






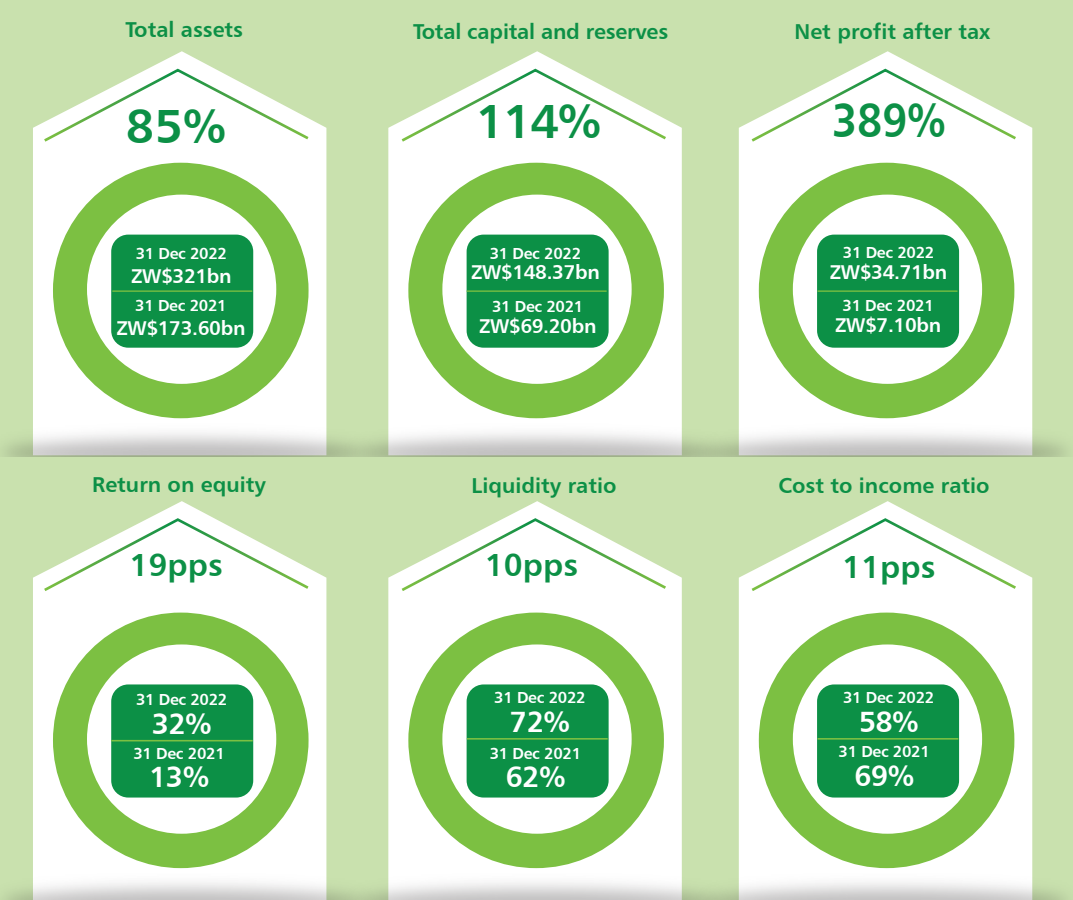
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## AUDITED INFLATION ADJUSTED FINANCIAL HIGHLIGHTS



pps - percentage points

## CHAIRMAN'S STATEMENT

I am pleased to present the performance of the Group for the year ended 31 December 2022. The Group delivered strong financial results despite the domestic economic challenges.

### Operating Environment:

The domestic economy is estimated to have grown by 4% in 2022, underpinned by output growth in mining (10%), construction (10.5%), and accommodation and food services (56.3%). The country benefitted from an above average agriculture season, which culminated in good output in key crops, including wheat and tobacco.

Furthermore, the economy registered significant improvements in foreign currency receipts, upwards of US\$11.6bn according to the Reserve Bank of Zimbabwe (RBZ). Export earnings and Diaspora remittances were amongst the major contributors of the record foreign currency receipts achieved in 2022.

Partly as a result of the improved foreign currency receipts, and in part as a result of continued depreciation of the local currency, the economy recorded an increase in the use of USD currency for trade, with the RBZ estimating that close to 70% of transactions are now being conducted in hard currency.

Meanwhile, annual inflation remained high during the year under review, rising from 60.6% in January 2022 to 243.75% as at December 2022. There was however an improvement in month on month inflation which rose from 5.3% in January 2022 to a peak of 30.7% in June 2022, before progressively reducing to a yearly low of 1.8% in November 2022 and ending the year at 2.4% in December 2022.

### Group Performance:

The Group posted a profitable performance for the year. This is detailed in the Group Chief Executive Officer's report.

### Capital Requirements:

As at 31 December 2022, all Group companies, with the exception of ZB Building Society, were in compliance with prescribed minimum capital requirements. The Group is still working to consolidate all its banking operations under one licence, that is, merging ZB Bank Limited, ZB Building Society and Intermarket Banking Corporation.

### Dividends:

The Board has declared a final dividend of ZW837.49 cents per share for the year ended 31 December, 2022. This brings the aggregate dividend for the year ended 31 December 2022 to ZW914.67 cents per share. A separate dividend notice will be published to this effect.

### Compliance & Regulatory Issues:

The Group dealt with all governance issues which were the subject of a Corrective Order issued by the Reserve Bank of Zimbabwe (RBZ) on 7 March, 2017 and reviewed in March 2018, and the Corrective order was lifted on the 9th of December 2022, after a satisfactory review by the regulator.

### Sustainability:

The Group embarked on a journey of integrating sustainability into its business value chains. The integration goes beyond the current process of attaining the Sustainability Standards Certification Initiative (SSCI) by the European Organisation for Sustainable Development (EOSD). Our goal is to ensure sustainability is fully embedded in our products and services, operations, how we engage with our clients, and business relations. Sustainability will now define how ZB Financial Holdings does business going forward.

### Directorate:

Mr K. Maukazuva resigned from the Board on 31 August 2022. I would like to extend my gratitude and appreciation to him for his distinguished service to the Group.

Mrs Georgina Chikomo, resigned from the Group with effect from the 1<sup>st</sup> of September 2022. She was the Managing Director for ZB Bank Limited. I wish Mrs Georgina Chikomo success in her future endeavours.

In her stead, Mr Elisha Chibvuri was appointed as the new Chief Executive Officer for ZB Bank Limited.

The Group underwent an organisational transformation program, which led to a restructure of the organisation.

The Group is now made up of three main clusters, namely Banking, Investment and Insurance Clusters. The following appointments were made for the Chief Executive Officers of the Clusters:

Elisha Chibvuri-Banking Cluster; Tandibe Masunda-Investments Cluster; and Letwin Mawire-Insurance Cluster.

I pledge the Board's support to Mr E. Chibvuri, Ms T Masunda and Mrs L Mawire and wish them enjoyable and successful terms of office.

### Outlook:

In the outlook, the domestic economy is projected to grow by 3.8% in 2023, underpinned by growth in output from the mining, construction, agriculture and accommodation (tourism) sectors. The envisaged growth is mainly premised on normal to above normal rainfall patterns and optimal distribution thereof, favourable international commodity prices, continuance of tight monetary and fiscal policies to engender stability, as well as continued slowdown in inflation, among other factors.

Downside risks to the attainment of projected economic growth outturn for 2023 relate to effects of power shortages and load shedding on production, the continued effects of disruptions in global supply chains and rising global inflation, uncertainty and potentially destabilising effects of the 2023 harmonised national elections, monetary instability (exchange rate depreciation and inflation), unreliable rainfall patterns and distribution, among other factors.

The Group will continue to focus on revenue growth and cost optimisation strategies with an overall aim of growing and strengthening the balance sheet position. The Group will continue with its Organisational Transformation Programme focussing more on improving the effectiveness and efficiencies of back-end systems.

### Conclusion:

I would like to express my appreciation to our valued customers and all key stakeholders, for the continued support to the ZBFH Group. I extend my gratitude to Board colleagues, Management and Staff, without whose collective contributions the Group would not have been able to achieve the 2022 performance.

P. Chiromo  
Chairman

19 April, 2023

## GROUP CHIEF EXECUTIVE'S REPORT

### Introduction:

The Group's primary financial statements are adjusted for inflation in terms of International Accounting Standard (IAS) – Financial Reporting in Hyperinflationary Economies.

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

### Performance Outturn:

The Group recorded a 75% increase in total income from ZW\$40.343bn in 2021 to ZW\$70.542bn in 2022. This positive outturn was achieved on the back of significant rise in trading income and fair value credits.

Net interest income increased by 77%, from ZW\$11.359bn in 2021 to ZW\$20.050bn in 2022. The performance was underpinned by the growth in the loans and advances book. Gross loan impairment charges to the income statement surged by 229%, from ZW\$2.136bn in 2021 to ZW\$7.035bn in 2022. As a result, net income from lending activities registered a growth of 41%, from ZW\$9.224bn in 2021 to ZW\$13.015bn in 2022.

The Group's commissions and fees moved up by 38% from ZW\$11.570bn in 2021 to ZW\$15.910bn. The improvement in commissions was supported by growth in both number of customers and volume of transactions as a result of the Group's Organisational Transformation Programme journey.

Other operating income improved by 394% from ZW\$4.500bn in 2021 to ZW\$22.237bn. Other income largely constituted by the realised foreign exchange gains from treasury trading activities and unrealised gains from revaluation of the Group's foreign denominated balances.

Fair value adjustments moved from ZW\$12.195bn in 2021 to ZW\$15.492bn, as a result of higher fair value gains from investment properties.

Net insurance related earnings increased by 36%, from ZW\$2.854bn in 2021, to ZW\$3.889bn in 2022, on the back of a 120% rise in gross premiums from ZW\$6.814bn in 2021 to ZW\$15.014bn in 2022, which was partially off-set by a rise in insurance related expenses by 181% from ZW\$3.960bn in 2021 to ZW\$11.125bn in 2022.

Meanwhile, operating costs rose by 46% from ZW\$27.925bn in 2021 to ZW\$40.708bn in 2022, largely on account of the effects of inflation.

Profit from ordinary activities improved by 140%, from ZW\$12.418bn in 2021 to ZW\$29.834bn in 2022.

Performance was also enhanced by a 1 909% rise in share of associate companies' profit net of tax, from ZW\$0.269bn in 2021 to ZW\$5.395bn in 2022.

Net profit registered a 391% increase, from ZW\$7.074bn attained in 2021 to ZW\$34.715bn in 2022.

Meanwhile, total assets for the Group increased by 85% in real terms, to close the year 2022 at ZW\$320.964bn. A rebalancing of the asset mix was undertaken during the year through acquisition of Mashonaland Holdings, which saw a 516% increase in investment properties.

Deposits and other related funding account balances grew by 62%, from ZW\$67.616bn as at 31 December 2021 to ZW\$109.210bn as at 31 December 2022.

Earning assets increased by 95% from ZW\$99.353bn as at 31 December 2021 to close the year 2022 at ZW\$194.232bn, whilst constituting 61% of total assets (57% at 31 December 2021).

The Group maintained a comfortable liquidity margin of safety, with the ratio of liquid assets to customer deposits being above 60% throughout the year against a prescribed ratio of 30%.

The Group's total equity increased by 114%, from ZW\$69.189bn as at 31 December 2021 to ZW\$148.370bn as at 31 December 2022, underpinned by the positive performance outturn for the year, as well as gains on the revaluation of properties and equipment.

### Operations Review:

#### Banking Operations:

ZB Bank Limited posted a profit after tax of ZW\$14.523bn in 2022, as compared to ZW\$6.413bn in 2021. Its total assets stood at ZW\$200.360bn as at 31 December 2022, from ZW\$127.290bn as at 31 December 2021.

ZB Building Society posted a profit after tax of ZW\$4.472bn in 2022, as compared to a profit of ZW\$2.807bn in 2021. The Society's total assets stood at ZW\$17.742bn as at 31 December 2022, from ZW\$10.093bn as at 31 December 2021.

#### Insurance Operations:

ZB Reinsurance posted a profit after tax of ZW\$1.951bn in 2022 compared to ZW\$1.538bn in 2021. Its total assets increased in real terms from ZW\$6.396bn as at 31 December 2021 to close the year 2022 at ZW\$9.945bn.

ZB Life Assurance posted a profit of ZW\$2.324bn in 2022, compared to a loss of ZW\$0.097bn in 2021. Its total assets increased in real terms from ZW\$20.240bn as at 31 December 2021 to ZW\$28.094bn as at 31 December 2022.

#### Strategic Operations:

The Group has adopted a regional expansion strategy, and in November 2022, it successfully launched reinsurance operations in Botswana.

During the year, the Group acquired additional equity interest in Mashonaland Holdings Limited (Mash) and achieved a shareholding of above 50%, granting it control of Mash and subsequently became a subsidiary of the Group with effective 31 December 2022.

#### Internal Processes:

The Group progressed its transformation program during 2022, which entailed a review of its business model and organisational design. The Group's project to re-purpose bank branches into Group-wide customer service centres to enhance customer convenience has been a huge success, and as at end of December 2022, a total of 25 branches had been renovated and converted into customer service centres. The remaining 20 will be done in 2023.

#### Sustainability:

The Group continue to integrate sustainability across operations; this compels ZBFH to strike a balance between the welfare of the People it serves, the preservation and promotion of the Environment (Planet) in which it operates, and the quest for Value Creation (Profit). Towards this end, the Group is working on attaining certification under the Sustainability Standards Certification Initiative (SSCI) by the European Organisation for Sustainable Development (EOSD) – ZBFH is one of the financial institutions under the RBZ-led SSCI certification program.

The Group adopted a Purpose Statement to "improve lives through service", and its 3 High Impact Goals: "Promote financial inclusion", "Foster investments in Sustainable Infrastructure", and "Stimulate the Real Economy". The goals are structured to ensure ZBFH avails resources towards supporting Government's National Development Strategy 1 (NDS1), and the Sustainable Development Goals (SDGs), towards the country's Vision 2030.

To demonstrate our commitment to sustainability, the Group commenced greening its own premises by rolling out solar energy. To date, solar power has been installed at the Group's Head Office, and service centres across the country will be added in 2023.

Further, the Group adopted the Global Reporting Initiatives (GRI) Standards as a strategy for identifying and being accountable on economic, environmental, social, and governance impacts and opportunities while building shared values with stakeholders. To this effect, the Group has prepared this annual report in accordance with GRI Standards to demonstrate its commitment to corporate sustainability.

#### Human Capital:

As part of the organisational transformation, the Group reviewed its organisational design, and came up with a new Group Structure supportive of its Strategy going forward. This resulted in an evaluation of jobs, coming up with new jobs and some old jobs falling away, and resultantly there have been redeployments as well as skilling and training to ensure attainment of required skills set.

Despite a challenging operating environment, staff attrition in the Group remained within acceptable levels.

The Group staff complement as at 31 December 2022 stood at 965.

Industrial relations remained cordial during the year under review.

#### Appreciation:

I extend my gratitude to our valued customers and all key stakeholders for their continued support and commitment to the ZBFH Group.

My deep appreciation also goes to the Group's Staff and Management team for their hard work and dedication which produced the 2022 financial results.

As ZBFH Group team, we undertake to continue living up to our Mission: "to work hard everyday to create happy people", including but not limited to our customers, employees, shareholders, regulators, among all other stakeholders.

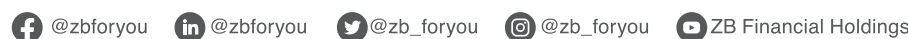
Finally, I would like to thank the Board for its valuable contribution and counsel.

S. T. Fungura  
Group Chief Executive

19 April, 2023

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## AUDITOR'S STATEMENT

The consolidated inflation adjusted financial results should be read in conjunction with the complete set of inflation adjusted consolidated and separate financial statements as at and for the year ended 31 December 2022, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon indicating that the financial statements present fairly the inflation adjusted consolidated and separate statement of financial position of ZB Financial Holdings Limited as at 31 December 2022 and the inflation adjusted consolidated and separate statement of comprehensive income, the inflation adjusted consolidated and separate statement of changes in equity and the inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

The auditors' report includes key audit matters in respect of the valuation of owner-occupied property and equipment and investment property, valuation of Incurred But not reported claims Reserve (IBNR) and life assurance funds and, expected credit loss allowance on loans and advances.

The auditors' report has been made available to management and the directors of ZB Financial Holdings Limited.

