1 020 504                            | 2 590 330                        | 32 406 679         |
| Accumulated depreciation       |                             |                        |  |                                |                       |                        |                                      |                                  |                    |
| Opening balance                | -                           | 289 964                | 93 187                                 | 582 070                        | 2 262 834             | 1 104 158              | 517 393                              | -                                | 4 849 606          |
| Charge for the period          | -                           | 555 280                | 6 189                                  | 22 315                         | 130 975               | 34 930                 | 22 037                               | -                                | 771 726            |
| Disposals                      | -                           | -                      | -                                      | -                              | (423)                 | (16)                   | (16)                                 | -                                | (455)              |
| Write offs                     | -                           | -                      | -                                      | (87)                           | (3 363)               | -                      | -                                    | -                                | (3 450)            |
| Revaluation                    | -                           | (489 455)              | -                                      | -                              | -                     | -                      | -                                    | -                                | (489 455)          |
| Closing balance                | -                           | 355 789                | 99 376                                 | 604 298                        | 2 390 023             | 1 139 072              | 539 414                              | -                                | 5 127 972          |
| Net Book Value                 | 2 678 968                   | 18 274 644             | 100 737                                | 189 549                        | 2 505 870             | 457 518                | 481 090                              | 2 590 330                        | 27 278 706         |

| AUDITED INFLATION ADJUSTED     |           |            |         |         |           |           |           |           |
|--------------------------------|-----------|------------|---------|---------|-----------|-----------|-----------|-----------|
| 31 DEC 2021                    |           |            |         |         |           |           |           |           |
| COST                           |           |            |         |         |           |           |           |           |
| Opening balance                | 1 411 516 | 10 851 638 | 193 219 | 698 800 | 3 972 703 | 1 399 526 | 907 406   | 1 650 449 |
| Additions                      | -         | 233 073    | -       | 54 462  | 669 587   | 164 880   | 72 308    | 199 668   |
| Revaluation gain               | 398 868   | 2 113 514  | -       | -       | (865)     | (24)      | (155)     | (159 283) |
| Disposals                      | -         | -          | -       | -       | (10 589)  | (138)     | (922)     | (160 327) |
| Write offs                     | -         | (28 648)   | -       | -       | 180 585   | 22 292    | 25 278    | (242 596) |
| Transfers(PPE Intercategories) | -         | 3 805      | 6 894   | 3 741   | -         | -         | -         | -         |
| Closing balance                | 1 810 384 | 13 173 382 | 200 113 | 757 003 | 4 811 421 | 1 586 536 | 1 003 915 | 1 448 239 |
| Accumulated depreciation       |           |            |         |         |           |           |           |           |
| Opening balance                | -         | 107 397    | 81 409  | 554 338 | 1 960 062 | 1 017 614 | 498 324   | -         |
| Charge for the period          | -         | 932 663    | 11 778  | 27 732  | 304 372   | 86 577    | 19 236    | -         |
| Disposals                      | -         | -          | -       | -       | (449)     | (22)      | (125)     | -         |
| Write offs                     | -         | (5 422)    | -       | -       | (1 151)   | (11)      | (42)      | -         |
| Revaluation                    | -         | (744 674)  | -       | -       | -         | -         | -         | -         |
| Closing balance                | -         | 289 964    | 93 187  | 582 070 | 2 262 834 | 1 104 158 | 517 393   | -         |
| Net Book Value                 | 1 810 384 | 12 883 418 | 106 926 | 174 933 | 2 548 587 | 482 378   | 486 522   | 1 448 239 |

| UNAUDITED HISTORICAL            |                   |                        |  |                                |                       |                        |                                      |                                  |                    |
|---------------------------------|-------------------|------------------------|--|--------------------------------|-----------------------|------------------------|--------------------------------------|----------------------------------|--------------------|
|                                 | Land<br>ZWL\$ 000 | Buildings<br>ZWL\$ 000 | Leasehold<br>improvements<br>ZWL\$ 000 | Motor<br>vehicles<br>ZWL\$ 000 | Computer<br>ZWL\$ 000 | Equipment<br>ZWL\$ 000 | Furniture &<br>Fittings<br>ZWL\$ 000 | Work in<br>progress<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| 30 JUNE 2022                    |                   |                        |  |                                |                       |                        |                                      |                                  |                    |
| <b>COST</b>                     |                   |                        |  |                                |                       |                        |                                      |                                  |                    |
| Opening balance                 | 826 968           | 5 848 152              | 36 987                                 | 33 185                         | 569 985               | 98 331                 | 55 799                               | 104 044                          | 7 573 451          |
| Additions                       | -                 | -                      | -                                      | 482                            | 62 597                | 8 056                  | 12 842                               | 918 554                          | 1 002 531          |
| Revaluation gain                | 1 851 993         | 12 321 852             | -                                      | -                              | -                     | -                      | -                                    | -                                | 14 173 845         |
| Disposals                       | -                 | -                      | -                                      | -                              | (489)                 | (11)                   | (12)                                 | -                                | (512)              |
| Transfers to intangible assets  | -                 | -                      | -                                      | -                              | -                     | -                      | -                                    | (4 252)                          | (4 252)            |
| Write offs                      | -                 | -                      | -                                      | (59)                           | (2 476)               | -                      | -                                    | -                                | (2 535)            |
| Transfers(PPE Intercategories)  | -                 | -                      | -                                      | -                              | 16 429                | -                      | -                                    | (16 429)                         | -                  |
| <b>Closing balance</b>          | <b>2 678 961</b>  | <b>18 170 004</b>      | <b>36 987</b>                          | <b>50 037</b>                  | <b>629 617</b>        | <b>106 376</b>         | <b>68 629</b>                        | <b>1 001 917</b>                 | <b>22 742 528</b>  |
| <b>Accumulated depreciation</b> |                   |                        |  |                                |                       |                        |                                      |                                  |                    |
| Opening balance                 | -                 | 29 089                 | 1 996                                  | 10 202                         | 97 824                | 28 977                 | 9 373                                | -                                | 177 461            |
| Right of use asset              | -                 | -                      | -                                      | -                              | -                     | -                      | -                                    | -                                | -                  |
| Charge for the period           | -                 | 307 543                | 461                                    | 4 596                          | 50 363                | 4 611                  | 4 517                                | -                                | 372 091            |
| Disposals                       | -                 | -                      | -                                      | -                              | (189)                 | (10)                   | (10)                                 | -                                | (209)              |
| Write offs                      | -                 | -                      | -                                      | (53)                           | (2 069)               | -                      | -                                    | -                                | (2 122)            |
| Revaluation                     | -                 | (298 750)              | -                                      | -                              | -                     | -                      | -                                    | -                                | (298 750)          |
| <b>Closing balance</b>          | <b>-</b>          | <b>37 882</b>          | <b>2 457</b>                           | <b>14 745</b>                  | <b>145 929</b>        | <b>33 578</b>          | <b>13 880</b>                        | <b>-</b>                         | <b>248 471</b>     |
| <b>Net Book Value</b>           | <b>2 678 961</b>  | <b>18 132 122</b>      | <b>34 530</b>                          | <b>35 292</b>                  | <b>483 688</b>        | <b>72 798</b>          | <b>54 749</b>                        | <b>1 001 917</b>                 | <b>22 494 057</b>  |



# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

|       |  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|-------|--|---|--------------------------------------|---|--|
|       |  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 20.1a | <b>Right of use assets</b>                               |   |                                      |   |  |
|       | Opening balance  | 140 052   | 265 280                              | 25 859                                  | 20 065                                 |
|       | Additions  | -   | 85 988                               | -                                       | 28 607                                 |
|       | Write offs   | -   | (23 225)                             | -                                       | (4 931)                                |
|       | Depreciation charge for the period                       | (65 825)  | (187 991)                            | (8 793)                                 | (17 882)                               |
|       |  | <b>74 227</b>                                   | <b>140 052</b>                       | <b>17 066</b>                           | <b>25 859</b>                          |
| 20.1b | <b>Lease liability</b>                                   |   |                                      |   |  |
|       | Opening balance  | 79 401  | 74 401                               | 36 270                                  | 21 144                                 |
|       | Additions  | -   | 85 986                               | -                                       | 28 607                                 |
|       | Write-offs   | -   | (16 147)                             | -                                       | (4 839)                                |
|       | Interest   | 3 762   | 9 864                                | 2 719                                   | 3 590                                  |
|       | Repayment  | (33 779)  | (60 765)                             | (18 235)                                | (21 294)                               |
|       | Exchange loss on lease liability                         | 61 225  | 19 840                               | 61 225                                  | 9 062                                  |
|       | Monetary adjustment                                      | (28 630)  | (33 778)                             | -                                       | -                                      |
|       |  | <b>81 979</b>                                   | <b>79 401</b>                        | <b>81 979</b>                           | <b>36 270</b>                          |
| 20.1c | <b>Lease liability maturity analysis</b>                 |   |                                      |   |  |
|       | Less than one month                                      | 7 219   | 4 766                                | 7 219                                   | 2 177                                  |
|       | One to three months                                      | 15 854  | 11 662                               | 15 854                                  | 5 327                                  |
|       | Three to six months                                      | 18 801  | 14 300                               | 18 801                                  | 6 532                                  |
|       | Six to twelve months                                     | 21 052  | 25 473                               | 21 052                                  | 11 636                                 |
|       | One to five years  | 28 883  | 30 493                               | 28 883                                  | 13 929                                 |
|       |  | <b>91 809</b>                                   | <b>86 694</b>                        | <b>91 809</b>                           | <b>39 601</b>                          |
| 20.1d | <b>Amounts recognised in Statement of Profit or Loss</b> |   |                                      |   |  |
|       | Interest on lease liabilities                            | 3 762   | 9 864                                | 2 719                                   | 3 590                                  |
|       | Depreciation   | 65 825  | 187 991                              | 8 793                                   | 17 882                                 |
|       |  | <b>69 587</b>                                   | <b>197 855</b>                       | <b>11 512</b>                           | <b>21 472</b>                          |
| 20.1e | <b>Amounts recognised in statement of cash flow</b>      | <b>33 779</b>                                   | <b>60 765</b>                        | <b>18 235</b>                           | <b>21 294</b>                          |
| 21.   | <b>INVESTMENT PROPERTIES</b>                             |   |                                      |   |  |
|       | Opening balance  | 13 507 113                                      | 9 671 003                            | 6 169 958                               | 2 748 368                              |
|       | Additions  | 9 912   | 450 215                              | 30 503                                  | 175 939                                |
|       | Disposals  | (1 153 537)                                     | (160 410)                            | (537 905)                               | (54 704)                               |
|       | Fair valuation gain                                      | 6 857 873                                       | 3 546 305                            | 13 558 805                              | 3 300 355                              |
|       | <b>Closing balance</b>                                   | <b>19 221 361</b>                               | <b>13 507 113</b>                    | <b>19 221 361</b>                       | <b>6 169 958</b>                       |

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 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 30 June 2022.

|                               | Valuation technique                | Significant observable inputs  | Range (weighted average)                  |
|-------------------------------|------------------------------------|--|---|
| Office and Retail properties  | Implicit investment approach       | Comparable rentals per month per square meter<br>Capitalisation rate | ZWL\$ 679.19 – ZWL\$ 8 750.00<br>10%- 13% |
| Land and Residential property | Market value of similar properties | Comparable rate per square meter                                     | ZWL\$ 9 000.00 - ZWL\$ 31 050.00          |

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 30 June 2022. 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.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 258,130,255 higher or lower the reported position the Statement of Financial Position would be ZWL\$342,893,538 higher or lower than the reported position.

|      |  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|------|--|---|--------------------------------------|---|--|
|      |  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 22.  | <b>INTANGIBLE ASSETS</b>   |   |                                      |   |  |
|      | At cost  | 1 411 110                                       | 1 475 951                            | 275 044                                 | 273 836                                |
|      | Accumulated amortisation   | (830 987)                                       | (810 141)                            | (103 045)                               | (60 079)                               |
|      |  | <b>580 123</b>                                  | <b>665 810</b>                       | <b>171 999</b>                          | <b>213 757</b>                         |
|      | <b>Movement in intangible assets</b>   |   |                                      |   |  |
|      | Opening balance  | 665 810   | 434 679                              | 213 757                                 | 87 202                                 |
|      | Additions  | 580   | 227 206                              | 555                                     | 119 761                                |
|      | Transfer from property and equipment   | 4 252   | 159 282                              | 4 252                                   | 46 156                                 |
|      | Write offs   | (7 479)   | (1 254)                              | (3 599)                                 | (323)                                  |
|      | Amortisation charge  | (83 040)  | (154 103)                            | (42 966)                                | (39 039)                               |
|      | <b>Closing balance</b>   | <b>580 123</b>                                  | <b>665 810</b>                       | <b>171 999</b>                          | <b>213 757</b>                         |
|      | 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.  | <b>DEFERRED TAXATION</b>   |   |                                      |   |  |
| 23.1 | <b>Deferred tax asset</b>  |   |                                      |   |  |
|      | Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences unused tax losses and unused tax credits.      |   |                                      |   |  |
|      | <b>The deferred tax included in the Statement of Financial Position are comprised of:</b>  |   |                                      |   |  |
|      | Assessed losses  | 349 545   | 2 671 502                            | 349 545                                 | 1 220 324                              |
|      | Credit loss provisions   | 7 495 360                                       | 4 635 393                            | 7 495 360                               | 2 117 416                              |
|      | Tax claimable impairments  | 56 257  | 123 159                              | 56 257                                  | 56 258                                 |
|      | Other  | 299 298   | 493 498                              | 1 327 012                               | 224 426                                |
|      | <b>Closing deferred tax balance</b>  | <b>8 200 460</b>                                | <b>7 923 552</b>                     | <b>9 228 174</b>                        | <b>3 618 424</b>                       |
| 23.2 | <b>Deferred tax liability</b>  |   |                                      |   |  |
|      | Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.  |   |                                      |   |  |
|      | <b>The deferred tax liability balances included in the Statement of Financial Position are comprised of:</b>   |   |                                      |   |  |
|      | Intangible assets  | 118 352   | 62 173                               | 18 675                                  | 23 700                                 |
|      | Equity investments   | 309 318   | 302 999                              | 309 318                                 | 138 408                                |
|      | Property and equipment   | 3 486 231                                       | 1 830 920                            | 2 682 883                               | 590 449                                |
|      | Investment properties  | 1 309 445                                       | 844 991                              | 1 309 445                               | 385 986                                |
|      | Other  | 14 918 611                                      | 7 573 032                            | 14 918 611                              | 2 435 030                              |
|      | <b>Closing balance</b>   | <b>20 141 957</b>                               | <b>10 614 115</b>                    | <b>19 238 932</b>                       | <b>3 573 573</b>                       |
| 24.  | <b>DEPOSITS</b>  |   |                                      |   |  |
|      | Call deposits  | 721 372   | 976 227                              | 721 372                                 | 445 934                                |
|      | Savings and demand deposits  | 241 045 823                                     | 254 618 811                          | 241 045 823                             | 116 308 152                            |
|      | Money market deposits  | 40 353 888                                      | 30 498 851                           | 40 353 888                              | 13 931 669                             |
|      | Lines of credit  | 6 433 511                                       | 927 393                              | 6 433 511                               | 423 627                                |
|      | Accrued interest   | 125 658   | 579 604                              | 125 658                                 | 264 759                                |
|      |  | <b>288 680 252</b>                              | <b>287 600 886</b>                   | <b>288 680 252</b>                      | <b>131 374 141</b>                     |
| 24.1 | <b>Deposits by type</b>  |   |                                      |   |  |
|      | Retail   | 19 736 831                                      | 19 809 494                           | 19 736 831                              | 9 048 843                              |
|      | Corporate  | 220 155 953                                     | 235 852 152                          | 220 155 953                             | 107 735 669                            |
|      | Money market   | 42 639 698                                      | 31 016 225                           | 42 639 698                              | 14 168 002                             |
|      | Lines of credit  | 6 147 770                                       | 923 015                              | 6 147 770                               | 421 627                                |
|      |  | <b>288 680 252</b>                              | <b>287 600 886</b>                   | <b>288 680 252</b>                      | <b>131 374 141</b>                     |

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 | <b>Settlement of legacy liabilities and nostro gap accounts</b>   |  |  |  |  |
|      | Included in the deposits balance above are amounts that are denominated in USD amounting to US\$133 512 305 (December 2021: US\$ 145 044 224) (being legacy liabilities of US\$50 791 315 (December 2021: US\$50 833 318) and nostro gap accounts of US\$82 720 990 (December 2021: US\$94 210 906)) which are shown at ZW\$48 901 378 339 (December 2021: ZW\$15 761 375 643). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ 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\$37 962 285 (December 2021: US\$35 432 702) 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. A report on the risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.  |  |  |  |  |

|      |                           | REVIEWED  | AUDITED    | UNAUDITED                            |            |
|------|---------------------------|---|------------|--------------------------------------|------------|
|      |                           | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | %          | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | %          |
| 24.3 | <b>Sectoral Analysis</b>  |   |            |                                      |            |
|      | Private                   | 16 272 737                                      | 6          | 26 138 990                           | 9          |
|      | Agriculture               | 11 891 506                                      | 4          | 10 385 035                           | 4          |
|      | Mining                    | 7 132 610                                       | 2          | 10 335 151                           | 4          |
|      | Manufacturing             | 29 055 471                                      | 10         | 26 920 854                           | 9          |
|      | Distribution              | 38 809 034                                      | 13         | 35 253 727                           | 12         |
|      | Construction              | 8 307 393                                       | 3          | 7 702 095                            | 3          |
|      | Transport                 | 5 679 809                                       | 2          | 5 269 695                            | 2          |
|      | Communication             | 1 904 850                                       | 1          | 4 038 901                            | 1          |
|      | Services                  | 166 847 485                                     | 58         | 155 559 740                          | 54         |
|      | Financial organisations   | 2 523 509                                       | 1          | 5 346 975                            | 2          |
|      | Financial and investments | 255 848   | -          | 649 723                              | -          |
|      |                           | <b>288 680 252</b>                              | <b>100</b> | <b>287 600 886</b>                   | <b>100</b> |
|      |                           | <b>288 680 252</b>                              | <b>100</b> | <b>288 680 252</b>                   | <b>100</b> |

|      |                             | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|------|-----------------------------|---|--------------------------------------|---|--|
|      |                             | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 24.4 | <b>Maturity analysis</b>    |   |                                      |   |  |
|      | Less than 1 month           | 254 907 138                                     | 261 172 553                          | 254 907 138                             | 119 301 857                            |
|      | Between 1 and 3 months      | 22 538 219                                      | 10 398 424                           | 22 538 219                              | 4 749 930                              |
|      | Between 3 and 6 months      | 2 211 559                                       | 15 072 143                           | 2 211 559                               | 6 884 853                              |
|      | Between 6 months and 1 year | 1 843 756                                       | 482 369                              | 1 843 756                               | 220 343                                |
|      | Between 1 and 5 years       | 7 177 435                                       | 470 204                              | 7 177 435                               | 214 786                                |
|      | More than 5 year            | 2 145   | 2 145                                | 2 145                                   | 2 372                                  |
|      |                             | <b>288 680 252</b>                              | <b>287 600 886</b>                   | <b>288 680 252</b>                      | <b>131 374 141</b>                     |

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

|      |   |                  |                  |                  |                |
|------|---|------------------|------------------|------------------|----------------|
| 25.  | <b>INSURANCE LIABILITIES</b>                        |                  |                  |                  |                |
|      | Reinsurance payables (a)                            | 302 310          | 456 120          | 302 310          | 208 353        |
|      | Gross outstanding claims (b)                        | 561 563          | 822 339          | 561 563          | 375 639        |
|      | Gross unearned premium reserve ( c)                 | 571 111          | 725 567          | 379 846          | 297 395        |
|      | Deferred reinsurance acquisition reserve (d)        | 69 531           | 120 561          | 42 782           | 49 032         |
|      |   | <b>1 504 515</b> | <b>2 124 587</b> | <b>1 286 501</b> | <b>930 419</b> |
| 25.1 | <b>Insurance contract provisions</b>                |                  |                  |                  |                |
|      | <b>(a) Reinsurance payables</b>                     |                  |                  |                  |                |
|      | Opening balance                                     | 456 120          | 668 205          | 208 353          | 189 895        |
|      | Premiums ceded during the period                    | 641 458          | 1 674 604        | 413 557          | 642 739        |
|      | Reinsurance paid                                    | (495 723)        | (1 626 510)      | (319 600)        | (624 281)      |
|      | Monetary adjustment                                 | (299 545)        | (260 179)        | -                | -              |
|      | <b>Closing balance</b>                              | <b>302 310</b>   | <b>456 120</b>   | <b>302 310</b>   | <b>208 353</b> |
|      | <b>(b) Gross outstanding claims provision</b>       |                  |                  |                  |                |
|      | Opening balance                                     | 822 339          | 113 465          | 375 639          | 32 245         |
|      | Claims incurred                                     | 925 148          | 2 201 804        | 611 536          | 844 090        |
|      | Incurred but not yet reported claims provision      | 28 843           | 21 351           | 28 843           | 9 753          |
|      | Claims paid   | (706 719)        | (1 262 526)      | (454 455)        | (510 449)      |
|      | Monetary adjustment                                 | (508 048)        | (251 755)        | -                | -              |
|      | <b>Closing balance</b>                              | <b>561 563</b>   | <b>822 339</b>   | <b>561 563</b>   | <b>375 639</b> |
|      | <b>(c) Gross unearned premiums reserve</b>          |                  |                  |                  |                |
|      | Opening balance                                     | 725 567          | 990 131          | 297 395          | 281 382        |
|      | Unearned premiums                                   | 1 188 082        | 2 612 976        | 777 262          | 983 158        |
|      | Premiums earned during the period                   | (1 342 538)      | (2 877 540)      | (694 811)        | (967 145)      |
|      | <b>Closing balance</b>                              | <b>571 111</b>   | <b>725 567</b>   | <b>379 846</b>   | <b>297 395</b> |
|      | <b>(d) Deferred reinsurance acquisition revenue</b> |                  |                  |                  |                |

|                          | Unearned commissions<br>ZWL\$ 000 | Deferred acquisition<br>ZWL\$ 000 | Net<br>ZWL\$ 000 |
|--------------------------|-----------------------------------|-----------------------------------|------------------|
| 31 June 2022             |                                   |                                   |                  |
| Opening balance          | 120 561                           | 139 904                           | (19 344)         |
| Written premiums         | 142 529                           | 182 336                           | (39 808)         |
| Earned during the period | (193 559)                         | (235 155)                         | 41 596           |
| <b>Closing balance</b>   | <b>69 531</b>                     | <b>87 085</b>                     | <b>(17 556)</b>  |

|                          | Unearned commissions<br>ZWL\$ 000 | Deferred acquisition<br>ZWL\$ 000 | Net<br>ZWL\$ 000 |
|--------------------------|-----------------------------------|-----------------------------------|------------------|
| 31 Dec 2021              |                                   |                                   |                  |
| Opening balance          | 174 129                           | 173 698                           | 431              |
| Written premiums         | 386 876                           | 451 636                           | (64 760)         |
| Earned during the period | (440 444)                         | (485 430)                         | 44 985           |
| <b>Closing balance</b>   | <b>120 561</b>                    | <b>139 904</b>                    | <b>(19 344)</b>  |

|                          | Unearned commissions<br>ZWL\$ 000 | Deferred acquisition<br>ZWL\$ 000 | Net<br>ZWL\$ 000 |
|--------------------------|-----------------------------------|-----------------------------------|------------------|
| 31 June 2022             |                                   |                                   |                  |
| Opening balance          | 49 032                            | 57 436                            | (8 404)          |
| Written premiums         | 89 528                            | 117 283                           | (27 755)         |
| Earned during the period | (95 778)                          | (120 328)                         | 24 550           |
| <b>Closing balance</b>   | <b>42 782</b>                     | <b>54 391</b>                     | <b>(11 609)</b>  |
| 31 Dec 2021              |                                   |                                   |                  |
| Opening balance          | 49 485                            | 49 363                            | 122              |
| Written premiums         | 149 017                           | 173 224                           | (24 207)         |
| Earned during the period | (149 470)                         | (165 151)                         | 15 681           |
| <b>Closing balance</b>   | <b>49 032</b>                     | <b>57 436</b>                     | <b>(8 404)</b>   |

|     |                             | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|-----|-----------------------------|---|--------------------------------------|---|--|
|     |                             | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 26. | OTHER LIABILITIES           |   |                                      |   |  |
|     | Revenue received in advance | 222 866   | 939 232                              | 197 136                                 | 96 231                                 |
|     | Sundry creditors            | 31 394 815                                      | 8 355 194                            | 31 394 815                              | 3 816 596                              |
|     | Accruals                    | 3 665 902                                       | 15 833 774                           | 3 665 902                               | 7 232 761                              |
|     | Suspense                    | 5 744 221                                       | 4 901 373                            | 5 744 221                               | 2 238 914                              |
|     | Provisions                  | 4 722 420                                       | 5 645 530                            | 4 722 420                               | 2 578 840                              |
|     |                             | 45 750 224                                      | 35 675 103                           | 45 724 494                              | 15 963 342                             |

|      |           |   |   |                                   |                          |                    |
|------|-----------|---|---|-----------------------------------|--------------------------|--------------------|
| 27.  | LIFE FUND |   |   |                                   |                          |                    |
| 27.1 | Life Fund |   |   |                                   |                          |                    |
|      |           | Unearned<br>Premium<br>Reserve<br>ZWL\$ 000 | Incurred But<br>Not Reported<br>ZWL\$ 000 | Annuities<br>Reserve<br>ZWL\$ 000 | Revaluation<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
|      |           | INFLATION ADJUSTED                          |   |                                   |                          |                    |





| REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---|--------------------------------------|---|--|
| INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |

|      |   |           |         |           |         |
|------|---|-----------|---------|-----------|---------|
| 27.2 | Life fund liabilities as supported by the following |           |         |           |         |
|      | Money market assets                                 | 77 466    | 39 451  | 77 466    | 18 021  |
|      | Prescribed assets                                   | 162 145   | 103 938 | 162 145   | 47 478  |
|      | Investment property                                 | 2 019 590 | 173 386 | 2 019 590 | 79 202  |
|      | Listed equity investment                            | 480 487   | 554 076 | 480 487   | 253 098 |
|      |   | 2 739 688 | 870 851 | 2 739 688 | 397 799 |

|      |  |          |          |         |         |
|------|--|----------|----------|---------|---------|
| 28.  | LIFE ASSURANCE INVESTMENT CONTRACT LIABILITIES   |          |          |         |         |
| 28.1 | Life assurance investment contract liabilities movement                                  |          |          |         |         |
|      | Opening balance  | 136 915  | 51 463   | 62 542  | 14 625  |
|      | Interest on CEP fund   | 64 701   | 59 824   | 64 701  | 27 327  |
|      | Fund Management expenses   | (1 135)  | (3 194)  | (1 135) | (1 459) |
|      | CEP Investments  | 12 831   | 73 116   | 12 831  | 33 399  |
|      | CEP withdrawals  | (5 068)  | (16 629) | (5 068) | (7 595) |
|      | Transfer from Life Fund  | -        | 484      | -       | 145     |
|      | Transfer from Income   | 21 633   | (9 024)  | 21 633  | (3 900) |
|      | Monetary adjustment  | (74 373) | (19 125) | -       | -       |
|      | Closing balance  | 155 504  | 136 915  | 155 504 | 62 542  |
| 28.2 | Life assurance investment contract liabilities are supported by the following net assets |          |          |         |         |
|      | Money market assets  | 4 131    | 18 571   | 4 131   | 8 483   |
|      | Cash   | 11 267   | 1 458    | 11 267  | 209     |
|      | Prescribed assets  | 245 359  | 126 691  | 245 359 | 57 872  |
|      | Listed equity Investment   | 292 184  | (8 805)  | 292 184 | (4 022) |
|      | Investment Property  | 262 512  | -        | 262 512 | -       |
|      |  | 815 453  | 136 915  | 815 453 | 62 542  |

|     |   |             |             |             |             |
|-----|---|-------------|-------------|-------------|-------------|
| 29. | CATEGORIES OF FINANCIAL LIABILITIES   |             |             |             |             |
|     | The Group's financial liabilities are carried at amortised cost as follows: |             |             |             |             |
|     | Deposits  | 288 680 252 | 287 600 886 | 288 680 252 | 131 374 141 |
|     | Other liabilities   | 45 527 358  | 34 735 871  | 45 527 358  | 15 867 111  |
|     | Lease liability   | 81 979      | 79 401      | 81 979      | 36 270      |
|     |   | 334 289 589 | 322 416 158 | 334 289 589 | 147 277 522 |

|      |  |            |            |            |            |
|------|--|------------|------------|------------|------------|
| 30.  | EQUITY AND RESERVES                              |            |            |            |            |
| 30.1 | Share capital                                    |            |            |            |            |
|      | Authorised                                       |            |            |            |            |
|      | 1 000 000 000 ordinary shares of ZWL\$ 0.01 each | 10 000 000 | 10 000 000 | 10 000 000 | 10 000 000 |

| REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---|--------------------------------------|---|--|
| INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |

|  |                       |         |         |         |         |
|--|-----------------------|---------|---------|---------|---------|
|  | Issued and fully paid | 522 016 | 522 016 | 522 016 | 522 016 |
|--|-----------------------|---------|---------|---------|---------|

| REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---|--------------------------------------|---|--|
| INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |

|  |                 |         |         |       |       |
|--|-----------------|---------|---------|-------|-------|
|  | Closing balance | 589 053 | 589 053 | 5 220 | 5 220 |
|--|-----------------|---------|---------|-------|-------|

|      |               |           |           |        |        |
|------|---------------|-----------|-----------|--------|--------|
| 30.2 | Share premium | 3 599 675 | 3 599 675 | 33 876 | 33 876 |
|------|---------------|-----------|-----------|--------|--------|

|      |                      |            |            |            |           |
|------|----------------------|------------|------------|------------|-----------|
| 30.3 | Revaluation reserve  |            |            |            |           |
|      | Opening balance      | 11 055 998 | 8 318 875  | 5 790 710  | 2 892 977 |
|      | Net revaluation gain | 5 707 514  | 2 737 123  | 12 207 700 | 2 897 733 |
|      | Closing balance      | 16 763 512 | 11 055 998 | 17 998 410 | 5 790 710 |

|      |                                  |            |             |            |             |
|------|----------------------------------|------------|-------------|------------|-------------|
| 30.4 | Retained earnings                |            |             |            |             |
|      | Retained earnings comprises:     |            |             |            |             |
|      | Opening balance                  | 57 883 501 | 46 611 390  | 21 264 515 | 7 126 176   |
|      | Profit for the period            | 17 452 546 | 16 873 746  | 37 882 904 | 16 163 848  |
|      | Dividend paid                    | -          | (5 601 635) | -          | (2 025 509) |
|      |                                  | 75 336 047 | 57 883 501  | 59 147 419 | 21 264 515  |
|      | Retained earnings comprises:     |            |             |            |             |
|      | Holding company                  | 2 927 542  | 444 715     | 2 425 835  | (781 325)   |
|      | Subsidiary companies             | 71 934 932 | 57 217 366  | 57 209 001 | 21 812 116  |
|      | Effect of consolidation journals | 473 573    | 221 420     | (487 417)  | 233 724     |
|      |                                  | 75 336 047 | 57 883 501  | 59 147 419 | 21 264 515  |

|      |                                     |        |         |        |       |
|------|-------------------------------------|--------|---------|--------|-------|
| 30.5 | Non-controlling Interests           |        |         |        |       |
|      | Non-controlling interests comprise: |        |         |        |       |
|      | Opening balance                     | 9 573  | 9 711   | 4 957  | 2 907 |
|      | Profit for the period               | (427)  | (1 804) | 1 079  | 331   |
|      | Other comprehensive income          | 3 779  | 1 666   | 7 780  | 1 719 |
|      |                                     | 12 925 | 9 573   | 13 816 | 4 957 |

|      |                            |           |           |           |           |
|------|----------------------------|-----------|-----------|-----------|-----------|
| 30.6 | Fair value reserve         |           |           |           |           |
|      | Opening balance            | 3 515 205 | 2 599 509 | 1 964 010 | 923 754   |
|      | Other comprehensive income | 63 951    | 915 696   | 2 567 583 | 1 040 256 |
|      |                            | 3 579 156 | 3 515 205 | 4 531 593 | 1 964 010 |

|      |   |         |         |         |         |
|------|---|---------|---------|---------|---------|
| 30.7 | Foreign currency translation reserve                        |         |         |         |         |
|      | Opening balance   | 459 179 | 278 931 | 77 029  | 79 270  |
|      | Exchange gain/(loss) on translation of a foreign subsidiary | 58 870  | 180 248 | 58 870  | (2 241) |
|      |   | 518 049 | 459 179 | 135 899 | 77 029  |

|      |   |           |           |         |         |
|------|---|-----------|-----------|---------|---------|
| 30.8 | Share based payment reserve                           |           |           |         |         |
|      | Opening balance                                       | 1 247 722 | -         | 569 951 | -       |
|      | Equity settled share based payments during the period | -         | 1 247 722 | -       | 569 951 |
|      | Closing balance                                       | 1 247 722 | 1 247 722 | 569 951 | 569 951 |

|      |                                  |           |   |           |   |
|------|----------------------------------|-----------|---|-----------|---|
| 30.9 | Share awaiting allotment reserve |           |   |           |   |
|      | Opening balance                  | -         | - | -         | - |
|      | Shares issued during the period  | 1 000 000 | - | 1 000 000 | - |
|      |                                  | 1 000 000 | - | 1 000 000 | - |

During the period, the Group received ZWL\$1 billion for a share issue transaction. As at 30 June, the shares were not yet allotted to the potential shareholder. This was accounted for through the Group's equity as share awaiting allotment reserve.

|     |   |  |  |  |  |
|-----|---|--|--|--|--|
| 31. | CAPITAL MANAGEMENT  |  |  |  |  |
|     | The Group adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and economic capital requirements which is risk based capital requirements. The Group maintains strong credit ratings and healthy capital ratios in order to support its business and maximise shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Group vis-à-vis assumed levels of risk (risk versus return). |  |  |  |  |

| REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---|--------------------------------------|---|--|
| INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |

|  |            |         |         |         |         |
|--|------------|---------|---------|---------|---------|
|  | Guarantees | 179 042 | 366 422 | 179 042 | 167 379 |
|  |            | 179 042 | 366 422 | 179 042 | 167 379 |

|  |                               |         |   |         |   |
|--|-------------------------------|---------|---|---------|---|
|  | Capital Commitments           |         |   |         |   |
|  | Authorised and contracted for | 171 623 | - | 171 623 | - |
|  |                               | 171 623 | - | 171 623 | - |

The capital commitments will be funded from the Group's own resources.

|     |   |            |            |            |            |
|-----|---|------------|------------|------------|------------|
| 33. | FUNDS UNDER MANAGEMENT                            |            |            |            |            |
|     | Pensions  | 61 190 001 | 51 641 453 | 61 190 001 | 23 589 466 |
|     | Institutional & individual clients - Equities     | 23 241 167 | 30 717 072 | 23 241 167 | 14 031 351 |
|     | Institutional & individual clients - Fixed Income | 1 486 324  | 182 925    | 1 486 324  | 83 559     |
|     | Unit trust  | 167 551    | 1 457 243  | 167 551    | 665 659    |
|     |   | 86 085 043 | 83 998 693 | 86 085 043 | 38 370 035 |

34. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

|  |    |  |    |   |    |   |    |                                       |    |   |    |  |    |   |    |
|--|----|--|----|---|----|---|----|---------------------------------------|----|---|----|--|----|---|----|
|  | 01 |  | 02 |   | 03 |   | 04 |                                       | 05 |   | 06 |  | 07 |   | 08 |
| <b>Banking Operations</b>  |    | <b>Mortgage Finance</b>  |    | <b>Asset Management</b>   |    | <b>Insurance Operations</b>   |    | <b>Property Investments</b>           |    | <b>Agro Business</b>  |    | <b>Micro Finance</b>   |    | <b>Other Operations</b>   |    |
| Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function. |    | Provides mortgage financing to its clients for both finance and commercial purposes. |    | Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios. |    | Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function. |    | Property Investment arm of the Group. |    | Provides contract farming loans to farmers both individual and commercial |    | Provides financial services to the informal sector, SMEs, Civil Servants, small holder farmers and all those who are gainfully employed. |    | Other operations provided by the Group include equity investments by the Holding Company. |    |

The table below shows the segment operational results for the period ended 30 June 2022:

| Segment operational results                                      |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
|--|---------------------------------|-------------------------------|-------------------------------|-----------------------------------|----------------------------------|----------------------------|----------------------------|-------------------------------|--|---------------------------|
| INFLATION ADJUSTED   |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
|  | Banking operations<br>ZWL\$ 000 | Mortgage finance<br>ZWL\$ 000 | Asset management<br>ZWL\$ 000 | Insurance operations<br>ZWL\$ 000 | Property investment<br>ZWL\$ 000 | Agro business<br>ZWL\$ 000 | Micro Finance<br>ZWL\$ 000 | Other operations<br>ZWL\$ 000 | Elimination of intersegment amounts<br>ZWL\$ 000 | Consolidated<br>ZWL\$ 000 |
| <b>INCOME</b>  |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
| Net interest income for the period ended 30 June 2022            | 23 353 285                      | (578 185)                     | (16 741)                      | (16 300)                          | (29 693)                         | (2 129 319)                | 1 100 647                  | (1 182 498)                   | 4 681  | 20 505 877                |
| Net interest income for the period ended 30 June 2021            | 17 668 514                      | (1 009 964)                   | (13 770)                      | (14 100)                          | (1 892)                          | (9 786 978)                | 878 421                    | (1 768 822)                   | 3 264  | 5 954 673                 |
| Non-interest income for the period ended 30 June 2022            | 36 143 571                      | (4 025 347)                   | 903 940                       | 1 568 681                         | 2 745 698                        | 38 887 434                 | 36 126                     | 6 010 004                     | (9 180 014)                                      | 73 090 093                |
| Non-interest income for the period ended 30 June 2021            | 9 533 999                       | (317 168)                     | 269 293                       | 363 350                           | (315 706)                        | 9 275 719                  | 113 090                    | 13 436 512                    | (6 115 482)                                      | 26 243 607                |
| Net underwriting income for the period ended 30 June 2022        | -                               | -                             | -                             | 622 322                           | -                                | -                          | -                          | -                             | (9 545)  | 612 777                   |
| Net underwriting income for the period ended 30 June 2021        | -                               | -                             | -                             | 654 324                           | -                                | -                          | -                          | -                             | (41 649)   | 612 675                   |
| Total income for the period ended 30 June 2022                   | 59 496 856                      | (4 603 532)                   | 887 199                       | 2 174 703                         | 2 716 005                        | 36 758 115                 | 1 136 773                  | 4 827 506                     | (9 184 878)                                      | 94 208 747                |
| Total income for the period ended 30 June 2021                   | 27 202 513                      | (1 327 132)                   | 255 523                       | 1 003 574                         | (317 598)                        | (511 259)                  | 991 511                    | 11 667 690                    | (6 153 867)                                      | 32 810 955                |
| Depreciation and amortisation for the period ended 30 June 2022  | 458 808                         | 188 467                       | 5 542                         | 54 185                            | 8 015                            | 64 907                     | 18 227                     | 48 469                        | 8 146  | 854 766                   |
| Depreciation and amortisation for the period ended 30 June 2021  | 381 078                         | 107 952                       | 10 697                        | 38 038                            | 7 174                            | 31 135                     | 6 266                      | 40 131                        | (16 335)   | 606 136                   |
| Impairment of assets for the period ended 30 June 2022           | 5 071 486                       | 338 769                       | 6 139                         | 88 125                            | 14 990                           | 18 741 681                 | 37 809                     | -                             | (1 359 653)                                      | 22 939 346                |
| Impairment of assets for the period ended 30 June 2021           | (2 599 799)                     | (144 759)                     | 33                            | (20 225)                          | (10 406)                         | (1 364 121)                | (30 465)                   | -                             | -  | (4 169 742)               |
| Results  |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
| Profit before taxation for the period ended 30 June 2022         | 13 470 234                      | (363 795)                     | 1 415 663                     | 1 129 491                         | 2 648 612                        | 12 818 029                 | (377 132)                  | 4 513 990                     | (5 324 387)                                      | 29 930 705                |
| Profit before taxation for the period ended 30 June 2021         | 9 309 786                       | (637 701)                     | 63 497                        | 50 668                            | (446 216)                        | (1 552 986)                | 589 820                    | 10 303 988                    | (5 239 368)                                      | 12 441 488                |
| Cash flows:  |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
| Used in operating activities for the period ended 30 June 2022   | 5 695 154                       | 290 808                       | (108 773)                     | 392 305                           | (372 140)                        | (159 787)                  | 82 469                     | 6 055 537                     | (11 647 327)                                     | 228 246                   |
| Used in operating activities for the period ended 30 June 2021   | 30 887 165                      | (229 961)                     | 73 932                        | 343 361                           | (118 494)                        | 217 583                    | (234 120)                  | 2 244 109                     | (2 793 305)                                      | 30 390 270                |
| Used in investing activities for the period ended 30 June 2022   | (1 249 752)                     | (15 587)                      | (88 053)                      | (111 288)                         | 539 596                          | (13 958)                   | (7 695)                    | (1 399 071)                   | (1)  | (2 345 809)               |
| Used in investing activities for the period ended 30 June 2021   | (594 237)                       | (13 039)                      | (49 916)                      | (133 845)                         | 104 334                          | (58 578)                   | (28 579)                   | (150 499)                     | 116 004  | (808 355)                 |
| Used in financing activities for the period ended 30 June 2022   | (1 976 437)                     | -                             | (4 051)                       | (99)                              | (3 916)                          | (966 653)                  | (95 621)                   | 976 414                       | 3 036 584  | 966 221                   |
| Used in financing activities for the period ended 30 June 2021   | (4 559 325)                     | (1 909)                       | (4 569)                       | (1 425)                           | (3 687)                          | (302 880)                  | 111 406                    | (4 429 331)                   | 4 733 880  | (4 457 840)               |
| Total assets and liabilities                                     |                                 |                               |                               |                                   |                                  |                            |                            |                               |  |                           |
| Reportable segment liabilities for the period ended 30 June 2022 | 306 994 224                     | 21 131 821                    | 3 947 567                     | 3 845 105                         | 1 995 701                        | 97 082 180                 | 214 965                    | 6 099 359                     | (81 701 205)                                     | 359 609 717               |
| Reportable segment liabilities for the period ended 31 Dec 2021  | 299 380 781                     | 18 492 559                    | 2 554 004                     | 4 820 688                         | 2 044 836                        | 93 755 669                 | 240 848                    | 2 030 278                     | (85 073 826)                                     | 338 245 837               |
| Total segment assets for the period ended 30 June 2022           | 375 210 829                     | 21 859 654                    | 3 260 255                     | 8 292 439                         | 8 527 128                        | 111 179 520                | 1 180 743                  | 17 474 390                    | (84 729 102)                                     | 462 255 856               |
| Total segment assets for the period ended 31 Dec 2021            | 359 195 936                     | 18 122 387                    | 2 096 769                     | 7 680 114                         | 6 773 968                        | 102 168 703                | 1 825 063                  | 9 032 449                     | (90 289 646)                                     | 416 605 743               |

| UNAUDITED HISTORICAL  |                                    |                                  |                                  |                                      |                                     |                               |                               |                                  |  |                           |
|---|------------------------------------|----------------------------------|----------------------------------|--------------------------------------|-------------------------------------|-------------------------------|-------------------------------|----------------------------------|--|---------------------------|
|   | Banking<br>operations<br>ZWL\$ 000 | Mortgage<br>finance<br>ZWL\$ 000 | Asset<br>management<br>ZWL\$ 000 | Insurance<br>operations<br>ZWL\$ 000 | Property<br>investment<br>ZWL\$ 000 | Agro<br>business<br>ZWL\$ 000 | Micro<br>Finance<br>ZWL\$ 000 | Other<br>operations<br>ZWL\$ 000 | Elimination of<br>intersegment<br>amounts<br>ZWL\$ 000 | Consolidated<br>ZWL\$ 000 |
| INCOME  |                                    |                                  |                                  |                                      |                                     |                               |                               |                                  |  |                           |
| Net interest income for the<br>period ended 30 June 2022            | 15 461 893                         | (390 519)                        | (12 510)                         | (10 554)                             | (15 647)                            | (1 770 605)                   | 687 258                       | (660 746)                        | 3 198  | 13 291 768                |
| Net interest income for the<br>period ended 30 June 2021            | 5 715 339                          | (321 257)                        | (4 391)                          | (4 541)                              | (599)                               | (3 144 013)                   | 283 878                       | (571 858)                        | 1 043  | 1 953 601                 |
| Non-interest income for the<br>period ended 30 June 2022            | 33 453 572                         | (2 045 908)                      | 1 347 681                        | 3 061 543                            | 5 012 353                           | 37 777 317                    | 17 492                        | 7 887 140                        | (7 615 569)  | 78 895 621                |
| Non-interest income for the<br>period ended 30 June 2021            | 3 236 433                          | 74 764                           | 113 827                          | 209 065                              | 54 469                              | 2 920 796                     | 36 277                        | 4 679 502                        | (2 048 962)  | 9 276 171                 |
| Net underwriting income for the<br>period ended 30 June 2022        | -                                  | -                                | -                                | 278 289                              | -                                   | -                             | -                             | -                                | (16 343)   | 261 946                   |
| Net underwriting income for the<br>period ended 30 June 2021        | -                                  | -                                | -                                | 195 321                              | -                                   | -                             | -                             | -                                | (11 962)   | 183 359                   |
| Total income for the period<br>ended 30 June 2022                   | 48 915 465                         | (2 436 426)                      | 1 335 170                        | 3 329 277                            | 4 996 706                           | 36 006 712                    | 704 751                       | 7 226 393                        | (7 628 713)  | 92 449 335                |
| Total income for the period<br>ended 30 June 2021                   | 8 951 772                          | (246 493)                        | 109 436                          | 399 845                              | 53 871                              | (223 217)                     | 320 155                       | 4 107 644                        | (2 059 882)  | 11 413 131                |
| Depreciation and amortisation for<br>the period ended 30 June 2022  | 249 627                            | 117 884                          | 1 966                            | 11 671                               | 1 420                               | 18 325                        | 5 166                         | 6 363                            | 2 635  | 415 057                   |
| Depreciation and amortisation for<br>the period ended 30 June 2021  | 108 080                            | 32 626                           | 1 218                            | 4 289                                | 1 201                               | 4 781                         | 961                           | 4 303                            | 2 148  | 159 607                   |
| Impairment of assets for the<br>period ended 30 June 2022           | 5 071 486                          | 338 769                          | 6 139                            | 88 125                               | 14 990                              | 18 741 681                    | 37 809                        | -                                | (1 359 653)  | 22 939 346                |
| Impairment of assets for the<br>period ended 30 June 2021           | 891 678                            | 49 649                           | (11)                             | 6 937                                | 3 569                               | 467 865                       | 10 449                        | -                                | -  | 1 430 136                 |
| RESULTS   |                                    |                                  |                                  |                                      |                                     |                               |                               |                                  |  |                           |
| Profit before taxation for the<br>period ended 30 June 2022         | 32 669 123                         | (4 535 873)                      | 1 041 530                        | 2 010 244                            | 4 695 596                           | 14 025 117                    | 344 412                       | 3 162 645                        | (3 523 675)  | 49 889 119                |
| Profit before taxation for the<br>period ended 30 June 2021         | 4 956 509                          | (848 001)                        | 44 938                           | 101 968                              | (7 861)                             | (1 112 186)                   | 246 411                       | 3 476 396                        | (1 738 242)  | 5 119 932                 |
| CASH FLOWS  |                                    |                                  |                                  |                                      |                                     |                               |                               |                                  |  |                           |
| Used in operating activities for<br>the period ended 30 June 2022   | 9 120 577                          | 52 640                           | 40 188                           | 268 772                              | (6 002)                             | 179 883                       | (6 696)                       | 3 787 999                        | (6 343 149)  | 7 094 212                 |
| Used in operating activities for<br>the period ended 30 June 2021   | 11 030 304                         | (63 329)                         | (16 456)                         | 108 898                              | (38 397)                            | 77 030                        | (25 802)                      | 769 669                          | (1 038 048)  | 10 803 869                |
| Used in investing activities for<br>the period ended 30 June 2022   | (964 478)                          | (12 077)                         | (48 361)                         | (127 851)                            | (1 245)                             | (10 541)                      | (5 524)                       | (1 409 255)                      | 247 457  | (2 331 875)               |
| Used in investing activities for the<br>period ended 30 June 2021   | (162 280)                          | (3 184)                          | (15 534)                         | (45 449)                             | 33 591                              | (20 164)                      | (33 088)                      | (19 611)                         | 32 104   | (233 615)                 |
| Used in financing activities for the<br>period ended 30 June 2022   | (1 509 837)                        | -                                | (2 719)                          | (2 649)                              | (2 649)                             | (958 596)                     | (52 769)                      | 994 196                          | 2 516 788  | 981 765                   |
| Used in financing activities for the<br>period ended 30 June 2021   | (1 505 136)                        | (1 288)                          | (1 461)                          | (456)                                | (1 265)                             | (102 413)                     | 37 546                        | (1 350 341)                      | 1 396 769  | (1 528 045)               |
| Total assets and liabilities  |                                    |                                  |                                  |                                      |                                     |                               |                               |                                  |  |                           |
| Reportable segment liabilities for<br>the period ended 30 June 2022 | 306 337 950                        | 21 131 821                       | 3 942 769                        | 3 697 242                            | 1 978 716                           | 97 049 745                    | 186 481                       | 5 897 588                        | (81 759 364)   | 358 462 948               |
| Reportable segment liabilities for<br>the period ended 31 Dec 2021  | 135 190 639                        | 8 447 276                        | 1 165 165                        | 2 157 066                            | 929 774                             | 42 822 691                    | 107 084                       | 915 127                          | (38 874 174)   | 152 860 648               |
| Total segment assets for the<br>period ended 30 June 2022           | 357 714 652                        | 20 871 278                       | 3 109 240                        | 8 022 927                            | 8 077 560                           | 110 512 553                   | 1 095 758                     | 12 370 061                       | (79 874 897)   | 441 899 132               |
| Total segment assets for the<br>period ended 31 Dec 2021            | 157 481 406                        | 7 896 193                        | 949 761                          | 3 424 821                            | 2 657 122                           | 46 438 527                    | 812 113                       | 1 438 775                        | (38 527 802)   | 182 570 916               |



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 |
|                               | 30 JUNE 2022           | 31 DEC 2021 | 30 JUNE 2022              | 31 DEC 2021 | 30 JUNE 2022 31 DEC 2021    |
| Loans to directors' companies | -                      | -           | -                         | -           | -                           |

| UNAUDITED HISTORICAL          |                        |             |                           |             |                             |
|-------------------------------|------------------------|-------------|---------------------------|-------------|-----------------------------|
|                               | Gross limits ZWL\$ 000 |             | Utilised limits ZWL\$ 000 |             | Value of security ZWL\$ 000 |
|                               | 30 JUNE 2022           | 31 DEC 2021 | 30 JUNE 2022              | 31 DEC 2021 | 30 JUNE 2022 31 DEC 2021    |
| Loans to directors' companies | -                      | -           | -                         | -           | -                           |

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.

|  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|---|--------------------------------------|---|--|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| Transactions with Directors' companies |   |                                      |   |  |
| Interest income                        | -   | -                                    | -                                       | -                                      |
| Commission and fee income              | -   | -                                    | -                                       | -                                      |
|  | -   | -                                    | -                                       | -                                      |
| 36. CLOSING EXCHANGE RATES             |   |                                      |   |  |
| USD                                    | 366.2687  | 108.666                              | 366.2687                                | 108.666                                |
| ZAR                                    | 0.0443  | 0.1463                               | 0.0443                                  | 0.1463                                 |
| GBP                                    | 444.7235  | 146.6991                             | 444.7235                                | 146.6991                               |
| EUR                                    | 383.3002  | 122.9338                             | 383.3002                                | 122.9338                               |

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.

|                                 | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---------------------------------|---|--------------------------------------|---|--|
|                                 | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| Balances with banks             | 85 326 103                                      | 49 123 236                           | 85 326 103                              | 22 439 162                             |
| Money market assets             | 12 589 055                                      | 53 314 294                           | 12 589 055                              | 24 353 609                             |
| Financial securities            | 894 879   | 2 111 496                            | 894 879                                 | 964 517                                |
| Loans and advances to customers | 182 893 601                                     | 122 377 616                          | 182 893 601                             | 55 901 268                             |
| Other assets                    | 74 826 681                                      | 76 346 530                           | 74 826 681                              | 34 874 579                             |
| Total                           | 356 530 319                                     | 303 273 172                          | 356 530 319                             | 138 533 135                            |
| Financial guarantees            | 179 042   | 366 422                              | 179 042                                 | 167 379                                |
| Loan Commitments                | 2 227 010                                       | 9 403 734                            | 2 227 010                               | 4 295 562                              |
| Total                           | 2 406 052                                       | 9 770 156                            | 2 406 052                               | 4 462 941                              |

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\$85 326 103 388(2021: ZWL\$63 093 811 792) (excluding notes and coins) as at 30 June 2022 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                |                           |                          |   |
|-------------------------|---------------------------|---|--------------------------|---|---------------------------|---------------------------|--------------------------|---|
|                         | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000                               | 31 DEC 2021<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000                                | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000                                |
|                         |                           | Net maximum exposure (not covered by mortgage security) |                          | Net maximum exposure (not covered by mortgage security) |                           | Gross maximum exposure    |                          | Net maximum exposure (not covered by mortgage security) |
|                         | Gross maximum exposure    |   | Gross maximum exposure   |   | Gross maximum exposure    |                           | Gross maximum exposure   |   |
| Private                 | 14 444 291                | 14 234 385  | 14 032 239               | 4 757 638   | 14 444 291                | 14 234 385                | 6 409 832                | 2 173 257   |
| Agriculture             | 130 461 648               | 13 315 053  | 70 803 615               | 17 718 117  | 130 461 648               | 13 315 053                | 32 342 613               | 8 093 516   |
| Mining                  | 16 102 943                | 9 678 015   | 10 315 365               | 9 339 416   | 16 102 943                | 9 678 015                 | 4 711 989                | 4 266 182   |
| Manufacturing           | 12 536 397                | 19 819 122  | 6 082 073                | 2 508 334   | 12 536 397                | 19 819 122                | 2 778 250                | 1 145 790   |
| Distribution            | 26 855 752                | 1 503 490   | 25 103 001               | 11 432 542  | 26 855 752                | 1 503 490                 | 11 466 881               | 5 222 308   |
| Construction            | 1 844 353                 | 264   | 263 250                  | -   | 1 844 353                 | 264                       | 120 251                  | -   |
| Transport               | 926 934                   | 11  | 192 597                  | 970   | 926 935                   | 11                        | 87 977                   | 443   |
| Communication           | 12                        | 17 133 317  | -                        | -   | 12                        | 17 133 317                | -                        | -   |
| Services                | 9 218 433                 | 1 135 846   | 12 268 379               | 6 879 307   | 9 218 432                 | 1 135 846                 | 5 604 112                | 3 142 421   |
| Financial organisations | 867 716                   | 85 103 633  | 986 271                  | 9 331 813   | 867 716                   | 85 103 633                | 450 522                  | 4 262 709   |
| Gross value             | 213 258 479               | 161 923 136   | 140 046 790              | 61 968 137  | 213 258 479               | 161 923 136               | 63 972 427               | 28 306 626  |

|  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|---|--------------------------------------|---|--|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| Collateral                                 |   |                                      |   |  |
| Government Guarantee                       | 87 065 133                                      | 55 604 126                           | 87 065 133                              | 25 399 589                             |
| Cash cover                                 | 1 018 843                                       | 215 892                              | 1 018 843                               | 98 618                                 |
| Collateral (mortgage security)             | 28 709 602                                      | -                                    | 28 709 602                              | -                                      |
| Other forms of security including Notarial |   |                                      |   |  |
| General Covering Bonds                     | 11 341 252                                      | 20 139 127                           | 11 341 252                              | 9 199 417                              |
| Notarial general covering bonds            | 19 807 691                                      | 21 170 178                           | 19 807 691                              | 9 670 394                              |
|  | 147 942 521                                     | 97 129 323                           | 147 942 521                             | 44 368 018                             |

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 period 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

| INFLATION ADJUSTED |            |                   |             |                   |             |                   |             |                 |             |
|--------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                    | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                    |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |

Internal rating grade

|                 |           |            |            |            |            |            |            |             |             |
|-----------------|-----------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| Performing      | "1 - 3c"  | 49 260 775 | 46 597 161 | 1 090 610  | 151 182    | -          | -          | 50 351 385  | 46 748 343  |
| Special mention | "4a - 7c" | 45 095 823 | 16 377 810 | 22 293 636 | 15 159 447 | -          | -          | 67 389 459  | 31 537 257  |
| Non-performing  | "8 - 10"  | -          | -          | -          | -          | 95 517 635 | 61 761 190 | 95 517 635  | 61 761 190  |
| Total           |           | 94 356 598 | 62 974 971 | 23 384 246 | 15 310 629 | 95 517 635 | 61 761 190 | 213 258 479 | 140 046 790 |

| UNAUDITED HISTORICAL |            |                   |             |                   |             |                   |             |                 |             |
|----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                      | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                      |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |

Internal rating grade

|                 |           |            |            |            |           |            |            |             |            |
|-----------------|-----------|------------|------------|------------|-----------|------------|------------|-------------|------------|
| Performing      | "1 - 3c"  | 49 260 775 | 21 285 269 | 1 090 610  | 69 059    | -          | -          | 50 351 385  | 21 354 328 |
| Special mention | "4a - 7c" | 45 095 823 | 7 481 273  | 22 293 636 | 6 924 733 | -          | -          | 67 389 459  | 14 406 006 |
| Non-performing  | "8 - 10"  | -          | -          | -          | -         | 95 517 635 | 28 212 093 | 95 517 635  | 28 212 093 |
| Total           |           | 94 356 598 | 28 766 542 | 23 384 246 | 6 993 792 | 95 517 635 | 28 212 093 | 213 258 479 | 63 972 427 |

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

| GROSS CARRYING AMOUNT                                     |  | INFLATION ADJUSTED |              |                   |             |                   |              |                 |               |
|---|--|--------------------|--------------|-------------------|-------------|-------------------|--------------|-----------------|---------------|
|   |  | Stage 1 ZWL\$ 000  |              | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |              | Total ZWL\$ 000 |               |
|   |  | 30 JUNE 2022       | 31 DEC 2021  | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021  | 30 JUNE 2022    | 31 DEC 2021   |
| Opening balance   |  | 62 974 971         | 104 330 999  | 15 310 629        | 3 475 713   | 61 761 190        | (7 056 582)  | 140 046 790     | 100 750 130   |
| New assets originated or purchased (excluding write offs) |  | 121 158 681        | 76 114 268   | 36 622 052        | 586 180     | 104 281 511       | 84 570 122   | 262 062 244     | 161 270 570   |
| Transfers (from)/to Stage 1                               |  | (4 530 697)        | (75 954 955) | 3 652 104         | 22 493 299  | 878 593           | 53 461 656   | -               | -             |
| Transfers to/(from) Stage 2                               |  | 2 702 669          | 4 258 254    | (7 216 590)       | (4 735 444) | 4 513 921         | 477 190      | -               | -             |
| Transfers to/(from) Stage 3                               |  | 111 595            | 200 614      | 14 177            | 4 247       | (125 772)         | (204 861)    | -               | -             |
| Repayments during the period                              |  | (10 948 981)       | (13 861 654) | (6 477 104)       | (1 107 089) | (314 364)         | (89 920)     | (17 740 449)    | (15 058 663)  |
| Amounts written off                                       |  | (2 068 506)        | -            | -                 | -           | (26 026)          | (29 190)     | (2 094 532)     | (29 190)      |
| Monetary adjustment                                       |  | (75 043 134)       | (32 112 555) | (18 521 022)      | (5 406 277) | (75 451 418)      | (69 367 225) | (169 015 574)   | (106 886 057) |
| Gross loans and advances to customers                     |  | 94 356 598         | 62 974 971   | 23 384 246        | 15 310 629  | 95 517 635        | 61 761 190   | 213 258 479     | 140 046 790   |
| ECL allowance   |  | (3 980 921)        | (1 962 246)  | (1 443 177)       | (1 590 004) | (24 940 780)      | (14 116 924) | (30 364 878)    | (17 669 174)  |
| Net loans and advances to customers                       |  | 90 375 677         | 61 012 725   | 21 941 069        | 13 720 625  | 70 576 855        | 47 644 266   | 182 893 601     | 122 377 616   |

| GROSS CARRYING AMOUNT                                     |                   |                   | UNAUDITED HISTORICAL |                  |                   |                   |                    |                   |
|---|-------------------|-------------------|----------------------|------------------|-------------------|-------------------|--------------------|-------------------|
|   | Stage 1 ZWL\$ 000 |                   | Stage 2 ZWL\$ 000    |                  | Stage 3 ZWL\$ 000 |                   | Total ZWL\$ 000    |                   |
|   | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022         | 31 DEC 2021      | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022       | 31 DEC 2021       |
| Opening balance   | 28 766 542        | 29 649 453        | 6 993 792            | 870 427          | 28 212 094        | 81 765            | 63 972 428         | 30 601 645        |
| New assets originated or purchased (excluding write offs) | 74 670 639        | 26 403 578        | 22 570 390           | 81 498           | 64 269 410        | 11 753 953        | 161 510 439        | 38 239 029        |
| Transfers (from)/to Stage 1                               | (2 792 289)       | (24 280 678)      | 2 250 808            | 7 962 428        | 541 481           | 16 318 250        | -                  | -                 |
| Transfers to/(from) Stage 2                               | 1 665 665         | 1 361 243         | (4 447 616)          | (1 530 165)      | 2 781 951         | 168 922           | -                  | -                 |
| Transfers to/(from) Stage 3                               | 68 776            | 64 130            | 8 737                | 1 503            | (77 513)          | (65 633)          | -                  | -                 |
| Repayments during the period                              | (6 747 906)       | (4 431 184)       | (3 991 865)          | (391 899)        | (193 746)         | (31 833)          | (10 933 517)       | (4 854 916)       |
| Amounts written off                                       | (1 274 829)       | -                 | -                    | -                | (16 042)          | (13 331)          | (1 290 871)        | (13 331)          |
| <b>Gross loans and advances to customers</b>              | <b>94 356 598</b> | <b>28 766 542</b> | <b>23 384 246</b>    | <b>6 993 792</b> | <b>95 517 635</b> | <b>28 212 093</b> | <b>213 258 479</b> | <b>63 972 427</b> |
| ECL allowance   | (3 980 921)       | (896 342)         | (1 443 177)          | (726 303)        | (24 940 780)      | (6 448 514)       | (30 364 878)       | (8 071 159)       |
| <b>Net loans and advances to customers</b>                | <b>90 375 677</b> | <b>27 870 200</b> | <b>21 941 069</b>    | <b>6 267 489</b> | <b>70 576 855</b> | <b>21 763 579</b> | <b>182 893 601</b> | <b>55 901 268</b> |





| ECL RECONCILIATION                 |                   | UNAUDITED HISTORICAL |                   |             |                   |             |                 |             |  |
|------------------------------------|-------------------|----------------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|--|
|                                    | Stage 1 ZWL\$ 000 |                      | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |  |
|                                    | 30 JUNE 2022      | 31 DEC 2021          | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |  |
| Opening balance                    | 896 342           | 1 051 060            | 726 303           | 67 969      | 6 448 514         | 43 687      | 8 071 159       | 1 162 716   |  |
| New assets originated or purchased | 2 858 340         | 1 591 692            | 2 605 542         | 4 011       | 17 360 402        | 5 546 427   | 22 824 284      | 7 142 130   |  |
| Transfers (from)/to Stage 1        | 430 357           | (1 637 383)          | (634 859)         | 815 015     | 204 502           | 822 368     | -               | -           |  |
| Transfers to/(from) Stage 2        | 33 917            | 21 558               | (1 079 462)       | (87 649)    | 1 045 545         | 66 091      | -               | -           |  |
| Transfers to/(from) Stage 3        | 1 129             | 1 939                | 7 737             | 738         | (8 866)           | (2 677)     | -               | -           |  |
| Amounts written off                | -                 | -                    | -                 | -           | (16 040)          | (11 118)    | (16 040)        | (11 118)    |  |
| Amounts paid off                   | (239 164)         | (132 524)            | (182 084)         | (73 781)    | (93 277)          | (16 264)    | (514 525)       | (222 569)   |  |
| Closing balance                    | 3 980 921         | 896 342              | 1 443 177         | 726 303     | 24 940 780        | 6 448 514   | 30 364 878      | 8 071 159   |  |