The Engagement Partner responsible for the audit was Michael de Beer (PAAB Practising Certificate Number 0369).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2022

Notes	Inflation adjusted		*Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>ASSETS</b>				
Cash and cash equivalents	61 715 351 709	33 386 228 099	61 715 351 709	9 712 078 202
Treasury bills	16 762 999 294	8 285 750 617	16 762 999 294	2 410 330 922
Mortgages and other advances	64 869 704 742	42 051 861 878	64 869 704 742	12 232 917 414
Financial assets at fair value through profit or loss	15 994 026 238	14 006 384 419	15 994 026 238	4 074 467 484
Financial assets held at amortised cost	1 107 018 423	2 032 196 187	1 107 018 423	591 167 359
Investments in associates	1 307 334 965	17 683 425 169	905 091 617	4 816 276 853
Inventories	306 747 659	271 701 550	299 332 399	72 791 173
Trade and other receivables	11 305 343 087	6 849 279 788	11 183 791 416	1 992 460 506
Investment properties	94 190 767 843	15 293 703 340	94 190 767 843	4 448 949 501
Right of use assets	1 597 994 189	760 927 541	372 877 689	102 568 596
Property and equipment	49 339 048 115	32 234 411 050	49 166 748 392	9 373 518 085
Intangible assets	1 466 532 579	695 956 323	703 404 671	22 206 622
Deferred tax assets	1 000 870 820	22 145 795	972 458 574	101 233
<b>Total assets</b>	<b>320 963 739 663</b>	<b>173 573 971 756</b>	<b>318 243 573 007</b>	<b>49 849 833 950</b>
<b>LIABILITIES</b>				
Deposits and other accounts	109 210 262 835	67 616 498 841	109 210 262 835	19 669 689 027
Short term borrowings	-	1 386 491 893	-	403 331 507
Trade and other payables	30 106 674 331	14 616 131 681	29 981 905 063	4 251 843 409
Current tax liabilities	603 087 684	413 690 292	603 087 684	120 342 809
Long term borrowings	17 795 055	58 259 293	17 795 055	16 947 671
Life assurance funds	15 125 148 377	10 870 772 488	15 125 148 377	3 162 315 677
Offshore borrowings	6 714 466 000	2 261 634 881	6 714 466 000	657 911 243
Deferred tax liabilities	9 994 374 168	6 750 329 683	9 767 230 215	1 959 555 227
Lease liabilities	822 134 270	411 437 741	822 134 270	119 687 540
<b>Total liabilities</b>	<b>172 593 942 720</b>	<b>104 385 246 793</b>	<b>172 242 029 499</b>	<b>30 361 624 110</b>
<b>EQUITY</b>				
Share capital	401 764 080	401 764 080	1 751 906	1 751 906
Share premium	6 210 635 659	6 210 635 659	27 081 696	27 081 696
Other components of equity	41 415 078 010	28 975 660 628	36 140 121 639	8 077 241 786
Retained income	45 617 647 801	24 894 519 430	54 932 296 831	8 721 358 380
Functional currency translation reserve	-	-	101 292 105	101 292 105
Attributable to equity holders of parent	93 645 125 550	60 482 579 797	91 202 544 177	16 928 725 873
Non-controlling interests	54 724 671 393	8 706 145 166	54 798 999 331	2 559 483 967
<b>Total equity</b>	<b>148 369 796 943</b>	<b>69 188 724 963</b>	<b>146 001 543 508</b>	<b>19 488 209 840</b>
<b>Total equity and liabilities</b>	<b>320 963 739 663</b>	<b>173 573 971 756</b>	<b>318 243 573 007</b>	<b>49 849 833 950</b>

\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical financial information.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	Inflation adjusted		*Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Interest income	25 555 562 736	13 574 602 635	19 071 593 638	3 208 995 587
Interest expense	(5 506 054 543)	(2 215 364 997)	(4 030 164 485)	(527 138 481)
Net interest income	20 049 508 193	11 359 237 638	15 041 429 153	2 681 857 106
Loan impairment charges, net recoveries	(7 034 792 876)	(2 135 692 678)	(5 079 300 946)	(486 046 039)
Net income from lending activities	13 014 715 317	9 223 544 960	9 962 128 207	2 195 811 067
Gross insurance premium income	15 014 327 254	6 813 852 098	11 216 666 424	1 648 030 847
Total insurance expenses	(11 125 136 235)	(3 959 632 009)	(8 582 653 982)	(930 048 584)
Net insurance income	3 889 191 019	2 854 220 089	2 634 012 442	717 982 263
Commissions and fees	15 909 551 865	11 570 059 276	11 834 711 155	2 693 561 584
Operating income	22 236 957 505	4 500 340 019	23 915 286 265	1 395 228 355
Fair value adjustments	15 491 546 165	12 194 933 069	36 807 992 683	5 438 108 413
Total income	70 541 961 871	40 343 097 413	85 154 130 752	12 440 691 682
Operating expenses	(40 707 582 286)	(27 925 430 639)	(29 984 596 863)	(5 370 447 701)
Profit from ordinary activities	29 834 379 585	12 417 666 774	55 169 533 889	7 070 243 981
Bargain Purchase	8 320 504 601	-	8 464 659 071	-
Movement in life assurance funds	(4 254 375 889)	(1 622 433 895)	(11 962 832 700)	(1 488 559 527)
Share of associate companies profit net of tax	5 395 318 512	268 532 999	15 256 168 798	1 922 594 906
Effects of inflation adjustments	(3 454 444 508)	(2 332 374 387)	-	-
Profit before taxation	35 841 382 301	8 731 391 491	66 927 529 058	7 504 279 360
Income tax expense	(992 081 726)	(1 658 458 379)	(3 635 854 214)	(1 282 283 022)
<b>Net profit for the year from continuing operations</b>	<b>34 849 300 575</b>	<b>7 072 933 112</b>	<b>63 291 674 844</b>	<b>6 221 996 338</b>
(Loss)/profit from discontinued operations	(134 710 034)	1 560 742	(39 187 249)	10 802 471
<b>Net profit for the year</b>	<b>34 714 590 541</b>	<b>7 074 493 854</b>	<b>63 252 487 595</b>	<b>6 232 798 809</b>
Profit attributable to: Owners of parent from continuing operations	29 547 176 276	5 252 955 878	51 916 722 436	4 938 345 407
Owners of parent from discontinued operations	(134 710 034)	1 560 742	(39 187 249)	10 802 471
Non-controlling interests	5 302 124 299	1 819 977 234	11 374 952 408	1 283 650 931
<b>Profit for the year</b>	<b>34 714 590 541</b>	<b>7 074 493 854</b>	<b>63 252 487 595</b>	<b>6 232 798 809</b>
Other comprehensive income: Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation	16 089 452 599	22 931 138 910	33 870 909 776	6 715 244 649
Fair value gains on financial assets at FVTOCI	(2 235 440 456)	189 580	(2 235 440 457)	55 149
Income tax relating to components of other comprehensive income	(1 169 636 174)	(4 747 619 451)	(3 185 168 625)	(977 845 507)
<b>Other comprehensive income for the year net of tax</b>	<b>12 684 375 969</b>	<b>18 183 709 039</b>	<b>28 450 300 694</b>	<b>5 737 454 291</b>
Total comprehensive income for the year	47 398 966 510	25 258 202 893	91 702 788 289	11 970 253 100
Total comprehensive income attributable to: Owners of parent from continuing operations	42 035 656 098	23 427 386 787	80 032 533 382	10 649 027 877
Owners of parent from discontinued operations	(134 710 034)	1 560 742	(39 187 249)	10 802 471
Non-controlling interests	5 498 020 446	1 829 255 364	11 709 442 156	1 310 422 752
<b>Total comprehensive income for the year</b>	<b>47 398 966 510</b>	<b>25 258 202 893</b>	<b>91 702 788 289</b>	<b>11 970 253 100</b>
Earnings per share Basic and fully diluted earnings per share (ZW cents)	18 671.87	3 335.72	32 933.33	3 141.86

\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical financial information.

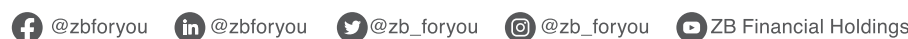
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Inflation adjusted							Total ZW\$
	Share capital ZW\$	Share premium ZW\$	General reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI ZW\$	Retained income ZW\$	Attributable to equity holders of parent ZW\$	
<b>December 2021</b>								
Balance 1 January 2021	401 764 080	6 210 635 659	72 589 119	10 971 232 602	(9 908 493)	19 881 144 429	37 527 457 396	6 884 340 556
Changes in equity for 2021	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	5 254 516 620	5 254 516 620	1 819 977 234
Other comprehensive income, net tax	-	-	-	-	-	-	-	7 074 493 854
Revaluation of property	-	-	-	18 174 288 190	-	-	18 174 288 190	9 278 134
Fair value gain on financial assets at FVTOCI	-	-	-	-	142 715	-	142 715	142 715
Transaction with owners of the parent	-	-	-	-	-	(477 569 212)	(477 569 212)	(7 450 758)
Dividends paid	-	-	-	-	-	-	-	(485 019 970)
Other movements	-	-	-	-	-	-	-	-
Transfer to retained income	-	-	-	(236 427 593)	-	236 427 593	-	-
Effects of inflation adjustments	-	-	-	-	3 744 088	-	3 744 088	3 744 088
<b>Balance at 31 December 2021</b>	<b>401 764 080</b>	<b>6 210 635 659</b>	<b>72 589 119</b>	<b>28 909 093 199</b>	<b>(6 021 690)</b>	<b>24 894 519 430</b>	<b>60 482 579 797</b>	<b>8 706 145 166</b>
<b>December 2022</b>								
Balance at 1 January 2022	401 764 080	6 210 635 659	72 589 119	28 909 093 199	(6 021 690)	24 894 519 430	60 482 579 797	8 706 145 166
Changes in equity for 2022	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	29 412 466 242	29 412 466 242	5 302 124 299
Other comprehensive income, net of tax	-	-	-	-	-	-	-	34 714 590 541
Revaluation of property	-	-	-	14 171 319 397	-	-	14 171 319 397	195 896 148
Fair value gain on financial assets at FVTOCI	-	-	-	-	(1 682 839 576)	-	(1 682 839 576)	(1 682 839 576)
Transaction with owners of the parent	-	-	-	-	-	(253 440 475)	(253 440 475)	(5 489 705)
Dividends paid	-	-	-	-	-	-	-	(258 934 180)
Other movements	-	-	-	-	-	-	-	-
Opening balance differences	-	-	-	(24 732 931)	-	-	(24 732 931)	(24 732 931)
Transfer to retained income	-	-	-	(28 599 484)	-	28 599 484	-	-
Effects of inflation adjustments	-	-	-	-	4 269 976	-	4 269 976	4 269 976
Arising from acquisition of subsidiary	-	-	-	-	-	(8 464 496 880)	(8 464 496 880)	40 525 999 485
<b>Balance at 31 December 2022</b>	<b>401 764 080</b>	<b>6 210 635 659</b>	<b>72 589 119</b>	<b>43 027 080 181</b>	<b>(1 684 591 290)</b>	<b>24 894 519 430</b>	<b>60 482 579 797</b>	<b>14 839 796 943</b>

	*Unaudited Historical cost							Total ZW\$
	Share capital ZW\$	Share premium ZW\$	Functional currency translation reserve ZW\$	General reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI ZW\$	Retained income ZW\$	
<b>December 2021</b>								
Balance 1 January 2021	1 751 906	27 081 696	101 292 105	5 817 958	2 406 801 864	(1 793 231)	3 844 673 945	6 385 626 243
Changes in equity for 2021	-	-	-	-	-	-	-	-
Profit or loss	-	-	-	-	-	-	5 177 535 187	5 177 535 187
Other comprehensive income, net of tax	-	-	-	-	-	-	-	1 374 952 408
Revaluation of property	-	-	-	-	29 798 650 523	-	29 798 650 523	334 489 747
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	(1 682 839 576)	(1 682 839 576)	(1 682 839 576)
Transaction with owners of the parent	-	-	-	-	-	-	-	(2 676 649)
Dividends paid	-	-	-	-	-	-	-	(230 414 373)
Other movements</								

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 1.2 Statement of compliance (continued)

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB, the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Insurance Act (Chapter 24:07), the Microfinance Act (24:29), Securities and Exchange Act (Chapter 24:25) and relevant regulations made thereunder.

The consolidated and separate financial statements were authorised for issue by the board of directors on 19 April 2023.

## 1.3 Effects of inflation adjustments

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

The restatement of figures has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the consolidated and separate financial statements at 31 December 2022 are as follows:

	Index	Conversion factors
31 December 2022	13 672.91	1.00
31 December 2021	3 977.46	3.44
31 December 2020	2 474.51	5.53

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the statement of financial position date are restated by applying a general CPI.
- Corresponding figures for previous periods are similarly restated.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held, assets and liabilities to be recovered or paid at the nominal value recorded at the original cost.
- Non-monetary assets carried at cost (excluding PPE and investment property) and liabilities and the components of shareholding's equity are restated by applying the relevant conversion factors reflecting the increase in the CPI from the date of change in functional currency from US\$ to ZW\$ in 2018.
- All items in the consolidated and separate statement of profit or loss and other comprehensive income are restated by applying the respective monthly factors.
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the consolidated and separate statement of profit or loss and other comprehensive income and replaced by indexed cost.
- The effect of general inflation on the net monetary position is included in the consolidated and separate statement of profit or loss and other comprehensive income as effects of inflation adjustments.
- Share capital and share premium were restated from the date of change in functional currency from US\$ to ZW\$ in 2018.

## 1.4 Basis of reporting

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

## 1.5 Basis of consolidation

## Subsidiaries

A subsidiary is an entity controlled by another entity, that is the parent. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to exert control over the entity's financial and operational decisions through its power over the investee. The results of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Subsidiaries are included in the separate financial statements of the Holding company at their net asset value which is considered to be an estimate of fair value. Assets valuation are done on a yearly basis as such the NAV will be approximately the fair value at year end.

## Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the entity parent. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any excess of the consideration over the fair values of the identifiable net assets acquired is recognised as goodwill. Where the fair values of the identifiable net assets acquired exceed the consideration, a bargain purchase (negative goodwill) is recognised in profit or loss in the period of acquisition. Transaction costs are expensed, 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.

## Non-controlling interests (NCI)

Non-controlling interests are measured at their proportionate share of the fair values of the assets and liabilities recognised.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where necessary, adjustments are made to the financial statements of subsidiaries and associates to bring the accounting policies used into line with those used by the Group.

## Transactions eliminated on consolidation

Intra-Group transactions, balances, and unrealised income and expenses are eliminated on consolidation.

## 1.6 Key sources of judgement and estimation uncertainty

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

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

The nature of assumptions made and processes involved in the development of estimates, and relevant models used, where applicable, are discussed in the accounting policy notes in the Group's annual report as at 31 December 2022.

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

## 2. SEGMENT INFORMATION

	Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>31 December 2022</b>				
External revenue	13 404 492 436	(236 325 431)	(153 451 688)	13 014 715 317
Net earnings from lending activities	15 655 183 972	3 899 214 747	244 344 165	19 798 742 884
Net fees and commission income	2 371 147 316	-	-	2 371 147 316
Corporate Banking	13 284 036 656	-	-	13 284 036 656
Retail Banking	-	3 899 214 747	-	3 899 214 747
Insurance	-	-	244 344 165	244 344 165
Other commissions	-	-	-	-
Other revenue	22 462 941 191	4 200 657 798	(4 426 641 484)	22 236 957 505
Fair value adjustments	13 095 728 424	3 002 874 128	(607 056 387)	15 491 546 165
Total segment revenue	64 618 346 023	10 866 421 242	(4 942 805 394)	70 541 961 871
Inter-segmental Revenue	1 574 161 504	-	65 547 522 559	67 121 684 063
Total segment operating expenses	(39 307 083 122)	(5 145 561 979)	3 745 062 815	(40 707 582 286)
Material non-cash items included in the above figures:				
Expected credit losses	(6 795 733 709)	(217 004 715)	(22 054 452)	(7 034 792 876)
Fair value adjustments	13 095 728 424	3 002 874 128	(607 056 387)	15 491 546 165
Depreciation	(2 698 699 633)	(75 724 107)	(191 025 795)	(2 965 449 535)
Amortisation of intangible assets	(210 141 851)	(3 400 754)	(212 410)	(213 755 015)
Profit from associates net of tax	-	4 809 434 065	585 884 447	5 395 318 512
Reportable segment profit before taxation	22 778 050 815	5 504 651 911	7 558 679 575	35 841 382 301
Income tax expense	950 822 994	1 234 031 079	(1 192 772 347)	992 081 726
Reportable segment assets as at 31 December 2022	230 681 824 377	38 205 175 316	52 076 739 970	320 963 739 663
Reportable segment liabilities as at 31 December 2022	147 400 945 505	21 780 973 766	3 412 023 449	172 593 942 720
Investment in associates	-	18 449 862 736	(17 142 527 771)	1 307 334 965