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 period 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

| INFLATION ADJUSTED    |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 908 708           | 2 143 040   | -                 | -           | -                 | -           | 908 708         | 2 143 040   |
| Total                 |            | 908 708           | 2 143 040   | -                 | -           | -                 | -           | 908 708         | 2 143 040   |

| UNAUDITED HISTORICAL  |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 908 708           | 978 926     | -                 | -           | -                 | -           | 908 708         | 978 926     |
| Total                 |            | 908 708           | 978 926     | -                 | -           | -                 | -           | 908 708         | 978 926     |

(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 |             |  |
|                              | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |  |
| Opening balance              | 2 143 039         | 3 479 701   | -                 | -           | -                 | -           | 2 143 039       | 3 479 701   |  |
| Monetary adjustment          | (1 037 982)       | (1 308 531) | -                 | -           | -                 | -           | (1 037 982)     | (1 308 531) |  |
| Maturities during the period | (196 349)         | (28 131)    | -                 | -           | -                 | -           | (196 349)       | (28 131)    |  |
| Gross financial securities   | 908 708           | 2 143 039   | -                 | -           | -                 | -           | 908 708         | 2 143 039   |  |
| ECL allowance                | (13 829)          | (31 544)    | -                 | -           | -                 | -           | (13 829)        | (31 543)    |  |
| Closing balance              | 894 879           | 2 111 495   | -                 | -           | -                 | -           | 894 879         | 2 111 496   |  |

| UNAUDITED HISTORICAL         |                   |             |                   |             |                   |             |                 |             |  |
|------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|--|
|                              | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |  |
|                              | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |  |
| Opening balance              | 978 927           | 988 884     | -                 | -           | -                 | -           | 978 927         | 988 884     |  |
| Maturities during the period | (70 219)          | (9 958)     | -                 | -           | -                 | -           | (70 219)        | (9 958)     |  |
| Gross financial securities   | 908 708           | 978 926     | -                 | -           | -                 | -           | 908 708         | 978 926     |  |
| ECL allowance                | (13 829)          | (14 409)    | -                 | -           | -                 | -           | (13 829)        | (14 409)    |  |
| Closing balance              | 894 879           | 964 517     | -                 | -           | -                 | -           | 894 879         | 964 517     |  |

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 period 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

| INFLATION ADJUSTED    |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 13 070 678        | 53 483 690  | -                 | -           | -                 | -           | 13 070 678      | 53 483 690  |
| Total                 |            | 13 070 678        | 53 483 690  | -                 | -           | -                 | -           | 13 070 678      | 53 483 690  |

| UNAUDITED HISTORICAL  |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 13 070 678        | 24 430 988  | -                 | -           | -                 | -           | 13 070 678      | 24 430 988  |
| Total                 |            | 13 070 678        | 24 430 988  | -                 | -           | -                 | -           | 13 070 678      | 24 430 988  |

(ii) An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market assets is 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   | 53 483 690        | 26 729 651   | -                 | -           | -                 | -           | 53 483 690      | 26 729 651   |  |
| New assets originated or purchased (excluding write offs) | 21 196 416        | 75 111 985   | -                 | -           | -                 | -           | 21 196 416      | 75 111 985   |  |
| Maturities during the period                              | (39 629 367)      | (22 449 323) | -                 | -           | -                 | -           | (39 629 367)    | (22 449 323) |  |
| Monetary adjustment                                       | (21 980 061)      | (25 908 623) | -                 | -           | -                 | -           | (21 980 061)    | (25 908 623) |  |
| Gross money market assets                                 | 13 070 678        | 53 483 690   | -                 | -           | -                 | -           | 13 070 678      | 53 483 690   |  |
| ECL allowance   | (481 622)         | (169 392)    | -                 | -           | -                 | -           | (481 622)       | (169 394)    |  |
| Closing balance   | 12 589 056        | 53 314 298   | -                 | -           | -                 | -           | 12 589 056      | 53 314 296   |  |

| GROSS CARRYING AMOUNT                                     |                   | UNAUDITED HISTORICAL |                   |                 |              |             |              |             |  |
|---|-------------------|----------------------|-------------------|-----------------|--------------|-------------|--------------|-------------|--|
|   | Stage 1 ZWL\$ 000 | Stage 2 ZWL\$ 000    | Stage 3 ZWL\$ 000 | Total ZWL\$ 000 |              |             |              |             |  |
|   | 30 JUNE 2022      | 31 DEC 2021          | 30 JUNE 2022      | 31 DEC 2021     | 30 JUNE 2022 | 31 DEC 2021 | 30 JUNE 2022 | 31 DEC 2021 |  |
| Opening balance   | 24 430 987        | 7 596 204            | -                 | -               | -            | -           | 24 430 987   | 7 596 204   |  |
| New assets originated or purchased (excluding write offs) | 13 063 445        | 24 011 205           | -                 | -               | -            | -           | 13 063 445   | 24 011 205  |  |
| Maturities during the period                              | (24 423 754)      | (7 176 421)          | -                 | -               | -            | -           | (24 423 754) | (7 176 421) |  |
| Gross money market assets                                 | 13 070 678        | 24 430 988           | -                 | -               | -            | -           | 13 070 678   | 24 430 988  |  |
| ECL allowance   | (481 622)         | (77 378)             | -                 | -               | -            | -           | (481 622)    | (77 378)    |  |
| Closing balance   | 12 589 056        | 24 353 610           | -                 | -               | -            | -           | 12 589 056   | 24 353 610  |  |

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 period 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

| INFLATION ADJUSTED    |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 179 042           | 366 422     | -                 | -           | -                 | -           | 179 042         | 366 422     |
| Total                 |            | 179 042           | 366 422     | -                 | -           | -                 | -           | 179 042         | 366 422     |

| UNAUDITED HISTORICAL  |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 179 042           | 167 379     | -                 | -           | -                 | -           | 179 042         | 167 379     |
| Total                 |            | 179 042           | 167 379     | -                 | -           | -                 | -           | 179 042         | 167 379     |

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

| INFLATION ADJUSTED  |                   |             |                   |             |                   |             |                 |             |  |
|---|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|--|
|   | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |  |
|   | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |  |
| Opening balance   | 366 420           | 252 482     | -                 | -           | -                 | -           | 366 420         | 252 482     |  |
| New assets originated or purchased (excluding write offs) | 279 983           | 523 591     | -                 | -           | -                 | -           | 279 983         | 523 591     |  |
| Monetary adjustment                                       | (222 901)         | (185 200)   | -                 | -           | -                 | -           | (222 901)       | (185 200)   |  |
| Guarantees Expired  | (244 460)         | (224 453)   | -                 | -           | -                 | -           | (244 460)       | (224 453)   |  |
| Gross Guarantees  | 179 042           | 366 420     | -                 | -           | -                 | -           | 179 042         | 366 420     |  |
| ECL allowance   | (543)             | (823)       | -                 | -           | -                 | -           | (543)           | (823)       |  |
| Closing balance   | 178 499           | 365 597     | -                 | -           | -                 | -           | 178 499         | 365 597     |  |

| UNAUDITED HISTORICAL                                      |                   |             |                   |             |                   |             |                 |             |  |
|---|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|--|
|   | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |  |
|   | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |  |
| Opening balance   | 167 379           | 71 752      | -                 | -           | -                 | -           | 167 379         | 71 752      |  |
| New assets originated or purchased (excluding write offs) | 91 925            | 167 377     | -                 | -           | -                 | -           | 91 925          | 167 377     |  |
| Guarantees expired during the period                      | (80 262)          | (71 750)    | -                 | -           | -                 | -           | (80 262)        | (71 750)    |  |
| Gross Guarantees  | 179 042           | 167 379     | -                 | -           | -                 | -           | 179 042         | 167 379     |  |
| ECL allowance   | (543)             | (376)       | -                 | -           | -                 | -           | (543)           | (376)       |  |
| Closing balance   | 178 499           | 167 003     | -                 | -           | -                 | -           | 178 499         | 167 003     |  |

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 30 June 2022.

Expected Credit Losses is determined through a combination of expected credit exposures (Exposure-at-Default), likelihood of default occurring (Probability of Default) and anticipated Loss in the event of Default (Loss-Given-Default).

37.3.1 Definition of Parameters used for Calculation of Expected Credit Losses (ECL)

Default

This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

The Probability of Default (PD)

This is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.

The Exposure at Default (EAD)

This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The Loss Given Default (LGD)

This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. LGD measurement takes into account time value of money, from the time of the default to when collateral cash will be received. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument, unless the Bank has the legal right to call it earlier. Impair





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 exposure at default (EAD) and multiplied by the expected loss given efaul (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 (LTECLs) 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 forborne.

Cure

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

The specific requirements for reclassifying non-performing forborne 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 forborne 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 forborne 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 forborne 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 forborne, it will remain forborne for a minimum six months' probation period. In order for the loan to be reclassified out of the forborne 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 forborne 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 30 JUNE 2022

| REVIEWED INFLATION ADJUSTED     |                                   |                               |                               |                                |                              |                                   |                    |
|---------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------|
|                                 | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Assets</b>                   |                                   |                               |                               |                                |                              |                                   |                    |
| Balances with banks and cash    | 100 970 755                       | -                             | -                             | -                              | -                            | -                                 | 100 970 755        |
| Money market assets             | 9 178 969                         | 3 304 910                     | 903 401                       | -                              | 4 131                        | -                                 | 13 391 411         |
| Financial securities            | -                                 | 3 312                         | -                             | -                              | 148 616                      | 774 469                           | 926 397            |
| Loans and advances to customers | 24 867 385                        | 23 089 567                    | 67 995 281                    | 65 121 330                     | 48 468 093                   | 4 955 518                         | 234 497 174        |
| Insurance assets                | 53 262                            | -                             | 42 924                        | -                              | -                            | -                                 | 96 186             |
| Financial guarantees            | 4 095                             | 10 428                        | 23 459                        | 141 060                        | -                            | -                                 | 179 042            |
| Current tax receivable          | 251                               | 1 210                         | -                             | -                              | -                            | -                                 | 1 461              |
| Other liquid assets             | 82 894 230                        | -                             | 27 420                        | -                              | -                            | -                                 | 82 921 650         |
| <b>Total assets</b>             | <b>217 968 947</b>                | <b>26 409 427</b>             | <b>68 992 485</b>             | <b>65 262 390</b>              | <b>48 620 840</b>            | <b>5 729 987</b>                  | <b>432 984 076</b> |
| <b>Liabilities</b>              |                                   |                               |                               |                                |                              |                                   |                    |
| Deposits                        | 256 320 317                       | 22 538 219                    | 2 287 491                     | 1 843 756                      | 7 177 435                    | 2 145                             | 290 169 363        |
| Other liabilities               | 6 068 237                         | 27 003 888                    | 124 636                       | -                              | -                            | -                                 | 33 196 761         |
| Current tax payable             | 109 292                           | 2 402 834                     | -                             | -                              | -                            | -                                 | 2 512 126          |
| Life Fund                       | 774 724                           | -                             | 12 838                        | -                              | 27 817                       | -                                 | 815 379            |
| Investment contract liabilities | 155 504                           | -                             | -                             | -                              | -                            | -                                 | 155 504            |
| Lease Liabilities               | 7 219                             | 15 854                        | 18 801                        | 21 052                         | 28 883                       | -                                 | 91 809             |
| Financial guarantees            | 4 095                             | 10 428                        | 23 459                        | 141 060                        | -                            | -                                 | 179 042            |
| Capital and Loan Commitments    | 2 398 633                         | -                             | -                             | -                              | -                            | -                                 | 2 398 633          |
| <b>Total liabilities</b>        | <b>265 838 021</b>                | <b>51 971 223</b>             | <b>2 467 225</b>              | <b>2 005 868</b>               | <b>7 234 135</b>             | <b>2 145</b>                      | <b>329 518 617</b> |
| <b>Liquidity gap</b>            | <b>(47 869 074)</b>               | <b>(25 561 796)</b>           | <b>66 525 260</b>             | <b>63 256 522</b>              | <b>41 386 705</b>            | <b>5 727 842</b>                  | <b>103 465 459</b> |
| <b>Cumulative liquidity gap</b> | <b>(47 869 074)</b>               | <b>(73 430 870)</b>           | <b>(6 905 610)</b>            | <b>56 350 912</b>              | <b>97 737 617</b>            | <b>103 465 459</b>                | <b>103 465 459</b> |

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

| AUDITED INFLATION ADJUSTED      |                                   |                               |                               |                                |                              |                                   |                    |
|---------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------|
|                                 | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Restated</b>                 |                                   |                               |                               |                                |                              |                                   |                    |
| <b>Assets</b>                   |                                   |                               |                               |                                |                              |                                   |                    |
| Balances with banks and cash    | 86 610 150                        | -                             | -                             | -                              | -                            | -                                 | 86 610 150         |
| Money market assets             | 38 028 542                        | 3 601 284                     | 14 401 126                    | -                              | 5 237                        | -                                 | 56 036 189         |
| Financial securities            | 32 555                            | -                             | 120 713                       | 93 066                         | 367 481                      | 3 024 927                         | 3 638 742          |
| Loans and advances to customers | 13 272 580                        | 11 559 363                    | 29 694 780                    | 89 557 002                     | 16 632 221                   | 4 378 491                         | 165 094 437        |
| Insurance assets                | 1 162 992                         | 378 594                       | 507 851                       | -                              | -                            | -                                 | 2 049 437          |
| Financial guarantees            | 5 151                             | 123 198                       | 47 363                        | 183 363                        | 7 347                        | -                                 | 366 422            |
| Current tax receivable          | 1 830                             | 81 407                        | -                             | -                              | -                            | -                                 | 83 237             |
| Other liquid assets             | 7 932 103                         | 37 856 896                    | 2 565 036                     | 6 527 292                      | 35 318 272                   | -                                 | 90 199 599         |
| <b>Total assets</b>             | <b>147 045 903</b>                | <b>53 600 742</b>             | <b>47 336 869</b>             | <b>96 360 723</b>              | <b>52 330 558</b>            | <b>7 403 418</b>                  | <b>404 078 213</b> |
| <b>Liabilities</b>              |                                   |                               |                               |                                |                              |                                   |                    |
| Deposits                        | 261 576 683                       | 10 663 568                    | 15 140 053                    | 519 075                        | 558 883                      | 8 518                             | 288 466 780        |
| Insurance liabilities           | 767 076                           | 255 691                       | 255 691                       | -                              | -                            | -                                 | 1 278 458          |
| Other liabilities               | 5 323 216                         | 21 191 360                    | 743 789                       | 37 162 130                     | -                            | -                                 | 64 420 495         |
| Current tax payable             | -                                 | 1 143 979                     | -                             | -                              | -                            | -                                 | 1 143 979          |
| Life Fund                       | 870 851                           | -                             | -                             | -                              | -                            | -                                 | 870 851            |
| Investment contract liabilities | 136 915                           | -                             | -                             | -                              | -                            | -                                 | 136 915            |
| Lease liability                 | 4 766                             | 11 662                        | 14 300                        | 25 473                         | 30 493                       | -                                 | 86 694             |
| Financial guarantees            | 5 151                             | 123 198                       | 47 363                        | 183 363                        | 7 347                        | -                                 | 366 422            |
| Loan commitments                | 9 403 734                         | -                             | -                             | -                              | -                            | -                                 | 9 403 734          |
| <b>Total liabilities</b>        | <b>278 088 392</b>                | <b>33 389 458</b>             | <b>16 201 196</b>             | <b>37 890 041</b>              | <b>596 723</b>               | <b>8 518</b>                      | <b>366 174 328</b> |
| <b>Liquidity gap</b>            | <b>(131 042 489)</b>              | <b>20 211 284</b>             | <b>31 135 673</b>             | <b>58 470 682</b>              | <b>51 733 835</b>            | <b>7 394 900</b>                  | <b>37 903 885</b>  |
| <b>Cumulative liquidity gap</b> | <b>(131 042 489)</b>              | <b>(110 831 205)</b>          | <b>(79 695 532)</b>           | <b>(21 224 850)</b>            | <b>30 508 985</b>            | <b>37 903 885</b>                 | <b>37 903 885</b>  |

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2022

| UNAUDITED HISTORICAL            |                                   |                               |                               |                                |                              |                                   |                    |
|---------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------|
|                                 | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Assets</b>                   |                                   |                               |                               |                                |                              |                                   |                    |
| Balances with banks and cash    | 100 970 755                       | -                             | -                             | -                              | -                            | -                                 | 100 970 755        |
| Money market assets             | 9 178 969                         | 3 304 910                     | 903 401                       | -                              | 4 131                        | -                                 | 13 391 411         |
| Financial securities            | -                                 | 3 312                         | -                             | -                              | 148 616                      | 774 469                           | 926 397            |
| Loans and advances to customers | 24 867 385                        | 23 089 567                    | 67 995 281                    | 65 121 330                     | 48 468 093                   | 4 955 518                         | 234 497 174        |
| Insurance assets                | 53 262                            | -                             | 42 924                        | -                              | -                            | -                                 | 96 186             |
| Financial guarantees            | 4 095                             | 10 428                        | 23 459                        | 141 060                        | -                            | -                                 | 179 042            |
| Current tax receivable          | 251                               | 1 210                         | -                             | -                              | -                            | -                                 | 1 461              |
| Other liquid assets             | 82 894 230                        | -                             | 27 420                        | -                              | -                            | -                                 | 82 921 650         |
| <b>Total assets</b>             | <b>217 968 947</b>                | <b>26 409 427</b>             | <b>68 992 485</b>             | <b>65 262 390</b>              | <b>48 620 840</b>            | <b>5 729 987</b>                  | <b>432 984 076</b> |
| <b>Liabilities</b>              |                                   |                               |                               |                                |                              |                                   |                    |
| Deposits                        | 256 320 317                       | 22 538 219                    | 2 287 491                     | 1 843 756                      | 7 177 435                    | 2 145                             | 290 169 363        |
| Other liabilities               | 6 068 237                         | 27 003 888                    | 124 636                       | -                              | -                            | -                                 | 33 196 761         |
| Current tax payable             | 109 292                           | 2 402 834                     | -                             | -                              | -                            | -                                 | 2 512 126          |
| Life Fund                       | 774 724                           | -                             | 12 838                        | -                              | 27 817                       | -                                 | 815 379            |
| Investment contract liabilities | 155 504                           | -                             | -                             | -                              | -                            | -                                 | 155 504            |
| Lease Liability                 | 7 219                             | 15 854                        | 18 801                        | 21 052                         | 28 883                       | -                                 | 91 809             |
| Financial guarantees            | 4 095                             | 10 428                        | 23 459                        | 141 060                        | -                            | -                                 | 179 042            |
| Capital commitments             | 2 398 633                         | -                             | -                             | -                              | -                            | -                                 | 2 398 633          |
| <b>Total liabilities</b>        | <b>265 838 021</b>                | <b>51 971 223</b>             | <b>2 467 225</b>              | <b>2 005 868</b>               | <b>7 234 135</b>             | <b>2 145</b>                      | <b>329 518 617</b> |
| <b>Liquidity gap</b>            | <b>(47 869 074)</b>               | <b>(25 561 796)</b>           | <b>66 525 260</b>             | <b>63 256 522</b>              | <b>41 386 705</b>            | <b>5 727 842</b>                  | <b>103 465 459</b> |
| <b>Cumulative liquidity gap</b> | <b>(47 869 074)</b>               | <b>(73 430 870)</b>           | <b>(6 905 610)</b>            | <b>56 350 912</b>              | <b>97 737 617</b>            | <b>103 465 459</b>                | <b>103 465 459</b> |

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

| UNAUDITED HISTORICAL            |                                   |                               |                               |                                |                              |                                   |                    |
|---------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------|
|                                 | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Assets</b>                   |                                   |                               |                               |                                |                              |                                   |                    |
| 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         |
| <b>Total assets</b>             | <b>67 169 575</b>                 | <b>24 484 456</b>             | <b>21 623 162</b>             | <b>44 016 927</b>              | <b>23 904 245</b>            | <b>3 381 831</b>                  | <b>184 580 196</b> |
| <b>Liabilities</b>              |                                   |                               |                               |                                |                              |                                   |                    |
| 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 Liability                 | 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            |
| Capital commitments             | 4 295 562                         | -                             | -                             | -                              | -                            | -                                 | 4 295 562          |
| <b>Total liabilities</b>        | <b>127 028 898</b>                | <b>15 252 079</b>             | <b>7 400 597</b>              | <b>17 307 915</b>              | <b>272 579</b>               | <b>3 891</b>                      | <b>167 265 959</b> |
| <b>Liquidity gap</b>            | <b>(59 859 323)</b>               | <b>9 232 377</b>              | <b>14 222 565</b>             | <b>26 709 012</b>              | <b>23 631 666</b>            | <b>3 377 940</b>                  | <b>17 314 237</b>  |
| <b>Cumulative liquidity gap</b> | <b>(59 859 323)</b>               | <b>(50 626 946)</b>           | <b>(36 404 381)</b>           | <b>(9 695 369)</b>             | <b>13 936 297</b>            | <b>17 314 237</b>                 | <b>17 314 237</b>  |





# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022



### 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 30 June 2022 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\$ 33 584 101 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

| REVIEWED INFLATION ADJUSTED         |                                   |                               |                               |                                |                              |                                   |                                      |                    |
|-------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------------------------|--------------------|
|                                     | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Non-interest<br>bearing<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>30 JUNE 2022</b>                 |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| <b>Assets</b>                       |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Balances with banks and cash        | 80 474 232                        | -                             | -                             | -                              | -                            | -                                 | 20 496 523                           | 100 970 755        |
| Money market assets                 | 8 089 613                         | 3 668 531                     | 827 469                       | -                              | 3 443                        | -                                 | -                                    | 12 589 056         |
| Financial securities                | -                                 | 3 312                         | -                             | -                              | 117 098                      | 774 469                           | -                                    | 894 879            |
| Loans and advances to customers     | 18 850 944                        | 4 432 624                     | 63 272 024                    | 50 976 152                     | 41 603 410                   | 3 758 447                         | -                                    | 182 893 601        |
| Insurance assets                    | -                                 | -                             | -                             | -                              | -                            | -                                 | 1 523 633                            | 1 523 633          |
| Equity investments                  | -                                 | -                             | -                             | -                              | -                            | -                                 | 11 487 130                           | 11 487 130         |
| Land inventory                      | -                                 | -                             | -                             | -                              | -                            | -                                 | 12 607 620                           | 12 607 620         |
| Other assets                        | -                                 | -                             | -                             | -                              | -                            | -                                 | 83 971 544                           | 83 971 544         |
| Current tax receivable              | -                                 | -                             | -                             | -                              | -                            | -                                 | 36 988                               | 36 988             |
| Intangible assets                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 580 123                              | 580 123            |
| Investment properties               | -                                 | -                             | -                             | -                              | -                            | -                                 | 19 221 361                           | 19 221 361         |
| Property and equipment              | -                                 | -                             | -                             | -                              | -                            | -                                 | 27 278 706                           | 27 278 706         |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 8 200 460                            | 8 200 460          |
| <b>Total assets</b>                 | <b>107 414 789</b>                | <b>8 104 467</b>              | <b>64 099 493</b>             | <b>50 976 152</b>              | <b>41 723 951</b>            | <b>4 532 916</b>                  | <b>185 404 088</b>                   | <b>462 255 856</b> |
| <b>Equity &amp; Liabilities</b>     |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Deposits                            | 247 871 203                       | 22 538 219                    | 2 211 559                     | 1 843 756                      | 7 177 435                    | 2 145                             | 7 035 935                            | 288 680 252        |
| Insurance liabilities               | -                                 | -                             | -                             | -                              | -                            | -                                 | 1 504 515                            | 1 504 515          |
| Other liabilities                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 45 750 224                           | 45 750 224         |
| Current tax payable                 | -                                 | -                             | -                             | -                              | -                            | -                                 | 2 520 562                            | 2 520 562          |
| Life Fund                           | -                                 | -                             | -                             | -                              | -                            | -                                 | 774 724                              | 774 724            |
| Investment contract liabilities     | -                                 | -                             | -                             | -                              | -                            | -                                 | 155 504                              | 155 504            |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 20 141 957                           | 20 141 957         |
| Lease liability                     | 7 219                             | 15 854                        | 18 801                        | 21 052                         | 19 053                       | -                                 | 81 979                               | 81 979             |
| Equity                              | -                                 | -                             | -                             | -                              | -                            | -                                 | 102 646 139                          | 102 646 139        |
| <b>Total liabilities and equity</b> | <b>247 878 422</b>                | <b>22 554 073</b>             | <b>2 230 360</b>              | <b>1 864 808</b>               | <b>7 196 488</b>             | <b>2 145</b>                      | <b>180 529 560</b>                   | <b>462 255 856</b> |
| <b>Interest rate repricing gap</b>  | <b>(140 463 633)</b>              | <b>(14 449 603)</b>           | <b>61 869 133</b>             | <b>49 111 344</b>              | <b>34 527 463</b>            | <b>4 530 771</b>                  | <b>4 874 528</b>                     | <b>-</b>           |
| <b>Cumulative gap</b>               | <b>(140 463 633)</b>              | <b>(154 913 239)</b>          | <b>(93 044 106)</b>           | <b>(43 932 762)</b>            | <b>(9 405 299)</b>           | <b>(4 874 528)</b>                | <b>-</b>                             | <b>-</b>           |

| AUDITED INFLATION ADJUSTED          |                                   |                               |                               |                                |                              |                                   |                                      |                    |
|-------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------------------------|--------------------|
| Restated                            | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Non-interest<br>bearing<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>31 DEC 2021</b>                  |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| <b>Assets</b>                       |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Balances with banks and cash        | 41 275 683                        | -                             | -                             | -                              | -                            | -                                 | 44 870 459                           | 86 146 142         |
| Money market assets                 | 6 807 736                         | 3 495 728                     | 12 048 186                    | -                              | 4 932                        | -                                 | 2 356 582                            | 22 356 582         |
| Financial securities                | 22 130                            | -                             | 100 118                       | -                              | 325 346                      | 1 663 902                         | -                                    | 2 111 496          |
| Loans and advances to customers     | 8 199 738                         | 8 721 405                     | 18 328 605                    | 71 983 734                     | 12 252 848                   | 2 891 286                         | -                                    | 122 377 616        |
| Insurance assets                    | -                                 | -                             | -                             | -                              | -                            | -                                 | 3 335 499                            | 3 335 499          |
| Equity investments                  | -                                 | -                             | -                             | -                              | -                            | -                                 | 24 727 967                           | 24 727 967         |
| Land inventory                      | -                                 | -                             | -                             | -                              | -                            | -                                 | 28 371 785                           | 28 371 785         |
| Other assets                        | -                                 | -                             | -                             | -                              | -                            | -                                 | 82 568 648                           | 82 568 648         |
| Current tax receivable              | -                                 | -                             | -                             | -                              | -                            | -                                 | 81 407                               | 81 407             |
| Intangible assets                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 665 810                              | 665 810            |
| Investment properties               | -                                 | -                             | -                             | -                              | -                            | -                                 | 42 078 909                           | 42 078 909         |
| Property and equipment              | -                                 | -                             | -                             | -                              | -                            | -                                 | 59 726 271                           | 59 726 271         |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 17 857 590                           | 17 857 590         |
| <b>Total assets</b>                 | <b>56 305 287</b>                 | <b>12 217 133</b>             | <b>30 476 909</b>             | <b>71 983 734</b>              | <b>12 583 126</b>            | <b>4 555 188</b>                  | <b>228 484 367</b>                   | <b>436 605 744</b> |
| <b>Equity &amp; Liabilities</b>     |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Deposits                            | 229 066 029                       | 10 397 282                    | 15 071 832                    | 482 369                        | 470 204                      | 5 193                             | 32 107 977                           | 287 600 886        |
| Insurance liabilities               | -                                 | -                             | -                             | -                              | -                            | -                                 | 2 124 587                            | 2 124 587          |
| Other liabilities                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 35 675 103                           | 35 675 103         |
| Current tax payable                 | -                                 | -                             | -                             | -                              | -                            | -                                 | 1 143 979                            | 1 143 979          |
| Life Fund                           | -                                 | -                             | -                             | -                              | -                            | -                                 | 870 851                              | 870 851            |
| Investment contract liabilities     | -                                 | -                             | -                             | -                              | -                            | -                                 | 136 915                              | 136 915            |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 10 614 115                           | 10 614 115         |
| Lease Liability                     | 4 766                             | 11 662                        | 14 300                        | 25 473                         | 23 201                       | -                                 | -                                    | 79 402             |
| Equity                              | -                                 | -                             | -                             | -                              | -                            | -                                 | 78 359 905                           | 78 359 905         |
| <b>Total liabilities and equity</b> | <b>229 070 795</b>                | <b>10 408 944</b>             | <b>15 086 132</b>             | <b>507 842</b>                 | <b>493 405</b>               | <b>5 193</b>                      | <b>161 033 432</b>                   | <b>436 605 743</b> |
| <b>Interest rate repricing gap</b>  | <b>(172 765 508)</b>              | <b>1 808 189</b>              | <b>15 390 777</b>             | <b>71 475 892</b>              | <b>12 089 721</b>            | <b>4 549 995</b>                  | <b>67 450 934</b>                    | <b>-</b>           |
| <b>Cumulative gap</b>               | <b>(172 765 508)</b>              | <b>(170 957 319)</b>          | <b>(155 566 542)</b>          | <b>(84 090 650)</b>            | <b>(72 000 929)</b>          | <b>(67 450 934)</b>               | <b>-</b>                             | <b>-</b>           |

| UNAUDITED HISTORICAL                |                                   |                               |                               |                                |                              |                                   |                                      |                    |
|-------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------------------------|--------------------|
|                                     | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Non-interest<br>bearing<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>30 JUNE 2022</b>                 |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| <b>Assets</b>                       |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Balances with banks and cash        | 80 474 232                        | -                             | -                             | -                              | -                            | -                                 | 20 496 523                           | 100 970 755        |
| Money market assets                 | 8 089 613                         | 3 668 531                     | 827 469                       | -                              | 3 443                        | -                                 | -                                    | 12 589 056         |
| Financial securities                | -                                 | 3 312                         | -                             | -                              | 117 098                      | 774 469                           | -                                    | 894 879            |
| Loans and advances to customers     | 18 850 944                        | 4 432 624                     | 63 272 024                    | 50 976 152                     | 41 603 410                   | 3 758 447                         | -                                    | 182 893 601        |
| Insurance assets                    | -                                 | -                             | -                             | -                              | -                            | -                                 | 1 375 684                            | 1 375 684          |
| Equity investments                  | -                                 | -                             | -                             | -                              | -                            | -                                 | 11 487 130                           | 11 487 130         |
| Land inventory                      | -                                 | -                             | -                             | -                              | -                            | -                                 | 786 249                              | 786 249            |
| Other liquid assets                 | -                                 | -                             | -                             | -                              | -                            | -                                 | 79 749 199                           | 79 749 199         |
| Current tax receivable              | -                                 | -                             | -                             | -                              | -                            | -                                 | 36 988                               | 36 988             |
| Intangible assets                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 171 999                              | 171 999            |
| Investment properties               | -                                 | -                             | -                             | -                              | -                            | -                                 | 19 221 361                           | 19 221 361         |
| Property and equipment              | -                                 | -                             | -                             | -                              | -                            | -                                 | 22 494 057                           | 22 494 057         |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 9 228 174                            | 9 228 174          |
| <b>Total assets</b>                 | <b>107 414 789</b>                | <b>8 104 467</b>              | <b>64 099 493</b>             | <b>50 976 152</b>              | <b>41 723 951</b>            | <b>4 532 916</b>                  | <b>165 047 364</b>                   | <b>441 899 132</b> |
| <b>Equity &amp; Liabilities</b>     |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| Deposits                            | 247 871 203                       | 22 538 219                    | 2 211 559                     | 1 843 756                      | 7 177 435                    | 2 145                             | 7 035 935                            | 288 680 252        |
| Insurance liabilities               | -                                 | -                             | -                             | -                              | -                            | -                                 | 1 286 501                            | 1 286 501          |
| Other liabilities                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 45 724 494                           | 45 724 494         |
| Current tax payable                 | -                                 | -                             | -                             | -                              | -                            | -                                 | 2 520 562                            | 2 520 562          |
| Life Fund                           | -                                 | -                             | -                             | -                              | -                            | -                                 | 774 724                              | 774 724            |
| Investment contract liabilities     | -                                 | -                             | -                             | -                              | -                            | -                                 | 155 504                              | 155 504            |
| Deferred taxation                   | -                                 | -                             | -                             | -                              | -                            | -                                 | 19 238 932                           | 19 238 932         |
| Lease liability                     | 1 875                             | 4 540                         | 5 702                         | 10 757                         | 59 105                       | -                                 | 81 979                               | 81 979             |
| Equity                              | -                                 | -                             | -                             | -                              | -                            | -                                 | 83 436 184                           | 83 436 184         |
| <b>Total liabilities and equity</b> | <b>247 873 078</b>                | <b>22 542 759</b>             | <b>2 217 261</b>              | <b>1 854 513</b>               | <b>7 236 540</b>             | <b>2 145</b>                      | <b>160 172 836</b>                   | <b>441 899 132</b> |
| <b>Interest rate repricing gap</b>  | <b>(140 458 289)</b>              | <b>(14 438 259)</b>           | <b>61 882 232</b>             | <b>49 121 639</b>              | <b>34 487 411</b>            | <b>4 530 771</b>                  | <b>4 874 528</b>                     | <b>-</b>           |
| <b>Cumulative gap</b>               | <b>(140 458 289)</b>              | <b>(154 896 581)</b>          | <b>(93 014 349)</b>           | <b>(43 892 710)</b>            | <b>(9 405 299)</b>           | <b>(4 874 528)</b>                | <b>-</b>                             | <b>-</b>           |

| UNAUDITED HISTORICAL                |                                   |                               |                               |                                |                              |                                   |                                      |                    |
|-------------------------------------|-----------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------------------------|--------------------|
|                                     | Less than<br>1 month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to<br>6 months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to<br>5 years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Non-interest<br>bearing<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>31 DEC 2021</b>                  |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| <b>Assets</b>                       |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| 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                 | -                                 | -                             | -                             | -                              | -                            | -                                 | 37 217 108                           | 37 217 108         |
| 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          |
| <b>Total assets</b>                 | <b>25 719 875</b>                 | <b>5 580 704</b>              | <b>13 921 646</b>             | <b>32 881 683</b>              | <b>5 747 886</b>             | <b>2 080 779</b>                  | <b>96 638 343</b>                    | <b>182 570 916</b> |
| <b>Equity &amp; Liabilities</b>     |                                   |                               |                               |                                |                              |                                   |                                      |                    |
| 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                              | -                                 | -                             | -                             | -                              | -                            | -                                 | 29 710 268                           | 29 710 268         |
| <b>Total liabilities and equity</b> | <b>104 637 689</b>                | <b>4 753 948</b>              | <b>6 890 413</b>              | <b>231 100</b>                 | <b>228 182</b>               | <b>2 372</b>                      | <b>65 827 212</b>                    | <b>182 570 916</b> |
| <b>Interest rate repricing gap</b>  | <b>(78 917 814)</b>               | <b>826 756</b>                | <b>7 031 233</b>              | <b>32 650 583</b>              | <b>5 519 704</b>             | <b>2 078 407</b>                  | <b>30 811 131</b>                    | <b>-</b>           |
| <b>Cumulative gap</b>               | <b>(78 917 814)</b>               | <b>(78 091 058)</b>           | <b>(71 059 825)</b>           | <b>(38 409 242)</b>            | <b>(32 889 538)</b>          | <b>(30 811 131)</b>               | <b>-</b>                             | <b>-</b>           |

### 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.</



FOREIGN CURRENCY POSITION AS AT 30 JUNE 2022

|                                 | UNDERLYING CURRENCY |                  |               |               |                                       |
|---------------------------------|---------------------|------------------|---------------|---------------|---------------------------------------|
|                                 | USD<br>\$ 000       | ZAR<br>\$ 000    | GBP<br>\$ 000 | EUR<br>\$ 000 | Other foreign<br>currencies<br>\$ 000 |
| <b>Assets</b>                   |                     |                  |               |               |                                       |
| Balances with banks and cash    | 199 932             | 122 729          | 233           | 7 308         | 244 382                               |
| Money market assets             | 8 582               | 337 454          | -             | -             | -                                     |
| Loans and advances to customers | 432 104             | 2 775            | -             | -             | 1                                     |
| Other assets                    | 211 826             | 1 133 023        | 2 848         | 5 226         | 2 419 886                             |
| <b>Total assets</b>             | <b>852 444</b>      | <b>1 595 981</b> | <b>3 081</b>  | <b>12 534</b> | <b>2 664 269</b>                      |
| <b>Liabilities</b>              |                     |                  |               |               |                                       |
| Deposits                        | 575 337             | 461 962          | 156           | 158           | 300 140                               |
| Insurance liabilities           | -                   | -                | -             | -             | -                                     |
| Other liabilities               | 63 301              | 1 101 736        | 2 871         | 5 298         | 13 124                                |
| Current tax payable             | -                   | -                | -             | -             | -                                     |
| <b>Total liabilities</b>        | <b>638 638</b>      | <b>1 563 698</b> | <b>3 027</b>  | <b>5 456</b>  | <b>313 264</b>                        |
| <b>Net position</b>             | <b>213 806</b>      | <b>32 283</b>    | <b>54</b>     | <b>7 078</b>  | <b>2 351 005</b>                      |

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

|                                 | UNDERLYING CURRENCY |                  |               |               |                                       |
|---------------------------------|---------------------|------------------|---------------|---------------|---------------------------------------|
|                                 | USD<br>\$ 000       | ZAR<br>\$ 000    | GBP<br>\$ 000 | EUR<br>\$ 000 | Other foreign<br>currencies<br>\$ 000 |
| <b>Assets</b>                   |                     |                  |               |               |                                       |
| 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                                 |
| <b>Total assets</b>             | <b>835 424</b>      | <b>1 489 359</b> | <b>3 055</b>  | <b>9 915</b>  | <b>6 131</b>                          |
| <b>Liabilities</b>              |                     |                  |               |               |                                       |
| Deposits                        | 725 862             | 384 187          | 149           | 607           | -                                     |
| Other liabilities               | 5 530               | 286 416          | 2 860         | 5 263         | 150 499                               |
| <b>Total liabilities</b>        | <b>731 392</b>      | <b>670 603</b>   | <b>3 009</b>  | <b>5 870</b>  | <b>150 499</b>                        |
| <b>Net position</b>             | <b>104 032</b>      | <b>818 756</b>   | <b>46</b>     | <b>4 045</b>  | <b>(144 368)</b>                      |

37.7 Operational risk

This is the potential for 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 |
|---|---------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Global Credit Rating (Long term)</b> | AA <sup>-(2w)</sup> | 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 |
|--|--------------------|--------------------|------|------|------|------|------|------|------|------|------|
| <b>Global Credit Rating (Financial strength)</b> | A <sup>-(2w)</sup> | A <sup>-(2w)</sup> | A-   | A-   | BBB+ | BBB+ | BBB+ | -    | -    | -    | -    |

CBZ Insurance Private Limited

| Rating agent                                       | 2021                 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|----------------------|------|------|------|------|------|------|------|------|------|------|
| <b>Global Credit Rating(Claims paying ability)</b> | BBB <sup>-(2w)</sup> | BBB- | BBB+ | BBB+ | BBB+ | BBB  | BBB  | -    | -    | -    | -    |

CBZ Asset Management Private Limited

| Rating agent                                  | 2021                 | 2020                 | 2019                 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|------|------|------|------|------|------|------|------|
| <b>Global Credit Rating (Manager quality)</b> | MQ2 <sup>-(2w)</sup> | MQ2 <sup>-(2w)</sup> | MQ2 <sup>-(2w)</sup> | 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 |
| <b>CBZ Bank (current)</b>                                      | 2         | 1                | 3             | 2          | 2        | 2         | 2                          |
| <b>CBZ Bank (previous)</b>                                     | 1         | 1                | 2             | 1          | 1        | 2         | 2                          |

Key

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

| CBZ Bank Limited<br>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 - High -  | could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business. 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 period, CBZ Group was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.

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 interim condensed 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 interim condensed consolidated financial statements.

Particular attention is given to the issues below;

a) Impact of Covid-19

The first half of 2022 saw the relaxation of the bulk of COVID induced restrictions and the subsequent reopening of borders and airspace, resulting in noticeable recovery in the tourism, hospitality and aviation sectors. In Zimbabwe, provisional figures indicate that tourist arrivals more than doubled during the first five months of 2022, compared to the same period of 2021. Destinations such as Victoria Falls further benefitted through hosting business conferences and major sporting events, which also boosted activity across the value chains. Furthermore, activity in the mining sector remained fairly active, buoyed by ongoing investments in new operations in the lithium, iron & steel and gas subsectors, as well as resuscitation and expansion of existing mines. Additionally, government driven infrastructure projects, among them roads, dams and airports construction projects, continued in earnest, supported by the Government's public sector investments programs. These also continued to crowd-in the private sector, thereby widening business opportunities for the financial services and related sectors.

b) Impact of Ukraine War

The invasion of the Ukraine by Russian forces on 24 February 2022 constitutes a far-reaching event that will also leave clear traces in the global economy and thus in corporate financial reporting. The impacts were immediately felt in the commodities and financial markets, and the democratic states united in imposing harsh sanctions against Russia. The consequences for Russia and the imposing states are immediately apparent, but in the longer term, there will also be significant consequences for the global economy. At present, it is hardly possible to comment on how long this crisis will last, which may also be intensified by further actions on the part of Russia.

Despite the foregoing, the Group has assessed that Covid-19 and the Ukraine war will not have an inhibiting impact on its ability to continue operating as a going concern. However, the Group will continue to monitor the developments with a view to better manage emerging risks and opportunities.



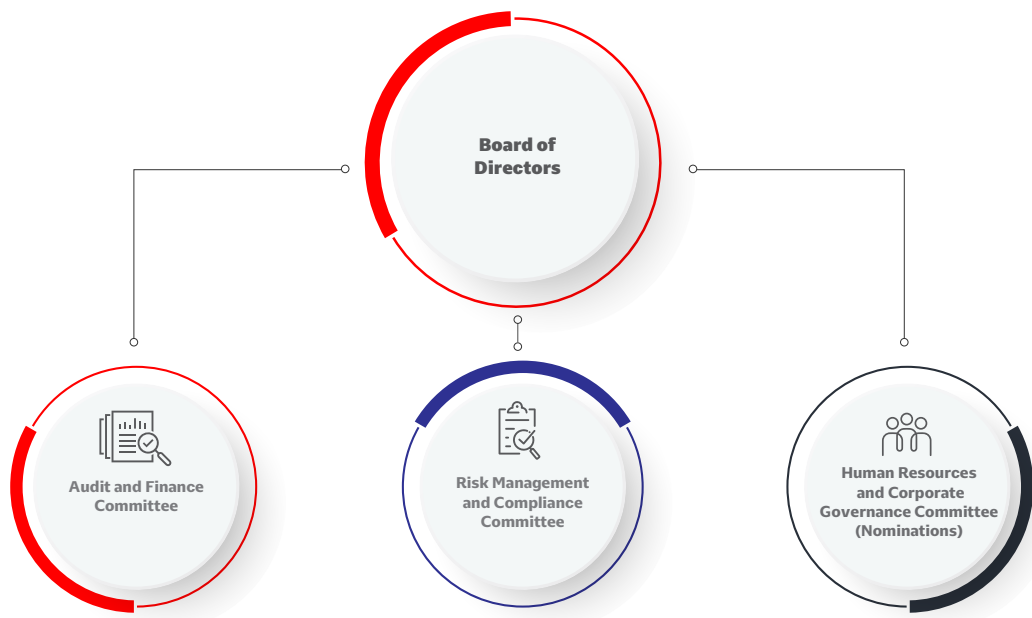
Partners for Success



## 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.

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 30 June 2022 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.*       | Dr. Marufu MPA*  | Mhlanga N*           | Tshuma H*        | Matika ATK*    | Magorimbo L*      | Sinyoro M*           | Jinnah J*          | Parham WD*     | Bhamre P*      |
| Galante EE           | Shangwa ET       | Mukanganga CF        | Narotam MB       | Chitiga WR     | DR Ndlovu N       | Dr Eng Makwiranzou C | Masunda V          | Mazike PS      | Dr Mudavanhu B |
| Gaskin Gain R        | Dr Beddies CH    | Moyo MTV             | Khalfan KM       | Dr Mudavanhu B | Marandu N         | Dr Mudavanhu B       | Mariwo T           | Dr Mudavanhu B | Gumbo TL       |
| Mashingaidze EU      | Shah JG          | Joshi HJ             | Dr B Mudavanhu   | Gumbo TL       | Dr Mudavanhu B    | Gumbo TL             | Ntini WL           | Gumbo TL       |                |
| Gerken LC            | Dr Mudavanhu B   | Dr Mudavanhu B       | TL Gumbo         | Mharadze J *** | Gumbo TL          | Smith JF             | Dr Mudavanhu B     | Chigodora W**  |                |
| Dr Mudavanhu B**     | Gumbo TL         | Gumbo TL             | J Mutizwa J ***  |                | Chinyani T***     | Snow RJ**            | Gumbo TL           | Mhungu S**     |                |
| Gumbo TL **          | Nyazema L**      | JF Smith             |                  |                | Bvumbural H**     | Alli D**             |                    |                |                |
|                      |                  | Muzadzi T**          |                  |                |                   |                      |                    |                |                |

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

### CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (January to June 2022)

|                       | Audit & Finance | Special Audit & Finance | Hr & Corporate Governance | Special HR & Corporate Governance | Risk Management & Compliance | Main Board | Total Committees | Total Boards |
|-----------------------|-----------------|-------------------------|---------------------------|-----------------------------------|------------------------------|------------|------------------|--------------|
| Meetings Held         | 2               | 3                       | 2                         | 8                                 | 2                            | 2          | 17               | 2            |
| M.L.Holtzman          | *               | *                       | 2                         | -                                 | *                            | 2          | 2                | 2            |
| L C Gerken            | 2               | 3                       | *                         | -                                 | 2                            | 2          | 7                | 2            |
| R Gaskin Gain         | *               | *                       | 2                         | -                                 | 2                            | 2          | 4                | 2            |
| E U Mashingaidze **** | 2               | 3                       | 2                         | 8                                 | *                            | 2          | 15               | 2            |
| E E Galante           | 2               | 3                       | *                         | -                                 | *                            | 2          | 5                | 2            |
| Dr. B Mudavanhu **    | 2               | 3                       | 2                         | -                                 | 2                            | 2          | 9                | 2            |
| T L Gumbo **          | 2               | 3                       | *                         | -                                 | 2                            | 2          | 7                | 2            |

**Key**  
\*not a member  
\*\* Executive  
- did not attend  
\*\*\*\* 3 Special HR Committees meetings attended in April 2022 and 5 Special Committees on 8 June 2022 (These were interviews)

### CBZ Bank Limited Board Committee and Board Attendance Register (January to June 2022)

| Name                    | Audit & Finance | Risk Management & Compliance | Credit | Special Credit | Loans Review | Main Board | Total Committees | Total Main Board |
|-------------------------|-----------------|------------------------------|--------|----------------|--------------|------------|------------------|------------------|
| Number of meetings Held | 2               | 2                            | 2      | 2              | 2            | 3          | 10               | 3                |
| M L Holtzman            | *               | *                            | 2      | 2              | 2            | 3          | 6                | 3                |
| Dr MPA Marufu           | *               | *                            | 2      | 2              | *            | 3          | 4                | 3                |
| ET Shangwa              | 2               | 2                            | 2      | 2              | *            | 3          | 8                | 3                |
| Dr CH Beddies           | 2               | 2                            | *      | *              | *            | 3          | 4                | 3                |
| J G Shah                | 2               | *                            | *      | *              | 2            | 3          | 4                | 3                |
| Dr B Mudavanhu          | 2               | *                            | 2      | 2              | 2            | 3          | 8                | 3                |
| T L Gumbo               | 2               | 2                            | *      | *              | 2            | 3          | 6                | 3                |
| L Nyazema**             | 2               | 2                            | 2      | 2              | 2            | 3          | 10               | 3                |

**Key**  
\*not a member  
\*\*Executive  
- did not attend

### CBZ Asset Management (Private) Limited Board Attendance Register (January to June 2022)

| Name                    | Audit & Compliance | Investments & Risk | Main Board | Total Committees | Total Boards |
|-------------------------|--------------------|--------------------|------------|------------------|--------------|
| Number of meetings held | 2                  | 2                  | 2          | 4                | 2            |
| N Mhlanga               | *                  | 2                  | 2          | 2                | 2            |
| MTV Moyo                | 2                  | *                  | 2          | 2                | 2            |
| CF Mukanganga           | 2                  | 2                  | 2          | 4                | 2            |
| H. J. Joshi             | 2                  | 2                  | 2          | 4                | 2            |
| Dr B Mudavanhu          | 2                  | -                  | -          | 2                | -            |
| T. L. Gumbo             | 2                  | 2                  | 2          | 4                | 2            |
| JF Smith                | 2                  | 2                  | 2          | 4                | 2            |
| T Muzadzi**             | 2                  | 2                  | 2          | 4                | 2            |

**Key**  
\*not a member  
\*\*Executive  
-did not attend

### CBZ Life Limited Board Attendance Register (January to June 2022)

| Name                    | Investments & Risk | Hr & Remuneration | Audit & Finance | Main Board | Total Committees | Total Boards |
|-------------------------|--------------------|-------------------|-----------------|------------|------------------|--------------|
| Number of Meetings Held | 2                  | 2                 | 2               | 2          | 6                | 2            |
| H Tshuma                | 2                  | 2                 | 2               | 2          | 6                | 2            |
| M B Narotam             | 2                  | 2                 | 2               | 2          | 6                | 2            |
| K Khalfan               | 1                  | 1                 | 1               | 1          | 3                | 2            |
| Dr B Mudavanhu          | -                  | -                 | -               | -          | -                | -            |
| T L Gumbo               | 2                  | 2                 | 2               | 2          | 6                | 2            |

**Key**  
\*not a member  
\*\*Executive  
-did not attend

### CBZ Insurance Board Attendance Register (January to June 2022)

| Name                    | Hr & Remuneration | Investments & Risk | Audit & Finance | Main Board | Total Committees | Total Boards |
|-------------------------|-------------------|--------------------|-----------------|------------|------------------|--------------|
| Number of Meetings Held | 2                 | 2                  | 2               | 2          | 6                | 2            |
| AKT Matika              | 2                 | 2                  | 2               | 2          | 6                | 2            |
| W Chitiga               | 2                 | 2                  | 2               | 2          | 6                | 2            |
| Dr B Mudavanhu          | 1                 | 1                  | 1               | 1          | 3                | 1            |
| T L Gumbo               | 2                 | 2                  | 2               | 2          | 6                | 2            |

**Key**  
\*not a member  
\*\*Executive  
-did not attend

### Red Sphere Finance Board Attendance Register (January to June 2022)

| Name                    | Audit & Risk Committee | Board Credit | Board | Total Committees | Total Board |
|-------------------------|------------------------|--------------|-------|------------------|-------------|
| Number of Meetings Held |                        | 1            | 2     | 2                | 1           |
| J. Jinnah               | *                      | 1            | 2     | 1                | 2           |
| W.J. Ntini              | 1                      | 1            | 1     | 2                | 1           |
| T. Mariwo               | 1                      | 1            | 1     | 2                | 1           |
| V. Masunda              | 1                      | 1            | 1     | 2                | 1           |
| Dr B Mudavanhu          | 1                      | 1            | 2     | 2                | 2           |
| T L Gumbo               | 1                      | 1            | 2     | 2                | 2           |
| D Ali**                 | 1                      | 1            | 2     | 2                | 2           |

**Key**  
\*\*Executive  
\*not a member  
-did not attend

### CBZ Risk Advisory Services Board Attendance Register (January to June 2022)

| Name                    | Audit & Risk | Main Board | Total Committees | Total Boards |
|-------------------------|--------------|------------|------------------|--------------|
| Number of meetings held | 2            | 2          | 2                | 2            |
| L Magorimbo             | *            | 2          | *                | 2            |
| N Ndlovu                | 2            | 2          | 2                | 2            |
| N Marandu               | 1            | 1          | 1                | 1            |
| Dr B Mudavanhu          | 1            | 1          | 1                | 1            |
| T L Gumbo               | 2            | 2          | 2                | 2            |
| J F Smith               | 2            | 2          | 2                | 2            |

**Key**  
\* Not Member  
\*\* Executive  
- did not attend

### CBZ Properties Board Attendance Register (January – June 2022)

| Name                    | Main Board | Total Boards |
|-------------------------|------------|--------------|
| Number of Meetings Held | 2          | 2            |
| M. Sinyoro              | 2          | 2            |
| Dr Eng. C Makwiranzou   | 2          | 2            |
| Dr B Mudavanhu          | 2          | 2            |
| T L Gumbo               | 2          | 2            |
| J F Smith               | 2          | 2            |
| R.J. Snow**             | 2          | 2            |
| H Bvumbural**           | 2          | 2            |

**Key**  
\* Not Member  
\*\* Executive  
- did not attend

### CBZ Agro Yield Board Attendance Register (January to June 2022)

| Name                    | Main Board | Total Boards |
|-------------------------|------------|--------------|
| Number of Meetings Held | 2          | 2            |
| W D Parham              | 2          | 2            |
| P S Mazike              | 2          | 2            |
| A D Archibald ***       | ***        | ***          |
| Dr B Mudavanhu          | 2          | 2            |
| T L Gumbo               | 2          | 2            |
| W Chigodora**           | 2          | 2            |
| S Mhungu**              | 2          | 2            |

**Key**  
\*not a member  
\*\*Executive  
\*\*\*Resigned – 23 February 2022  
-did not attend

### STATEMENT OF COMPLIANCE

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

### By order of the Board

Rumbidzayi Angeline Jakanani  
GROUP LEGAL CORPORATE SECRETARY

31 August 2022





# Reviewed Inflation Adjusted Financial Results

For the year ended 30 June 2022



## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

|  |      | REVIEWED  |                                       | UNAUDITED                               |   |
|--|------|---|---------------------------------------|---|---|
|  |      | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| Interest income  | 2.1  | 25 011 096                                      | 22 987 196                            | 16 564 103                              | 7 405 865                               |
| Interest expense   | 2.2  | (1 657 811)                                     | (5 318 682)                           | (1 102 210)                             | (1 690 526)                             |
| <b>Net interest income</b>   |      | <b>23 353 285</b>                               | <b>17 668 514</b>                     | <b>15 461 893</b>                       | <b>5 715 339</b>                        |
| Non-interest income  | 3    | 36 143 571                                      | 9 533 999                             | 33 453 572                              | 3 236 433                               |
| <b>Total income</b>  |      | <b>59 496 856</b>                               | <b>27 202 513</b>                     | <b>48 915 465</b>                       | <b>8 951 772</b>                        |
| Operating expenditure  | 4    | (15 459 969)                                    | (9 729 336)                           | (11 174 857)                            | (3 103 585)                             |
| <b>Operating income</b>  |      | <b>44 036 887</b>                               | <b>17 473 177</b>                     | <b>37 740 608</b>                       | <b>5 848 187</b>                        |
| Credit loss expense  | 12.1 | (5 071 486)                                     | (2 599 799)                           | (5 071 486)                             | (891 678)                               |
| Monetary Loss  |      | (25 495 167)                                    | (5 563 592)                           | -                                       | -                                       |
| <b>Profit before taxation</b>  |      | <b>13 470 234</b>                               | <b>9 309 786</b>                      | <b>32 669 122</b>                       | <b>4 956 509</b>                        |
| Taxation   | 5    | (5 547 219)                                     | (4 610 980)                           | (8 289 591)                             | (1 293 214)                             |
| <b>Profit after tax for the period</b>                                     |      | <b>7 923 015</b>                                | <b>4 698 806</b>                      | <b>24 379 531</b>                       | <b>3 663 295</b>                        |
| <b>Other comprehensive income</b>  |      |   |                                       |   |   |
| <b>Items that will not be reclassified to profit or loss</b>               |      |   |                                       |   |   |
| Gains / (losses) on property revaluations                                  |      | 3 788 430                                       | (528 837)                             | 7 722 029                               | 140 424                                 |
| Gains on equity instruments at FVOCI                                       |      | (434 759)                                       | 95 571                                | 413 957                                 | 76 590                                  |
| "Deferred income tax relating to components of other comprehensive income" | 5.3  | (914 762)                                       | 125 950                               | (1 929 583)                             | (38 541)                                |
|  |      | <b>2 438 909</b>                                | <b>(307 316)</b>                      | <b>6 206 403</b>                        | <b>178 473</b>                          |
| <b>Total comprehensive income for the period</b>                           |      | <b>10 361 924</b>                               | <b>4 391 490</b>                      | <b>30 585 934</b>                       | <b>3 841 768</b>                        |
| <b>Profit for the period attributable to:</b>                              |      |   |                                       |   |   |
| <b>Equity holders of parent</b>  |      | <b>7 923 015</b>                                | <b>4 698 806</b>                      | <b>24 379 531</b>                       | <b>3 663 295</b>                        |
| <b>Total comprehensive income for the period attributable to:</b>          |      |   |                                       |   |   |
| <b>Equity holders of parent</b>  |      | <b>10 361 924</b>                               | <b>4 391 491</b>                      | <b>30 585 934</b>                       | <b>3 841 768</b>                        |
| <b>Earnings per share (cents)</b>  |      |   |                                       |   |   |
| Basic  | 6.1  | 1 548.01  | 918.06                                | 4 763.32                                | 715.74                                  |
| Fully Diluted  | 6.1  | 1 548.01  | 918.06                                | 4 763.32                                | 715.74                                  |

## Statement of Financial Position

As at 30 June 2022

|  |      | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|------|---|--------------------------------------|---|--|
|  |      | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| <b>ASSETS</b>  |      |   |                                      |   |  |
| Cash and cash equivalents                                  | 8    | 99 085 257                                      | 81 606 262                           | 99 085 257                              | 37 277 189                             |
| Money market assets  | 9    | 12 512 569                                      | 53 228 775                           | 12 512 569                              | 24 314 545                             |
| Financial securities                                       | 10   | 894 879   | 2 111 496                            | 894 879                                 | 964 517                                |
| Loans and advances to customers                            | 11   | 146 258 858                                     | 139 171 640                          | 146 258 858                             | 63 572 666                             |
| Equity investments   | 15   | 1 146 058                                       | 1 609 948                            | 1 146 058                               | 735 413                                |
| Land inventory   | 14   | 11 469 638                                      | 11 237 641                           | 670 108                                 | 440 259                                |
| Other assets   | 13   | 83 458 287                                      | 55 368 006                           | 81 332 048                              | 24 964 083                             |
| Intangible assets  | 20   | 418 302   | 472 052                              | 129 301                                 | 159 618                                |
| Investment properties                                      | 19   | 3 191 385                                       | 2 240 703                            | 3 191 385                               | 1 023 538                              |
| Property and equipment                                     | 18   | 16 775 596                                      | 12 149 413                           | 12 494 188                              | 4 029 578                              |
| <b>TOTAL ASSETS</b>  |      | <b>375 210 829</b>                              | <b>359 195 936</b>                   | <b>357 714 651</b>                      | <b>157 481 406</b>                     |
| <b>LIABILITIES</b>   |      |   |                                      |   |  |
| Deposits   | 22   | 283 819 569                                     | 279 951 928                          | 283 819 569                             | 127 880 147                            |
| Other liabilities  | 23   | 12 563 991                                      | 12 455 617                           | 12 561 524                              | 5 364 041                              |
| Current tax payable  |      | 2 354 484                                       | 1 098 899                            | 2 354 484                               | 501 970                                |
| Deferred tax liability                                     | 21   | 8 225 782                                       | 5 839 627                            | 7 571 974                               | 1 428 625                              |
| Lease liability  |      | 30 399  | 34 710                               | 30 399                                  | 15 856                                 |
|  |      | <b>306 994 225</b>                              | <b>299 380 781</b>                   | <b>306 337 950</b>                      | <b>135 190 639</b>                     |
| <b>EQUITY</b>  |      |   |                                      |   |  |
| Share capital  | 25.1 | 501 827   | 501 827                              | 5 118                                   | 5 118                                  |
| Share premium  | 25.2 | 1 639 529                                       | 1 639 529                            | 16 722                                  | 16 722                                 |
| Revaluation reserve  | 25.3 | 8 553 442                                       | 5 701 512                            | 8 428 258                               | 2 615 114                              |
| Retained Earnings  | 25.4 | 56 652 945                                      | 50 690 405                           | 41 884 357                              | 19 004 826                             |
| Fair value reserve   | 25.5 | 868 861   | 1 281 882                            | 1 042 246                               | 648 987                                |
| <b>Equity attributable to equity holders of the parent</b> |      | <b>68 216 604</b>                               | <b>59 815 155</b>                    | <b>51 376 701</b>                       | <b>22 290 767</b>                      |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        |      | <b>375 210 829</b>                              | <b>359 195 936</b>                   | <b>357 714 651</b>                      | <b>157 481 406</b>                     |

## STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2022

| REVIEWED INFLATION ADJUSTED               |                            |                            |                                  |                                 |                                |
|---|----------------------------|----------------------------|----------------------------------|---------------------------------|--------------------------------|
|   | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | Fair value reserve<br>ZWL\$ 000 | Retained earnings<br>ZWL\$ 000 |
| <b>Restated 30 June 2021</b>              |                            |                            |                                  |                                 |                                |
| Opening balance                           | 501 827                    | 1 639 529                  | 4 457 997                        | 570 812                         | 44 834 912                     |
| Profit for the period                     | -                          | -                          | -                                | -                               | 4 698 806                      |
| Total comprehensive income for the period | -                          | -                          | (398 108)                        | 90 792                          | -                              |
| Dividend paid                             | -                          | -                          | -                                | -                               | (4 543 206)                    |
| <b>Closing balance</b>                    | <b>501 827</b>             | <b>1 639 529</b>           | <b>4 059 889</b>                 | <b>661 604</b>                  | <b>44 990 512</b>              |
| <b>30 June 2022</b>                       |                            |                            |                                  |                                 |                                |
| Opening balance                           | 501 827                    | 1 639 529                  | 5 701 512                        | 1 281 882                       | 50 690 405                     |
| Profit for the period                     | -                          | -                          | -                                | -                               | 7 923 015                      |
| Other comprehensive income for the period | -                          | -                          | 2 851 930                        | (413 021)                       | -                              |
| Dividend paid                             | -                          | -                          | -                                | -                               | (1 960 475)                    |
| <b>Closing balance</b>                    | <b>501 827</b>             | <b>1 639 529</b>           | <b>8 553 442</b>                 | <b>868 861</b>                  | <b>56 652 945</b>              |
| UNAUDITED HISTORICAL                      |                            |                            |                                  |                                 |                                |
|   | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | Fair value reserve<br>ZWL\$ 000 | Retained Total<br>ZWL\$ 000    |
| <b>30 June 2021</b>                       |                            |                            |                                  |                                 |                                |
| Opening balance                           | 5 118                      | 16 722                     | 1 307 622                        | 194 551                         | 10 961 442                     |
| Profit for the period                     | -                          | -                          | -                                | -                               | 3 663 295                      |
| Other comprehensive income for the period | -                          | -                          | 105 712                          | 72 761                          | -                              |
| Dividend paid                             | -                          | -                          | -                                | -                               | (1 500 000)                    |
| <b>Closing balance</b>                    | <b>5 118</b>               | <b>16 722</b>              | <b>1 413 334</b>                 | <b>267 312</b>                  | <b>11 600 724</b>              |
| <b>30 June 2022</b>                       |                            |                            |                                  |                                 |                                |
| Opening balance                           | 5 118                      | 16 722                     | 2 615 114                        | 648 987                         | 19 004 826                     |
| Profit for the period                     | -                          | -                          | -                                | -                               | 24 379 531                     |
| Other comprehensive income for the period | -                          | -                          | 5 813 144                        | 393 259                         | -                              |
| Dividend paid                             | -                          | -                          | -                                | -                               | (1 500 000)                    |
| <b>Closing balance</b>                    | <b>5 118</b>               | <b>16 722</b>              | <b>8 428 258</b>                 | <b>1 042 246</b>                | <b>41 884 357</b>              |