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>31 December 2021</b>				
External revenue	9 187 764 345	45 246 902	(9 466 287)	9 223 544 960
Net earnings from lending activities	11 378 963 869	2 863 253 022	182 062 474	14 424 279 365
Net fees and commission income	1 723 467 427	-	-	1 723 467 427
Corporate Banking	9 655 496 442	-	-	9 655 496 442
Retail Banking	-	2 863 253 022	-	2 863 253 022
Insurance	-	-	182 062 474	182 062 474
Other commissions	-	-	-	-
Other revenue	4 734 863 292	842 114 910	(1 076 638 183)	4 500 340 019
Fair value adjustments	8 638 948 050	3 292 820 068	263 164 951	12 194 933 069
Total segment revenue	33 940 539 556	7 043 434 902	(640 877 045)	40 343 097 413
Inter-segmental Revenue	309 128 886	-	5 049 399 868	5 358 528 754
Total segment operating expenses	(26 507 071 734)	(2 643 129 489)	1 224 770 585	(27 925 430 639)
Material non-cash items included in the above figures:				
Expected credit losses	(1 881 629 784)	30 243 898	(284 306 792)	(2 135 692 678)
Depreciation	(7 533 385 577)	(59 723 232)	(81 619 417)	(7 674 728 226)
Amortisation of intangible assets	(137 558 990)	(36 831 392)	(520 178)	(174 910 560)
Profit from associates net of tax	-	70 317 877	198 215 122	268 532 999
Reportable segment profit before taxation	5 533 088 320	2 270 976 865	927 326 306	8 731 391 491
Income tax expense	759 909 861	836 848 883	61 699 635	1 658 458 379
Reportable segment assets as at 31 December 2021	141 093 054 667	26 744 069 529	5 736 847 560	173 573 971 756
Reportable segment liabilities as at 31 December 2021	90 700 744 973	14 954 436 848	(1 269 935 028)	104 385 246 793
Investment in associates	-	13 703 765 875	3 979 659 294	17 683 425 169

	Unaudited Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>31 December 2022</b>				
External revenue	10 188 830 631	(184 734 411)	(41 968 013)	9 962 128 207
Net earnings from lending activities	11 646 128 970	2 640 306 846	182 287 780	14 468 723 596
Net fees and commission income	1 763 932 477	-	-	1 763 932 477
Corporate Banking	9 882 196 493	-	-	9 882 196 493
Retail Banking	-	2 640 306 846	-	2 640 306 846
Insurance	-	-	182 287 780	182 287 780
Other commissions	-	-	-	-
Fair value adjustments	27 278 164 074	8 966 582 648	563 245 961	36 807 992 683
Other revenue	20 564 958 239	4 168 936 174	(818 608 148)	23 915 286 265
Total segment revenue	69 678 081 914	15 591 091 257	(115 042 420)	85 154 130 751
Inter-segmental Revenue	873 325 269	-	110 034 925 911	110 908 251 180
Total segment operating expenses	(26 479 266 549)	(3 588 161 718)	82 831 404	(29 984 596 863)
Material non-cash items included in the above figures:				
Expected credit losses	(4 910 887 165)	(146 359 328)	(22 054 453)	(5 079 300 946)
Depreciation	(1 825 828 188)	(27 636 135)	(60 396 133)	(1 913 860 456)
Amortisation of intangible assets	(7 087 898)	(989 281)	(94 142)	(8 171 322)
Profit from associates net of tax	-	14 502 315 285	753 853 513	15 256 168 798
Reportable segment profit before taxation	43 198 815 365	14 542 412 125	9 186 301 568	66 927 529 058
Income tax expense	2 475 102 748	2 255 545 828	(1 094 794 362)	3 635 854 214
Reportable segment assets as at 31 December 2022	229 355 669 915	38 091 158 849	50 796 744 243	318 243 573 007
Reportable segment liabilities as at 31 December 2022	147 265 743 001	21 778 979 395	3 197 307 103	172 242 029 499
Investment in associates	-	18 432 124 531	(17 527 032 914)	905 091 617

	Unaudited Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>31 December 2021</b>				
External revenue	2 188 865 002	10 851 943	(3 905 878)	2 195 811 067
Net earnings from lending activities	2 649 706 023	720 347 435	41 490 389	3 411 543 847
Net fees and commission income	290 266 330	-	-	290 266 330
Corporate Banking	2 359 439 693	-	-	2 359 439 693
Retail Banking	-	720 347 435	-	720 347 435
Insurance	-	-	41 490 389	41 490 389
Other commissions	-	-	-	-
Fair value adjustments	3 745 593 043	1 540 905 654	151 609 716	5 438 108 413
Other revenue	1 259 120 986	210 517 140	(74 409 771)	1 395 228 355
Total segment revenue	9 843 285 054	2 482 622 172	114 784 456	12 440 691 682
Inter-segmental Revenue	54 646 481	-	7 178 557 225	7 233 203 706
Total segment operating expenses	(4 806 790 757)	(645 962 332)	82 305 388	(5 370 447 701)
Material non-cash items included in the above figures:				
Expected credit losses	(483 265 771)	8 797 972	(11 578 240)	(486 046 039)
Depreciation	(380 517 367)	(10 578 538)	(14 717 374)	(405 813 279)
Amortisation of intangible assets	(975 633)	(575 159)	(94 142)	(1 644 934)
Profit from associates net of tax	-	1 549 264 091	373 330 815	1 922 594 906
Reportable segment profit before taxation	5 036 494 297	1 897 364 406	570 420 657	7 504 279 360
Income tax expense	906 120 107	365 396 208	10 766 707	1 282 283 022
Reportable segment assets as at 31 December 2021	40 852 684 721	7 744 141 520	1 253 007 709	49 849 833 950
Reportable segment liabilities as at 31 December 2021	26 366 935 666	4 360 017 025	(365 328 581)	30 361 624 110
Investment in associates	-	3 983 413 613	832 863 240	4 816 276 853

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

## 3. TREASURY BILLS

## 3.1 Reported in the statements of financial position

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

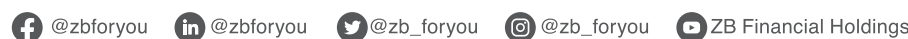
- as "at Fair value through profit or loss (FVTPL)";
- as "at Fair value through other comprehensive income (FVTOCI)"; and
- as "at amortised cost (AMCO)".

Treasury bills include:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>Assets classified as at fair value through profit or loss<sup>1</sup> (FVTPL):</b>				
Short term treasury bills <sup>1</sup>	6 724 208 776	7 154 704 011	6 724 208 776	2 081 308 636
<b>Assets classified as 'at fair value through other comprehensive income (FVTOCI):</b>				
Medium term treasury bills acquired from the market <sup>2</sup>	9 998 488 908	979 865 722	9 998 488 908	285 043 656
<b>Assets classified as 'amortised cost' (AMCO):</b>				
Treasury bills issued as substitution for debt instruments <sup>3</sup>	20 727 050	87 095 659	20 727 050	25 336 191
Capitalisation treasury bills <sup>4</sup>	19 574 560	64 085 225	19 574 560	18 642 439
	16 762 999 294	8 285 750 617	16 762 999 294	2 410 330 922
Maturity within 1 year	6 557 233 000	8 113 898 881	6 557 233 000	2 360 339 126
Maturity after 1 year	10 205 766 294	171 851 736	10 205 766 294	49 991 796
	16 762 999 294	8 285 750 617	16 762 999 294</	

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 3. TREASURY BILLS (continued)

- The Group invested in treasury bills issued by the RBZ over a period ranging from 3 months to 9 months (2021: 3 months to 24 months) and were at rates ranging from 8% to 92% (2021: 5% to 21%).
- The Group purchased treasury bills from the secondary market. These treasury bills have coupon rates ranging from 0% to 5% (2021: 5% to 15%) with maturity periods ranging from 2 to 10 years (2021: 1 month to 3 years).
- The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2021: 5%) and maturity periods ranging from 4 to 10 years (2021: 3.5 months to 10 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26 May 2025 and carry a coupon of 1% which is payable on maturity. The CTBs are carried at amortised cost, with cost having been established at fair value at initial recognition using a Discounted Cash Flow valuation technique in which an assessed discount rate of 5% was applied as a proxy for market rate in the absence of free market trade on similar instruments.

## 3.2 Determination of fair value of treasury bills

The fair value of treasury bills was determined using level 2 inputs due to lack of active market for treasury bills which are classified as "FVTPL". The Group used the discounted cash flow valuation technique by applying an average yield market rate on the contractual cash flows in order to determine the fair value of the treasury bills.

Treasury bills purchased from the secondary market value were fair valued using TBs average yield market rate of 68%.

USD denominated Treasury bills fair value was computed using a proxy discount rate of 2% by reference to US Federal Reserve TBs with same tenor and adjusted for country risk.

## 3.3 Impairment assessment of treasury bills

Treasury bills were assessed for ECL in the current year in line with IFRS 9. Treasury bills, being local sovereign exposures have been assessed as "low risk" instruments and there were no defaults recorded in past on all Government Instruments. In addition, the Government of Zimbabwe has a strong capacity to meet its contractual cashflow obligations in the near term and an adverse in the economics and business conditions in the longer term may, but will not necessarily reduce the Government of Zimbabwe's ability to fulfil its obligations. The amount of ECL was insignificant as such no adjustment for impairment was recognized.

## 4. MORTGAGES AND OTHER ADVANCES

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>4.1 Gross loan book</b>				
Mortgage advances	2 188 959 388	1 118 331 324	2 188 959 388	325 323 401
Other advances:				
Loans, overdraft and other accounts	62 053 477 361	36 572 731 961	62 053 477 361	10 639 034 509
Finance leases	2 715 035 334	4 646 584 656	2 715 035 334	1 351 694 879
Bills discounted	138 277 282	1 394 263 229	138 277 282	405 592 200
Insurance advances	2 118 559 956	760 756 242	2 118 559 956	221 304 542
Total other advances	67 025 349 933	43 374 336 088	67 025 349 933	12 617 626 130
Gross advances	69 214 309 321	44 492 667 412	69 214 309 321	12 942 949 531
Off balance sheet exposures				
In respect of Guarantees	3 133 776 126	2 849 843 046	3 133 776 126	829 021 429
In respect of Loan commitments	6 864 150 030	2 504 910 185	6 864 150 030	728 680 207
Gross credit exposure	79 212 235 477	49 847 420 643	79 212 235 477	14 500 651 167
Gross advances	69 214 309 321	44 492 667 412	69 214 309 321	12 942 949 531
Less: Allowance for loan impairments	(4 344 604 579)	(2 440 805 534)	(4 344 604 579)	(710 032 117)
Net advances	64 869 704 742	42 051 861 878	64 869 704 742	12 232 917 414
<b>4.2 Maturity analysis</b>				
On demand	3 314 940 341	3 402 502 112	3 314 940 341	989 790 356
Within 1 month	1 628 466 895	2 040 929 754	1 628 466 895	593 707 960
Between 1 and 6 months	14 242 664 848	4 718 896 323	14 242 664 848	1 372 730 396
Between 6 and 12 months	22 350 972 921	8 813 055 900	22 350 972 921	2 563 724 415
After 12 months	37 675 190 472	30 872 036 554	37 675 190 472	8 980 698 040
	79 212 235 477	49 847 420 643	79 212 235 477	14 500 651 167
<b>4.3 Non-performing loans</b>				
Included in the above are the following:				
Non-performing loans	230 172 094	1 716 654 221	230 172 094	499 375 970
Less: Allowance for loan impairments	(75 028 348)	(1 606 755 561)	(75 028 348)	(467 406 369)
Value to be received from security held	155 143 746	109 898 661	155 143 746	31 969 601

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally, no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZW\$5 432 212 657 as at 31 December 2022 (2021: ZW\$29 259 743).

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	As a % of Total	31 Dec 2021 ZW\$	As a % of Total
<b>4.4 Sectorial analysis</b>				
<b>Gross advances:</b>				
Private	19 951 358 928	25%	21 761 884 455	44%
Agriculture	3 105 261 211	4%	4 068 731 909	8%
Mining	11 447 874 838	14%	1 645 856 177	3%
Manufacturing	2 277 476 131	3%	2 778 313 486	2%
Distribution	6 300 355 711	8%	2 458 713 712	5%
Construction	255 906 600	0%	84 381 689	0%
Transport	3 717 944 871	5%	1 557 193 484	3%
Services	16 154 281 558	20%	9 734 789 883	20%
Financial	5 994 842 920	8%	2 230 130 378	4%
Communication	8 006 551	0%	172 672 239	0%
Total gross advances	69 214 309 321	87%	44 492 667 412	89%
<b>Guarantees:</b>				
Manufacturing	3 045 948 099	3.8%	2 703 272 638	6%
Distribution	41 020 464	0.05%	114 101 074	0%
Construction	-	0%	3 231 343	0%
Services	46 807 563	0.06%	29 237 991	0%
Total guarantees	3 133 776 126	4%	2 849 843 046	6%
<b>Loan commitments:</b>				
Agriculture	1 184 716 731	1%	1 014 993 182	2%
Mining	43 766 562	0%	4 966 849	0%
Manufacturing	1 234 835 807	2%	298 916 260	1%
Distribution	578 852 049	1%	391 688 643	1%
Construction	6 396 893	0%	18 352 037	0%
Transport	1 207 847 525	2%	189 627 818	0%
Communication	40 649 141	0%	-	0%
Services	2 568 063 257	3%	469 519 241	1%
Financial Services	6 022 065	0%	116 846 155	0%
Total loan commitments	6 864 150 030	9%	2 504 910 185	5%

## 4.6 Finance lease receivables

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

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Gross investment in finance leases:				
Maturing within 1 year	1 433 065 020	5 244 166 974	1 433 065 020	1 525 532 013
Maturing after 1 year	9 660 162 816	7 052 084 584	9 660 162 816	2 051 456 570
Gross investment in finance leases	11 093 227 836	12 296 251 558	11 093 227 836	3 576 988 583
Unearned finance charges	(8 378 192 502)	(7 649 666 905)	(8 378 192 502)	(2 225 293 704)
Net investment in finance leases	2 715 035 334	4 646 584 653	2 715 035 334	1 351 694 879
Maturing within 1 year	427 547 783	2 134 672 305	427 547 783	620 977 737
Maturing after 1 year	2 287 487 551	2 511 912 348	2 287 487 551	730 717 142
	2 715 035 334	4 646 584 653	2 715 035 334	1 351 694 879

## 5. INVESTMENT PROPERTIES

## Made up as follows:

Land stock held for capital appreciation and completed properties available for lease:

	Inflation adjusted	Unaudited Historical cost
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Residential	7 591 318 166	1 232 598 171
Commercial	84 241 370 016	13 678 225 068
Industrial	2 358 079 661	382 880 101
Balance at end of year	94 190 767 843	15 293 703 340

## Reconciliation of carrying amount

	Inflation adjusted	Unaudited Historical cost
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Balance at beginning of year	15 293 703 340	12 034 525 807
Additions	36 127 790	375 364 167
Transfer to / (from) owner occupied	(3 964 300 000)	257 587 729
Arising from acquisition of subsidiary	66 865 248 000	-
Fair value adjustment	15 959 988 713	2 626 225 637
Balance at end of year	94 190 767 843	15 293 703 340

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>6. RIGHT OF USE ASSETS</b>				
Balance at the beginning of year	760 927 541	365 976 243	102 568 596	66 234 057
Depreciation	(118 693 024)	(253 012 034)	(79 470 830)	(57 037 263)
Lease modifications	635 233 597	414 188 693	349 779 923	93 371 802
Effects of inflation adjustment	320 526 075	233 774 639	-	-
Balance at end of year	1 597 994 189	760 927 541	372 877 689	102 568 596

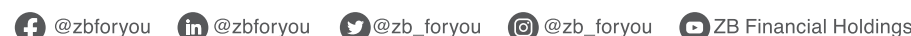
## 7. PROPERTY AND EQUIPMENT

	Inflation adjusted						
	Freehold properties ZW\$	Leasehold improvements ZW\$	Equipment furniture & fittings ZW\$	Computer equipment ZW\$	Marine assets and motor vehicles ZW\$	Capital work in progress ZW\$	Total ZW\$
<b>31 December 2022</b>							
<b>GROUP</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2022	14 016 734 674	6 554 036 902	11 837 733 569	14 607 916 458	3 288 722 331	216 901 552	50 522 045 486
Additions	-	134 045 175	880 485 720	690 356 208	873 723 438	2 066 936 130	4 645 546 671
Disposals	-	(81 637 727)	(44 130 826)	(20 303 028)	-	-	(146 071 581)
Transfer between categories	-	1 610 406 684	169 666 466	-	-	(1 780 073 150)	-
Surplus on revaluation	8 874 407 170	568 184	389 169 237	6 356 129 275	469 178 735	-	16 089 452 601
Arising from acquisition of subsidiary	3 964 300 000	-	56 954 205	-	143 695 953	-	4 164 950 158
Balance at 31 December 2022	26 855 441 844	8 299 056 945	13 252 371 470	21 610 271 115	4 755 017 429	503 764 532	75 275 923 335
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2022	2 221 752 224	6 156 031 703	3 500 765 615	4 197 060 470	2 026 056 652	185 967 772	18 287 634 436
Recognised in statement of profit or loss	806 941 509	65 565 561	409 411 700	1 461 840 683	221 690 082	-	2 965 449 535
Disposals	-	-	(2 311 805)	(1 973 136)	(6 201 373)	-	(10 486 314)
Impairment	-	327 169 459	4 209 628 864	12 799 377	30 603 884	114 075 979	4 694 277 563
Balance at 31 December 2022	3 028 693 733	6 548 766 723	8 117 494 374	5 669 727 394	2 272 149 245	300 043 751	25 936 823 220
Carrying value at 31 December 2022	23 826 748 111	1 750 290 222	5 134 877 096	15 940 543 721	2 482 868 184	203 720 781	49 339 048 115
Carrying value at 31 December 2021	11 794 982 450	398 005 199	8 336 967 954	10 410 855 988	1 262 665 679	30 933 780	32 234 411 050

	Inflation adjusted						
	Freehold properties ZW\$	Leasehold improvements ZW\$	Equipment furniture & fittings ZW\$	Computer equipment ZW\$	Marine assets and motor vehicles ZW\$	Capital work in progress ZW\$	Total ZW\$
<b>31 December 2021</b>							
<b>GROUP</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2021	10 618 156 093	2 470 792 031	3 330 282 211	7 150 745 461	2 913 823 789	496 893 618	26 980 693 203
Additions	-	37 322 845	162 360 148	241 371 592	137 503 951	79 730 789	658 289 325
Disposals	-	-	(10 620 716)	(7 161 787)	(38 640 771)	-	(56 423 274)
Transfer between categories	-	233 383 816	81 135 303	371 085 061	-	(685 604 180)	-
Reclassification to investment properties	(317 534 003)	-	-	-	-	-	(317 534 003)
Surplus on revaluation	3 716 112 584	3 812 538 210	8 274 576 623	6 851 876 131	276 035 362	-	22 931 138 910
Reclassification to intangibles	-	-	-	-	-	325 881 325	325 881 325
Balance at 31 December 2021	14 016 734 674	6 554 036 902	11 837 733 569	14 607 916 458	3 288 722 331	216 901 552	50 522 045 486
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2021	1 899 423 448	2 072 555 505	1 448 53				

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 8. INTANGIBLE ASSETS

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Computer software</b>				
Carrying amount at beginning of year	695 956 323	1 194 610 537	22 206 622	28 389 024
Additions at cost	1 087 133 944	37 715 405	691 561 685	10 358 475
Reversal of cancelled projects	-	(35 577 734)	-	(1 385 883)
Amortisation	(213 755 015)	(174 910 560)	(8 171 322)	(1 644 934)
Reclassification to equipment	-	(325 881 325)	-	(13 510 060)
Impairment	(102 802 673)	-	(2 192 314)	-
Balance at end of year	1 466 532 579	695 956 323	703 404 671	22 206 622
<b>9. DEPOSITS AND OTHER ACCOUNTS</b>				
<b>9.1 Summary of deposits by type</b>				
Balances of banks	3 922 054 654	1 683 427 552	3 922 054 654	489 710 308
Current accounts	15 857 450 583	18 086 823 989	15 857 450 583	5 261 470 343
Savings and call accounts	80 441 208 461	38 928 723 005	80 441 208 461	11 324 394 029
Fixed deposits	8 989 549 137	8 917 524 295	8 989 549 137	2 594 114 348
	109 210 262 835	67 616 498 841	109 210 262 835	19 669 689 027
<b>9.2 Maturity analysis</b>				
On demand	97 956 090 356	47 366 915 683	97 956 090 356	13 779 070 458
Within 1 month	3 054 318 231	18 597 089 559	3 054 318 231	5 409 906 971
Between 1 and 6 months	8 032 735 138	551 302 294	8 032 735 138	160 374 241
Between 6 and 12 months	150 149 071	1 020 622 367	150 149 071	296 899 794
After 12 months	16 970 040	80 568 938	16 970 040	23 437 563
	109 210 262 835	67 616 498 841	109 210 262 835	19 669 689 027

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	% Contribution	31 Dec 2021 ZWS	% Contribution
<b>9.3 Deposit concentration</b>				
Private individuals	18 658 986 903	17%	10 849 147 705	16%
Agriculture	5 880 137 408	5%	3 559 026 936	5%
Mining	2 450 824 504	2%	681 453 716	1%
Manufacturing	5 911 603 684	5%	2 938 053 247	4%
Distribution	3 926 237 835	4%	1 927 501 432	3%
Construction	1 284 960 325	1%	852 321 302	1%
Transport	585 086 764	1%	1 035 140 265	2%
Services	48 439 090 709	44%	28 934 042 373	43%
Financial	13 349 374 649	12%	8 393 501 673	12%
Communication	8 723 960 054	8%	8 446 310 192	12%
	109 210 262 835	100%	67 616 498 841	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>9.4 Secured and unsecured deposits analysis</b>				
Secured deposits	-	-	-	-
Unsecured deposits	109 210 262 835	67 616 498 841	109 210 262 835	19 669 689 027
<b>10. LEASE LIABILITIES</b>				
Balance at the beginning of year	411 437 741	384 450 727	119 687 540	69 577 553
Add finance cost posted to profit or loss	409 713 988	236 909 950	309 586 388	19 538 243
Exchange gains	(2 138 786 358)	(151 859 862)	690 680 746	31 108 045
Less lease liability payments during the year	(574 353 952)	(308 915 884)	(384 558 281)	(69 639 836)
Lease modifications	(4 245 979 728)	284 000 251	86 737 877	69 103 535
Effects of inflation adjustment	6 960 102 579	(33 147 441)	-	-
Balance at end of year	822 134 270	411 437 741	822 134 270	119 687 540
Maturing within 1 year	164 426 854	82 287 548	164 426 854	23 937 508
Maturing after 1 year	1 067 421 404	329 150 193	1 067 421 404	95 750 032
Total	1 231 848 258	411 437 741	1 231 848 258	119 687 540
<b>11. LONG TERM BORROWINGS</b>				
Comprising of:				
Face value of loan	20 000 000	68 751 975	20 000 000	20 000 000
Valuation discount	(2 204 945)	(10 492 682)	(2 204 945)	(3 052 329)
Balance at end of year	17 795 055	58 259 293	17 795 055	16 947 671
Valuation discount:				
Balance at beginning of the year	10 492 682	21 324 896	3 052 329	3 859 361
Amortisation during the year	(1 265 604)	(3 579 919)	(847 384)	(807 032)
Effects of inflation adjustment	(7 022 133)	(7 252 295)	-	-
Balance at end of year	2 204 945	10 492 682	2 204 945	3 052 329

## 12. ACQUISITION OF A SUBSIDIARY

On 31 December 2022, the Group acquired 18.01% of the shares and voting interests in Mashonaland Holdings Limited (Mash) through the acquisition of shares from other shareholders. As a result, the Group's equity interest in Mash increased from 32.58% to 50.59%, granting it control of Mash and subsequently, became a subsidiary of the Group.

The principal activities of Mash are property research & development and management.

## 12.3.1 Consideration transferred

Total consideration transferred was cash amounting to ZW\$3 602 565 002 (unaudited historical cost: ZW\$ 3 446 947 365).

## 12.3.2 Acquisition-related costs

Acquisition-related costs were not material and charged to profit or loss.

## 12.3.3 Revenue and Profit contribution

The revenue and profit contribution from the new acquisition were immaterial.

Had the acquired business been consolidated from 1 January 2022, the Group's consolidated revenue and consolidated profit for the year ended 31 December 2022 would have been ZW\$22 420 980 875 (unaudited historical cost: ZW\$57 586 912 255) and ZW\$17 245 756 852 (unaudited historical cost: ZW\$20 073 925 697) respectively.

## 12.3.4 Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amounts of acquired assets and liabilities assumed at the date of acquisition.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Total identifiable assets acquired</b>				
Cash and cash equivalent	4 103 662 573	-	4 103 662 573	-
Financial assets held at fair value through profit or loss	527 553 502	-	527 553 502	-
Trade and other receivables	1 552 821 095	-	1 428 258 932	-
Investment properties	66 865 248 000	-	66 865 248 000	-
Property and equipment	200 650 158	-	28 350 455	-
<b>Total assets</b>	73 249 935 328	-	72 953 073 462	-
<b>Total liabilities assumed</b>				
Trade and other receivables	1 582 840 233	-	1 458 070 983	-
Current tax liabilities	84 078 769	-	84 078 769	-
Deferred tax liabilities	3 274 411 747	-	3 166 003 392	-
Long term borrowings	2 069 329 004	-	2 069 329 004	-
<b>Total liabilities</b>	7 010 659 753	-	6 777 482 148	-
<b>Total identifiable net assets at acquisition</b>	66 239 275 575	-	66 175 591 314	-
Less: Non-controlling interests	(40 525 999 485)	-	(40 487 036 675)	-
Less: Fair value of pre-existing interest in Mash	(13 790 206 487)	-	(13 776 948 203)	-
Less: Bargain purchase arising at acquisition	(8 320 504 601)	-	(8 464 659 071)	-
<b>Consideration transferred</b>	3 602 565 002	-	3 446 947 365	-
Less: Cash and cash equivalents in subsidiary acquired	(4 103 662 573)	-	(4 103 662 573)	-
<b>Cash inflow on acquisition</b>	(501 097 571)	-	(656 715 208)	-

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 12.3 ACQUISITION OF A SUBSIDIARY

## 12.3.5 Bargain purchase

Bargain purchase arising from the acquisition has been recognised as follows:-

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Consideration transferred	3 602 565 002	-	3 446 947 365	-
NCI based on their proportionate interest in the recognized amounts of the assets and liabilities of Mash	40 525 999 485	-	40 487 036 675	-
Fair value of pre-existing interest in Mash	13 790 206 487	-	13 776 948 203	-
Fair value of identifiable net assets	(66 239 275 575)	-	(66 175 591 314)	-
<b>Bargain purchase</b>	<b>(8 320 504 601)</b>	<b>-</b>	<b>(8 464 659 071)</b>	<b>-</b>

Bargain purchase arose as a result of the Group acquiring shares in Mash at market price that was below the fair value of the identifiable net assets value of Mash.

## 12.3.6 Non-controlling interests.

The Group has elected to measure the non-controlling interest (NCI) based on their proportionate interest of Mash's net identifiable assets as recognised by the Group, which amounted to ZW\$40 525 999 485 (unaudited historical cost: ZW\$40 487 036 675).

## 12.3.7 Acquired receivables

Included in trade and other receivables are trade receivables stated at fair value of ZW\$681 647 987. The gross contractual amount for the trade receivables was ZW\$681 647 987 and expected to be collectible.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>13. INTEREST AND RELATED INCOME</b>				
<b>Interest income comprises interest on:</b>				
Advances	20 755 097 945	10 517 323 666	15 062 846 497	2 559 285 218
Mortgages	564 018 510	594 527 462	392 141 847	73 661 917
Overdraft accounts	2 398 076 860	1 147 698 840	1 882 432 643	266 097 023
Financial assets at amortised cost	70 555 869	242 542 769	57 834 549	57 834 549
Treasury bill at FVTPL	233 552 422	802 859 519	193 316 382	193 316 382
Treasury bills at FVTOCI	43 058 475	148 017 761	33 368 088	33 368 088
Cash and short-term funds	272 186 636	37 028 308	212 470 826	7 058 565
Loans to other banks	218 663 825	-	155 262 740	60 274
Other	1 000 352 194	84 604 310	1 081 920 066	18 313 571
<b>Total interest income</b>	<b>25 555 562 736</b>	<b>13 574 602 635</b>	<b>19 071 593 638</b>	<b>3 208 995 587</b>

## 14. INTEREST AND RELATED EXPENSE

Interest expenses comprise interest on:

Retail deposits	132 435 404	162 310 117	74 310 602	37 804 747
Fixed deposits	3 310 470 821	1 414 874 451	2 345 098 711	340 754 046
Finance cost on operating lease liabilities	409 713 988	236 909 950	309 586 388	19 538 243
Other interest payable categories	1 653 434 330	401 270 479	1 301 168 784	129 041 445
Total interest expenses	5 506 054 543	2 215 364 997	4 030 164 485	527 138 481
<b>Net interest income</b>	<b>20 049 508 193</b>	<b>11 359 237 638</b>	<b>15 041 429 153</b>	<b>2 681 857 106</b>

## 15. LOAN IMPAIRMENTS

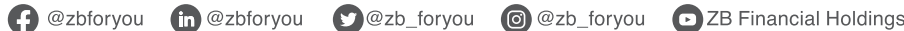
Loans and advances	(6 630 862 791)	(156 108 091)	(4 872 123 095)	(446 763 806)
Insurance debtors	(258 550 590)	30 243 898	(146 359 328)	8 797 972
Loans and other advances	(6 889 413 381)	(125 864 193)	(5 018 482 423)	(437 965 834)
Other financial assets	(24 177 119)	(1 881 629 784)	6 523 746	(11 578 240)
Guarantees	(349 434 489)	(131 205 840)	(276 864 188)	(37 445 505)
Loan commitments	(48 049 379)	(5 351 661)	(24 546 942)	(957 780)
Net recoveries against loans previously written off	276 281 492	8 358 800	234 068 861	1 901 320
	(7 034 792 876)	(2 135 692 678)	(5 079 300 946)	(486 046 039)

## 16. OPERATING EXPENSES

Commission and fees	623 056 588	428 053 065	434 980 446	111 626 169
Staff expenses	20 971 396 356	9 707 622 339	16 017 723 437	2 352 515 911
Communication expenses	673 675 160	691 238 648	508 782 146	164 115 525
National Social Security Authority expenses	222 877 728	70 337 258	167 823 949	16 843 785
Pension fund expenses	549 450 372	291 276 799	395 456 825	68 713 153
Computers and information technology expenses	3 951 373 759	2 774 421 565	2 513 113 652	499 736 091
Occupation expenses	1 352 617 997	815 758 032	866 960 037	176 885 656
Transport expenses	488 639 405	188 167 003	352 583 329	41 540 688
Travelling expenses	557 151 751	248 820 195	426 878 502	60 272 419
Depreciation of property and equipment	2 965 449 535	7 674 728 226	1 913 860 456	405 813 279
Amortisation of intangible assets	213 755 015	174 910 560	8 171 322	1 644 934
Depreciation of right of use asset	118 693 024	253 012 034	79 470 830	57 037 263
Impairment of property and equipment	4 694 277 563	7 698 111	12 487 605	39 608
Impairment of intangible assets	102 802 67			

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19. RISK MANAGEMENT

## 19.1 Capital risk management

The primary objectives in managing capital at the Group are:

- To guarantee the ability of entities within the Group to continue as going concerns whilst providing an equitable return to the Group's shareholders and benefit to customers and other stakeholders.
- To maintain a strong fallback position which is commensurate with the level of risk undertaken by the entities within the Group in the normal course of their business.
- To comply with the regulatory capital requirements as prescribed by relevant authorities.

The Group's capital consists of equity attributable to the shareholders of the parent Company, comprising the issued share capital, reserves and retained income (all referred to as shareholder's equity) and debt, which includes direct loans plus the residual funding from deposit taking activities after deducting the associated liquidity buffer (referred to as operational funding).

The Group's operating target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict recourse on shareholders' equity for operational funding. Gearing was maintained at above 18%, throughout the year, the Group borrowed funds with a maturity value of ZW\$20 million in 2025.

The gearing level, and the loan instrument used are considered comfortable for the Group's operations and are not expected to cause a strain in cash resources in the foreseeable future.