\* FCTR - Foreign Currency Translation Reserve

## Statement of Cash Flows

For the half year ended 30 June 2022

|  |  | REVIEWED  | UNAUDITED                             |   |   |
|--|--|---|---------------------------------------|---|---|
|  |  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |  |   |                                       |   |   |
| Profit before taxation   |  | 13 470 234                                      | 9 309 786                             | 32 669 122                              | 4 956 509                               |
| <b>Non cash items:</b>   |  |   |                                       |   |   |
| Depreciation   |  | 407 849   | 326 257                               | 218 221                                 | 91 584                                  |
| Amortisation of intangible assets  |  | 50 959  | 54 821                                | 31 406                                  | 16 496                                  |
| Monetary Loss  |  | 25 495 167                                      | 5 563 592                             | -                                       | -                                       |
| Write off of intangible assets   |  | 7 479   | -                                     | 3 599                                   | -                                       |
| Write off of land inventory  |  | -   | 27 214                                | -                                       | 8 985                                   |
| Fair value adjustments on investment properties                                |  | (950 682)                                       | 350 793                               | (2 167 847)                             | (30 224)                                |
| Fair value adjustments on financial instruments                                |  | 29 131  | (9 677)                               | 3 312                                   | (4 271)                                 |
| Expected credit loss expense   |  | 5 071 486                                       | 2 599 799                             | 5 071 486                               | 891 678                                 |
| Unrealised foreign exchange gains  |  | (23 426 649)                                    | (1 232 703)                           | (23 426 649)                            | (422 792)                               |
| Profit on sale of property and equipment                                       |  | (1 941)   | (175)                                 | (1 237)                                 | (58)                                    |
| Revaluation loss on buildings  |  | -   | 108 226                               | -                                       | -                                       |
| Write offs and impairment of fixed assets                                      |  | 1 401   | -                                     | 225                                     | -                                       |
| Interest on lease liability  |  | 1 095   | 1 510                                 | 766                                     | 501                                     |
| <b>Operating cash flows before changes in operating assets and liabilities</b> |  | <b>20 155 529</b>                               | <b>17 099 443</b>                     | <b>12 402 404</b>                       | <b>5 508 408</b>                        |
| <b>Changes in operating assets and liabilities</b>                             |  |   |                                       |   |   |
| Deposits   |  | 19 147 644                                      | 206 076 266                           | 11 965 226                              | 32 109 315                              |
| Loans and advances to customers  |  | (36 921 081)                                    | (161 549 051)                         | (17 333 780)                            | (21 375 625)                            |
| Financial securities   |  | 115 093   | 1 372 605                             | 70 218                                  | 20 858                                  |
| Money market assets  |  | 29 956 415                                      | (51 027 585)                          | 18 960 423                              | (6 660 026)                             |
| Land inventory   |  | (231 997)                                       | (50 733)                              | (229 849)                               | (16 595)                                |
| Other assets   |  | (28 670 216)                                    | 15 039 178                            | (17 336 706)                            | (1 265 123)                             |
| Other Liabilities  |  | 4 834 517                                       | 7 497 387                             | 2 845 952                               | 3 886 819                               |
|  |  | <b>(11 769 625)</b>                             | <b>17 358 067</b>                     | <b>(1 058 516)</b>                      | <b>6 699 623</b>                        |
| <b>TAXATION</b>  |  |   |                                       |   |   |
| Corporate tax paid   |  | (2 690 750)                                     | (3 570 345)                           | (2 223 311)                             | (1 177 727)                             |
| <b>Net cash inflow/(outflow) from operating activities</b>                     |  | <b>5 695 154</b>                                | <b>30 887 165</b>                     | <b>9 120 577</b>                        | <b>11 030 304</b>                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |  |   |                                       |   |   |
| Investment in equities during the period                                       |  | -   | (87 935)                              | -                                       | (29 033)                                |
| Proceeds on disposal of property and equipment                                 |  | 2 142   | 269                                   | 1 321                                   | 85                                      |
| Purchase of property and equipment   |  | (1 251 458)                                     | (505 430)                             | (965 363)                               | (132 975)                               |
| Purchase of intangible assets  |  | (436)   | (1 141)                               | (436)                                   | (357)                                   |
| <b>Net cash outflow from investing activities</b>                              |  | <b>(1 249 752)</b>                              | <b>(594 237)</b>                      | <b>(964 478)</b>                        | <b>(162 280)</b>                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |  |   |                                       |   |   |
| Dividends paid   |  | (1 960 475)                                     | (4 543 206)                           | (1 500 000)                             | (1 500 000)                             |
| Lease liability payment  |  | (14 867)  | (14 609)                              | (9 071)                                 | (4 635)                                 |
| Interest on lease liability  |  | (1 095)   | (1 510)                               | (766)                                   | (501)                                   |
| <b>Net cash outflow from financing activities</b>                              |  | <b>(1 976 437)</b>                              | <b>(4 559 325)</b>                    | <b>(1 509 837)</b>                      | <b>(1 505 136)</b>                      |
| <b>Net increase in cash and cash equivalents</b>                               |  | <b>2 468 965</b>                                | <b>25 733 603</b>                     | <b>6 646 262</b>                        | <b>9 362 888</b>                        |
| Cash and cash equivalents at beginning of period                               |  | 81 606 262                                      | 67 781 370                            | 37 277 189                              | 19 262 545                              |
| Exchange gains on foreign cash balances  |  | 55 161 806                                      | 1 911 630                             | 55 161 806                              | 655 650                                 |
| Inflation effects on cash  |  | (40 151 776)                                    | (10 053 919)                          | -                                       | -                                       |
| <b>Cash and cash equivalents at end of period</b>                              |  | <b>99 085 257</b>                               | <b>85 372 684</b>                     | <b>99 085 257</b>                       | <b>29 281 083</b>                       |

## Notes to the Inflation Adjusted Financial Results

For the half year ended 30 June 2022

### 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.

### 2. NET INTEREST INCOME

#### 2.1

**Interest income**  
Bankers acceptances  
Overdrafts  
Loans  
Staff loans  
Securities investments  
Other investments

#### 2.2

**Interest expense**  
Call deposits  
Savings deposits  
Money market deposits  
Other offshore deposits  
Lease liability

#### 3

**NET NON-INTEREST INCOME**  
Fair value adjustments on financial instruments  
Fair value adjustments on properties  
Net income from foreign currency dealing  
Unrealised foreign exchange gains  
Commission and fee income  
Profit on disposal of property and equipment  
Bad debts recovered  
Property sales  
Lease income  
Other operating income

#### 4

**OPERATING EXPENDITURE**  
Staff costs  
NSSA  
Pension  
Administration expenses  
Zimswitch fees  
Licence fees  
Property Management fees  
Insurance  
Audit fees  
Depreciation  
Amortisation of intangible assets  
Property cost of sales  
Write off of property and equipment  
Write off of Land inventory  
Revaluation loss on buildings  
Write off of Intangible assets

**Remuneration of directors and key management personnel (included in staff costs)**

Fees for services as directors  
Pension and retirement benefits for past and present directors  
Salaries and other benefits





# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

|  | REVIEWED  |                                       | UNAUDITED                               |   |
|--|---|---------------------------------------|---|---|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>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.  |   |                                       |   |   |
| Analysis of tax charge in respect of the profit for the period   |   |                                       |   |   |
| Current income tax charge  | 4 075 825                                       | 4 528 958                             | 4 075 825                               | 1 553 340                               |
| Deferred income tax  | 1 471 394                                       | 82 022                                | 4 213 766                               | (260 126)                               |
| Income tax expense   | 5 547 219                                       | 4 610 980                             | 8 289 591                               | 1 293 214                               |
| 5.2 Income tax rate reconciliations  |   |                                       |   |   |
| Notional tax   | %   | %                                     | %                                       | %                                       |
| Aids/levy  | 24.00   | 24.00                                 | 24.00                                   | 24.00                                   |
| Non deductible expenses  | 0.72  | 0.72                                  | 0.72                                    | 0.72                                    |
| Exempt income  | 49.77   | 25.51                                 | 0.66                                    | 1.82                                    |
| Tax credit   | (0.24)  | (0.68)                                | (0.10)                                  | (0.44)                                  |
| Effective tax rate   | (0.02)  | (0.02)                                | (0.01)                                  | (0.01)                                  |
|  | 74.23   | 49.53                                 | 25.27                                   | 26.09                                   |
| 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 other comprehensive income.  |   |                                       |   |   |
| Deferred tax expense on revaluation gains/(loss)   | 936 500   | (130 729)                             | 1 908 885                               | 34 712                                  |
| Deferred tax expense on fair value adjustment on financial assets  | (21 738)  | 4 779                                 | 20 698                                  | 3 829                                   |
| Total taxation relating to components of other comprehensive income  | 914 762   | (125 950)                             | 1 929 583                               | 38 541                                  |

## 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:

|  | REVIEWED  |                                       | UNAUDITED                               |   |
|--|---|---------------------------------------|---|---|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| 6.1. Earnings per share (cents)                      |   |                                       |   |   |
| Basic  | 684.98  | 918.06                                | 4 789.51                                | 715.74                                  |
| Fully Diluted  | 684.98  | 918.06                                | 4 789.51                                | 715.74                                  |
| 6.2 Earnings   |   |                                       |   |   |
| Basic (earnings attributable to holders of parent)   | 3 505 857                                       | 4 698 806                             | 24 513 595                              | 3 663 295                               |
| Fully Diluted  | 3 505 857                                       | 4 698 806                             | 24 513 595                              | 3 663 295                               |
| 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                                       | 1 960 475                                       | 4 543 206                             | 1 500 000                               | 1 500 000                               |

|  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|---|--------------------------------------|---|--|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 8. CASH AND CASH EQUIVALENTS               |   |                                      |   |  |
| Cash & bank                                | 13 763 309                                      | 19 289 287                           | 13 763 309                              | 8 811 216                              |
| Nostro accounts                            | 17 518 837                                      | 35 210 738                           | 17 518 837                              | 16 084 027                             |
| Balances with the Reserve Bank of Zimbabwe | 62 969 573                                      | 19 602 107                           | 62 969 573                              | 8 954 110                              |
| RBZ Statutory reserve                      | 4 851 871                                       | 7 533 881                            | 4 851 871                               | 3 441 426                              |
| Gross cash and cash equivalents            | 99 103 590                                      | 81 636 013                           | 99 103 590                              | 37 290 779                             |
| ECL  | (18 333)  | (29 751)                             | (18 333)                                | (13 590)                               |
| Net cash and cash equivalents              | 99 085 257                                      | 81 606 262                           | 99 085 257                              | 37 277 189                             |

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:

|   | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|---|---|--------------------------------------|---|--|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 9. MONEY MARKET ASSETS  |   |                                      |   |  |
| Money market assets are non-credit financial assets securities with an original maturity of one year or less. |   |                                      |   |  |
| Interbank Placements  | 7 486 427                                       | 13 077 750                           | 7 486 427                               | 5 973 828                              |
| RBZ Savings bonds   | 4 073 279                                       | 37 484 943                           | 4 073 279                               | 17 122 869                             |
| Bankers acceptances   | 1 381 331                                       | 2 742 737                            | 1 381 331                               | 1 252 864                              |
| Accrued interest  | 52 213  | 90 899                               | 52 213                                  | 41 522                                 |
| Total gross money market  | 12 993 250                                      | 53 396 329                           | 12 993 250                              | 24 391 083                             |
| Expected credit loss  | (480 681)                                       | (167 554)                            | (480 681)                               | (76 538)                               |
| Total net money market  | 12 512 569                                      | 53 228 775                           | 12 512 569                              | 24 314 545                             |

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| 9.1 Maturity analysis  |            |            |            |            |
| The maturity analysis of money market assets is shown below. |            |            |            |            |
| Between 0 and 3 months                                       | 12 089 849 | 41 353 077 | 12 089 849 | 18 889 806 |
| Between 3 and 6 months                                       | 903 401    | 12 043 252 | 903 401    | 5 501 277  |
|  | 12 993 250 | 53 396 329 | 12 993 250 | 24 391 083 |

|   |          |           |          |          |
|---|----------|-----------|----------|----------|
| 10. FINANCIAL SECURITIES  |          |           |          |          |
| Financial securities are non credit financial assets with an original maturity of more than 1 year. |          |           |          |          |
| Treasury bills  | 895 330  | 2 098 163 | 895 330  | 958 426  |
| Accrued interest  | 13 378   | 44 877    | 13 378   | 20 500   |
| Total gross financial securities  | 908 708  | 2 143 040 | 908 708  | 978 926  |
| Expected credit loss  | (13 829) | (31 544)  | (13 829) | (14 409) |
| Total net financial securities  | 894 879  | 2 111 496 | 894 879  | 964 517  |

|   |         |           |         |         |
|---|---------|-----------|---------|---------|
| 10.1 Maturity analysis  |         |           |         |         |
| The maturity analysis of financial securities is shown below: |         |           |         |         |
| Between 0 and 3 months  | -       | 22 130    | -       | 10 109  |
| Between 3 and 6 months  | 9 299   | 100 117   | 9 299   | 45 733  |
| Between 6 and 12 months                                       | 3 312   | -         | 3 312   | -       |
| Between 1 and 5 years   | 46 756  | 325 345   | 46 756  | 148 616 |
| Above 5 years   | 849 341 | 1 695 448 | 849 341 | 774 468 |
|   | 908 708 | 2 143 040 | 908 708 | 978 926 |

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| 11. LOANS AND ADVANCES TO CUSTOMERS      |             |             |             |             |
| Overdrafts                               | 18 258 618  | 17 371 919  | 18 258 618  | 7 935 375   |
| Commercial loans                         | 117 622 455 | 115 262 719 | 117 622 455 | 52 651 232  |
| Staff loans                              | 3 192 440   | 3 248 806   | 3 192 440   | 1 484 033   |
| Interest accrued                         | 13 882 180  | 8 356 157   | 13 882 180  | 3 817 036   |
| Total gross advances                     | 152 955 693 | 144 239 601 | 152 955 693 | 65 887 676  |
| Allowance for Expected Credit Loss (ECL) | (6 696 835) | (5 067 961) | (6 696 835) | (2 315 010) |
| Total net advances                       | 146 258 858 | 139 171 640 | 146 258 858 | 63 572 666  |
| 11.1 Maturity analysis                   |             |             |             |             |
| Less than 1 month                        | 20 048 859  | 22 480 479  | 20 048 859  | 10 268 933  |
| Between 1 and 3 months                   | 6 175 776   | 8 419 702   | 6 175 776   | 3 846 063   |
| Between 3 and 6 months                   | 67 557 653  | 17 954 415  | 67 557 653  | 8 201 456   |
| Between 6 months and 1 year              | 23 164 772  | 84 181 036  | 23 164 772  | 38 453 327  |
| Between 1 and 5 years                    | 18 188 862  | 9 225 554   | 18 188 862  | 4 214 171   |
| More than 5 years                        | 17 819 771  | 1 978 415   | 17 819 771  | 903 726     |
|  | 152 955 693 | 144 239 601 | 152 955 693 | 65 887 676  |

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

|                         | REVIEWED  |      | AUDITED                              |      | UNAUDITED                               |      |  |      |
|-------------------------|---|------|--------------------------------------|------|---|------|--|------|
|                         | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | %    | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | %    | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | %    | HISTORICAL<br>31 DEC 2020<br>ZWL\$ 000 | %    |
| 11.2 Sectoral Analysis  |   |      |                                      |      |   |      |  |      |
| Private                 | 9 302 948                                       | 6%   | 9 027 986                            | 6%   | 9 302 948                               | 6%   | 4 123 923                              | 6%   |
| Agriculture             | 76 505 640                                      | 50%  | 72 640 556                           | 50%  | 76 505 640                              | 50%  | 33 181 717                             | 50%  |
| Mining                  | 16 102 941                                      | 11%  | 10 315 361                           | 7%   | 16 102 941                              | 11%  | 4 711 987                              | 7%   |
| Manufacturing           | 12 536 289                                      | 8%   | 6 069 938                            | 4%   | 12 536 289                              | 8%   | 2 772 706                              | 4%   |
| Distribution            | 26 708 491                                      | 17%  | 24 943 905                           | 17%  | 26 708 491                              | 17%  | 11 394 207                             | 17%  |
| Construction            | 1 744 316                                       | 1%   | 86 721                               | -    | 1 744 316                               | 1%   | 39 614                                 | -    |
| Transport               | 918 287   | 1%   | 169 616                              | -    | 918 287                                 | 1%   | 77 479                                 | -    |
| Communication           | 11  | -    | -                                    | -    | -                                       | -    | -                                      | -    |
| Services                | 7 686 194                                       | 5%   | 11 461 525                           | 8%   | 7 686 194                               | 5%   | 5 235 547                              | 8%   |
| Financial organisations | 1 450 576                                       | 1%   | 9 523 993                            | 7%   | 1 450 576                               | 1%   | 4 350 496                              | 7%   |
|                         | 152 955 693                                     | 100% | 144 239 601                          | 100% | 152 955 693                             | 100% | 65 887 676                             | 100% |

|  | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--|---|--------------------------------------|---|--|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 11.3 Loans to directors and key management personnel |   |                                      |   |  |
| Opening balance                                      | 1 155 304                                       | 692 708                              | 527 735                                 | 196 858                                |
| Advances made during the period                      | 1 339 679                                       | 1 428 962                            | 825 650                                 | 505 840                                |
| Monetary adjustment                                  | (1 117 165)                                     | (472 108)                            | -                                       | -                                      |
| Repayment during the period                          | (63 678)  | (494 258)                            | (39 245)                                | (174 963)                              |
| Balance at end of the year                           | 1 314 140                                       | 1 155 304                            | 1 314 140                               | 527 735                                |
| Loans to employees                                   |   |                                      |   |  |
| Included in advances are loans to employees: -       |   |                                      |   |  |
| Opening balance                                      | 2 093 502                                       | 2 758 876                            | 956 298                                 | 784 035                                |
| Advances made during the period                      | 1 744 170                                       | 1 542 654                            | 1 074 939                               | 546 086                                |
| Monetary Adjustment                                  | (1 711 220)                                     | (1 152 004)                          | -                                       | -                                      |
| Repayments during the period                         | (248 152)                                       | (1 056 024)                          | (152 937)                               | (373 823)                              |
| Balance at end of the year                           | 1 878 300                                       | 2 093 502                            | 1 878 300                               | 956 298                                |
| 11.4 Allowance for Expected Credit Loss (ECL)        |   |                                      |   |  |
| Opening balance                                      | 5 067 961                                       | 2 026 295                            | 2 315 010                               | 575 846                                |
| Credit loss expense on loans and advances            | 4 397 864                                       | 3 828 231                            | 4 397 864                               | 1 748 710                              |
| Monetary Adjustment                                  | (2 742 965)                                     | (759 600)                            | -                                       | -                                      |
| Amounts written off during the period                | (26 025)  | (26 965)                             | (16 039)                                | (9 546)                                |
| Closing balance                                      | 6 696 835                                       | 5 067 961                            | 6 696 835                               | 2 315 010                              |

## 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:

| REVIEWED INFLATION ADJUSTED     |                   |             |                   |             |                   |             |                 |             |
|---------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                                 | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                                 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Money market assets             | 404 143           | 36 961      | -                 | -           | -                 | -           | 404 143         | 36 961      |
| Financial securities            | (580)             | 2 693       | -                 | -           | -                 | -           | (580)           | 2 693       |
| Loans and advances to customers | 1 699 447         | 2 144 883   | 1 659 240         | 42 931      | 1 039 177         | 255 057     | 4 397 864       | 2 442 871   |
| Financial guarantees            | 167               | 36 048      | -                 | -           | -                 | -           | 167             | 36 048      |
| Other commitments               | 260 922           | 76 025      | -                 | -           | -                 | -           | 260 922         | 76 025      |
| Lease receivables               | -                 | 1 157       | 1 716             | 1 669       | 7 254             | 2 375       | 8 970           | 5 201       |
| Expected credit loss expense    | 2 364 099         | 2 297 767   | 1 660 956         | 44 600      | 1 046 431         | 257 432     | 5 071 486       | 2 599 799   |

| UNAUDITED HISTORICAL            |                   |             |                   |             |                   |             |                 |             |
|---------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                                 | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                                 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Money market assets             | 404 143           | 12 677      | -                 | -           | -                 | -           | 404 143         | 12 677      |
| Financial securities            | (580)             | 924         | -                 | -           | -                 | -           | (580)           | 924         |
| Loans and advances to customers | 1 699 447         | 735 651     | 1 659 240         | 14 725      | 1 039 177         | 87 479      | 4 397 864       | 837 855     |
| Financial guarantees            | 167               | 12 364      | -                 | -           | -                 | -           | 167             | 12 364      |
| Other commitments               | 260 922           | 26 074      | -                 | -           | -                 | -           | 260 922         | 26 074      |
| Lease receivables               | -                 | 397         | 1 716             | 572         | 7 254             | 815         | 8 970           | 1 784       |
| Expected credit loss expense    | 2 364 099         | 788 087     | 1 660 956         | 15 297      | 1 046 431         | 88 294      | 5 071 486       | 891 678     |

|                          | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--------------------------|---|--------------------------------------|---|--|
|                          | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 13. OTHER ASSET          |   |                                      |   |  |
| Prepayments and deposits | 4 727 765                                       | 2 585 111                            | 2 601 526                               | 853 213                                |
| Other receivables        | 79 064 659                                      | 52 933 926                           | 79 064 659                              | 24 179 860                             |
| Gross other assets       | 83 792 424                                      | 55 519 037                           | 81 666 185                              | 25 033 073                             |
| ECL                      | (334 137)                                       | (151 031)                            | (334 137)                               | (68 990)                               |
| Net assets               | 83 458 287                                      | 55 368 006                           | 81 332 048                              | 24 964 083                             |

Included in other receivables is an amount of ZWL\$57 299 557 797 (2021:ZWL\$37 817 398 234) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of US\$1:ZWL\$1.

The RBZ financial asset is denominated in US Dollars and has been translated to ZWL\$ using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21.

|     |   | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|-----|---|---|--------------------------------------|---|--|
|     |   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| 14. | LAND INVENTORY                                      |   |                                      |   |  |
|     | Opening Balance                                     | 11 237 641                                      | 11 329 056                           | 440 259                                 | 412 622                                |
|     | Additions   | 233 101   | 111 319                              | 229 919                                 | 41 128                                 |
|     | Disposals   | (1 104)   | (2 932)                              | (70)                                    | (833)                                  |
|     | Impairment  |   | (199 802)                            |   | (12 658)                               |
|     | Closing balance                                     | 11 469 638                                      | 11 237 641                           | 670 108                                 | 440 259                                |
| 15. | EQUITY INVESTMENTS                                  |   |                                      |   |  |
|     | Opening balance                                     | 1 609 948                                       | 742 190                              | 735 413                                 | 210 920                                |
|     | Investment in equities during the period            |   | 87 916                               |   | 29 027                                 |
|     | Fair value adjustments - Profit or loss             | (29 131)  | 31 345                               | (3 312)                                 | 17 112                                 |
|     | Fair value adjustments - Other comprehensive income | (434 759)                                       | 748 497                              | 413 957                                 | 478 354                                |
|     |   | 1 146 058                                       | 1 609 948                            | 1 146 058                               | 735 413                                |





# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022



| UNAUDITED HISTORICAL              |                           |                          |                           |                          |                           |                          |                           |                          |
|-----------------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
|                                   | Level 1                   |                          | Level 2                   |                          | Level 3                   |                          | Total carrying amount     |                          |
|                                   | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000 |
| Equity investments                | 18 400                    | 21 712                   | -                         | -                        | 1 127 658                 | 713 701                  | 1 146 058                 | 735 413                  |
| Land and Buildings                | -                         | -                        | 11 015 606                | 3 431 538                | -                         | -                        | 11 015 606                | 3 431 538                |
| Investment properties             | -                         | -                        | 3 191 385                 | 1 023 538                | -                         | -                        | 3 191 385                 | 1 023 538                |
| <b>Total assets at fair value</b> | <b>18 400</b>             | <b>21 712</b>            | <b>14 206 991</b>         | <b>4 455 076</b>         | <b>1 127 658</b>          | <b>713 701</b>           | <b>15 353 049</b>         | <b>5 190 489</b>         |

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 value 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<br>• GDP Growth | The fair values would increase/ decrease if : <ul style="list-style-type: none"><li>• The GDP growth was higher or lower</li><li>• The Liquidity discount was higher or lower</li></ul> |

the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$20 651 034 and the Statement of Financial Position would be ZWL\$21 737 931 higher or lower than the reported position.

## 18. PROPERTY AND EQUIPMENT

| REVIEWED INFLATION ADJUSTED                      |                        |  |                                |                        |                        |                                      |                                  |                    |
|--|------------------------|--|--------------------------------|------------------------|------------------------|--------------------------------------|----------------------------------|--------------------|
| RESTATED<br>30 JUNE 2022                         | Buildings<br>ZWL\$ 000 | Leasehold<br>improvements<br>ZWL\$ 000 | Motor<br>vehicles<br>ZWL\$ 000 | Computers<br>ZWL\$ 000 | Equipment<br>ZWL\$ 000 | Furniture &<br>fittings<br>ZWL\$ 000 | Work in<br>progress<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>COST</b>                                      |                        |  |                                |                        |                        |                                      |                                  |                    |
| Opening balance                                  | 7 979 533              | 80 115                                 | 505 933                        | 4 061 614              | 1 177 206              | 673 433                              | 1 402 965                        | 15 880 799         |
| Additions  | -                      | -                                      | -                              | 57 891                 | -                      | 6 016                                | 1 179 670                        | 1 251 458          |
| Revaluation gain                                 | 3 475 254              | -                                      | -                              | -                      | -                      | -                                    | -                                | 3 475 254          |
| Disposals  | -                      | -                                      | -                              | (293)                  | (22)                   | (24)                                 | -                                | (339)              |
| Transfers to intangible assets                   | -                      | -                                      | -                              | -                      | -                      | -                                    | (4 252)                          | (4 252)            |
| Write offs                                       | -                      | -                                      | (123)                          | (4 605)                | -                      | -                                    | -                                | (4 728)            |
| <b>Closing balance</b>                           | <b>11 454 787</b>      | <b>80 115</b>                          | <b>505 810</b>                 | <b>4 114 607</b>       | <b>1 185 065</b>       | <b>679 425</b>                       | <b>2 578 383</b>                 | <b>20 598 192</b>  |
| <b>Accumulated depreciation</b>                  |                        |  |                                |                        |                        |                                      |                                  |                    |
| Opening balance                                  | 277 083                | 53 862                                 | 431 437                        | 1 769 957              | 833 433                | 365 614                              | -                                | 3 731 386          |
| Right of use assets                              | 14 336                 | -                                      | -                              | 57 891                 | -                      | -                                    | -                                | 14 336             |
| Charge for the period                            | 313 174                | 219                                    | 671                            | 73 193                 | 4 854                  | 1 402                                | -                                | 393 513            |
| Disposals  | -                      | -                                      | -                              | (106)                  | (16)                   | (16)                                 | -                                | (138)              |
| Write offs                                       | -                      | -                                      | (87)                           | (3 240)                | -                      | -                                    | -                                | (3 327)            |
| Revaluation                                      | (313 174)              | -                                      | -                              | -                      | -                      | -                                    | -                                | (313 174)          |
| <b>Closing balance</b>                           | <b>291 419</b>         | <b>54 081</b>                          | <b>432 021</b>                 | <b>1 839 804</b>       | <b>838 271</b>         | <b>367 000</b>                       | <b>-</b>                         | <b>3 822 596</b>   |
| <b>Net Book Value</b>                            | <b>11 163 368</b>      | <b>26 034</b>                          | <b>73 789</b>                  | <b>2 274 803</b>       | <b>346 794</b>         | <b>312 425</b>                       | <b>2 578 383</b>                 | <b>16 775 596</b>  |
| AUDITED INFLATION ADJUSTED                       |                        |  |                                |                        |                        |                                      |                                  |                    |
| RESTATED<br>31 DEC 2021                          |                        |  |                                |                        |                        |                                      |                                  |                    |
| <b>COST</b>                                      |                        |  |                                |                        |                        |                                      |                                  |                    |
| Opening balance                                  | 6 634 895              | 73 221                                 | 502 193                        | 3 286 532              | 1 015 838              | 638 172                              | 1 539 070                        | 13 689 921         |
| Right of use assets                              | 21 672                 | -                                      | -                              | -                      | -                      | -                                    | -                                | 21 672             |
| Additions  | 144 545                | -                                      | -                              | 595 777                | 139 092                | 10 070                               | 105 692                          | 995 176            |
| Revaluation surplus                              | 1 174 616              | -                                      | -                              | -                      | -                      | -                                    | -                                | 1 174 616          |
| Disposals  | -                      | -                                      | -                              | (483)                  | (16)                   | (87)                                 | -                                | (586)              |
| Transfers (PPE Intercategories)                  | 3 805                  | 6 894                                  | 3 740                          | 179 788                | 22 292                 | 25 278                               | (241 797)                        | -                  |
| <b>Closing balance</b>                           | <b>7 979 533</b>       | <b>80 115</b>                          | <b>505 933</b>                 | <b>4 061 614</b>       | <b>1 177 206</b>       | <b>673 433</b>                       | <b>1 402 965</b>                 | <b>15 880 799</b>  |
| <b>Accumulated depreciation &amp; impairment</b> |                        |  |                                |                        |                        |                                      |                                  |                    |
| Opening balance                                  | 148 673                | 53 244                                 | 428 764                        | 1 520 422              | 773 283                | 361 298                              | -                                | 3 285 684          |
| Right of use assets                              | 128 410                | -                                      | -                              | -                      | -                      | -                                    | -                                | 128 410            |
| Charge for the period                            | 477 237                | 618                                    | 2 673                          | 249 785                | 60 164                 | 4 384                                | -                                | 794 861            |
| Disposals  | -                      | -                                      | -                              | (250)                  | (14)                   | (68)                                 | -                                | (332)              |
| Revaluation                                      | (477 237)              | -                                      | -                              | -                      | -                      | -                                    | -                                | (477 237)          |
| <b>Closing balance</b>                           | <b>277 083</b>         | <b>53 862</b>                          | <b>431 437</b>                 | <b>1 769 957</b>       | <b>833 433</b>         | <b>365 614</b>                       | <b>-</b>                         | <b>3 731 386</b>   |
| <b>Net Book Value</b>                            | <b>7 702 450</b>       | <b>26 253</b>                          | <b>74 496</b>                  | <b>2 291 657</b>       | <b>343 773</b>         | <b>307 819</b>                       | <b>1 402 965</b>                 | <b>12 149 413</b>  |

| UNAUDITED HISTORICAL                             |                        |  |                                |                        |                        |                                      |                                  |                    |
|--|------------------------|--|--------------------------------|------------------------|------------------------|--------------------------------------|----------------------------------|--------------------|
| 30 JUNE 2022                                     | Buildings<br>ZWL\$ 000 | Leasehold<br>improvements<br>ZWL\$ 000 | Motor<br>vehicles<br>ZWL\$ 000 | Computers<br>ZWL\$ 000 | Equipment<br>ZWL\$ 000 | Furniture &<br>fittings<br>ZWL\$ 000 | Work in<br>progress<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| Opening balance                                  | 3 459 652              | 3 111                                  | 8 601                          | 503 031                | 79 986                 | 21 777                               | 86 279                           | 4 162 437          |
| Additions  | -                      | -                                      | -                              | 37 020                 | 7 000                  | 5 291                                | 916 052                          | 965 363            |
| Revaluation gain                                 | 7 555 954              | -                                      | -                              | -                      | -                      | -                                    | -                                | 7 555 954          |
| Disposals  | -                      | -                                      | -                              | (146)                  | (11)                   | (12)                                 | -                                | (169)              |
| Transfers to intangible assets                   | -                      | -                                      | -                              | -                      | -                      | -                                    | (4 252)                          | (4 252)            |
| Write offs                                       | -                      | -                                      | (59)                           | (2 216)                | -                      | -                                    | -                                | (2 275)            |
| <b>Closing balance</b>                           | <b>11 015 606</b>      | <b>3 111</b>                           | <b>8 542</b>                   | <b>537 689</b>         | <b>86 975</b>          | <b>27 056</b>                        | <b>998 079</b>                   | <b>12 677 058</b>  |
| <b>Accumulated depreciation</b>                  |                        |  |                                |                        |                        |                                      |                                  |                    |
| Opening balance                                  | 16 171                 | 752                                    | 5 454                          | 81 393                 | 23 689                 | 5 400                                | -                                | 132 859            |
| Right of use asset                               | 4 539                  | -                                      | -                              | -                      | -                      | -                                    | -                                | 4 539              |
| Charge for the period                            | 166 076                | 135                                    | 414                            | 43 360                 | 2 879                  | 819                                  | -                                | 213 683            |
| Disposals  | -                      | -                                      | -                              | (65)                   | (10)                   | (10)                                 | -                                | (85)               |
| Write offs                                       | -                      | -                                      | (53)                           | (1 997)                | -                      | -                                    | -                                | (2 050)            |
| Revaluation                                      | (166 076)              | -                                      | -                              | -                      | -                      | -                                    | -                                | (166 076)          |
| <b>Closing balance</b>                           | <b>20 710</b>          | <b>887</b>                             | <b>5 815</b>                   | <b>122 691</b>         | <b>26 558</b>          | <b>6 209</b>                         | <b>-</b>                         | <b>182 870</b>     |
| <b>Net Book Value</b>                            | <b>10 994 896</b>      | <b>2 224</b>                           | <b>2 727</b>                   | <b>414 998</b>         | <b>60 417</b>          | <b>20 847</b>                        | <b>998 079</b>                   | <b>12 494 188</b>  |
| <b>31 DEC 2021</b>                               |                        |  |                                |                        |                        |                                      |                                  |                    |
| <b>COST</b>                                      |                        |  |                                |                        |                        |                                      |                                  |                    |
| 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 surplus                              | 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)                         | -                  |
| <b>Closing balance</b>                           | <b>3 459 652</b>       | <b>3 111</b>                           | <b>8 601</b>                   | <b>503 031</b>         | <b>79 986</b>          | <b>21 777</b>                        | <b>86 279</b>                    | <b>4 162 437</b>   |
| <b>Accumulated depreciation &amp; impairment</b> |                        |  |                                |                        |                        |                                      |                                  |                    |
| 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)          |
| <b>Closing balance</b>                           | <b>16 171</b>          | <b>752</b>                             | <b>5 454</b>                   | <b>81 393</b>          | <b>23 689</b>          | <b>5 400</b>                         | <b>-</b>                         | <b>132 859</b>     |
| <b>Net Book Value</b>                            | <b>3 443 481</b>       | <b>2 359</b>                           | <b>3 147</b>                   | <b>421 638</b>         | <b>56 297</b>          | <b>16 377</b>                        | <b>86 279</b>                    | <b>4 029 578</b>   |

Properties were revalued on an open market basis by professional valuer, as at 30 June 2022 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\$1 724 126 199(2021: ZWL\$ 1 768 334 562) had they been carried at cost.