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

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

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

## 19.2 Financial risk management

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

## 19.2.1 Classification and measurement of financial assets and liabilities

	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2022</b>	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS
Financial assets measured at fair value:								
Listed equity securities	1 764 595 956	-	-	1 764 595 956	1 764 595 956	-	-	1 764 595 956
Unlisted equity investments	14 215 926 003	-	-	14 215 926 003	-	-	14 215 926 003	14 215 926 003
Treasury bills	6 724 208 776	-	9 998 488 908	16 722 697 684	-	6 724 208 776	9 998 488 908	16 722 697 684
Financial assets not measured at fair value:								
Trade and other receivables	-	11 305 343 087	-	11 305 343 087	-	-	-	11 305 343 087
Cash and cash equivalents	-	61 715 351 709	-	61 715 351 709	-	-	-	61 715 351 709
Treasury bills	-	40 301 610	-	40 301 610	-	-	-	40 301 610
Advances and other accounts	-	64 869 704 742	-	64 869 704 742	-	-	-	64 869 704 742
<b>Total</b>	<b>22 704 730 735</b>	<b>137 930 701 148</b>	<b>9 998 488 908</b>	<b>170 633 920 791</b>				
Financial liabilities								
Deposit and other accounts	-	(109 210 262 835)	-	(109 210 262 835)	-	-	-	(109 210 262 835)
Trade and other payables	-	(30 106 674 331)	-	(30 106 674 331)	-	-	-	(30 106 674 331)
Offshore borrowings	-	(6 714 466 000)	-	(6 714 466 000)	-	-	-	(6 714 466 000)
Long term borrowings	-	(17 795 055)	-	(17 795 055)	-	-	-	(17 795 055)
<b>Total</b>	<b>-</b>	<b>(146 049 198 221)</b>	<b>-</b>	<b>(146 049 198 221)</b>				

	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2021</b>	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS
Financial assets measured at fair value:								
Listed equity securities	3 460 975 403	-	-	3 460 975 403	3 460 975 403	-	-	3 460 975 403
Unlisted equity investments	10 458 313 357	-	-	10 458 313 357	-	-	10 458 313 357	10 458 313 357
Treasury bills	7 154 704 011	-	979 865 722	8 134 569 733	-	7 154 704 011	979 865 722	8 134 569 733
Financial assets not measured at fair value:								
Trade and other receivables	-	6 849 279 788	-	6 849 279 788	-	-	-	6 849 279 788
Cash and cash equivalents	-	33 386 228 099	-	33 386 228 099	-	-	-	33 386 228 099
Treasury bills	-	151 180 884	-	151 180 884	-	-	-	151 180 884
Advances and other accounts	-	42 051 861 878	-	42 051 861 878	-	-	-	42 051 861 878
<b>Total</b>	<b>21 073 992 771</b>	<b>82 438 550 649</b>	<b>979 865 722</b>	<b>104 492 409 142</b>				
Financial liabilities								
Deposit and other accounts	-	(67 616 498 841)	-	(67 616 498 841)	-	-	-	(67 616 498 841)
Trade and other payables	-	(14 616 131 681)	-	(14 616 131 681)	-	-	-	(14 616 131 681)
Offshore borrowings	-	(2 261 634 881)	-	(2 261 634 881)	-	-	-	(2 261 634 881)
Short term borrowings	-	(1 386 491 893)	-	(1 386 491 893)	-	-	-	(1 386 491 893)
Long term borrowings	-	(58 259 293)	-	(58 259 293)	-	-	-	(58 259 293)
<b>Total</b>	<b>-</b>	<b>(85 939 016 589)</b>	<b>-</b>	<b>(85 939 016 589)</b>				

	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2022</b>	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS
Financial assets measured at fair value:								
Listed equity securities	1 764 595 956	-	-	1 764 595 956	1 764 595 956	-	-	1 764 595 956
Unlisted equity investments	14 215 926 003	-	-	14 215 926 003	-	-	14 215 926 003	14 215 926 003
Treasury bills	6 724 208 776	-	9 998 488 908	16 722 697 684	-	6 724 208 776	9 998 488 908	16 722 697 684
Financial assets not measured at fair value:								
Trade and other receivables	-	11 183 791 416	-	11 183 791 416	-	-	-	11 183 791 416
Cash and cash equivalents	-	61 715 351 709	-	61 715 351 709	-	-	-	61 715 351 709
Treasury bills	-	40 301 610	-	40 301 610	-	-	-	40 301 610
Advances and other accounts	-	64 869 704 742	-	64 869 704 742	-	-	-	64 869 704 742
<b>Total</b>	<b>22 704 730 735</b>	<b>137 809 149 477</b>	<b>9 998 488 908</b>	<b>170 512 369 120</b>				
Financial liabilities								
Deposit and other accounts	-	(109 210 262 835)	-	(109 210 262 835)	-	-	-	(109 210 262 835)
Trade and other payables	-	(29 981 905 063)	-	(29 981 905 063)	-	-	-	(29 981 905 063)
Offshore borrowings	-	(6 714 466 000)	-	(6 714 466 000)	-	-	-	(6 714 466 000)
Long term borrowings	-	(17 795 055)	-	(17 795 055)	-	-	-	(17 795 055)
<b>Total</b>	<b>-</b>	<b>(145 924 428 953)</b>	<b>-</b>	<b>(145 924 428 953)</b>				

	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2021</b>	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS
Financial assets measured at fair value:								
Listed equity securities	1 006 800 279	-	-	1 006 800 279	1 006 800 279	-	-	1 006 800 279
Unlisted equity investments	3 042 331 014	-	-	3 042 331 014	-	-	3 042 331 014	3 042 331 014
Treasury bills	2 081 308 636	-	285 043 656	2 366 352 292	-	2 081 308 636	285 043 656	2 366 352 292
Financial assets not measured at fair value:								
Trade and other receivables	-	1 992 460 506	-	1 992 460 506	-	-	-	1 992 460 506
Cash and cash equivalents	-	9 712 078 202	-	9 712 078 202	-	-	-	9 712 078 202
Treasury bills	-	43 978 630	-	43 978 630	-	-	-	43 978 630
Advances and other accounts	-	12 232 917 414	-	12 232 917 414	-	-	-	12 232 917 414
<b>Total</b>	<b>6 130 439 929</b>	<b>23 981 434 752</b>	<b>285 043 656</b>	<b>30 396 918 337</b>				
Financial liabilities								
Deposit and other accounts	-	(19 669 689 027)	-	(19 669 689 027)	-	-	-	(19 669 689 027)
Trade and other payables	-	(4 251 843 409)	-	(4 251 843 409)	-	-	-	(4 251 843 409)
Offshore borrowings	-	(657 911 243)	-	(657 911 243)	-	-	-	(657 911 243)
Short term borrowings	-	(403 331 507)	-	(403 331 507)	-	-	-	(403 331 507)
Long term borrowings	-	(16 947 671)	-	(16 947 671)	-	-	-	(16 947 671)
<b>Total</b>	<b>-</b>	<b>(24 999 722 857)</b>	<b>-</b>	<b>(24 999 722 857)</b>				

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2.1.1 Level 1 valuation

Listed equity investments are valued in relation to prices ruling at the stock market at which the stock is listed at the close of business on 31 December 2022.

## 19.2.1.2 Level 2 valuation

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

## 19.2.1.3 Level 3 valuation

Unlisted investments were valued at net asset value and price earnings multiple techniques. In applying these methods, judgement was used. The following factors are relevant in understanding the basis:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Equity Security	Net Asset Value: The valuation model determines the fair value of investment securities (non-listed entities) with reference to the net asset value, which was determined by the directors as a proxy valuation method. NAV valuation method was used where investees are largely property holdings and investment entities.	The fair values of investment securities are based on net asset values which make use of the net movements in the assets and liabilities of investee entities. Net asset values have been verified by independent auditors, but are not observable from market data.	The estimated fair value would increase or decrease due to the following: - Increase or decrease in fair value or historical cost adjustments of underlying assets and liabilities held by investees. - Decrease as a result of economic obsolescence of underlying assets. - Financial performance of the investee.
	The market approach as prescribed by IFRS 13 - Fair valuation requires the identification of a similar or identical quoted assets with similar risk profiles.	Adjusted market price earnings multiple. - Discounting rate.	The estimated fair value would increase / decrease if the adjusted market price earnings multiple and discounting rates were higher or lower.

## Level 3 recurring fair values

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

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Balance at beginning of year	11 438 179 079	4 423 858 224	3 327 374 670	785 570 089
Fair value adjustments	11 764 863 127	5 533 621 760	19 951 828 292	2 220 073 695
Additions	2 356 996 335	2 306 027 884	2 060 160 886	552 039 275
Disposals	(1 345 623 630)	(825 328 789)	(1 124 948 937)	(230 308 379)
<b>Balance at the end of year</b>	<b>24 214 414 911</b>	<b>11 438 179 079</b>	<b>24 214 414 911</b>	<b>3 327 374 670</b>

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

## 19.2.2 Liquidity risk

## Definition

There are two types of liquidity risk, funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due. These payment obligations could emanate from depositor withdrawals, the inability to roll over maturing debt or meet contractual commitments to lend. Market liquidity risk is the risk that the Group will be unable to sell assets, without incurring an unacceptable loss, in order to generate cash required to meet payment obligations under a stress liquidity event.

Through the robust Liquidity Risk Management Framework, the Group manages the funding and market liquidity risk to ensure that the Group's operations continue uninterrupted under normal and stressed conditions. The key objectives that underpin the Liquidity Risk Management Framework include maintaining financial market confidence at all times, protecting key stakeholder interests and meeting regulatory requirements.

## Identification techniques

This risk is identified through the analyses of contractual maturity mismatch between assets and liabilities and stress testing.

## Measurement methods

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

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

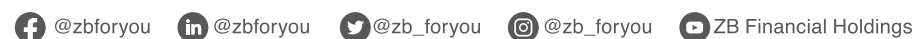
## Liquidity gap analysis as at 31 December 2022

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

	Inflation adjusted					
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	Carrying amount ZWS
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	48 104 372 434	870 891 791	12 740 087 484	-	61 715 351 709	61 715 351 709
Trade and other receivables	8 479 007 315	2 826 335 772	-	-	11 305 343 087	11 305 343 087
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 294
Mortgages and other advances	10 369 789 270	14 536 989 278	38 817 520 492	67 544 485 777	131 268 784 817	64 869 704 742
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	6 864 150 030	-	-	1 107 018 423	1 107 018 423	1 107 018 423
Loan commitments	-	-	-	6 864		

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2.2 Liquidity risk (continued)

## Liquidity gap analysis as at 31 December 2022

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

	Unaudited Historical cost					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	48 104 372 434	870 891 791	12 740 087 484	-	61 715 351 709	61 715 351 709
Trade and other receivables	8 479 007 315	2 704 784 101	-	-	11 183 791 416	11 183 791 416
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 294
Mortgages and other advances	10 369 789 270	14 536 989 278	38 817 520 492	67 544 485 777	131 268 784 817	64 869 704 742
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	-	-	-	1 107 018 423	1 107 018 423	1 107 018 423
Loan commitments	6 864 150 030	-	-	-	6 864 150 030	6 864 150 030
	73 817 319 049	25 266 948 996	51 557 607 976	94 693 709 016	245 335 585 037	178 497 041 852
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(6 979 444 115)	(193 255 173)	(153 950)	(108 015 476 544)	(115 188 329 782)	(109 210 262 835)
Trade and other payables	(23 284 164 813)	(6 792 509 518)	(30 000 000)	-	(30 106 674 331)	(30 106 674 331)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(17 795 055)
Offshore borrowings	-	(6 742 509 518)	-	-	(6 742 509 518)	(6 714 466 000)
Lease liabilities	(13 702 238)	(68 511 189)	(82 213 427)	(1 067 421 404)	(1 231 848 258)	(822 134 270)
	(30 277 311 166)	(13 796 785 398)	(112 367 377)	(109 102 897 948)	(153 289 361 889)	(146 871 332 491)
Period gap	43 540 007 883	11 470 163 598	51 445 240 599	(14 409 188 932)	92 046 223 148	31 625 709 361
Cumulative gap	43 540 007 883	55 010 171 481	106 455 412 080	92 046 223 148	-	-

## Liquidity gap analysis as at 31 December 2021

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

	Unaudited Historical cost					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	8 215 980 305	45 356 181	1 450 741 716	-	9 712 078 202	9 712 078 202
Trade and other receivables	1 494 345 380	498 115 126	-	-	1 992 460 506	1 992 460 506
Treasury bills	101 093 151	1 436 013 199	766 976 857	207 141 172	2 511 224 379	2 410 330 922
Mortgages and other advances	1 360 289 290	1 850 034 205	10 113 599 346	15 143 143 158	28 467 065 999	12 232 917 414
Financial assets held at fair value through profit or loss	-	-	-	4 074 467 484	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	69 896 797	-	521 270 562	591 167 359	591 167 359
Loan commitments	728 680 207	-	-	-	728 680 207	728 680 207
	11 900 388 333	3 899 415 508	12 331 317 919	19 946 022 376	48 077 144 136	31 742 102 094
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(1 080 628 318)	(273 149 424)	(9 592 694)	(19 846 634 216)	(21 210 004 652)	(19 669 689 027)
Trade and other payables	(4 007 040 076)	(132 401 664)	(112 401 669)	-	(4 251 843 409)	(4 251 843 409)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(16 947 671)
Offshore borrowings	-	(82 401 664)	(82 401 669)	(506 279 827)	(671 083 160)	(657 911 243)
Short term borrowings	-	-	(512 438 356)	-	(512 438 356)	(403 331 507)
Lease liabilities	(1 994 792)	(9 973 962)	(11 968 754)	(164 667 310)	(188 604 818)	(119 687 540)
	(5 089 663 186)	(497 926 714)	(728 803 142)	(20 537 581 353)	(26 853 974 395)	(25 119 410 397)
Period gap	6 810 725 147	3 401 488 794	11 602 514 777	(591 558 977)	21 223 169 741	6 622 691 697
Cumulative gap	6 810 725 147	10 212 213 941	21 814 728 718	21 223 169 741	-	-

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>Liquidity ratios</b>				
Total liquid assets	78 478 351 003	41 671 978 716	78 478 351 003	12 122 409 124
Total liabilities to the public	109 210 262 835	67 616 498 841	109 210 262 835	19 669 689 027
Liquidity ratio	71.86%	61.63%	71.86%	61.63%
Average for the year	59%	87%	59%	87%
Maximum for the year	51%	89%	51%	89%
Minimum for the year	69%	71%	69%	71%
Minimum statutory liquidity ratio	30%	30%	30%	30%

Regulated banking operations, ZB Bank Limited and ZB Building Society reported liquidity ratios that were above the minimum regulated ratios as follows:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
ZB Bank Limited	63%	58%	63%	58%
ZB Building Society	129%	70%	129%	70%

## 19.2.3 Market risk

Market risk is the risk of losses in on- and off-balance sheet positions arising from movements in market prices. The Group is exposed to market risk through holding interest rate, foreign exchange rate and stock price sensitive positions. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## 19.2.3.1 Interest rate gap analysis

## Interest rate gap analysis as at 31 December 2022

	Inflation adjusted					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	61 715 351 709	-	-	-	61 715 351 709	61 715 351 709
Treasury bills	-	6 724 208 777	-	10 038 790 517	16 762 999 294	16 762 999 294
Advances and other accounts	5 296 734 847	10 275 130 548	12 559 003 430	36 738 835 917	64 869 704 742	64 869 704 742
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	-	167 788 875	52 908 490	886 321 058	1 107 018 423	1 107 018 423
	67 012 086 556	17 167 128 200	12 611 911 920	63 657 973 730	160 449 100 406	160 449 100 406
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(106 969 718 139)	-	-	(2 240 544 696)	(109 210 262 835)	(109 210 262 835)
Long term loan	-	-	-	(17 795 055)	(17 795 055)	(17 795 055)
Offshore borrowings	-	(6 714 466 000)	-	-	(6 714 466 000)	(6 714 466 000)
	(106 969 718 139)	(6 714 466 000)	-	(2 258 339 751)	(115 942 523 890)	(115 942 523 890)
Period gap	(39 957 631 583)	10 452 662 200	12 611 911 920	61 399 633 979	44 506 576 516	44 506 576 516
Cumulative gap	(39 957 631 583)	(29 504 969 383)	(16 893 057 463)	44 506 576 516	-	-

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2.3.1 Interest rate gap analysis (continued)

## Interest rate gap analysis as at 31 December 2021

	Inflation adjusted					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	33 386 228 099	-	-	-	33 386 228 099	33 386 228 099
Treasury bills	343 759 877	4 936 437 209	2 331 600 191	673 953 340	8 285 750 617	8 285 750 617
Advances and other accounts	5 095 061 365	4 281 959 695	5 774 308 555	26 900 532 263	42 051 861 878	42 051 861 878
Financial assets held at fair value through profit or loss	-	-	-	14 006 384 419	14 006 384 419	14 006 384 419
Financial assets held at amortised cost	-	-	967 032 024	1 065 164 163	2 032 196 187	2 032 196 187
	38 825 049 341	9 218 396 904	9 072 940 770	42 646 034 185	99 762 421 200	99 762 421 200
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(67 552 293 953)	-	-	(64 204 888)	(67 616 498 841)	(67 616 498 841)
Long term loan	-	-	-	(58 259 293)	(58 259 293)	(58 259 293)
Offshore borrowings	-	(277 704 000)	(277 704 017)	(1 706 226 864)	(2 261 634 881)	(2 261 634 881)
Short term borrowings	-	-	(1 386 491 893)	-	(1 386 491 893)	(1 386 491 893)
	(67 552 293 953)	(277 704 000)	(1 664 195 910)	(1 828 691 045)	(71 322 884 908)	(71 322 884 908)
Period gap	(28 727 244 612)	8 940 692 904	7 408 744 860	40 817 343 140	28 439 536 292	28 439 536 292
Cumulative gap	(28 727 244 612)	(19 786 551 708)	(12 377 806 848)	28 439 536 292	-	-