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

|              |                            | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--------------|----------------------------|---|--------------------------------------|---|--|
|              |                            | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| <b>18.1a</b> | <b>Right of Use Assets</b> |   |                                      |   |  |
|              | Opening balance            | 190 216   | 296 954                              | 11 943                                  | 12 538                                 |
|              | Additions                  | -   | 21 672                               | -                                       | 8 696                                  |
|              | Depreciation               | (14 336)  | (128 410)                            | (4 539)                                 | (9 291)                                |
|              |                            | <b>175 880</b>                                  | <b>190 216</b>                       | <b>7 404</b>                            | <b>11 943</b>                          |
|              | At cost                    | 467 299   | 467 299                              | 28 115                                  | 28 115                                 |
|              | Accumulated depreciation   | (291 419)                                       | (277 083)                            | (20 711)                                | (16 172)                               |
|              |                            | <b>175 880</b>                                  | <b>190 216</b>                       | <b>7 404</b>                            | <b>11 943</b>                          |

## 18.1b

### Lease liability

Opening Balance  
Additions  
Interest  
Exchange loss  
Repayment  
Monetary adjustment

## 18.1c

### Lease liability maturity analysis

Less than one month  
One to three months  
Three to six months  
Six to twelve months  
One to five years

## 18.1d

### Amounts recognised in statement of profit or loss

Interest on lease liabilities  
Right of use Asset depreciation

## 18.1e

### Amounts recognised in statement of cash flow

Total cash outflow for leases

## 19.

### INVESTMENT PROPERTIES

Opening balance  
inter class transfer  
Fair valuation gain  
**Closing balance**

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 30 June 2022 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 | ZW\$ 679 19 - ZW\$ 8 750 |
|                               |                                    | Capitalisation rate                            | 10%- 13%                 |
| Land and Residential property | Market value of similar properties | Comparable rate per square meter               | ZW\$ 9 000 - ZW\$ 31 050 |

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 30 June 2022. 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\$ 49 188 494 (2021: ZWL\$ 44 285 762) with direct operating expenses amounting to ZWL\$ 979 453 (2021: ZWL \$11 001 846)

If the fair value adjustment had been 5% up or down the Bank's profit would have been ZWL\$35 783 669 higher or lower the reported

## 20.

### INTANGIBLE ASSETS

At cost  
Accumulated amortisation

### Movement in intangible assets

Opening balance  
Additions  
Transfer from property and equipment  
Write offs  
Amortisation charge  
**Closing balance**

## 21.

### DEFERRED TAXATION

#### 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  
Unrealised exchange gains/Losses  
Equity investments  
Property and equipment  
Tax claimable impairments  
Investment properties  
Other  
**Closing balance**

## 22.

### DEPOSITS

Call deposits  
Savings and demand deposits  
Money market deposits  
Lines of credit  
Accrued interest

#### Deposits by type

Retail  
Corporate  
Money market  
Lines of credit

## 22.1

### Settlement of legacy liabilities and nostro gap accounts

Included in the deposits balance above are amounts that are denominated in USD amounting to US\$166 594 452 (December 2021: US\$ 145 044 224) (being legacy liabilities of US\$50 791 315 (December 2021: US\$50 833 318) and nostro gap accounts of US\$115 803 137 (December 2021: US\$94 210 906)) which are shown at ZW\$48 901 378 339 (December 2021: ZW\$15 761 375 643). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US\$37 062 285 (December 2021: US\$35 432 702) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

The Bank has however identified key risks attendant to the legacy liabilities and nostro gap accounts, which risks and respective mitigating strategies are described in detail in the Inflation Adjusted Financial results, which are available for inspection at the Company's Registered Offices.

|      |                           | REVIEWED  |      | AUDITED                              |      | UNAUDITED                               |      |  |      |
|------|---------------------------|---|------|--------------------------------------|------|---|------|--|------|
|      |                           | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 |      | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 |      | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 |      | HISTORICAL<br>31 DEC 2020<br>ZWL\$ 000 |      |
| 22.2 | Sectoral analysis         |   | %    |                                      | %    |   | %    |  | %    |
|      | Private                   | 13 391 662                                      | 5%   | 23 271 778                           | 8%   | 13 391 662                              | 5%   | 10 630 391                             | 8%   |
|      | Agriculture               | 11 891 506                                      | 4%   | 10 385 036                           | 4%   | 11 891 506                              | 4%   | 4 743 814                              | 4%   |
|      | Mining                    | 7 132 494                                       | 3%   | 10 332 735                           | 4%   | 7 132 494                               | 3%   | 4 719 923                              | 4%   |
|      | Manufacturing             | 28 939 962                                      | 10%  | 26 831 475                           | 10%  | 28 939 962                              | 10%  | 12 256 436                             | 10%  |
|      | Distribution              | 38 799 142                                      | 14%  | 35 204 352                           | 13%  | 38 799 142                              | 14%  | 16 081 110                             | 13%  |
|      | Construction              | 8 307 393                                       | 3%   | 7 702 096                            | 3%   | 8 307 393                               | 3%   | 3 518 265                              | 3%   |
|      | Transport                 | 5 679 807                                       | 2%   | 5 265 063                            | 2%   | 5 679 807                               | 2%   | 2 405 456                              | 2%   |
|      | Communication             | 1 904 850                                       | 1%   | 4 038 669                            | 1%   | 1 904 850                               | 1%   | 1 844 837                              | 1%   |
|      | Services                  | 163 964 639                                     | 58%  | 150 288 309                          | 54%  | 163 964 639                             | 58%  | 68 650 684                             | 54%  |
|      | Financial organisations   | 3 476 332                                       | 1%   | 5 591 492                            | 2%   | 3 476 332                               | 1%   | 2 718 061                              | 2%   |
|      | Financial and investments | 331 782   | -    | 680 023                              | -    | 331 782                                 | -    | 310 630                                | -    |
|      |                           | 283 819 569                                     | 100% | 279 951 928                          | 100% | 283 819 569                             | 100% | 127 880 147                            | 100% |



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.

a. **Loans and advances to customers**

|                       |            | UNAUDITED HISTORICAL |                   |                   |                   |                   |                |                    |                   |
|-----------------------|------------|----------------------|-------------------|-------------------|-------------------|-------------------|----------------|--------------------|-------------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000    |                   | Stage 2 ZWL\$ 000 |                   | Stage 3 ZWL\$ 000 |                | Total ZWL\$ 000    |                   |
|                       |            | 30 JUNE 2022         | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022       | 31 DEC 2021       |
| Internal rating grade |            |                      |                   |                   |                   |                   |                |                    |                   |
| Performing            | "1 - 3c"   | 20 707 518           | 12 662 734        | 1 085 456         | 68 176            | -                 | -              | 21 792 974         | 12 730 910        |
| Special mention       | "4a - 7c"  | 43 142 277           | 7 066 266         | 84 687 478        | 45 463 127        | -                 | -              | 127 829 755        | 52 529 393        |
| Non-performing        | "8 - 10"   | -                    | -                 | -                 | -                 | 3 332 964         | 627 373        | 3 332 964          | 627 373           |
| <b>Total</b>          |            | <b>63 849 795</b>    | <b>19 729 000</b> | <b>85 772 934</b> | <b>45 531 303</b> | <b>3 332 964</b>  | <b>627 373</b> | <b>152 955 693</b> | <b>65 887 676</b> |

| GROSS CARRYING AMOUNT                                     | REVIEWED INFLATION ADJUSTED |                   |                   |                   |                   |                  |                    |                    |
|---|-----------------------------|-------------------|-------------------|-------------------|-------------------|------------------|--------------------|--------------------|
|   | Stage 1 ZWL\$ 000           |                   | Stage 2 ZWL\$ 000 |                   | Stage 3 ZWL\$ 000 |                  | Total ZWL\$ 000    |                    |
|   | 30 JUNE 2022                | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021      | 30 JUNE 2022       | 31 DEC 2021        |
| Opening balance   | 43 190 218                  | 87 128 838        | 99 675 957        | 2 116 577         | 1 373 426         | 183 705          | 144 239 601        | 89 429 120         |
| New assets originated or purchased (excluding write offs) | 81 767 799                  | 98 684 269        | 76 074 990        | 11 970            | -                 | -                | 157 842 789        | 98 696 239         |
| Transfers from Stage 1                                    | (3 167 409)                 | (103 294 204)     | 2 744 437         | 102 192 240       | 422 972           | 1 101 964        | -                  | -                  |
| Transfers from Stage 2                                    | 2 690 697                   | 2 763 230         | (7 068 821)       | (3 098 225)       | 4 378 124         | 334 995          | -                  | -                  |
| Transfers from Stage 3                                    | 84 288                      | 136 033           | 19 602            | 709               | (103 890)         | (136 742)        | -                  | -                  |
| Amounts paid off  | (9 786 090)                 | (9 304 886)       | (6 475 159)       | (747 530)         | (281 154)         | (20 185)         | (16 542 403)       | (10 072 601)       |
| Amounts written off                                       | -                           | -                 | -                 | -                 | (26 026)          | (20 896)         | (26 026)           | (20 896)           |
| Monetary adjustment                                       | (50 929 708)                | (32 923 062)      | (79 198 072)      | (799 784)         | (2 430 488)       | (69 415)         | (132 558 268)      | (33 792 261)       |
| <b>Gross loans and advances to customers</b>              | <b>63 849 795</b>           | <b>43 190 218</b> | <b>85 772 934</b> | <b>99 675 957</b> | <b>3 332 964</b>  | <b>1 373 426</b> | <b>152 955 693</b> | <b>144 239 601</b> |
| Expected credit loss allowance                            | (2 107 024)                 | (932 547)         | (3 258 366)       | (3 460 476)       | (1 331 445)       | (674 938)        | (6 696 835)        | (5 067 961)        |
| <b>Net loans and advances to customers</b>                | <b>61 742 771</b>           | <b>42 257 671</b> | <b>82 514 568</b> | <b>96 215 481</b> | <b>2 001 519</b>  | <b>698 488</b>   | <b>146 258 858</b> | <b>139 171 640</b> |

| GROSS CARRYING AMOUNT                                     |                   | UNAUDITED HISTORICAL |                   |             |                   |             |                 |             |
|---|-------------------|----------------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|   | Stage 1 ZWL\$ 000 |                      | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|   | 30 JUNE 2022      | 31 DEC 2021          | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Opening balance   | 19 729 000        | 24 760 832           | 45 531 303        | 601 503     | 627 373           | 52 207      | 65 887 676      | 25 414 542  |
| New assets originated or purchased (excluding write offs) | 50 393 859        | 45 078 307           | 46 885 355        | 5 468       | -                 | -           | 97 279 214      | 45 083 775  |
| Transfers from Stage 1                                    | (1 952 088)       | (47 184 094)         | 1 691 408         | 46 680 723  | 260 680           | 503 371     | -               | -           |
| Transfers from Stage 2                                    | 1 658 289         | 1 262 225            | (4 356 546)       | (1 415 248) | 2 698 257         | 153 023     | -               | -           |
| Transfers from Stage 3                                    | 51 947            | 62 139               | 12 081            | 324         | (64 028)          | (62 463)    | -               | -           |
| Amounts paid off  | (6 031 212)       | (4 250 409)          | (3 990 667)       | (341 467)   | (173 278)         | (9 220)     | (10 195 157)    | (4 601 096) |
| Amounts written off                                       | -                 | -                    | -                 | -           | (16 040)          | (9 545)     | (16 040)        | (9 545)     |
| Gross loans and advances to customers                     | 63 849 795        | 19 729 000           | 85 772 934        | 45 531 303  | 3 332 964         | 627 373     | 152 955 693     | 65 887 676  |
| Expected credit loss allowance                            | (2 107 024)       | (425 981)            | (3 258 366)       | (1 580 722) | (1 331 445)       | (308 307)   | (6 696 835)     | (2 315 010) |
| Net loans and advances to customers                       | 61 742 771        | 19 303 019           | 82 514 568        | 43 950 581  | 2 001 519         | 319 066     | 146 258 858     | 63 572 666  |

|                                    | Stage 1 ZWL\$ 000 |                | Stage 2 ZWL\$ 000 |                  | Stage 3 ZWL\$ 000 |                | Total ZWL\$ 000  |                  |
|------------------------------------|-------------------|----------------|-------------------|------------------|-------------------|----------------|------------------|------------------|
|                                    | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022      | 31 DEC 2021      | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022     | 31 DEC 2021      |
| Opening balance                    | 932 547           | 1 750 315      | 3 460 476         | 177 171          | 674 938           | 98 809         | 5 067 961        | 2 026 295        |
| New assets originated or purchased | 2 054 792         | 4 280 379      | 2 841 147         | 479              | -                 | -              | 4 895 939        | 4 280 858        |
| Transfers from Stage 1             | (318 171)         | (4 191 923)    | 81 326            | 3 677 947        | 236 845           | 513 976        | -                | -                |
| Transfers from Stage 2             | 89 210            | 36 818         | (1 687 126)       | (171 356)        | 1 597 916         | 134 538        | -                | -                |
| Transfers from Stage 3             | 1 299             | 3 706          | 12 550            | 555              | (13 849)          | (4 261)        | -                | -                |
| Amounts written off                | -                 | -              | -                 | -                | (26 026)          | (20 896)       | (26 026)         | (20 896)         |
| Repayments                         | (233 440)         | (285 363)      | (181 575)         | (157 373)        | (83 059)          | (9 890)        | (498 074)        | (452 626)        |
| Monetary adjustment                | (419 213)         | (661 385)      | (1 268 432)       | (66 947)         | (1 055 320)       | (37 338)       | (2 742 965)      | (765 670)        |
| <b>Closing Balance</b>             | <b>2 107 024</b>  | <b>932 547</b> | <b>3 258 366</b>  | <b>3 460 476</b> | <b>1 331 445</b>  | <b>674 938</b> | <b>6 696 835</b> | <b>5 067 961</b> |

|                                    | Stage 1 ZWL\$ 000 |                | Stage 2 ZWL\$ 000 |                  | Stage 3 ZWL\$ 000 |                | Total ZWL\$ 000  |                  |
|------------------------------------|-------------------|----------------|-------------------|------------------|-------------------|----------------|------------------|------------------|
|                                    | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022      | 31 DEC 2021      | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022     | 31 DEC 2021      |
| Opening balance                    | 425 981           | 497 415        | 1 580 722         | 50 349           | 308 307           | 28 082         | 2 315 010        | 575 846          |
| New assets originated or purchased | 2 054 792         | 1 955 248      | 2 841 147         | 220              | -                 | -              | 4 895 939        | 1 955 468        |
| Transfers from Stage 1             | (196 090)         | (1 914 841)    | 50 121            | 1 680 060        | 145 969           | 234 781        | -                | -                |
| Transfers from Stage 2             | 54 981            | 16 818         | (1 039 783)       | (78 275)         | 984 802           | 61 457         | -                | -                |
| Transfers from Stage 3             | 800               | 1 693          | 7 734             | 255              | (8 534)           | (1 948)        | -                | -                |
| Amounts written off                | -                 | -              | -                 | -                | (16 040)          | (9 545)        | (16 040)         | (9 545)          |
| Repayments                         | (233 440)         | (130 352)      | (181 575)         | (71 887)         | (83 059)          | (4 520)        | (498 074)        | (206 759)        |
| <b>Closing Balance</b>             | <b>2 107 024</b>  | <b>425 981</b> | <b>3 258 366</b>  | <b>1 580 722</b> | <b>1 331 445</b>  | <b>308 307</b> | <b>6 696 835</b> | <b>2 315 010</b> |

| REVIEWED INFLATION ADJUSTED |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                             | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                             |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade       |            |                   |             |                   |             |                   |             |                 |             |
| Performing                  | "1 - 3c"   | 908 708           | 2 143 040   | -                 | -           | -                 | -           | 908 708         | 2 143 040   |
| Total                       |            | 908 708           | 2 143 040   | -                 | -           | -                 | -           | 908 708         | 2 143 040   |
| UNAUDITED HISTORICAL        |            |                   |             |                   |             |                   |             |                 |             |
|                             | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                             |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade       |            |                   |             |                   |             |                   |             |                 |             |
| Performing                  | "1 - 3c"   | 908 708           | 978 926     | -                 | -           | -                 | -           | 908 708         | 978 926     |
| Total                       |            | 908 708           | 978 926     | -                 | -           | -                 | -           | 908 708         | 978 926     |

|                         | INFLATION ADJUSTED        |   | RESTATEd                 |   | HISTORICAL                |   |                          |   |
|-------------------------|---------------------------|---|--------------------------|---|---------------------------|---|--------------------------|---|
|                         | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000                               | 31 DEC 2021<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000                                | 30 JUNE 2022<br>ZWL\$ 000 | 30 JUNE 2022<br>ZWL\$ 000                               | 31 DEC 2020<br>ZWL\$ 000 | 31 DEC 2021<br>ZWL\$ 000                                |
|                         |                           | Net maximum exposure (not covered by mortgage security) |                          | Net maximum exposure (not covered by mortgage security) |                           | Net maximum exposure (not covered by mortgage security) |                          | Net maximum exposure (not covered by mortgage security) |
|                         | Gross maximum exposure    |   | Gross maximum exposure   |   | Gross maximum exposure    |   | Gross maximum exposure   |   |
| Private                 | 9 302 948                 | 4 744 291   | 9 027 986                | 1 991 099   | 9 302 948                 | 4 744 291   | 4 123 923                | 909 520   |
| Agriculture             | 76 505 640                | 14 193 542  | 72 640 552               | 17 665 084  | 76 505 640                | 14 193 542  | 33 181 717               | 8 069 291   |
| Mining                  | 16 102 941                | 13 315 051  | 10 315 361               | 9 339 413   | 16 102 941                | 13 315 051  | 4 711 987                | 4 266 181   |
| Manufacturing           | 12 536 289                | 9 678 015   | 6 069 938                | 2 508 324   | 12 536 289                | 9 678 015   | 2 772 706                | 1 145 788   |
| Distribution            | 26 708 491                | 19 722 378  | 24 943 905               | 11 346 693  | 26 708 491                | 19 722 378  | 11 394 207               | 5 183 093   |
| Construction            | 1 744 316                 | 1 503 490   | 86 721                   | -   | 1 744 316                 | 1 503 490   | 39 614                   | -   |
| Transport               | 918 287                   | -   | 169 616                  | -   | 918 287                   | -   | 77 479                   | -   |
| Communication           | 11                        | 10  | -                        | -   | 11                        | 10  | -                        | -   |
| Services                | 7 686 194                 | 16 488 732  | 11 461 525               | 6 540 654   | 7 686 194                 | 16 488 732  | 5 235 547                | 2 987 726   |
| Financial organisations | 1 450 576                 | 1 135 825   | 9 523 993                | 9 331 809   | 1 450 576                 | 1 135 825   | 4 350 496                | 4 262 707   |
| Closing balance         | 152 955 693               | 80 781 334  | 144 239 601              | 58 723 076  | 152 955 693               | 80 781 334  | 65 887 676               | 26 824 304  |



# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

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

| REVIEWED INFLATION ADJUSTED       |                   |                  |                   |             |                   |             |                 |                  |
|-----------------------------------|-------------------|------------------|-------------------|-------------|-------------------|-------------|-----------------|------------------|
|                                   | Stage 1 ZWL\$ 000 |                  | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |                  |
|                                   | 30 JUNE 2022      | 31 DEC 2021      | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021      |
| Gross carrying amount             | 3 451 572         | 3 479 700        | -                 | -           | -                 | -           | 3 451 572       | 3 479 700        |
| Maturities during the year        | (113 934)         | (28 128)         | -                 | -           | -                 | -           | (113 934)       | (28 128)         |
| Monetary adjustment               | (2 428 930)       | (1 308 532)      | -                 | -           | -                 | -           | (2 428 930)     | (1 308 532)      |
| <b>Gross financial securities</b> | <b>908 708</b>    | <b>3 451 572</b> | -                 | -           | -                 | -           | <b>908 708</b>  | <b>2 143 040</b> |
| ECL allowance                     | (13 829)          | (31 544)         | -                 | -           | -                 | -           | (13 829)        | (31 544)         |
| <b>Net financial securities</b>   | <b>894 879</b>    | <b>3 420 028</b> | -                 | -           | -                 | -           | <b>894 879</b>  | <b>2 111 496</b> |

| UNAUDITED HISTORICAL              |                   |                |                   |             |                   |             |                 |                |
|-----------------------------------|-------------------|----------------|-------------------|-------------|-------------------|-------------|-----------------|----------------|
|                                   | Stage 1 ZWL\$ 000 |                | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |                |
|                                   | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021    |
| Gross carrying amount             | 978 926           | 988 883        | -                 | -           | -                 | -           | 978 926         | 988 883        |
| Maturities during the year        | (70 218)          | (9 957)        | -                 | -           | -                 | -           | (70 218)        | (9 957)        |
| <b>Gross financial securities</b> | <b>908 708</b>    | <b>978 926</b> | -                 | -           | -                 | -           | <b>908 708</b>  | <b>978 926</b> |
| ECL allowance                     | (13 829)          | (14 409)       | -                 | -           | -                 | -           | (13 829)        | (14 409)       |
| <b>Net financial securities</b>   | <b>894 879</b>    | <b>964 517</b> | -                 | -           | -                 | -           | <b>894 879</b>  | <b>964 517</b> |

## 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.

| REVIEWED INFLATION ADJUSTED |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                             | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                             |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade       |            |                   |             |                   |             |                   |             |                 |             |
| Performing                  | "1 - 3c"   | 12 993 250        | 53 396 329  | -                 | -           | -                 | -           | 12 993 250      | 53 396 329  |
| Total                       |            | 12 993 250        | 53 396 329  | -                 | -           | -                 | -           | 12 993 250      | 53 396 329  |

| UNAUDITED HISTORICAL  |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 12 993 250        | 24 391 083  | -                 | -           | -                 | -           | 12 993 250      | 24 391 083  |
| Total                 |            | 12 993 250        | 24 391 083  | -                 | -           | -                 | -           | 12 993 250      | 24 391 083  |

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

| REVIEWED INFLATION ADJUSTED                               |                   |                   |                   |             |                   |             |                   |                   |
|---|-------------------|-------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------------|
|   | Stage 1 ZWL\$ 000 |                   | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000   |                   |
|   | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021       |
| Gross carrying amount                                     | 53 396 329        | 25 252 515        | -                 | -           | -                 | -           | 53 396 329        | 25 252 515        |
| New assets originated or purchased (excluding write offs) | 21 082 518        | 68 903 093        | -                 | -           | -                 | -           | 21 082 518        | 68 903 093        |
| Maturities during the year                                | (39 576 353)      | (20 272 887)      | -                 | -           | -                 | -           | (39 576 353)      | (20 272 887)      |
| Monetary adjustment                                       | (21 909 244)      | (20 486 392)      | -                 | -           | -                 | -           | (21 909 244)      | (20 486 392)      |
| <b>Gross money market assets</b>                          | <b>12 993 250</b> | <b>53 396 329</b> | -                 | -           | -                 | -           | <b>12 993 250</b> | <b>53 396 329</b> |
| ECL allowance   | (480 681)         | (167 554)         | -                 | -           | -                 | -           | (480 681)         | (167 554)         |
| <b>Net money market assets</b>                            | <b>12 512 569</b> | <b>53 228 775</b> | -                 | -           | -                 | -           | <b>12 512 569</b> | <b>53 228 775</b> |

| UNAUDITED HISTORICAL                                      |                   |                   |                   |             |                   |             |                   |                   |
|---|-------------------|-------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------------|
|   | Stage 1 ZWL\$ 000 |                   | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000   |                   |
|   | 30 JUNE 2022      | 31 DEC 2021       | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021       |
| Gross carrying amount at beginning of period              | 24 391 082        | 7 176 422         | -                 | -           | -                 | -           | 24 391 082        | 7 176 422         |
| New assets originated or purchased (excluding write offs) | 12 993 250        | 24 391 082        | -                 | -           | -                 | -           | 12 993 250        | 24 391 082        |
| Maturities during the year                                | (24 391 082)      | (7 176 421)       | -                 | -           | -                 | -           | (24 391 082)      | (7 176 421)       |
| <b>Gross money market assets</b>                          | <b>12 993 250</b> | <b>24 391 083</b> | -                 | -           | -                 | -           | <b>12 993 250</b> | <b>24 391 083</b> |
| ECL allowance   | (480 681)         | (76 538)          | -                 | -           | -                 | -           | (480 681)         | (76 538)          |
| <b>Net money market asset</b>                             | <b>12 512 569</b> | <b>24 314 545</b> | -                 | -           | -                 | -           | <b>12 512 569</b> | <b>24 314 545</b> |

## 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.

| REVIEWED INFLATION ADJUSTED |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                             | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                             |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade       |            |                   |             |                   |             |                   |             |                 |             |
| Performing                  | "1 - 3c"   | 179 042           | 366 421     | -                 | -           | -                 | -           | 179 042         | 366 421     |
| Total                       |            | 179 042           | 366 421     | -                 | -           | -                 | -           | 179 042         | 366 421     |

| UNAUDITED HISTORICAL  |            |                   |             |                   |             |                   |             |                 |             |
|-----------------------|------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|-----------------|-------------|
|                       | SRS Rating | Stage 1 ZWL\$ 000 |             | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |             |
|                       |            | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021 |
| Internal rating grade |            |                   |             |                   |             |                   |             |                 |             |
| Performing            | "1 - 3c"   | 179 042           | 167 379     | -                 | -           | -                 | -           | 179 042         | 167 379     |
| Total                 |            | 179 042           | 167 379     | -                 | -           | -                 | -           | 179 042         | 167 379     |

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

| REVIEWED INFLATION ADJUSTED                               |                   |                |                   |             |                   |             |                 |                |
|---|-------------------|----------------|-------------------|-------------|-------------------|-------------|-----------------|----------------|
|   | Stage 1 ZWL\$ 000 |                | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |                |
|   | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021    |
| Gross carrying opening balance                            | 366 421           | 1 223 959      | -                 | -           | -                 | -           | 366 421         | 1 223 959      |
| New assets originated or purchased (excluding write offs) | 149 159           | 472 833        | -                 | -           | -                 | -           | 149 159         | 472 833        |
| Guarantees Expired  | (130 234)         | (202 696)      | -                 | -           | -                 | -           | (130 234)       | (202 696)      |
| Monetary adjustment                                       | (206 304)         | (1 127 675)    | -                 | -           | -                 | -           | (206 304)       | (1 127 675)    |
| <b>Gross financial guarantees</b>                         | <b>179 042</b>    | <b>366 421</b> | -                 | -           | -                 | -           | <b>179 042</b>  | <b>366 421</b> |
| Expected credit loss allowance                            | (543)             | (822)          | -                 | -           | -                 | -           | (543)           | (822)          |
| <b>Net financial guarantees</b>                           | <b>178 499</b>    | <b>365 599</b> | -                 | -           | -                 | -           | <b>178 499</b>  | <b>365 599</b> |

| UNAUDITED HISTORICAL                                      |                   |                |                   |             |                   |             |                 |                |
|---|-------------------|----------------|-------------------|-------------|-------------------|-------------|-----------------|----------------|
|   | Stage 1 ZWL\$ 000 |                | Stage 2 ZWL\$ 000 |             | Stage 3 ZWL\$ 000 |             | Total ZWL\$ 000 |                |
|   | 30 JUNE 2022      | 31 DEC 2021    | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022      | 31 DEC 2021 | 30 JUNE 2022    | 31 DEC 2021    |
| Gross carrying opening balance                            | 167 379           | 71 752         | -                 | -           | -                 | -           | 167 379         | 71 752         |
| New assets originated or purchased (excluding write offs) | 91 927            | 167 379        | -                 | -           | -                 | -           | 91 927          | 167 379        |
| Guarantees Expired  | (80 264)          | (71 752)       | -                 | -           | -                 | -           | (80 264)        | (71 752)       |
| <b>Gross financial guarantees</b>                         | <b>179 042</b>    | <b>167 379</b> | -                 | -           | -                 | -           | <b>179 042</b>  | <b>167 379</b> |
| Expected credit loss allowance                            | (543)             | (376)          | -                 | -           | -                 | -           | (543)           | (376)          |
| <b>Net financial guarantees</b>                           | <b>178 499</b>    | <b>167 003</b> | -                 | -           | -                 | -           | <b>178 499</b>  | <b>167 003</b> |

## 28.2 Market risk

This is the risk of loss under the banking 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 Bank if not properly managed. The Bank's exposure to market risk arises mainly from customer driven transactions.