## Interest rate gap analysis as at 31 December 2022

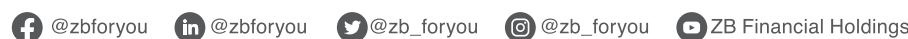
	Unaudited Historical cost					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	61 715 351 709	-	-	-	61 715 351 709	61 715 351 709
Treasury bills	-	6 724 208 777	-	10 038 790 517	16 762 999 294	16 762 999 294
Advances and other accounts	5 296 734 847	10 275 130 548	12 559 003 430	36 738 835 917	64 869 704 742	64 869 704 742
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	-	167 788 875	52 908 490	886 321 058	1 107 018 423	1 107 018 423
	67 012 086 556	17 167 128 200	12 611 911 920	63 657 973 730	160 449 100 406	160 449 100 406
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(106 969 718 139)	-	-	(2 240 544 696)	(109 210 262 835)	(109 210 262 835)
Long term loan	-	-	-	(17 795 055)	(17 795 055)	(17 795 055)
Offshore borrowings	-	(6 714 466 000)	-	-	(6 714 466 000)	(6 714 466 000)
	(106 969 718 139)	(6 714 466 000)	-	(2 258 339 751)	(115 942 523 890)	(115 942 523 890)
Period gap	(39 957 631 583)	10 452 662 200	12 611 911 920	61 399 633 979	44 506 576 516	44 506 576 516
Cumulative gap	(39 957 631 583)	(29 504 969 383)	(16 893 057 463)	44 506 576 516	-	-

## Interest rate gap analysis as at 31 December 2021

	Unaudited Historical cost					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	9 712 078 202	-	-	-	9 712 078 202	9 712 078 202
Treasury bills	100 000 000	1 436 013 199	678 264 203	196 053 520	2 410 330 922	2 410 330 922
Advances and other accounts	1 482 157 082	1 245 625 211	1 679 750 587	7 825 384 534	12 232 917 414	12 232 917 414
Financial assets held at fair value through profit or loss	-	-	-	4 074 467 484	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	-	281 310 324	309 857 035	591 167 359	591 167 359
	11 294 235 284	2 681 638 410	2 639 325 114	12 405 762 573	29 020 961 381	29 020 961 381
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(19 651 011 778)	-	-	(18 677 249)	(19 669 689 027)	(19 669 689 027)
Long term loan	-	-	-	(16 947		

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2.4 Internal rating grade






	Inflation adjusted December 2022				Inflation adjusted December 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365	41 608 111 272	402 102 643	1 721 697 275	43 731 911 190
Guarantees	3 133 776 126	-	-	3 133 776 126	2 849 843 046	-	-	2 849 843 046
Loan commitments	6 864 150 030	-	-	6 864 150 030	2 504 910 185	-	-	2 504 910 185
Letters of credit	-	-	-	-	-	-	-	-
Treasury bills	16 762 999 294	-	-	16 762 999 294	8 285 750 617	-	-	8 285 750 617
Insurance debtors	1 959 336 533	-	159 223 423	2 118 559 956	716 534 625	44 221 597	760 756 222	1 501 512 444
Other financial assets	220 697 365	-	-	220 697 365	726 754 881	-	-	726 754 881
<b>Total financial assets</b>	<b>94 062 574 887</b>	<b>1 739 388 311</b>	<b>393 968 938</b>	<b>96 195 932 136</b>	<b>56 691 904 626</b>	<b>402 102 643</b>	<b>1 765 918 872</b>	<b>58 859 926 141</b>
<b>Total loans and advances</b>	<b>65 108 137 842</b>	<b>27 295 032</b>	<b>4 184 162</b>	<b>65 139 617 036</b>	<b>41 595 881 928</b>	<b>16 997 180</b>	<b>4 534 001</b>	<b>41 617 413 109</b>
Good (AAAto-BBB-)	13 477 697	1 712 093 279	389 259	1 725 960 235	12 229 344	385 105 463	509 057	397 843 864
Special Mention (BB+toCCC-)	-	-	230 172 094	230 172 094	-	-	1 716 654 217	1 716 654 217
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total loans and advances</b>	<b>65 121 615 539</b>	<b>1 739 388 311</b>	<b>234 745 515</b>	<b>67 095 749 365</b>	<b>41 608 111 272</b>	<b>402 102 643</b>	<b>1 721 697 275</b>	<b>43 731 911 190</b>
<b>Corporate Lending</b>	<b>43 068 701 176</b>	<b>-</b>	<b>-</b>	<b>43 068 701 176</b>	<b>19 234 032 633</b>	<b>-</b>	<b>-</b>	<b>19 234 032 633</b>
Good (AAAto-BBB-)	-	1 348 278 989	-	1 348 278 989	-	123 175 386	-	123 175 386
Special Mention (BB+toCCC-)	-	-	28 896 398	28 896 398	-	-	1 624 740 269	1 624 740 269
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total corporate lending</b>	<b>43 068 701 176</b>	<b>1 348 278 989</b>	<b>28 896 398</b>	<b>44 445 876 563</b>	<b>19 234 032 633</b>	<b>123 175 386</b>	<b>1 624 740 269</b>	<b>20 981 948 288</b>
<b>Small business Lending</b>	<b>2 893 642 594</b>	<b>156 981</b>	<b>31 305</b>	<b>2 893 830 880</b>	<b>1 342 485 734</b>	<b>10 835</b>	<b>38 058</b>	<b>1 342 534 627</b>
Good (AAAto-BBB-)	-	19 203 609	2 463	19 206 072	-	121 430 396	-	121 430 396
Special Mention (BB+toCCC-)	-	-	80 768 844	80 768 844	-	-	13 335 133	13 335 133
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total small business Lending</b>	<b>2 893 642 594</b>	<b>19 360 590</b>	<b>80 802 612</b>	<b>2 993 805 796</b>	<b>1 342 485 734</b>	<b>121 441 231</b>	<b>13 373 191</b>	<b>1 477 300 156</b>
<b>Consumer Lending</b>	<b>17 058 718 101</b>	<b>27 138 051</b>	<b>4 152 187</b>	<b>17 090 008 339</b>	<b>19 940 851 728</b>	<b>16 546 961</b>	<b>4 495 943</b>	<b>19 961 894 632</b>
Good (AAAto-BBB-)	13 477 697	252 954 414	386 796	266 818 907	12 229 344	139 480 749	509 057	152 219 150
Special Mention (BB+toCCC-)	-	-	110 280 372	110 280 372	-	-	40 217 640	40 217 640
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total consumer lending</b>	<b>17 072 195 798</b>	<b>280 092 465</b>	<b>114 819 355</b>	<b>17 467 107 618</b>	<b>19 953 081 072</b>	<b>156 027 710</b>	<b>45 222 640</b>	<b>20 154 331 422</b>
<b>Mortgage Lending</b>	<b>2 087 075 971</b>	<b>-</b>	<b>670</b>	<b>2 087 076 641</b>	<b>1 078 511 833</b>	<b>439 384</b>	<b>-</b>	<b>1 078 951 217</b>
Good (AAAto-BBB-)	-	91 656 267	-	91 656 267	-	1 018 932	-	1 018 932
Special Mention (BB+toCCC-)	-	-	10 226 480	10 226 480	-	-	38 361 175	38 361 175
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total Mortgage Lending</b>	<b>2 087 075 971</b>	<b>91 656 267</b>	<b>10 227 150</b>	<b>2 188 959 388</b>	<b>1 078 511 833</b>	<b>1 458 316</b>	<b>38 361 175</b>	<b>1 118 313 324</b>
<b>Guarantees</b>	<b>3 133 776 126</b>	<b>-</b>	<b>-</b>	<b>3 133 776 126</b>	<b>2 849 843 046</b>	<b>-</b>	<b>-</b>	<b>2 849 843 046</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total guarantees</b>	<b>3 133 776 126</b>	<b>-</b>	<b>-</b>	<b>3 133 776 126</b>	<b>2 849 843 046</b>	<b>-</b>	<b>-</b>	<b>2 849 843 046</b>
<b>Loan commitments</b>	<b>6 864 150 030</b>	<b>-</b>	<b>-</b>	<b>6 864 150 030</b>	<b>2 504 910 185</b>	<b>-</b>	<b>-</b>	<b>2 504 910 185</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total loan commitments</b>	<b>6 864 150 030</b>	<b>-</b>	<b>-</b>	<b>6 864 150 030</b>	<b>2 504 910 185</b>	<b>-</b>	<b>-</b>	<b>2 504 910 185</b>
<b>Letters of Credit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total letters of credit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financial assets</b>	<b>220 697 365</b>	<b>-</b>	<b>-</b>	<b>220 697 365</b>	<b>726 754 881</b>	<b>-</b>	<b>-</b>	<b>726 754 881</b>
Bonds	-	-	-	-	-	-	-	-
Good (AAA to BBB0)	220 697 365	-	-	220 697 365	726 754 881	-	-	726 754 881
<b>Total other financial assets</b>	<b>220 697 365</b>	<b>-</b>	<b>-</b>	<b>220 697 365</b>	<b>726 754 881</b>	<b>-</b>	<b>-</b>	<b>726 754 881</b>

	Unaudited Historical cost December 2022				Unaudited Historical cost December 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365	12 103 830 038	116 971 953	500 842 998	12 721 644 989
Guarantees	3 133 776 126	-	-	3 133 776 126	829 021 429	-	-	829 021 429
Loan commitments	6 864 150 030	-	-	6 864 150 030	728 680 207	-	-	728 680 207
Letters of credit	-	-	-	-	-	-	-	-
Treasury bills	16 762 999 294	-	-	16 762 999 294	2 410 330 922	-	-	2 410 330 922
Insurance debtors	1 959 336 533	-	159 223 423	2 118 559 956	208 440 447	12 864 095	221 304 542	2 442 609 084
Other financial assets	220 697 365	-	-	220 697 365	211 413 527	-	-	211 413 527
<b>Total financial assets</b>	<b>94 062 574 887</b>	<b>1 739 388 311</b>	<b>393 968 938</b>	<b>96 195 932 136</b>	<b>16 491 716 570</b>	<b>116 971 953</b>	<b>513 707 093</b>	<b>17 122 395 616</b>
<b>Total loans and advances</b>	<b>65 108 137 842</b>	<b>27 295 032</b>	<b>4 184 162</b>	<b>65 139 617 036</b>	<b>12 100 272 513</b>	<b>4 944 492</b>	<b>1 318 944</b>	<b>12 106 535 949</b>
Good (AAAto-BBB-)	13 477 697	1 712 093 279	389 259	1 725 960 235	3 557 525	112 027 461	148 085	115 733 071
Special Mention (BB+toCCC-)	-	-	230 172 094	230 172 094	-	-	499 375 969	499 375 969
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total loans and advances</b>	<b>65 121 615 539</b>	<b>1 739 388 311</b>	<b>234 745 515</b>	<b>67 095 749 365</b>	<b>12 103 830 038</b>	<b>116 971 953</b>	<b>500 842 998</b>	<b>12 721 644 989</b>
<b>Corporate Lending</b>	<b>43 068 701 176</b>	<b>-</b>	<b>-</b>	<b>43 068 701 176</b>	<b>5 595 194 178</b>	<b>-</b>	<b>-</b>	<b>5 595 194 178</b>
Good (AAAto-BBB-)	-	1 348 278 989	-	1 348 278 989	-	35 831 810	-	35 831 810
Special Mention (BB+toCCC-)	-	-	28 896 398	28 896 398	-	-	472 638 134	472 638 134
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total corporate lending</b>	<b>43 068 701 176</b>	<b>1 348 278 989</b>	<b>28 896 398</b>	<b>44 445 876 563</b>	<b>5 595 194 178</b>	<b>35 831 810</b>	<b>472 638 134</b>	<b>6 103 664 122</b>
<b>Small business Lending</b>	<b>2 893 642 594</b>	<b>156 981</b>	<b>31 305</b>	<b>2 893 830 880</b>	<b>390 530 083</b>	<b>3 152</b>	<b>11 071</b>	<b>390 544 306</b>
Good (AAAto-BBB-)	-	19 203 609	2 463	19 206 072	-	35 324 191	-	35 324 191
Special Mention (BB+toCCC-)	-	-	80 768 844	80 768 844	-	-	3 879 200	3 879 200
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total small business Lending</b>	<b>2 893 642 594</b>	<b>19 360 590</b>	<b>80 802 612</b>	<b>2 993 805 796</b>	<b>390 530 083</b>	<b>35 327 343</b>	<b>3 890 271</b>	<b>429 747 697</b>
<b>Consumer Lending</b>	<b>17 058 718 101</b>	<b>27 138 051</b>	<b>4 152 187</b>	<b>17 090 008 339</b>	<b>5 800 808 370</b>	<b>4 813 523</b>	<b>1 307 873</b>	<b>5 806 929 766</b>
Good (AAAto-BBB-)	13 477 697	252 954 414	386 796	266 818 907	3 557 525	40 575 052	148 085	44 280 662
Special Mention (BB+toCCC-)	-	-	110 280 372	110 280 372	-	-	11 699 341	11 699 341
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total consumer lending</b>	<b>17 072 195 798</b>	<b>280 092 465</b>	<b>114 819 355</b>	<b>17 467 107 618</b>	<b>5 804 365 895</b>	<b>45 388 575</b>	<b>13 155 299</b>	<b>5 862 909 769</b>
<b>Mortgage Lending</b>	<b>2 087 075 971</b>	<b>-</b>	<b>670</b>	<b>2 087 076 641</b>	<b>313 739 882</b>	<b>127 817</b>	<b>-</b>	<b>313 867 699</b>
Good (AAAto-BBB-)	-	91 656 267	-	91 656 267	-	296 408	-	296 408
Special Mention (BB+toCCC-)	-	-	10 226 480	10 226 480	-	-	11 159 294	11 159 294
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total Mortgage Lending</b>	<b>2 087 075 971</b>	<b>91 656 267</b>	<b>10 227 150</b>	<b>2 188 959 388</b>	<b>313 739 882</b>	<b>424 225</b>	<b>11 159 294</b>	<b>325 323 401</b>
<b>Guarantees</b>	<b>3 133 776 126</b>	<b>-</b>	<b>-</b>	<b>3 133 776 126</b>	<b>829 021 429</b>	<b>-</b>	<b>-</b>	<b>829 021 429</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total guarantees</b>	<b>3 133 776 126</b>	<b>-</b>	<b>-</b>	<b>3 133 776 126</b>	<b>829 021 429</b>	<b>-</b>	<b>-</b>	<b>829 021 429</b>
<b>Loan commitments</b>	<b>6 864 150 030</b>	<b>-</b>	<b>-</b>	<b>6 864 150 030</b>	<b>728 680 207</b>	<b>-</b>	<b>-</b>	<b>728 680 207</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-				



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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2.4 Internal rating grade (continued)

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

	Inflation adjusted December 2022				Inflation adjusted December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365	41 608 111 273	402 102 643	1 721 697 275	43 731 911 191
Guarantees	3 133 776 126	-	-	3 133 776 126	2 849 843 046	-	-	2 849 843 046
Loan commitments	6 864 150 030	-	-	6 864 150 030	2 504 910 185	-	-	2 504 910 185
Treasury bills	16 762 999 294	-	-	16 762 999 294	8 285 750 617	-	-	8 285 750 617
Insurance debtors	1 959 336 533	-	159 223 423	2 118 559 956	716 534 625	-	44 221 597	760 756 222
Other financial assets	220 697 365	-	-	220 697 365	726 754 880	-	-	726 754 880
Total financial assets	94 062 574 887	1 739 388 311	393 968 938	96 195 932 136	56 691 904 626	402 102 643	1 765 918 872	58 859 926 141
Balance at beginning of year	56 691 904 626	402 102 643	1 765 918 872	58 859 926 141	23 905 467 293	2 857 605 873	152 816 267	26 915 889 433
Effects of inflation adjustments	(40 200 188 056)	(285 130 690)	(1 252 211 779)	(41 737 530 525)	(9 033 073 122)	(57 744 134)	(10 170 610 528)	(1 070 453 784)
New assets	88 373 511 474	1 674 654 988	322 395 287	90 370 561 749	51 322 038 666	94 667 555	28 822 203	51 445 528 424
Repayments	(10 721 057 402)	(85 337 178)	(42 138 859)	(10 848 533 439)	(8 565 541 852)	(669 239 206)	(94 579 989)	(9 329 361 047)
Stage reassignments	-	-	-	-	-	-	-	-
Stage 1	-	44 548 931	37 046 824	81 595 755	-	(130 995 896)	1 067 982 255	936 986 359
Stage 2	(44 548 931)	-	11 450 383	(33 098 548)	130 995 896	-	670 142 411	801 138 307
Stage 3	(37 046 824)	(11 450 383)	-	(48 497 207)	(1 067 982 255)	(670 142 411)	-	(1 738 124 666)
Write-offs	-	-	(448 491 790)	(448 491 790)	-	-	(1 520 141)	(1 520 141)
Balance at end of year	94 062 574 887	1 739 388 311	393 968 938	96 195 932 136	56 691 904 626	402 102 643	1 765 918 872	58 859 926 141

An analysis of changes in the ECLs are as follows:

	Inflation adjusted December 2022				Inflation adjusted December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances	3 711 735 280	395 918 398	77 727 478	4 185 381 156	678 109 747	106 189 420	1 612 284 769	2 396 583 936
Insurance debtors	-	-	159 223 423	159 223 423	-	-	44 221 596	44 221 596
Total Loans and other advances	3 711 735 280	395 918 398	236 950 901	4 344 604 579	678 109 747	106 189 420	1 656 506 365	2 440 805 532
In respect of guarantees	315 142 226	-	-	315 142 226	131 584 536	-	-	131 584 536
In respect of Loan commitments	26 134 882	-	-	26 134 882	5 458 701	-	-	5 458 701
In respect of other financial assets	6 591 447	-	-	6 591 447	45 084 772	-	-	45 084 772
Total impairment allowances	4 059 603 835	395 918 398	236 950 901	4 692 473 134	860 237 757	106 189 420	1 656 506 365	2 622 933 541
Balance at beginning of year	860 237 757	106 189 420	1 656 506 365	2 622 933 542	688 005 744	719 136 004	130 190 954	1 537 332 702
Effects of inflation adjustments	(609 993 964)	(75 298 840)	(1 174 627 450)	(1 859 920 254)	(259 974 256)	(271 737 342)	(49 194 790)	(580 906 388)
New assets	4 270 035 672	377 699 860	203 549 363	4 851 284 895	1 719 315 438	137 200 737	237 873 860	2 094 390 035
Repayments	(434 389 533)	(23 166 785)	(15 851 092)	(473 407 410)	(348 800 717)	(42 446 889)	(35 554 458)	(426 802 064)
Stage reassignments	-	-	-	-	-	-	-	-
Stage 1	-	13 916 351	12 369 746	26 286 097	-	(7 168 738)	945 477 190	938 308 452
Stage 2	(13 916 351)	-	3 421 608	(10 494 743)	7 168 738	-	428 794 352	435 963 090
Stage 3	(12 369 746)	(3 421 608)	-	(15 791 354)	(945 477 190)	(428 794 352)	-	(1 374 271 542)
Write-offs	-	-	(448 417 639)	(448 417 639)	-	-	(1 080 743)	(1 080 743)
Balance at end of year	4 059 603 835	395 918 398	236 950 901	4 692 473 134	860 237 757	106 189 420	1 656 506 365	2 622 933 542

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

	Unaudited Historical cost December 2022				Unaudited Historical cost December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365	12 103 830 038	116 971 953	500 842 998	12 721 644 989
Guarantees	3 133 776 126	-	-	3 133 776 126	829 021 429	-	-	829 021 429
Loan commitments	6 864 150 030	-	-	6 864 150 030	728 680 207	-	-	728 680 207
Treasury bills	16 762 999 294	-	-	16 762 999 294	2 410 330 922	-	-	2 410 330 922
Insurance debtors	1 959 336 533	-	159 223 423	2 118 559 956	208 440 447	-	12 864 095	221 304 542
Other financial assets	220 697 365	-	-	220 697 365	211 413 527	-	-	211 413 527
Total financial assets	94 062 574 887	1 739 388 311	393 968 938	96 195 932 136	16 491 716 570	116 971 953	513 707 093	17 122 395 616
Balance at beginning of year	16 491 716 570	116 971 953	513 707 093	17 122 395 616	4 326 390 355	517 166 987	27 656 553	4 871 213 895
New assets	88 373 511 474	1 674 654 988	322 395 287	90 370 561 749	14 929 618 630	27 538 861	8 384 400	14 965 541 891
Repayments	(10 721 057 402)	(85 337 178)	(42 138 859)	(10 848 533 439)	(2 491 722 397)	(194 682 175)	(27 513 388)	(2 713 917 960)
Stage reassignments	-	-	-	-	-	-	-	-
Stage 1	-	44 548 931	37 046 824	81 595 755	-	(38 106 802)	310 676 820	272 570 018
Stage 2	(44 548 931)	-	11 450 383	(33 098 548)	38 106 802	-	194 944 918	233 051 720
Stage 3	(37 046 824)	(11 450 383)	-	(48 497 207)	(310 676 820)	(194 944 918)	-	(505 621 738)
Write-offs	-	-	(448 491 790)	(448 491 790)	-	-	(442 210)	(442 210)
Balance at end of year	94 062 574 887	1 739 388 311	393 968 938	96 195 932 136	16 491 716 570	116 971 953	513 707 093	17 122 395 616

An analysis of changes in the ECLs are as follows:






	Unaudited Historical cost December 2022				Unaudited Historical cost December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances	3 711 735 280	395 918 398	77 727 478	4 185 381 156	197 262 622	30 890 580	469 014 820	697 168 022
Insurance debtors	-	-	159 223 423	159 223 423	-	-	12 864 095	12 864 095
Total Loans and other advances	3 711 735 280	395 918 398	236 950 901	4 344 604 579	197 262 622	30 890 580	481 878 915	710 032 117
In respect of guarantees	315 142 226	-	-	315 142 226	38 278 038	-	-	38 278 038
In respect of Loan commitments	26 134 882	-	-	26 134 882	1 587 940	-	-	1 587 940
In respect of other financial assets	6 591 447	-	-	6 591 447	13 115 193	-	-	13 115 193
Total impairment allowances	4 059 603 835	395 918 398	236 950 901	4 692 473 134	250 243 793	30 890 580	481 878 915	763 013 288
Balance at beginning of year	250 243 793	30 890 580	481 878 915	763 013 288	124 514 673	130 148 598	23 561 844	278 225 115
New assets	4 270 035 672	377 699 860	203 549 363	4 851 284 895	500 150 120	39 911 795	69 197 680	609 259 595
Repayments	(434 389 533)	(23 166 785)	(15 851 092)	(473 407 410)	(101 466 384)	(12 347 831)	(10 342 818)	(124 157 033)
Stage reassignments	-	-	-	-	-	-	-	-
Stage 1	-	13 916 351	12 369 746	26 286 097	-	(2 085 391)	275 040 007	272 954 616
Stage 2	(13 916 351)	-	3 421 608	(10 494 743)	2 085 391	-	124 736 591	126 821 982
Stage 3	(12 369 746)	(3 421 608)	-	(15 791 354)	(275 040 007)	(124 736 591)	-	(399 776 598)
Write-offs	-	-	(448 417 639)	(448 417 639)	-	-	(314 389)	(314 389)
Balance at end of year	4 059 603 835	395 918 398	236 950 901	4 692 473 134	250 243 793	30 890 580	481 878 915	763 013 288

An analysis of ECLs movements are as follows:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>ECL Movement</b>				
Balance at beginning of year	2 440 805 534	1 520 758 162	710 032 117	275 225 469
Loans and advances	6 889 413 381	125 864 193	5 018 482 423	437 965 834
Write offs against provision	(276 281 492)	(8 358 800)	(1 383 909 961)	(3 159 186)
Effects of inflation movements	(4 709 332 844)	802 541 979	-	-
	4 344 604 579	2 440 805 534	4 344 604 579	710 032 117
<b>Analysis of loans and advances</b>				
Balance at beginning of year	2 396 583 937	1 401 064 424	697 168 022	253 563 402
ECL for current year	6 630 862 791	156 108 091	4 872 123 095	446 763 806
Write offs against provision	(276 281 492)	(8 358 800)	(1 383 909 961)	(3 159 186)
Effects of inflation movements	(4 565 784 080)	847 770 222	-	-
Balance at end of year	4 185 381 156	2 396 583 937	4 185 381 156	697 168 022
<b>Analysis of insurance debtors</b>				
Balance at beginning of year	44 221 597	119 693 738	12 864 095	21 662 067
ECL for current year	258 550 590	(30 243 898)	146 359 328	(8 797 972)
Effects of inflation movements	(143 548 764)	(45 228 243)	-	-
Balance at end of year	159 223 423	44 221 597	159 223 423	12 864 095
<b>Analysis of guarantees and loan commitments</b>				
<b>Guarantees</b>				
Balance at beginning of year	131 584 536	4 600 160	38 278 038	832 533
ECL for current year	349 434 489	131 205 840	276 864 188	37 445 505
Effects of inflation movements	(165 876 799)	(4 221 464)	-	-
Balance at end of year	315 142 226	131 584 536	315 142 226	38 278 038
<b>Loan commitments</b>				
Balance at beginning of year	5 458 701	3 481 947	1 587 940	630 160
ECL for current year	48 049 379	5 351 661	24 546 942	957 780
Effects of inflation movements	(27 373 198)	(3		

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## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 19.2 Corrective orders and regulatory penalties

The Group dealt with all governance issues which were the subject of a Corrective Order issued by the Reserve Bank of Zimbabwe (RBZ) on 7 March, 2017 and reviewed in March 2018, and the Corrective Order was lifted on the 9th of December 2022, after a satisfactory review by the regulator.

## 19.3 Insurance operations

In terms of paragraph 3 of Statutory Instrument 206 of 2021, Amendment Regulations of 2021 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case of life assurance businesses and 10% of the market value of total adjusted assets in the case of short-term re-insurance businesses.

ZB Life Assurance Limited did not comply with these ratios throughout 2022, closing the year with ratio at 6.01% (2021: 0.81%). As further required by paragraph 11B sub-section 4, ZB Life Assurance has collaborated with the Insurance and Pensions Commissions (IPEC) on the non-compliance as required by the Regulations, and provided a roadmap to remedy the non-compliance which is being tracked on a monthly basis. Compliance has been affected by the shortage of qualifying assets on the market. Furthermore, the ratio have been impacted on by an inflationary growth in the value of assets. The non-compliance persisted up to the date of release of these financial statements. No penalties have been levied on ZB Life Assurance Limited for the non-compliance.

ZB Reinsurance complied with this requirement as at 31 December 2022 with a ratio of 10% (2021: 11%).

## 19.4 Other compliance issues

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

## 20. SUBSEQUENT EVENTS

As at 31 December 2022, ZB Building Society was not compliant with the new Reserve Bank of Zimbabwe's minimum capital requirements. The target was to finalise the consolidation of the banking and building society operations, by merging ZB Building Society and Intermarket Banking Corporation (property owning company) into ZB Bank Limited during 2022, but the transaction has taken longer than anticipated, as the transaction is yet to get the shareholders consent and approval. Reserve Bank of Zimbabwe in its February Monetary Policy Statement did further extend the compliance date to 31 December 2023 for non-compliant banking institutions. The Group is confident that the non-compliance by the Society will be remedied by consolidating ZB Building Society and Intermarket Banking Corporation Limited net assets and operations into the Bank before 31 December 2023.

The Directors are confident that the Society will meet the regulatory minimum capital requirements either through the proposed consolidation of the Society's operations with the rest of ZB Financial Holdings Limited's banking operations or through organic growth and capital injection as required and committed to in a letter of support provided by ZB Financial Holdings Limited to the Society.

## 21. GOING CONCERN

The Board undertakes regular assessment of whether the Company and its subsidiaries is a going concern in the light of current economic conditions and all available information about future risks and uncertainties.

The Monetary Policy Committee of the Reserve Bank of Zimbabwe, revised minimum capital requirements for banking institutions which became effective from 31 December 2021. The revised limit for Tier 1 Banks is the ZW\$ equivalent of US\$30m and for Building Societies is the ZW\$ equivalent of US\$20m reckoned with reference to the exchange rate ruling at that time.

A rearrangement of capital resources through the restructuring of the Group's banking operations namely ZB Bank Limited and ZB Building Society is planned for the optimisation of capital resources and also address possible capital strain at a solo level for the subsidiaries. The Group will ensure that it continues to support the ZB Building Society operations to meet the minimum capital requirements.

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

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

- Credit Risk** – changed operating models and market dynamics may affect the ability of borrowers to service their obligations. The Group may be forced to consider loan forbearance to mitigate the risk of loss.
- Liquidity Risk** – During the year, the market continued to have excess liquidity and the Group has not been affected by this risk. For any mismatches that may arise between assets and liabilities due to changed business models for suppliers of critical funding, the Group will maintain a significant liquidity buffer in the short-term. This may affect asset creation activities in the short-term period
- Insurance Risk** – funeral insurance claims remained very low on individual life products despite the advent of COVID-19. There was also an improvement in the claims experience for 2022 where the overall claims ratio came down to 32% compared to 30% in 2021. Current claims levels have been in line with expected trends.

## NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

## 21. GOING CONCERN (continued)

- Market risk** – the valuation of equity investments may be affected through an unfavourable underlying performance fundamentals as a result of COVID-19 and the difficult operating environment. This may have an effect of reducing the carrying value for investments designated as fair value instruments. The Group does not hold any derivative instruments which may be exposed to secondary risks related to COVID-19 pandemic. Additionally, there may be a market wide requirement to re-price instruments which may affect the Group's investment portfolio of interest rate sensitive instruments. This may result in a repricing gap between assets and liabilities. The Group's interest sensitive liabilities were higher than interest sensitive assets as at 31 December 2022. A market wide increase in interest rates is likely to reduce the Group's net interest earnings in the short-term.

Consequently, the consolidated inflation adjusted financial statements for the year ended 31 December 2022 have been prepared on a going-concern basis.

## 22. BOARD ATTENDANCE DURING THE YEAR 2022

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
<b>TOTAL MEETINGS</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>4</b>
P CHIROMO (MRS)	6	X	X	X	X
J MUTEVEDZI	6	X	X	X	X
T SIBANDA (MS)	6	X	X	X	X
A MAKAMURE (MRS)	5	X	X	X	X
***K MAUKAZUVA	5	X	X	X	X
S FUNGURA	6	6	X	5	X
E MUNGONI (MRS)	6	X	X	X	X
L ZEMBE	6	X	X	X	X
P M V WOOD	6	X	X	X	X
S DIMAIRHO	6	X	X	X	X
S A SIBANDA	X	5	X	X	X
P M MATUPIRE	X	6	X	X	X
C MANDIZVIDZA	X	6	X	X	X
G N MAHLANGU (MS)	X	6	X	X	X
****G CHIKOMO (MRS)	X	3	X	X	X
F NYAMBIRI	X	6	X	X	X
*K LANGLEY	X	NIL	X	X	X
P MURENA (MRS)	X	5	X	X	X
E MASINIRE	X	6	X	X	X
O MANDIMIKA	X	X	4	X	X
S K CHIGANZE	X	X	3	X	X
T KAPUMHA	X	X	4	X	X
J KATSIDZIRA	X	X	4	X	X
F B CHIRIMUUTA	X	X	X	5	X
B SHUMBA	X	X	X	5	X
P MURAMBINDA (MRS)	X	X	X	5	X
A NYAKONDA	X	X	X	5	X
M SHONIWA (MRS)	X	X	X	5	X
C MASIMBE (MRS)	X	X	X	5	X
E T Z CHIDZONGA	X	X	X	X	4
L MAWIRE (MRS)	X	X	X	X	4
C MAKONI	X	X	X	X	4
A MANGORO	X	X	X	X	4
R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	4
**O PAZVAKAVAMBWA	X	X	X	X	3

\*K Langley resigned from the ZBBL Boards with effect from 22 February 2022

\*\*O Pazvakavambwa was appointed to the ZBLA Board with effect from 29 May 2022

\*\*\*K Maukazuva resigned from the ZBFH Boards with effect from 23 August 2022.

\*\*\*\*G Chikomo resigned from the ZBBL with effect from 30 August 2022.