### 28.2.1 Bank market risks management framework

To manage these risks, there is oversight at Bank Board level through the Bank Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Bank's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Bank's liquidity strategic plan. The Bank's Board is responsible for setting specific market risks strategies 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 bank to withstand stressed liquidity situations

## 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

| REVIEWED 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 | Total ZWL\$ 000    |  |
| <b>30 JUNE 2022</b>             |                               |                         |                         |                          |                        |                             |                    |  |
| <b>Assets</b>                   |                               |                         |                         |                          |                        |                             |                    |  |
| Balances with banks and cash    | 99 085 257                    | -                       | -                       | -                        | -                      | -                           | 99 085 257         |  |
| Money market assets             | 9 178 969                     | 3 228 977               | 903 401                 | -                        | -                      | -                           | 13 311 347         |  |
| Financial securities            | -                             | 3 312                   | -                       | -                        | 148 616                | 774 469                     | 926 397            |  |
| Loans and advances to customers | 24 863 698                    | 22 451 909              | 66 865 143              | 25 565 191               | 43 216 052             | 3 606 563                   | 186 568 556        |  |
| Financial guarantees            | 4 095                         | 10 428                  | 23 459                  | 141 060                  | -                      | -                           | 179 042            |  |
| Other liquid assets             | 79 064 659                    | -                       | -                       | -                        | -                      | -                           | 79 064 659         |  |
| <b>Total assets</b>             | <b>212 196 678</b>            | <b>25 694 626</b>       | <b>67 792 003</b>       | <b>25 706 251</b>        | <b>43 364 668</b>      | <b>4 381 032</b>            | <b>379 135 258</b> |  |
| <b>Liabilities</b>              |                               |                         |                         |                          |                        |                             |                    |  |
| Deposits                        | 249 971 028                   | 22 537 714              | 2 287 491               | 1 843 756                | 7 177 435              | 2 145                       | 283 819 569        |  |
| Other liabilities               | -                             | 12 561 524              | -                       | -                        | -                      | -                           | 12 561 524         |  |
| Current tax payable             | -                             | 2 354 484               | -                       | -                        | -                      | -                           | 2 354 484          |  |
| Lease liabilities               | 3 335                         | 6 613                   | 11 417                  | 5 047                    | 3 987                  | -                           | 30 399             |  |
| Financial guarantees            | 4 095                         | 10 428                  | 23 459                  | 141 060                  | -                      | -                           | 179 042            |  |
| Commitments                     | 2 397 953                     | -                       | -                       | -                        | -                      | -                           | 2 397 953          |  |
| <b>Total liabilities</b>        | <b>252 376 411</b>            | <b>37 470 763</b>       | <b>2 322 367</b>        | <b>1 989 863</b>         | <b>7 181 422</b>       | <b>2 145</b>                | <b>301 342 971</b> |  |
| <b>Liquidity gap</b>            | <b>(40 179 733)</b>           | <b>(11 776 137)</b>     | <b>65 469 636</b>       | <b>23 716 388</b>        | <b>36 183 246</b>      | <b>4 378 887</b>            | <b>77 792 287</b>  |  |
| <b>Cumulative liquidity gap</b> | <b>(40 179 733)</b>           | <b>(51 955 870)</b>     | <b>13 513 766</b>       | <b>37 230 154</b>        | <b>73 413 400</b>      | <b>77 792 287</b>           | <b>77 792 287</b>  |  |

| AUDITED INFLATION ADJUSTED      |                                     |                               |                               |                                |                              |                                   |                    |
|---------------------------------|-------------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|-----------------------------------|--------------------|
| RESTATED<br>31 DEC 2021         | Less than<br>one month<br>ZWL\$ 000 | 1 to 3<br>months<br>ZWL\$ 000 | 3 to 6<br>months<br>ZWL\$ 000 | 6 to 12<br>months<br>ZWL\$ 000 | 1 to 5<br>years<br>ZWL\$ 000 | 5 years<br>and above<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Assets</b>                   |                                     |                               |                               |                                |                              |                                   |                    |
| Balances with banks and cash    | 81 606 262                          | -                             | -                             | -                              | -                            | -                                 | 81 606 262         |
| Money market assets             | 37 972 686                          | 3 580 645                     | 14 366 735                    | -                              | -                            | -                                 | 55 920 066         |
| Financial securities            | 32 555                              | -                             | 120 714                       | 93 066                         | 367 482                      | 3 024 926                         | 3 638 743          |
| Loans and advances to customers | 23 931 521                          | 10 591 790                    | 28 321 437                    | 90 953 490                     | 12 310 987                   | 2 910 814                         | 169 020 039        |
| Financial guarantees            | 5 150                               | 123 198                       | 47 363                        | 183 364                        | 7 346                        | -                                 | 366 421            |
| Other liquid assets             | 15 116 527                          | 37 817 398                    | -                             | -                              | -                            | -                                 | 52 933 925         |
| <b>Total assets</b>             | <b>158 664 701</b>                  | <b>52 113 031</b>             | <b>42 856 249</b>             | <b>91 229 920</b>              | <b>12 685 815</b>            | <b>5 935 740</b>                  | <b>363 485 456</b> |
| <b>Liabilities</b>              |                                     |                               |                               |                                |                              |                                   |                    |
| Deposits                        | 253 897 428                         | 10 663 568                    | 15 170 350                    | 519 074                        | 558 884                      | 8 517                             | 280 817 821        |
| Other liabilities               | -                                   | 11 742 821                    | -                             | -                              | -                            | -                                 | 11 742 821         |
| Current tax payable             | -                                   | 1 098 899                     | -                             | -                              | -                            | -                                 | 1 098 899          |
| Lease liabilities               | 2 335                               | 4 628                         | 6 837                         | 14 753                         | 6 157                        | -                                 | 34 710             |
| Financial guarantees            | 5 150                               | 123 198                       | 47 363                        | 183 364                        | 7 346                        | -                                 | 366 421            |
| Commitments                     | 8 541 074                           | -                             | -                             | -                              | -                            | -                                 | 8 541 074          |
| <b>Total liabilities</b>        | <b>262 445 987</b>                  | <b>23 633 114</b>             | <b>15 224 550</b>             | <b>717 191</b>                 | <b>572 387</b>               | <b>8 517</b>                      | <b>302 601 746</b> |
| <b>Liquidity gap</b>            | <b>(103 781 286)</b>                | <b>28 479 917</b>             | <b>27 631 699</b>             | <b>90 512 729</b>              | <b>12 113 428</b>            | <b>5 927 223</b>                  | <b>60 883 710</b>  |
| <b>Cumulative liquidity gap</b> | <b>(103 781 286)</b>                | <b>(75 301 369)</b>           | <b>(47 669 670)</b>           | <b>42 843 059</b>              | <b>54 956 487</b>            | <b>60 883 710</b>                 | <b>60 883 710</b>  |





# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

### 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:

At 30 June 2022, 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\$1 494 613 837 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.

#### 30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

| REVIEWED 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    |
| 30 JUNE 2022                        |                               |                         |                         |                          |                        |                             |                                |                    |
| <b>Assets</b>                       |                               |                         |                         |                          |                        |                             |                                |                    |
| Balances with banks and cash        | 17 504 659                    | -                       | -                       | -                        | -                      | -                           | 81 580 598                     | 99 085 257         |
| Money market assets                 | 8 016 569                     | 3 592 598               | 903 402                 | -                        | -                      | -                           | -                              | 12 512 569         |
| Financial securities                | -                             | 3 312                   | -                       | -                        | 117 098                | 774 469                     | -                              | 894 879            |
| Loans and advances to customers     | 16 534 107                    | 4 961 143               | 62 871 019              | 21 922 188               | 37 453 067             | 2 517 334                   | -                              | 146 258 858        |
| Equity investments                  | -                             | -                       | -                       | -                        | -                      | -                           | 1 146 058                      | 1 146 058          |
| Land inventory                      | -                             | -                       | -                       | -                        | -                      | -                           | 11 469 638                     | 11 469 638         |
| Other assets                        | -                             | -                       | -                       | -                        | -                      | -                           | 83 458 287                     | 83 458 287         |
| Intangible assets                   | -                             | -                       | -                       | -                        | -                      | -                           | 418 302                        | 418 302            |
| Investment properties               | -                             | -                       | -                       | -                        | -                      | -                           | 3 191 385                      | 3 191 385          |
| Property and equipment              | -                             | -                       | -                       | -                        | -                      | -                           | 16 775 596                     | 16 775 596         |
| <b>Total assets</b>                 | <b>42 055 335</b>             | <b>8 557 053</b>        | <b>63 774 421</b>       | <b>21 922 188</b>        | <b>37 570 165</b>      | <b>3 291 803</b>            | <b>198 039 864</b>             | <b>375 210 829</b> |
| <b>Equity &amp; Liabilities</b>     |                               |                         |                         |                          |                        |                             |                                |                    |
| Deposits                            | 242 935 092                   | 22 537 714              | 2 287 491               | 1 843 756                | 7 177 435              | 2 145                       | 7 035 936                      | 283 819 569        |
| Other liabilities                   | -                             | -                       | -                       | -                        | -                      | -                           | 12 563 991                     | 12 563 991         |
| Current tax payable                 | -                             | -                       | -                       | -                        | -                      | -                           | 2 354 484                      | 2 354 484          |
| Deferred taxation                   | -                             | -                       | -                       | -                        | -                      | -                           | 8 225 782                      | 8 225 782          |
| Lease liability                     | 3 335                         | 6 613                   | 11 417                  | 5 047                    | 3 987                  | -                           | -                              | 30 399             |
| Equity                              | -                             | -                       | -                       | -                        | -                      | -                           | 68 216 604                     | 68 216 604         |
| <b>Total liabilities and equity</b> | <b>242 938 427</b>            | <b>22 544 327</b>       | <b>2 298 908</b>        | <b>1 848 803</b>         | <b>7 181 422</b>       | <b>2 145</b>                | <b>98 396 797</b>              | <b>375 210 829</b> |
| Interest rate repricing gap         | (200 883 092)                 | (13 987 274)            | 61 475 513              | 20 073 385               | 30 388 743             | 3 289 658                   | 99 643 067                     | -                  |
| Cumulative gap                      | (200 883 092)                 | (214 870 366)           | (153 394 853)           | (133 321 468)            | (102 932 725)          | (99 643 067)                | -                              | -                  |

| 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                         |                               |                         |                         |                          |                        |                             |                                |                    |
| <b>Assets</b>                       |                               |                         |                         |                          |                        |                             |                                |                    |
| Balances with banks and cash        | 35 987 575                    | -                       | -                       | -                        | -                      | -                           | 45 618 687                     | 81 606 262         |
| Money market assets                 | 6 751 881                     | 3 475 931               | 12 043 252              | -                        | -                      | -                           | 30 957 711                     | 53 228 775         |
| Financial securities                | 22 130                        | -                       | 100 117                 | -                        | 325 345                | 1 663 904                   | -                              | 2 111 496          |
| Loans and advances to customers     | 17 412 518                    | 8 419 702               | 17 954 415              | 84 181 036               | 9 225 554              | 1 978 415                   | -                              | 139 171 640        |
| Equity investments                  | -                             | -                       | -                       | -                        | -                      | -                           | 1 609 948                      | 1 609 948          |
| Land inventory                      | -                             | -                       | -                       | -                        | -                      | -                           | 11 237 641                     | 11 237 641         |
| Other assets                        | -                             | -                       | -                       | -                        | -                      | -                           | 55 368 006                     | 55 368 006         |
| Intangible assets                   | -                             | -                       | -                       | -                        | -                      | -                           | 472 052                        | 472 052            |
| Investment properties               | -                             | -                       | -                       | -                        | -                      | -                           | 2 240 703                      | 2 240 703          |
| Property and equipment              | -                             | -                       | -                       | -                        | -                      | -                           | 12 149 413                     | 12 149 413         |
| <b>Total assets</b>                 | <b>60 174 104</b>             | <b>11 895 633</b>       | <b>30 097 784</b>       | <b>84 181 036</b>        | <b>9 550 899</b>       | <b>3 642 319</b>            | <b>159 654 161</b>             | <b>359 195 936</b> |
| <b>Equity &amp; Liabilities</b>     |                               |                         |                         |                          |                        |                             |                                |                    |
| Deposits                            | 222 173 092                   | 10 397 282              | 15 102 129              | 482 369                  | 470 204                | 5 192                       | 31 321 660                     | 279 951 928        |
| Other liabilities                   | -                             | -                       | -                       | -                        | -                      | -                           | 12 455 617                     | 12 455 617         |
| Current tax payable                 | -                             | -                       | -                       | -                        | -                      | -                           | 1 098 899                      | 1 098 899          |
| Deferred taxation                   | -                             | -                       | -                       | -                        | -                      | -                           | 5 839 627                      | 5 839 627          |
| Lease Liability                     | 2 335                         | 4 628                   | 6 837                   | 14 753                   | 6 157                  | -                           | -                              | 34 710             |
| Equity                              | -                             | -                       | -                       | -                        | -                      | -                           | 59 815 155                     | 59 815 155         |
| <b>Total liabilities and equity</b> | <b>222 175 427</b>            | <b>10 401 910</b>       | <b>15 108 966</b>       | <b>497 122</b>           | <b>476 361</b>         | <b>5 192</b>                | <b>110 530 958</b>             | <b>359 195 936</b> |
| Interest rate repricing gap         | (162 001 323)                 | 1 493 723               | 14 988 818              | 83 683 914               | 9 074 538              | 3 637 127                   | 49 123 203                     | -                  |
| Cumulative gap                      | (162 001 323)                 | (160 507 600)           | (145 518 782)           | (61 834 868)             | (52 760 330)           | (49 123 203)                | -                              | -                  |

| 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    |
| 30 JUNE 2022                        |                               |                         |                         |                          |                        |                             |                                |                    |
| <b>Assets</b>                       |                               |                         |                         |                          |                        |                             |                                |                    |
| Balances with banks and cash        | 17 504 659                    | -                       | -                       | -                        | -                      | -                           | 81 580 598                     | 99 085 257         |
| Money market assets                 | 8 016 569                     | 3 592 598               | 903 402                 | -                        | -                      | -                           | -                              | 12 512 569         |
| Financial securities                | -                             | 3 312                   | -                       | -                        | 117 098                | 774 469                     | -                              | 894 879            |
| Loans and advances to customers     | 16 534 107                    | 4 961 143               | 62 871 019              | 21 922 188               | 37 453 067             | 2 517 334                   | -                              | 146 258 858        |
| Equity investments                  | -                             | -                       | -                       | -                        | -                      | -                           | 1 146 058                      | 1 146 058          |
| Land inventory                      | -                             | -                       | -                       | -                        | -                      | -                           | 670 108                        | 670 108            |
| Other assets                        | -                             | -                       | -                       | -                        | -                      | -                           | 81 332 048                     | 81 332 048         |
| Intangible assets                   | -                             | -                       | -                       | -                        | -                      | -                           | 129 301                        | 129 301            |
| Investment properties               | -                             | -                       | -                       | -                        | -                      | -                           | 3 191 385                      | 3 191 385          |
| Property and equipment              | -                             | -                       | -                       | -                        | -                      | -                           | 12 494 188                     | 12 494 188         |
| <b>Total assets</b>                 | <b>42 055 335</b>             | <b>8 557 053</b>        | <b>63 774 421</b>       | <b>21 922 188</b>        | <b>37 570 165</b>      | <b>3 291 803</b>            | <b>180 543 686</b>             | <b>357 714 651</b> |
| <b>Equity &amp; Liabilities</b>     |                               |                         |                         |                          |                        |                             |                                |                    |
| Deposits                            | 242 935 092                   | 22 537 714              | 2 287 491               | 1 843 756                | 7 177 435              | 2 145                       | 7 035 936                      | 283 819 569        |
| Other liabilities                   | -                             | -                       | -                       | -                        | -                      | -                           | 12 561 524                     | 12 561 524         |
| Current tax payable                 | -                             | -                       | -                       | -                        | -                      | -                           | 2 354 484                      | 2 354 484          |
| Deferred taxation                   | -                             | -                       | -                       | -                        | -                      | -                           | 7 571 974                      | 7 571 974          |
| Lease liability                     | 3 335                         | 6 613                   | 11 417                  | 5 047                    | 3 987                  | -                           | -                              | 30 399             |
| Equity                              | -                             | -                       | -                       | -                        | -                      | -                           | 51 376 701                     | 51 376 701         |
| <b>Total liabilities and equity</b> | <b>242 938 427</b>            | <b>22 544 327</b>       | <b>2 298 908</b>        | <b>1 848 803</b>         | <b>7 181 422</b>       | <b>2 145</b>                | <b>80 900 619</b>              | <b>357 714 651</b> |
| Interest rate repricing gap         | (200 883 092)                 | (13 987 274)            | 61 475 513              | 20 073 385               | 30 388 743             | 3 289 658                   | 99 643 067                     | -                  |
| Cumulative gap                      | (200 883 092)                 | (214 870 366)           | (153 394 853)           | (133 321 468)            | (102 932 725)          | (99 643 067)                | -                              | -                  |

| 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                         |                               |                         |                         |                          |                        |                             |                                |                    |
| <b>Assets</b>                       |                               |                         |                         |                          |                        |                             |                                |                    |
| Balances with banks and cash        | 16 438 881                    | -                       | -                       | -                        | -                      | -                           | 20 838 308                     | 37 277 189         |
| Money market assets                 | 3 084 214                     | 1 587 782               | 5 501 276               | -                        | -                      | -                           | 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          |
| <b>Total assets</b>                 | <b>27 487 124</b>             | <b>5 433 845</b>        | <b>13 748 465</b>       | <b>38 453 328</b>        | <b>4 362 787</b>       | <b>1 663 787</b>            | <b>66 332 070</b>              | <b>157 481 406</b> |
| <b>Equity &amp; Liabilities</b>     |                               |                         |                         |                          |                        |                             |                                |                    |
| Deposits                            | 101 487 167                   | 4 749 408               | 6 898 550               | 220 343                  | 214 786                | 2 372                       | 14 307 521                     | 127 880 147        |
| Other liabilities                   | -                             | -                       | -                       | -                        | -                      | -                           | 5 364 041                      | 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         |
| <b>Total liabilities and equity</b> | <b>101 488 234</b>            | <b>4 751 522</b>        | <b>6 901 673</b>        | <b>227 082</b>           | <b>217 599</b>         | <b>2 372</b>                | <b>43 892 924</b>              | <b>157 481 406</b> |
| Interest rate repricing gap         | (74 001 110)                  | 682 323                 | 6 846 792               | 38 226 246               | 4 145 188              | 1 661 415                   | 22 439 146                     | -                  |
| Cumulative gap                      | (74 001 110)                  | (73 318 787)            | (66 471 995)            | (28 245 749)             | (24 100 561)           | (22 439 146)                | -                              | -                  |

### 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 30 June 2022, 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\$1 899 300 026 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 Bank as at 30 June 2022 is as below:

## Partners for Success

### FOREIGN CURRENCY POSITION

#### FOREIGN CURRENCY POSITION AS AT 30 JUNE 2022

| REVIEWED INFLATION ADJUSTED         |                    |                    |                    |                   |                  |                  |                              |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------|------------------|------------------|------------------------------|
|                                     | Total 000          | ZWL\$ 000          | USD 000            | ZAR 000           | GBP 000          | EUR 000          | Other foreign currencies 000 |
| <b>Assets</b>                       |                    |                    |                    |                   |                  |                  |                              |
| Balances with banks and cash        | 99 085 257         | 20 651 319         | 72 545 662         | 2 739 498         | 103 428          | 2 800 968        | 244 382                      |
| Money market assets                 | 12 512 569         | 1 751 697          | 3 143 391          | 7 617 481         | -                | -                | -                            |
| Financial securities                | 894 879            | 894 879            | -                  | -                 | -                | -                | -                            |
| Loans and advances to customers     | 146 258 858        | 47 085 361         | 99 111 114         | 62 382            | -                | -                | 1                            |
| Equity investments                  | 1 146 058          | 1 146 058          | -                  | -                 | -                | -                | -                            |
| Land inventory                      | 11 469 638         | 11 469 638         | -                  | -                 | -                | -                | -                            |
| Other assets                        | 83 458 287         | 25 615 817         | 26 577 118         | 25 576 132        | 1 266 395        | 2 002 939        | 2 419 886                    |
| Intangible assets                   | 418 302            | 418 302            | -                  | -                 | -                | -                | -                            |
| Investment properties               | 3 191 385          | 3 191 385          | -                  | -                 | -                | -                | -                            |
| Property and equipment              | 16 775 596         | 16 775 596         | -                  | -                 | -                | -                | -                            |
| <b>Total assets</b>                 | <b>375 210 829</b> | <b>129 000 052</b> | <b>201 377 285</b> | <b>35 995 493</b> | <b>1 369 823</b> | <b>4 803 907</b> | <b>2 664 269</b>             |
| <b>Equity &amp; Liabilities</b>     |                    |                    |                    |                   |                  |                  |                              |
| Deposits                            | 283 819 569        | 64 916 732         | 208 051 192        | 10 421 396        | 69 574           | 60 535           | 300 140                      |
| Other liabilities                   | 12 563 991         | 6 376 720          | 6 022 087          | 100 627           | 11 825           | 39 608           | 13 124                       |
| Current tax payable                 | 2 354 484          | 2 354 484          | -                  | -                 | -                | -                | -                            |
| Deferred taxation                   | 8 225 782          | 8 225 782          | -                  | -                 | -                | -                | -                            |
| Lease Liability                     | 30 399             | 30 399             | -                  | -                 | -                | -                | -                            |
| Equity                              | 68 216 604         | 68 216 604         | -                  | -                 | -                | -                | -                            |
| <b>Total equity and liabilities</b> | <b>375 210 829</b> | <b>150 120 721</b> | <b>214 073 279</b> | <b>10 522 023</b> | <b>81 399</b>    | <b>100 143</b>   | <b>313 264</b>               |

#### FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

| AUDITED INFLATION ADJUSTED          |                    |                    |                    |                   |                |                  |                                    |
|-------------------------------------|--------------------|--------------------|--------------------|-------------------|----------------|------------------|------------------------------------|
|                                     | Total<br>000       | ZWL\$<br>000       | USD<br>000         | ZAR<br>000        | GBP<br>000     | EUR<br>000       | Other foreign<br>currencies<br>000 |
| <b>Assets</b>                       |                    |                    |                    |                   |                |                  |                                    |
| Balances with banks and cash        | 81 606 262         | 23 523 141         | 52 030 245         | 4 645 298         | 63 830         | 1 277 150        | 66 598                             |
| Money market assets                 | 53 228 775         | 15 717 582         | 36 044 571         | 1 466 622         | -              | -                | -                                  |
| Financial securities                | 2 111 496          | 2 111 496          | -                  | -                 | -              | -                | -                                  |
| Loans and advances to customers     | 139 171 640        | 82 445 491         | 56 673 401         | 52 303            | 445            | -                | -                                  |
| Equity investments                  | 1 609 948          | 1 609 948          | -                  | -                 | -              | -                | -                                  |
| Land inventory                      | 11 237 641         | 11 237 641         | -                  | -                 | -              | -                | -                                  |
| Other assets                        | 55 368 006         | 8 576 794          | 28 081 329         | 16 083 768        | 915 073        | 1 390 654        | 320 388                            |
| Intangible assets                   | 472 052            | 472 052            | -                  | -                 | -              | -                | -                                  |
| Investment properties               | 2 240 703          | 2 240 703          | -                  | -                 | -              | -                | -                                  |
| Property and equipment              | 12 149 413         | 12 149 413         | -                  | -                 | -              | -                | -                                  |
| <b>Total assets</b>                 | <b>359 195 936</b> | <b>160 084 261</b> | <b>172 829 546</b> | <b>22 247 991</b> | <b>979 348</b> | <b>2 667 804</b> | <b>386 986</b>                     |
| <b>Equity &amp; Liabilities</b>     |                    |                    |                    |                   |                |                  |                                    |
| Deposits                            | 279 951 928        | 104 094 423        | 169 800 530        | 5 738 750         | 47 759         | 163 454          | 107 012                            |
| Other liabilities                   | 12 455 617         | 11 149 855         | 1 188 137          | 78 900            | 4 318          | 34 407           | -                                  |
| Current tax payable                 | 1 098 899          | 1 098 899          | -                  | -                 | -              | -                | -                                  |
| Deferred taxation                   | 5 839 627          | 5 839 627          | -                  | -                 | -              | -                | -                                  |
| Lease Liability                     | 34 710             | 34 710             | -                  | -                 | -              | -                | -                                  |
| Equity                              | 59 815 155         | 59 815 155         | -                  | -                 | -              | -                | -                                  |
| <b>Total equity and liabilities</b> | <b>359 195 936</b> | <b>182 032 669</b> | <b>170 988 667</b> | <b>5 817 650</b>  | <b>52 077</b>  | <b>197 861</b>   | <b>107 012</b>                     |





# Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

32

**Operational risk**  
This is the potential for 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 Bank's revenue or erosion of the Bank's statement of financial position value.

32.1

**Operational risk management framework**  
CBZ Bank Risk Management Committee exercises adequate oversight over operational risks across the Bank with the support of the Board as well as business and functional level committees. CBZ Bank Risk Management is responsible for setting and approval of Bank Operational Policies and maintaining standards for operational risk.  
  
The Bank Board Audit Committee through Internal Audit function as well as Bank Enterprise Wide Governance and Compliance perform their independent reviews and assurances under processes and procedures as set under policies and procedure manuals. On the other hand, the Bank Risk Management and Bank IT Departments with assistance from the Organization and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

32.2

**Strategic risk**  
This is the risk that arises where the Bank's strategies may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning process, weak decision making process as well as weak strategic implementation programs.  
  
To mitigate this risk, the Bank's Board and Management teams craft the strategy which is underpinned to the Bank's corporate goals. Approval of the strategy is the responsibility of the 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 Board.

32.3

**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 Bank Board Risk Management Committee and the Bank Enterprise Wide Governance and Compliance unit which ensures that:  

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

32.4

**Reputation risk**  
  
This is the risk of potential damage to the Bank's image that arises from the market's perception of the manner in which the Bank packages and delivers its products and services as well as how staff and management conduct themselves. It also relates to the Bank'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 Bank and its actions. The risk can further arise from the Bank's inability to address any of its other key risks. This risk is managed and mitigated through:  

- Continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders;
- Ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that;
- Stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.

32.5

**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 Bank and then use the funds to support illegal activities. The Bank manages this risk through:  

- Adherence to Know Your Customer Procedures;
- Effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- Development of early warning systems; and
- Integration of compliance into individual performance measurement and reward structures.

32.6

**Risk and Credit Ratings**

32.6.1

**External Credit Rating**

| Rating Agent                         | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Global Credit Rating Co.(Short Term) | A1+  | A+   | A1   | A1   | A1-  | A1-  | A1-  | A1   | A1   | A1   | -    | -    |
| Global Credit Rating Co. (Long Term) | AA-  | AA-  | A+   | A+   | A    | A    | A    | A    | A+   | A+   | A+   | A+   |

No short-term ratings were provided by the rating agent from 2009 to 2012.

32.6.2

**Reserve Bank of Zimbabwe Ratings**

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION

|                  | Composite | Capital Adequacy | Asset Quality | Management | Earnings | Liquidity | Sensitivity to market risk |
|------------------|-----------|------------------|---------------|------------|----------|-----------|----------------------------|
| CBZ Bank Limited | 2         | 1                | 3             | 2          | 2        | 2         | 2                          |

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.

## 33. CAPITAL MANAGEMENT

The Bank adopted the Bank Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Bank's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Bank's capital management is to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency) . The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Bank vis-à-vis assumed levels of risk (risk versus return).It is important to highlight that CBZ Bank has three levels of capital and other components that are measured and managed simultaneously: -

- Regulatory capital,
- Economic capital, and
- Available book capital.

### 33.1 Capital Adequacy

The capital adequacy is calculated in terms of the guidelines issued by the Reserve Bank of Zimbabwe.

|                                      | REVIEWED<br>30 JUNE 2022<br>ZWL\$ 000 | UNAUDITED<br>31 DEC 2021<br>ZWL\$ 000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Risk Weighted Assets                 | 200 045 398                           | 90 234 098                            |
| Total Qualifying Capital             | 50 228 898                            | 18 784 313                            |
| Tier 1                               |                                       |                                       |
| Share capital                        | 5 118                                 | 5 118                                 |
| Share premium                        | 16 722                                | 16 722                                |
| Revenue reserves                     | 41 884 357                            | 19 004 826                            |
| Exposure to insiders                 | (3 648 371)                           | (4 634 382)                           |
|                                      | 38 257 826                            | 14 392 284                            |
|                                      | (4 990 456)                           | (2 954 423)                           |
|                                      | 33 267 370                            | 11 437 861                            |
| Tier 2                               |                                       |                                       |
| Revaluation reserves                 | 8 428 258                             | 2 615 114                             |
| Fair Value Reserve                   | 1 042 247                             | 648 987                               |
| General provisions                   | 2 500 567                             | 1 127 926                             |
|                                      | 11 971 072                            | 4 392 027                             |
| Tier 3                               |                                       |                                       |
| Capital allocated for market risk    | 2 838 211                             | 802 177                               |
| Capital allocated to operations risk | 2 152 246                             | 2 152 246                             |
|                                      | 4 990 457                             | 2 954 423                             |
| Capital Adequacy (%)                 |                                       |                                       |
| Tier 1                               | 16.63%                                | 12.68%                                |
| Tier 2                               | 5.98%                                 | 4.87%                                 |
| Tier 3                               | 2.49%                                 | 3.27%                                 |
| Total                                | 25.11%                                | 20.82%                                |

Regulatory capital consists of Tier 1 capital which comprises share capital share premium and revenue reserves including current period profit. The other component of the regulatory capital is Tier 2 capital which includes general provisions and revaluation reserves. The regulated minimum capital base required by the Central Bank is US\$ 30 million with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%

## 34. COMPLIANCE AND REGULATORY RISK

During the year, CBZ Bank was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.

## 35. CORPORATE GOVERNANCE STATEMENT

The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.

## 36. DISCLOSURE POLICY

The Board is aware of the importance of balanced and understandable communication of the Bank's activities to stakeholders and strives to clearly present any matters material to a proper appreciation of the Bank's position. The interests and concerns of stakeholders are addressed by communicating information in a timely manner.

The Directors foster a mutual understanding of objectives shared between the Bank and its institutional shareholders by meeting with and making presentations to them on a regular basis. The Board welcomes and encourages the attendance of private shareholders at general meetings and gives them the opportunity to have questions addressed.

The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.

## 37. GOING CONCERN

For going concern assessment refer to CBZ Holdings note 39.



## Partners for Success





# Unaudited Inflation Adjusted Financial Results

For the half year ended 30 June 2022



## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

|   | UNAUDITED                                       |                                       | REVIEWED                                |   |
|---|---|---------------------------------------|---|---|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| Gross written premium                                       | 766 526   | 356 478                               | 490 039                                 | 115 229                                 |
| Reinsurance premium   | (87 549)  | (7 756)                               | (56 360)                                | (2 550)                                 |
| <b>Net written premium</b>                                  | <b>678 977</b>                                  | <b>348 722</b>                        | <b>433 679</b>                          | <b>112 679</b>                          |
| Unearned premium movement                                   | (26 702)  | (2 603)                               | (48 819)                                | (790)                                   |
| <b>Net earned premium</b>                                   | <b>652 276</b>                                  | <b>346 119</b>                        | <b>384 860</b>                          | <b>111 890</b>                          |
| Net commission  | (52 109)  | (27 588)                              | (33 354)                                | (9 049)                                 |
| Net claims  | (107 760)                                       | (45 357)                              | (74 431)                                | (14 569)                                |
| <b>Underwriting profit</b>                                  | <b>492 407</b>                                  | <b>273 174</b>                        | <b>277 075</b>                          | <b>88 272</b>                           |
| Operating expenditure                                       | (559 973)                                       | (356 434)                             | (385 524)                               | (106 417)                               |
| Transfer to reserves  | (528 456)                                       | (186 995)                             | (343 001)                               | (64 135)                                |
| Expected credit loss  | (6 204)   | -                                     | (6 204)                                 | -                                       |
| Monetary gain   | 777 539   | 90 318                                | -                                       | -                                       |
| <b>Operating profit</b>                                     | <b>175 293</b>                                  | <b>(179 937)</b>                      | <b>(457 654)</b>                        | <b>(82 280)</b>                         |
| Investment and Other income                                 | 772 101   | 104 971                               | 2 022 255                               | 109 626                                 |
| Interest from investments & other balances                  | 19 938  | 377                                   | 34 823                                  | 122                                     |
| <b>Profit before taxation</b>                               | <b>967 332</b>                                  | <b>(74 589)</b>                       | <b>1 579 423</b>                        | <b>27 467</b>                           |
| Taxation  | (198)   | (290)                                 | (198)                                   | (99)                                    |
| <b>Profit for the period</b>                                | <b>967 134</b>                                  | <b>(74 879)</b>                       | <b>1 579 225</b>                        | <b>27 368</b>                           |
| <b>Other comprehensive income</b>                           |   |                                       |   |   |
| Gains on property revaluations                              | 267 617   | (11 620)                              | 514 598                                 | 8 393                                   |
| Gains on equity instruments at FVOCI                        | 80 662  | (6 199)                               | 159 344                                 | 9 675                                   |
| <b>Other comprehensive income for the period net of tax</b> | <b>348 279</b>                                  | <b>(17 819)</b>                       | <b>673 942</b>                          | <b>12 068</b>                           |
| <b>Total comprehensive income</b>                           | <b>1 315 413</b>                                | <b>(92 698)</b>                       | <b>2 253 167</b>                        | <b>39 436</b>                           |

## Statement Of Financial Position

As at 30 June 2022

|                                     | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|-------------------------------------|---|--------------------------------------|---|--|
|                                     | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| <b>ASSETS</b>                       |   |                                      |   |  |
| <b>Current assets</b>               |   |                                      |   |  |
| Cash and cash equivalents           | 93 735  | 153 380                              | 93 735                                  | 70 063                                 |
| Money market assets                 | 79 302  | 67 489                               | 79 302                                  | 30 829                                 |
| Equity investments                  | 998 180   | 933 317                              | 998 180                                 | 426 333                                |
| Insurance contract assets           | 67 115  | 28 052                               | 53 262                                  | 12 429                                 |
| Other receivables                   | 46 717  | 41 368                               | 46 717                                  | 18 897                                 |
| Current tax receivables             | 251   | 982                                  | 251                                     | 449                                    |
|                                     | <b>1 285 300</b>                                | <b>1 224 588</b>                     | <b>1 271 447</b>                        | <b>559 000</b>                         |
| <b>Non-current assets</b>           |   |                                      |   |  |
| Property and equipment              | 2 326 678                                       | 1 571 927                            | 2 326 678                               | 718 046                                |
| Investment properties               | 794 766   | 557 768                              | 745 355                                 | 232 175                                |
|                                     | <b>3 121 444</b>                                | <b>2 129 695</b>                     | <b>3 072 033</b>                        | <b>950 221</b>                         |
| <b>TOTAL ASSETS</b>                 | <b>4 406 744</b>                                | <b>3 354 283</b>                     | <b>4 343 480</b>                        | <b>1 509 221</b>                       |
| <b>EQUITY AND LIABILITIES</b>       |   |                                      |   |  |
| <b>Liabilities</b>                  |   |                                      |   |  |
| Life fund                           | 774 724   | 870 852                              | 774 724                                 | 397 799                                |
| Investment contract liabilities     | 155 504   | 136 915                              | 155 504                                 | 62 542                                 |
| Other payables                      | 360 642   | 546 053                              | 360 642                                 | 249 433                                |
|                                     | <b>1 290 870</b>                                | <b>1 553 820</b>                     | <b>1 290 870</b>                        | <b>709 774</b>                         |
| <b>Equity</b>                       |   |                                      |   |  |
| Share premium                       | 136 092   | 136 092                              | 1 388                                   | 1 388                                  |
| Revaluation reserve                 | 655 721   | 388 104                              | 744 610                                 | 230 013                                |
| Revenue reserves                    | 2 292 681                                       | 1 325 549                            | 2 136 820                               | 557 598                                |
| Fair value reserve                  | 31 380  | (49 282)                             | 169 792                                 | 10 448                                 |
|                                     | <b>3 115 874</b>                                | <b>1 800 463</b>                     | <b>3 052 610</b>                        | <b>799 447</b>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>4 406 744</b>                                | <b>3 354 283</b>                     | <b>4 343 480</b>                        | <b>1 509 221</b>                       |

## Statement of Changes in Equity

For the half year ended 30 June 2022

| REVIEWED INFLATION ADJUSTED |                            |                                  |                   |                                 |                              |                    |
|-----------------------------|----------------------------|----------------------------------|-------------------|---------------------------------|------------------------------|--------------------|
|                             | Share premium<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | FCTR<br>ZWL\$ 000 | Fair Value reserve<br>ZWL\$ 000 | Revenue reserve<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>30 June 2021</b>         |                            |                                  |                   |                                 |                              |                    |
| Opening balance             | 136 092                    | 11 620                           | 222 037           | (13 204)                        | 910 597                      | 1 267 143          |
| Total comprehensive income  | -                          | (11 620)                         | -                 | (6 199)                         | (74 879)                     | (92 697)           |
| <b>Closing balance</b>      | <b>136 092</b>             | <b>-</b>                         | <b>222 037</b>    | <b>(19 403)</b>                 | <b>835 718</b>               | <b>1 174 446</b>   |
| <b>30 June 2022</b>         |                            |                                  |                   |                                 |                              |                    |
| Opening balance             | 136 092                    | 388 104                          | -                 | (49 282)                        | 1 325 549                    | 1 800 462          |
| Total comprehensive income  | -                          | 267 617                          | -                 | 80 662                          | 967 134                      | 1 315 413          |
| <b>Closing balance</b>      | <b>136 092</b>             | <b>655 721</b>                   | <b>-</b>          | <b>31 380</b>                   | <b>2 292 683</b>             | <b>3 115 875</b>   |
| UNAUDITED HISTORICAL        |                            |                                  |                   |                                 |                              |                    |
| <b>30 June 2021</b>         |                            |                                  |                   |                                 |                              |                    |
| Opening balance             | 1 388                      | 90 513                           | 2 550             | 1 740                           | 238 767                      | 334 958            |
| Total comprehensive income  | -                          | 8 393                            | -                 | 3 675                           | 27 368                       | 39 436             |
| <b>Closing balance</b>      | <b>1 388</b>               | <b>98 906</b>                    | <b>2 550</b>      | <b>5 415</b>                    | <b>266 135</b>               | <b>374 394</b>     |
| <b>30 June 2022</b>         |                            |                                  |                   |                                 |                              |                    |
| Opening balance             | 1 388                      | 230 013                          | -                 | 10 448                          | 557 596                      | 799 445            |
| Total comprehensive income  | -                          | 514 598                          | -                 | 159 344                         | 1 579 225                    | 2 253 166          |
| <b>Closing balance</b>      | <b>1 388</b>               | <b>744 611</b>                   | <b>-</b>          | <b>169 792</b>                  | <b>2 136 821</b>             | <b>3 052 611</b>   |

## STATEMENT OF CASH FLOWS

For the half year ended 30 June 2022

|  | REVIEWED  |                                       | UNAUDITED                               |   |
|--|---|---------------------------------------|---|---|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |   |                                       |   |   |
| <b>Profit / (Loss) before taxation</b>                                     | <b>967 332</b>                                  | <b>(74 589)</b>                       | <b>1 579 423</b>                        | <b>27 467</b>                           |
| <b>Non cash items:</b>   |   |                                       |   |   |
| Depreciation   | 33 568  | 14 340                                | 4 228                                   | 1 815                                   |
| Unearned premium movement  | 26 702  | 2 603                                 | 48 819                                  | 790                                     |
| Monetary gain/loss   | (777 519)                                       | (90 318)                              | -                                       | -                                       |
| Claims incurred but not reported   | 6 738   | -                                     | 6 738                                   | -                                       |
| Deferred commission movement   | (23 594)  | (19 534)                              | (17 071)                                | (6 370)                                 |
| Fair value adjustment on investment properties                             | (746 274)                                       | 78 951                                | (1 578 894)                             | (33 263)                                |
| Fair value adjustment on financial instruments                             | 181 296   | (195 414)                             | (283 648)                               | (80 526)                                |
| Transfer to reserves   | 528 456   | 186 995                               | 343 001                                 | 64 135                                  |
| Expected credit loss expense   | 6 204   | -                                     | 6 204                                   | -                                       |
| Unrealised loss on foreign currency position                               | (74 829)  | 2 191                                 | (74 829)                                | 751                                     |
| Write offs and impairment of fixed assets                                  | -   | 19 982                                | -                                       | -                                       |
| <b>Operating profit before changes in operating assets and liabilities</b> | <b>128 080</b>                                  | <b>(74 793)</b>                       | <b>33 971</b>                           | <b>(25 201)</b>                         |
| <b>Changes in operating assets and liabilities</b>                         |   |                                       |   |   |
| Other receivables  | (34 290)  | 24 714                                | (33 052)                                | 6 721                                   |
| Insurance contract assets  | (11 218)  | (4 665)                               | (23 973)                                | 3 059                                   |
| Other payables   | 161 985   | 136 321                               | 100 345                                 | 46 701                                  |
| Money market assets  | (18 717)  | 15 972                                | (2 087)                                 | 3 804                                   |
| Life assurance investment contract liabilities                             | (3 045)   | 43 740                                | 71 329                                  | 13 469                                  |
|  | <b>94 715</b>                                   | <b>216 083</b>                        | <b>112 561</b>                          | <b>73 754</b>                           |
| Corporate tax paid   | -   | (296)                                 | -                                       | (98)                                    |
| <b>Net cash inflow from operating activities</b>                           | <b>222 795</b>                                  | <b>140 994</b>                        | <b>146 532</b>                          | <b>48 456</b>                           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |   |                                       |   |   |
| Net change in investments  | (165 497)                                       | (68 971)                              | (128 855)                               | (22 086)                                |
| Purchase of property and equipment   | (2 950)   | (1 764)                               | (2 811)                                 | (560)                                   |
| Proceeds on disposal of investment properties                              | -   | 184 703                               | -                                       | 57 607                                  |
| Purchase of investment properties  | (8 477)   | (87 133)                              | (29 739)                                | (27 996)                                |
| <b>Net cash (outflow)/inflow from investing activities</b>                 | <b>(176 924)</b>                                | <b>26 835</b>                         | <b>(161 405)</b>                        | <b>6 965</b>                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |   |                                       |   |   |
| Dividends paid   | -   | -                                     | -                                       | -                                       |
| <b>Net cash outflow from financing activities</b>                          | <b>-</b>  | <b>-</b>                              | <b>-</b>                                | <b>-</b>                                |
| <b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>               | <b>45 871</b>                                   | <b>167 828</b>                        | <b>(14 875)</b>                         | <b>55 421</b>                           |
| Cash and cash equivalents at the beginning of the year                     | 153 380   | 20 999                                | 70 063                                  | 5 968                                   |
| Exchange gains on foreign cash balances                                    | 38 546  | -                                     | 38 546                                  | -                                       |
| Inflation effects on cash and cash equivalents                             | (144 062)                                       | (9 838)                               | -                                       | -                                       |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                  | <b>93 735</b>                                   | <b>178 989</b>                        | <b>93 734</b>                           | <b>61 389</b>                           |

## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

|  | UNAUDITED                                       |                                       | REVIEWED                                |   |
|--|---|---------------------------------------|---|---|
|  | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| <b>Gross written premium</b>   | <b>1 188 082</b>                                | <b>1 154 807</b>                      | <b>777 262</b>                          | <b>376 870</b>                          |
| Reinsurance premium  | (641 458)                                       | (691 039)                             | (413 557)                               | (226 629)                               |
| <b>Net written premium</b>   | <b>546 624</b>                                  | <b>463 768</b>                        | <b>363 705</b>                          | <b>150 241</b>                          |
| Unearned premium movement  | (40 990)  | 24 021                                | (104 946)                               | (9 172)                                 |
| <b>Net earned premium</b>  | <b>505 634</b>                                  | <b>487 789</b>                        | <b>258 759</b>                          | <b>141 069</b>                          |
| Net commission   | (41 597)  | 22 471                                | (24 550)                                | 8 583                                   |
| Net claims   | (334 122)                                       | (129 111)                             | (232 998)                               | (42 604)                                |
| <b>Technical result</b>  | <b>129 915</b>                                  | <b>381 149</b>                        | <b>1 211</b>                            | <b>107 048</b>                          |
| Operating expenditure  | (490 075)                                       | (316 958)                             | (324 464)                               | (88 812)                                |
| Impairment loss  | (59 887)  | (19 915)                              | (59 887)                                | (6 830)                                 |
| Underwriting profit  | (420 047)                                       | 44 276                                | (383 140)                               | 11 406                                  |
| Other expense / (income)   | 362 156   | 35 722                                | 521 618                                 | 24 131                                  |
| Monetary Loss  | 105 462   | (34 554)                              | -                                       | -                                       |
| <b>Profit before taxation</b>  | <b>47 571</b>                                   | <b>45 444</b>                         | <b>138 478</b>                          | <b>35 537</b>                           |
| Taxation   | (74 411)  | (56 641)                              | (70 595)                                | (10 808)                                |
| <b>(Loss)/profit for the period</b>                                      | <b>(26 840)</b>                                 | <b>(11 197)</b>                       | <b>67 883</b>                           | <b>24 729</b>                           |
| <b>Other comprehensive income</b>  |   |                                       |   |   |
| Gains/(losses) on property revaluations                                  | 246 350   | (11 741)                              | 514 590                                 | 5 200                                   |
| Equity instruments fair value gains/ (losses)                            | 54 797  | (9 508)                               | 107 281                                 | 824                                     |
| Deferred income tax relating to components of other comprehensive income | (63 638)  | 2 977                                 | (132 571)                               | (1 294)                                 |
| <b>Other comprehensive income for the year net of tax</b>                | <b>237 509</b>                                  | <b>(18 272)</b>                       | <b>489 300</b>                          | <b>4 730</b>                            |
| <b>Total comprehensive income/ (loss) for the period</b>                 | <b>210 669</b>                                  | <b>(29 469)</b>                       | <b>557 183</b>                          | <b>29 459</b>                           |

## Statement Of Financial Position

As at 30 June 2022

|                                      | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|--------------------------------------|---|--------------------------------------|---|--|
|                                      | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| <b>ASSETS</b>                        |   |                                      |   |  |
| Balances with banks and cash         | 199 122   | 91 681                               | 199 122                                 | 41 879                                 |
| Investments- Short term              | 73 044  | 47 485                               | 73 044                                  | 21 691                                 |
| Other receivables                    | 52 629  | 33 166                               | 22 256                                  | 2 738                                  |
| Tax receivables                      | 387   | 848                                  | 387                                     | 387                                    |
| Premium receivables                  | 593 932   | 748 342                              | 593 932                                 | 341 838                                |
| <b>Technical Assets</b>              |   |                                      |   |  |
| Reinsurance receivables              | 37 444  | 390 678                              | 37 444                                  | 178 459                                |
| Reinsurance Claims outstanding       | 424 497   | 702 941                              | 424 497                                 | 321 099                                |
| Deferred acquisition costs           | 87 083  | 139 902                              | 54 389                                  | 57 434                                 |
| Reinsurance unearned premium reserve | 270 638   | 466 084                              | 169 237                                 | 191 731                                |
| Listed Investments at fair value     | 209 218   | 155 981                              | 209 218                                 | 71 251                                 |
| Investment property                  | 353 352   | 284 778                              | 353 352                                 | 130 085                                |
| Property and equipment               | 777 126   | 543 484                              | 743 704                                 | 233 083                                |
| Intangible assets                    | 12 141  | 14 569                               | 1 697                                   | 3 791                                  |
| Deferred Tax                         | 127 112   | 158 365                              | 134 983                                 | 72 340                                 |
| <b>TOTAL ASSETS</b>                  | <b>3 217 725</b>                                | <b>3 778 304</b>                     | <b>3 017 262</b>                        | <b>1 667 806</b>                       |
| <b>LIABILITIES</b>                   |   |                                      |   |  |
| Other Payables                       | 530 601   | 788 572                              | 530 599                                 | 360 215                                |
| Deferred Tax                         | 259 836   | 153 042                              | 331 255                                 | 65 449                                 |
| <b>Technical Liabilities</b>         |   |                                      |   |  |
| Reinsurance payables                 | 302 309   | 456 118                              | 302 309                                 | 208 352                                |
| Gross outstanding claims             | 507 059   | 766 162                              | 507 059                                 | 349 978                                |
| Incurred but reported claims         | 54 504  | 56 178                               | 54 504                                  | 25 662                                 |
| Unearned commission reserve          | 69 532  | 120 562                              | 42 783                                  | 49 033                                 |
| Gross unearned premium reserve       | 571 111   | 725 566                              | 379 846                                 | 297 395                                |
| <b>TOTAL LIABILITIES</b>             | <b>2 294 952</b>                                | <b>3 066 200</b>                     | <b>2 148 355</b>                        | <b>1 356 084</b>                       |
| <b>EQUITY</b>                        |   |                                      |   |  |
| Share capital                        | 7 660   | 7 660                                | 78                                      | 78                                     |
| Share premium                        | 341 424   | 341 424                              | 23 179                                  | 23 179                                 |
| Revaluation Reserve                  | 550 547   | 365 095                              | 562 362                                 | 174 979                                |
| Fair value reserve                   | 18 128  | (33 929)                             | 111 958                                 | 10 040                                 |
| Retained earnings                    | 5 014   | 31 854                               | 171 330                                 | 103 446                                |
| <b>TOTAL EQUITY</b>                  | <b>922 773</b>                                  | <b>712 104</b>                       | <b>868 907</b>                          | <b>311 722</b>                         |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>3 217 725</b>                                | <b>3 778 304</b>                     | <b>3 017 262</b>                        | <b>1 667 806</b>                       |

## Statement of Changes in Equity

For the half year ended 30 June 2022

| REVIEWED INFLATION ADJUSTED               |                            |                            |                                  |                                 |                   |                               |                    |
|---|----------------------------|----------------------------|----------------------------------|---------------------------------|-------------------|-------------------------------|--------------------|
|   | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | Revaluation reserve<br>ZWL\$ 000 | Fair Value reserve<br>ZWL\$ 000 | FCTR<br>ZWL\$ 000 | Revenue reserves<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>30 June 2021</b>                       |                            |                            |                                  |                                 |                   |                               |                    |
| Opening balance                           | 7 660                      | 341 424                    | 8 839                            | (4 582)                         | 222 037           | 145 343                       | 720 721            |
| Profit for the period                     | -                          | -                          | -                                | -                               | -                 | (11 197)                      | (11 197)           |
| Other comprehensive income for the period | -                          | -                          | (8 839)                          | (9 433)                         | -                 | -                             | (18 272)           |
| Closing balance                           | 7 660                      | 341 424                    | -                                | (14 015)                        | 222 037           | 134 146                       | 691 252            |
| <b>30 June 2022</b>                       |                            |                            |                                  |                                 |                   |                               |                    |
| Opening balance                           | 7 660                      | 341 424                    | 365 095                          | (33 929)                        | -                 | 31 854                        | 712 104            |
| Profit for the period                     | -                          | -                          | -                                | -                               | -                 | (26 840)                      | (26 840)           |
| Other comprehensive income for the period | -                          | -                          | 185 452                          | 52 057                          | -                 | -                             | 237 509            |
| Closing balance                           | 7 660                      | 341 424                    | 550 547                          | 18 128                          | -                 | 5 014                         | 922 773            |





## Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

|   | REVIEWED  |                                       | UNAUDITED                               |   |
|---|---|---------------------------------------|---|---|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| Revenue                                     | 907 462   | 269 306                               | 1 349 908                               | 113 831                                 |
| Operating expenditure                       | ( 399 033)                                      | ( 219 857)                            | ( 275 451)                              | ( 68 893)                               |
| <b>Operating income</b>                     | <b>508 429</b>                                  | <b>49 449</b>                         | <b>1 074 457</b>                        | <b>44 938</b>                           |
| Monetary gain                               | 52 171  | 14 048                                | -                                       | -                                       |
| <b>Profit before taxation</b>               | <b>560 600</b>                                  | <b>63 497</b>                         | <b>1 074 457</b>                        | <b>44 938</b>                           |
| Taxation                                    | ( 80 598)                                       | ( 38 041)                             | ( 105 202)                              | ( 10 670)                               |
| <b>Profit for period the after taxation</b> | <b>480 002</b>                                  | <b>25 456</b>                         | <b>969 255</b>                          | <b>34 268</b>                           |
| Other comprehensive income                  | 9 446   | ( 1 533)                              | 20 136                                  | 96                                      |
| <b>Total comprehensive income</b>           | <b>489 448</b>                                  | <b>23 923</b>                         | <b>989 391</b>                          | <b>34 364</b>                           |

## Statement of Financial Position

As at 30 June 2022

|                                     | REVIEWED  | AUDITED                              | UNAUDITED                               |  |
|-------------------------------------|---|--------------------------------------|---|--|
|                                     | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>31 DEC 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>31 DEC 2021<br>ZWL\$ 000 |
| <b>ASSETS</b>                       |   |                                      |   |  |
| Cash and cash equivalents           | 60 027  | 60 002                               | 60 027                                  | 27 409                                 |
| Equity investments                  | 262 090   | 91 925                               | 262 090                                 | 41 991                                 |
| Other assets                        | 192 421   | 82 918                               | 190 423                                 | 37 876                                 |
| Investment property                 | 1 324 436                                       | 958 733                              | 1 324 436                               | 437 943                                |
| Intangible assets                   | 2 763   | 2 936                                | 850                                     | 923                                    |
| Property and equipment              | 164 173   | 169 420                              | 17 066                                  | 18 853                                 |
| Deferred taxation                   | 21 791  | 25 092                               | 21 794                                  | 11 462                                 |
| <b>TOTAL ASSETS</b>                 | <b>2 027 701</b>                                | <b>1 391 026</b>                     | <b>1 876 686</b>                        | <b>576 457</b>                         |
| <b>LIABILITIES</b>                  |   |                                      |   |  |
| Current taxation                    | 8 437   | 26 840                               | 8 437                                   | 12 260                                 |
| Other liabilities                   | 264 728   | 160 496                              | 264 728                                 | 73 314                                 |
| Lease liability                     | 61 471  | 42 432                               | 61 471                                  | 19 383                                 |
| Deferred taxation                   | 119 884   | 77 525                               | 115 085                                 | 33 926                                 |
| <b>TOTAL LIABILITIES</b>            | <b>454 520</b>                                  | <b>307 293</b>                       | <b>449 721</b>                          | <b>138 883</b>                         |
| <b>EQUITY</b>                       |   |                                      |   |  |
| Share capital                       | 6 178   | 6 178                                | 63                                      | 63                                     |
| Share premium                       | 188 737   | 188 737                              | 1 925                                   | 1 925                                  |
| Revenue reserves                    | 1 356 672                                       | 876 670                              | 1 396 058                               | 426 803                                |
| Fair value reserve                  | 21 594  | 12 148                               | 28 919                                  | 8 783                                  |
| <b>TOTAL EQUITY</b>                 | <b>1 573 181</b>                                | <b>1 083 733</b>                     | <b>1 426 965</b>                        | <b>437 574</b>                         |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>2 027 701</b>                                | <b>1 391 026</b>                     | <b>1 876 686</b>                        | <b>576 457</b>                         |

## Statement Of Changes In Equity

For the half year ended 30 June 2022

| REVIEWED INFLATION ADJUSTED  |                            |                            |                                 |                               |                    |
|------------------------------|----------------------------|----------------------------|---------------------------------|-------------------------------|--------------------|
|                              | Share capital<br>ZWL\$ 000 | Share premium<br>ZWL\$ 000 | Fair value reserve<br>ZWL\$ 000 | Revenue reserves<br>ZWL\$ 000 | Total<br>ZWL\$ 000 |
| <b>Restated 30 June 2021</b> |                            |                            |                                 |                               |                    |
| Opening balance              | 6 178                      | 188 737                    | 3 080                           | 365 442                       | 563 437            |
| Profit for the period        | -                          | -                          | -                               | 25 456                        | 25 456             |
| Other comprehensive loss     | -                          | -                          | ( 1 533)                        | -                             | ( 1 533)           |
| <b>Closing balance</b>       | <b>6 178</b>               | <b>188 737</b>             | <b>1 547</b>                    | <b>390 898</b>                | <b>587 360</b>     |
| <b>30 June 2022</b>          |                            |                            |                                 |                               |                    |
| Opening balance              | 6 178                      | 188 737                    | 12 148                          | 876 670                       | 1 083 733          |
| Profit for the period        | -                          | -                          | -                               | 480 002                       | 480 002            |
| Other comprehensive income   | -                          | -                          | 9 446                           | -                             | 9 446              |
| <b>Closing balance</b>       | <b>6 178</b>               | <b>188 737</b>             | <b>21 594</b>                   | <b>1 356 672</b>              | <b>1 573 181</b>   |
| UNAUDITED HISTORICAL         |                            |                            |                                 |                               |                    |
| <b>30 June 2021</b>          |                            |                            |                                 |                               |                    |
| Opening balance              | 63                         | 1 925                      | 2 809                           | 125 786                       | 130 583            |
| Profit for the period        | -                          | -                          | -                               | 34 268                        | 34 268             |
| Other comprehensive income   | -                          | -                          | 96                              | -                             | 96                 |
| <b>Closing balance</b>       | <b>63</b>                  | <b>1 925</b>               | <b>2 905</b>                    | <b>160 054</b>                | <b>164 947</b>     |
| <b>30 June 2022</b>          |                            |                            |                                 |                               |                    |
| Opening balance              | 63                         | 1 925                      | 8 783                           | 426 803                       | 437 574            |
| Profit for the period        | -                          | -                          | -                               | 969 255                       | 969 255            |
| Other comprehensive income   | -                          | -                          | 20 136                          | -                             | 20 136             |
| <b>Closing balance</b>       | <b>63</b>                  | <b>1 925</b>               | <b>28 919</b>                   | <b>1 396 058</b>              | <b>1 426 965</b>   |

## Statement Of Cash Flows

For the half year ended 30 June 2022

|   | REVIEWED  |                                       | UNAUDITED                               |   |
|---|---|---------------------------------------|---|---|
|   | INFLATION ADJUSTED<br>30 JUNE 2022<br>ZWL\$ 000 | RESTATED<br>30 JUNE 2021<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2022<br>ZWL\$ 000 | HISTORICAL<br>30 JUNE 2021<br>ZWL\$ 000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |   |                                       |   |   |
| <b>Profit before taxation</b>   | <b>560 600</b>                                  | <b>63 497</b>                         | <b>1 074 457</b>                        | <b>44 938</b>                           |
| <b>Adjust for:</b>  |   |                                       |   |   |
| Fair value adjustments  | (441 744)                                       | 14 248                                | ( 1 034 901)                            | (21 164)                                |
| Depreciation and amortisation   | 5 542   | 10 697                                | 1 965                                   | 1 218                                   |
| Monetary (gain) / loss  | (52 171)  | (14 048)                              | -                                       | -                                       |
| Expected credit loss expense  | 6 139   | (33)                                  | 6 138                                   | (11)                                    |
| Unrealised (gain)/loss on foreign currency position                             | (83)  | (669)                                 | (83)                                    | (229)                                   |
| Loss / (profit) on sale of property and equipment                               | 23  | -                                     | 13                                      | -                                       |
| Profit on disposal of investment properties                                     | 3 727   | (8 076)                               | (2 252)                                 | (2 720)                                 |
| Interest on lease liability   | 2 012   | 2 022                                 | 1 380                                   | 646                                     |
| <b>Operating cash inflow before changes in operating assets and liabilities</b> | <b>84 045</b>                                   | <b>67 638</b>                         | <b>46 717</b>                           | <b>22 678</b>                           |
| <b>Changes in operating assets and liabilities</b>                              |   |                                       |   |   |
| Money market assets   | -   | 7 917                                 | -                                       | 2 499                                   |
| Equity investments  | (133 868)                                       | (66 611)                              | (79 476)                                | (20 934)                                |
| Other assets  | (277 160)                                       | (40 855)                              | (158 685)                               | (13 060)                                |
| Other liabilities   | 302 427   | 46 486                                | 191 414                                 | 13 528                                  |
|   | <b>(108 601)</b>                                | <b>(53 063)</b>                       | <b>(46 747)</b>                         | <b>(17 967)</b>                         |
| Corporate tax paid  | (46 434)  | (7 254)                               | (39 259)                                | (2 416)                                 |
| <b>Cash generated / (utilised) from operating activities</b>                    | <b>(70 990)</b>                                 | <b>7 321</b>                          | <b>(39 289)</b>                         | <b>2 295</b>                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |   |                                       |   |   |
| Proceeds on disposal of investment property                                     | 46 577  | 17 574                                | 31 530                                  | 5 664                                   |
| Purchase of investment property   | (617)   | -                                     | (297)                                   | -                                       |
| Proceeds on disposal of equipment   | -   | -                                     | -                                       | -                                       |
| Purchase of equipment   | -   | (879)                                 | -                                       | (263)                                   |
| Purchase of intangible assets   | (145)   | -                                     | (118)                                   | -                                       |
| <b>Net cash inflow from investing activities</b>                                | <b>45 815</b>                                   | <b>16 695</b>                         | <b>31 115</b>                           | <b>5 401</b>                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |   |                                       |   |   |
| Dividend paid   | -   | -                                     | -                                       | -                                       |
| Lease liability repayment   | (2 039)   | (2 547)                               | (1 339)                                 | (646)                                   |
| Interest on lease liability   | (2 012)   | (2 022)                               | (1 380)                                 | (815)                                   |
| <b>Net cash outflow from financing activities</b>                               | <b>(4 051)</b>                                  | <b>(4 569)</b>                        | <b>(2 719)</b>                          | <b>(1 461)</b>                          |
| <b>NET INCREASE IN BALANCES WITH BANKS AND CASH</b>                             | <b>(29 226)</b>                                 | <b>19 447</b>                         | <b>(10 893)</b>                         | <b>6 235</b>                            |
| Balances with banks and cash at the beginning of the period                     | 60 002  | 19 317                                | 27 409                                  | 5 490                                   |
| Exchange gains on foreign cash balances   | 43 511  | 669                                   | 43 511                                  | 229                                     |
| Inflation effects on balances with banks and cash                               | (14 260)  | (4 582)                               | -                                       | -                                       |
| <b>BALANCES WITH BANKS AND CASH AT THE END OF THE PERIOD</b>                    | <b>60 027</b>                                   | <b>34 851</b>                         | <b>60 027</b>                           | <b>11 954</b>                           |

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**Independent auditors' report on the review of inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results**

***To the shareholders of CBZ Holdings Limited and shareholder of CBZ Bank Limited***

**Introduction**

We have reviewed the accompanying 30 June 2022 inflation adjusted condensed consolidated interim financial results of:

- CBZ Holdings Limited and its subsidiaries ("the Group"), set out on pages 2 to 12 which comprise the inflation adjusted condensed consolidated statement of financial position as at 30 June 2022, the inflation adjusted condensed consolidated statement of profit or loss and other comprehensive income, the inflation adjusted condensed consolidated statement of changes in equity and the inflation adjusted condensed consolidated statement of cash flows for the half year ended, and notes, comprising significant accounting policies and other explanatory information (hereinafter collectively referred to as "the inflation adjusted condensed consolidated interim financial results"); and
- CBZ Bank Limited ("the Bank"), set out on pages 14 to 20 which comprise the inflation adjusted condensed statement of financial position as at 30 June 2022, the inflation adjusted condensed statement of profit or loss and other comprehensive income, the inflation adjusted condensed statement of changes in equity and the inflation adjusted condensed statement of cash flows for the half year ended, and notes, comprising significant accounting policies and other explanatory information (hereinafter collectively referred to as "the Bank's inflation adjusted condensed interim financial results").

***Directors' responsibility for the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results***

- **CBZ Holdings Limited and its subsidiaries (the Group) inflation adjusted condensed consolidated interim financial results**

The directors are responsible for the preparation and presentation of these inflation adjusted condensed consolidated interim financial results in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.



- **CBZ Bank Limited's inflation adjusted interim financial results**

The directors are responsible for the preparation and presentation of CBZ Bank Limited reviewed inflation adjusted financial results in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20).

***Independent auditors' responsibility in respect of CBZ Holdings Limited and its subsidiaries inflation adjusted condensed consolidated interim financial results and CBZ Bank Limited's inflation adjusted condensed interim financial results***

Our responsibility is to express our conclusions on the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*.

A review of inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion in respect of CBZ Holdings Limited and its subsidiaries and CBZ Bank Limited***

Based on our review, nothing has come to our attention that causes us to believe that:

- the accompanying inflation adjusted condensed consolidated interim financial results as at 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.
- the accompanying inflation adjusted condensed interim financial results of CBZ Bank Limited as at 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20).

**Other information**

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Statement of Directors' Responsibilities, Corporate Governance and the financial information in the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results titled "unaudited inflation adjusted" and "unaudited historical cost" but does not include the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results and the review report thereon.





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

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

KPMG

Themba Mudidi  
Chartered Accountant (Z)  
Registered Auditor  
PAAB Practicing Certificate Number 0437

31 August 2022

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

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100 The Chase (West)  
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Zimbabwe