## KEY

ZBFH	-	ZB Financial Holdings Limited Board
ZBBL	-	ZB Bank Limited Board
ZBBS	-	ZB Building Society Board
ZBRE	-	ZB Reinsurance Company Board
ZBLA	-	ZB Life Assurance Board

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## AUDITED FINANCIAL RESULTS for the year ended 31 December 2022

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

Notes	Inflation adjusted		*Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	50 948 126 262	30 260 873 938	50 948 126 262	8 802 910 388
Treasury bills	16 762 999 295	8 285 750 617	16 762 999 295	2 410 330 922
Advances and other accounts	63 638 407 221	40 021 778 126	63 638 407 221	11 642 364 564
Inventories	284 064 167	186 854 152	277 343 553	51 396 033
Trade and other receivables	11 409 057 738	6 486 457 466	11 409 057 738	1 886 915 227
Financial assets at fair value through profit or loss	8 216 967 339	7 228 386 606	8 216 967 339	2 102 742 957
Financial assets held at amortised cost	652 589 276	967 032 023	652 589 276	281 310 324
Investment in subsidiary company	21 076 646 584	12 387 825 532	21 076 646 584	3 602 074 649
Right of use assets	2 183 594 758	1 627 607 937	1 108 645 780	370 494 540
Intangible assets	1 381 328 181	587 672 171	628 356 561	18 697 076
Property and equipment	23 806 139 153	19 249 517 645	23 806 139 153	5 596 203 093
<b>Total assets</b>	<b>200 359 919 974</b>	<b>127 289 756 213</b>	<b>198 525 194 834</b>	<b>36 765 439 773</b>
<b>LIABILITIES</b>				
Deposits from customers	107 487 376 967	67 964 837 457	107 487 376 967	19 771 020 986
Offshore borrowings	6 714 466 000	2 261 634 883	6 714 466 000	657 911 243
Trade and other payables	21 660 173 247	12 199 198 177	21 660 173 247	3 548 755 685
Lease liabilities	5 914 043 472	1 341 688 877	5 914 043 472	390 298 251
Current tax liabilities	425 272 350	144 820 783	425 272 350	42 128 498
Deferred tax liabilities	1 839 374 606	3 829 382 926	1 704 172 100	1 096 543 548
<b>Total liabilities</b>	<b>144 040 706 642</b>	<b>87 741 563 103</b>	<b>143 905 504 136</b>	<b>25 506 658 211</b>
<b>EQUITY AND RESERVES</b>				
Share capital	415 178 768	415 178 768	1 810 402	1 810 402
Share premium	7 558 253 774	7 558 253 774	32 958 032	32 958 032
Functional currency translation reserve	-	-	45 437 973	45 437 973
Property revaluation reserves	23 753 707 081	18 747 155 276	17 806 687 631	4 551 678 847
Investment reserves	(1 684 591 291)	(6 021 691)	(1 684 591 291)	(1 751 715)
Retained income	26 276 665 000	12 833 626 983	38 417 387 951	6 628 648 023
<b>Total equity</b>	<b>56 319 213 332</b>	<b>39 548 193 110</b>	<b>54 619 690 698</b>	<b>11 258 781 562</b>
<b>Total equity and liabilities</b>	<b>200 359 919 974</b>	<b>127 289 756 213</b>	<b>198 525 194 834</b>	<b>36 765 439 773</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	Inflation adjusted		*Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Interest received	24 174 797 828	12 430 516 490	18 078 001 342	2 942 292 044
Interest paid	(5 424 864 690)	(2 070 405 079)	(4 034 214 924)	(489 495 270)
<b>Net interest and related income received</b>	<b>18 749 933 138</b>	<b>10 360 111 411</b>	<b>14 043 786 418</b>	<b>2 452 796 774</b>
Loan impairment charges, net of recoveries	(6 739 074 679)	(2 059 999 984)	(4 854 228 135)	(474 789 188)
<b>Net income from lending activities</b>	<b>12 010 858 459</b>	<b>8 300 111 427</b>	<b>9 189 558 283</b>	<b>1 978 007 586</b>
Commission and fee income	14 807 692 071	10 791 014 634	10 976 479 988	2 514 743 868
Operating income	16 310 689 131	3 791 516 041	14 760 156 324	1 023 081 741
Fair value adjustments	8 778 084 698	9 910 243 245	22 689 395 302	3 976 150 490
<b>Total income</b>	<b>51 907 324 359</b>	<b>32 792 885 347</b>	<b>57 615 589 897</b>	<b>9 491 983 685</b>
Operating expenses	(36 188 098 361)	(24 379 772 773)	(24 226 785 782)	(4 352 066 849)
<b>Operating profit before taxation</b>	<b>15 719 225 998</b>	<b>8 413 112 574</b>	<b>33 388 804 115</b>	<b>5 139 916 836</b>
Income tax credit / (expense)	416 514 399	(383 999 252)	(1 088 681 517)	(795 832 014)
Effects of inflation adjustments	(1 613 169 390)	(1 616 223 718)	-	-
<b>Profit for the year</b>	<b>14 522 571 007</b>	<b>6 412 889 604</b>	<b>32 300 122 598</b>	<b>4 344 084 822</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Gain on revaluation-property, plant and equipment	6 653 312 032	18 349 991 712	15 994 209 967	4 448 325 753
<b>Items that may be reclassified to profit or loss</b>				
Fair value gains on FVTOCI financial assets	(2 235 440 457)	189 581	(2 235 440 457)	55 149
Related tax	(1 065 639 209)	(4 536 164 815)	(2 158 080 165)	(811 827 648)
<b>Other comprehensive income net of tax</b>	<b>3 352 232 366</b>	<b>13 814 016 478</b>	<b>11 600 689 345</b>	<b>3 636 553 254</b>
<b>Total comprehensive income for the year</b>	<b>17 874 803 373</b>	<b>20 226 906 082</b>	<b>43 900 811 943</b>	<b>7 980 638 076</b>
Basic earnings per share (ZW cents)	80.22	35.42	178.41	24.00

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Inflation adjusted					Total ZWS
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI reserve ZWS	Retained income ZWS	
Balance at 1 January 2021	415 178 768	7 558 253 774	4 955 782 063	(9 908 495)	8 754 563 038	21 673 869 148
<b>Changes in equity for 2021</b>						
<b>Profit or loss</b>						
Profit for the year	-	-	-	-	6 412 889 604	6 412 889 604
<b>Other comprehensive income, net of tax</b>						
Revaluation of property	-	-	13 813 873 761	-	13 813 873 761	13 813 873 761
Fair value gains on financial assets at FVTOCI	-	-	-	142 717	142 717	142 717
<b>Distributions</b>						
Dividend to shareholders	-	-	-	-	(2 356 326 207)	(2 356 326 207)
<b>Other movements</b>						
Transfer to retained income	-	-	(22 500 548)	-	22 500 548	-
Effects of inflation adjustments	-	-	-	3 744 087	-	3 744 087
Balance 1 January 2022	415 178 768	7 558 253 774	18 747 155 276	(6 021 691)	12 833 626 983	39 548 193 110
<b>Changes in equity for 2022</b>						
<b>Profit or loss</b>						
Profit for the year	-	-	-	-	14 522 571 007	14 522 571 007
<b>Other comprehensive income, net of tax</b>						
Revaluation of property	-	-	5 035 071 942	-	5 035 071 942	5 035 071 942
Fair value gains on financial assets at FVTOCI	-	-	-	(1 682 839 576)	-	(1 682 839 576)
<b>Distributions</b>						
Dividend to shareholders	-	-	-	-	(1 108 053 127)	(1 108 053 127)
<b>Other movements</b>						
Transfer to retained income	-	-	(28 520 137)	-	28 520 137	-
Effects of inflation adjustments	-	-	-	4 269 976	-	4 269 976
Balance as at 31 December 2022	415 178 768	7 558 253 774	23 753 707 081	(1 684 591 291)	26 276 665 000	56 319 213 332

### STATEMENT OF CHANGES IN EQUITY For the year ended 1 December 2022


	*Unaudited historical cost						
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2021	1 810 402	32 958 032	45 437 973	919 239 238	(1 793 231)	2 808 343 224	3 805 995 638
<b>Changes in equity for 2021</b>							
<b>Profit or loss</b>							
Profit for the year	-	-	-	-	-	4 344 084 822	4 344 084 822
<b>Other comprehensive income, net of tax</b>							
Revaluation of property	-	-	-	3 636 511 738	-	3 636 511 738	3 636 511 738
Fair value gains on financial assets at FVTOCI	-	-	-	-	41 516	41 516	41 516
<b>Distributions</b>							
Dividend to shareholders	-	-	-	-	-	(527 852 152)	(527 852 152)
<b>Other movements</b>							
Transfer to retained income	-	-	-	(4 072 129)	-	4 072 129	-
Balance as at 1 January 2022	1 810 402	35 958 032	45 437 973	4 551 678 847	(1 751 715)	6 628 648 023	11 258 781 562
<b>Changes in equity for 2022</b>							
<b>Profit or loss</b>							
Profit for the year	-	-	-	-	-	32 300 122 598	32 300 122 598
<b>Other comprehensive income, net of tax</b>							
Revaluation of property	-	-	-	13 283 528 921	-	13 283 528 921	13 283 528 921
Fair value gains on financial assets at FVTOCI	-	-	-	-	(1 682 839 576)	(1 682 839 576)	(1 682 839 576)
<b>Distributions</b>							
Dividend to shareholders	-	-	-	-	-	(539 902 807)	(539 902 807)
<b>Other movements</b>							
Transfer to retained income	-	-	-	(28 520 137)	-	28 520 137	-
Balance as at 31 December 2022	1 810 402	32 958 032	45 437 973	17 806 687 631	(1 684 591 291)	38 417 387 951	54 619 690 698

### STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	Inflation adjusted		*Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Cash generated from / (used in) operating activities</b>	<b>3 141 606 074</b>	<b>(3 050 017 152)</b>	<b>27 810 729 473</b>	<b>2 181 953 773</b>
Interest received	24 174 797 828	12 430 516 490	18 078 001 342	2 942 292 044
Interest paid	(5 424 864 690)	(2 070 405 079)	(4 034 214 924)	(489 495 270)
Interest paid lease liability	(606 767 994)	(248 214 046)	(508 029 915)	(48 284 297)
Interest paid offshore borrowings	(427 460 077)	(110 357 750)	(329 280 095)	(25 305 278)
Income taxes paid	(2 358 681 653)	(2 333 693 501)	(2 255 989 278)	(651 435 768)
<b>Net cash generated from operating activities</b>	<b>18 498 629 488</b>	<b>4 617 828 962</b>	<b>38 761 216 603</b>	<b>3 909 725 204</b>
<b>Investing activities</b>				
Dividends received	303 900 630	830 226 079	216 804 845	204 763 159
Proceeds on disposal of financial assets at FVTPL	-	1 371 695 661	-	299 606 419
Proceeds on disposal of property and equipment	11 135 911	15 775 050	10 400 679	4 588 973
Purchase of financial assets at fair value through profit or loss	-	(92 438 432)	-	(26 890 407)
Purchase of financial assets at amortised cost	(1 386 924 704)	(1 655 589 567)	(772 249 473)	(358 028 370)
Purchase of property and equipment	(1 108 972 629)	(494 119 084)	(3 569 565 714)	(122 154 414)
Purchase of intangible assets	(1 003 876 012)	(24 500 811)	(616 747 383)	(7 127 304)
<b>Net cash used in investing activities</b>	<b>(6 315 736 804)</b>	<b>(48 951 104)</b>	<b>(4 731 357 046)</b>	<b>(5 241 944)</b>
<b>Cash flows from financing activities</b>				
Offshore loan received	27 654 623 423	1 706 226 861	20 316 275 173	496 342 643
Lease capital payments	(1 705 496 960)	(627 214 612)	(1 147 403 003)	(143 821 705)
Dividend paid	(1 108 053 127)	(2 356 326 207)	(539 902 807)	(527 852 152)
Offshore repayments	(26 442 743 530)	(683 326 124)	(20 619 642 880)	(161 408 375)
<b>Net cash used in financing activities</b>	<b>(1 601 670 194)</b>	<b>(1 960 640 082)</b>	<b>(1 990 673 517)</b>	<b>(336 739 589)</b>
<b>Net increase in cash and cash equivalents at the beginning of the year</b>	<b>10 581 222 490</b>	<b>2 608 237 776</b>	<b>32 039 186 040</b>	<b>3 567 743 671</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3</b>			

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

## 2. TREASURY BILLS (continued)

- The Bank invested in treasury bills issued by the RBZ over a period ranging from 90 days to 9 months which were at rates ranging from 8% to 92% (December 2021: 5% to 21%).
- The Bank purchased treasury bills from the secondary market. These treasury bills have coupon rates ranging from 0% to 5% (December 2021: 5% to 15%) with a maturity period of 2 years to 10 years.
- The Bank received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2021: 5%) and maturity periods ranging from 4 years to 10 years (December 2021: 3.5 months to 10 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to \$665 078 million (2021: \$1.174 million) and US\$9.033 million (2021: US\$4.114) were used as security for the Bank to access fixed deposits.

## 2.2 Determination of fair value of treasury bills

The fair value of treasury bills was determined using level 2 inputs due to lack of active market for treasury bills which are classified as "FVTPL". The Bank used the discounted cash flow valuation technique by applying a risk discounted rate for comparable risk profiles on the contractual cash flows in order to determine the present value of the treasury bills.

The CTBs are carried at amortised cost, which cost having been established at fair value at initial recognition using a Discounted Cash Flow valuation technique in which an assessed discount rate of 5% was applied as a proxy for trade on similar instruments.

The fair value of treasury bills classified as FVTPL was determined by discounting the future cash flows at the prevailing Reserve Bank coupon rates which are floated at the time of bidding in order to determine the present value of the treasury bills.

## 2.3 Impairment assessment of treasury bills

Treasury bills were assessed for ECL in the current year in line with IFRS 9. Treasury bills, being local sovereign exposures have been assessed as "low risk" instruments and there were no defaults recorded in past on all Government Instruments. The amount of ECL was insignificant as such no adjustment for impairment was recognized.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>3. ADVANCES AND OTHER ACCOUNTS</b>				
<b>3.1. Loans, overdrafts and other accounts at amortised cost</b>				
Mortgage loans	62 692 032 611	35 254 812 132	62 692 032 611	10 255 650 666
*Finance leases	2 176 046 601	1 051 068 426	2 176 046 601	305 756 575
Bills discounted	2 715 035 335	4 646 584 656	2 715 035 335	1 351 694 879
Gross advances	138 277 282	1 394 263 249	138 277 282	405 592 200
<b>Off balance sheet exposures</b>				
In respect of guarantees	3 133 776 126	2 849 843 045	3 133 776 126	829 021 429
In respect of loan commitments	6 864 150 031	2 665 113 312	6 864 150 031	775 283 414
	9 997 926 157	5 514 956 357	9 997 926 157	1 604 304 843
<b>Gross credit exposure</b>	<b>77 719 317 986</b>	<b>47 861 684 820</b>	<b>77 719 317 986</b>	<b>13 922 999 163</b>
<b>Gross advances</b>	<b>67 721 391 829</b>	<b>42 346 728 463</b>	<b>67 721 391 829</b>	<b>12 318 694 320</b>
Less: Allowance for loan impairment	(4 082 984 608)	(2 324 950 337)	(4 082 984 608)	(676 329 756)
<b>Net advances</b>	<b>63 638 407 221</b>	<b>40 021 778 126</b>	<b>63 638 407 221</b>	<b>11 642 364 564</b>
<b>3.2 Maturity analysis</b>				
- On demand	2 944 955 461	3 227 323 545	2 944 955 461	938 830 782
- Within 1 month	1 166 870 363	1 776 347 277	1 166 870 363	516 740 724
- Between 1 and 6 months	12 736 951 314	4 238 656 701	12 736 951 314	1 233 028 338
- Between 6 and 12 months	18 339 842 054	5 698 181 809	18 339 842 054	1 657 605 261
- After 12 months	42 530 698 794	32 921 175 488	42 530 698 794	9 576 794 058
	77 719 317 986	47 861 684 820	77 719 317 986	13 922 999 163
<b>3.3 Loans and advances by business line:</b>				
Corporate lending	56 721 125 386	26 428 241 906	56 721 125 386	7 687 994 923
Small business lending	2 740 647 985	1 468 862 795	2 740 647 985	427 293 263
Consumer lending	16 081 498 014	18 913 511 693	16 081 498 014	5 501 954 402
Mortgage lending	2 176 046 601	1 051 068 426	2 176 046 601	305 756 575
	77 719 317 986	47 861 684 820	77 719 317 986	13 922 999 163
<b>3.4 Mortgage loans</b>				
Mortgage advances were spread as follows:				
<b>Type of property:</b>				
High density	112 073 879	19 462 102	112 073 879	5 661 540
Medium density	113 068 564	21 923 650	113 068 564	6 377 606
Low density	1 267 139 714	990 593 251	1 267 139 714	288 164 302
Commercial	683 764 444	19 089 423	683 764 444	5 553 127
	2 176 046 601	1 051 068 426	2 176 046 601	305 756 575
<b>3.5 Finance lease receivables</b>				
Gross investment in finance leases:				
Maturing within 1 year	1 433 065 020	5 244 166 976	1 433 065 020	1 525 532 013
Maturing after 1 year	9 660 162 816	7 052 084 584	9 660 162 816	2 051 456 570
Gross investment in finance leases	11 093 227 836	12 296 251 560	11 093 227 836	3 576 988 583
Unearned finance charges	(8 378 192 501)	(7 649 666 904)	(8 378 192 501)	(2 225 293 704)
Net investment in finance leases	2 715 035 335	4 646 584 656	2 715 035 335	1 351 694 879
Maturing within 1 year	427 547 783	2 134 672 305	427 547 783	620 977 737
Maturing after 1 year	2 287 487 552	2 511 912 351	2 287 487 552	730 717 142
	2 715 035 335	4 646 584 656	2 715 035 335	1 351 694 879

	Inflation adjusted				Unaudited Historical cost			
	31 Dec 2022 ZWS	Contribution %	31 Dec 2021 ZWS	Contribution %	31 Dec 2022 ZWS	Contribution %	31 Dec 2021 ZWS	Contribution %
<b>3.6 Sectoral analysis of advances</b>								
Private	18 521 403 775	27.35%	20 271 573 346	47.86%	18 521 403 775	27.36%	5 897 015 531	47.87%
Agriculture	3 106 243 234	4.59%	4 068 731 909	9.61%	3 106 243 234	4.59%	1 183 597 092	9.61%
Mining	11 446 508 998	16.90%	1 645 691 245	3.89%	11 446 508 998	16.90%	478 732 788	3.89%
Manufacturing	1 999 182 489	2.95%	771 966 230	1.82%	1 999 182 489	2.95%	224 565 542	1.82%
Distribution	6 286 441 935	9.28%	2 455 336 815	5.80%	6 286 441 935	9.28%	714 259 277	5.79%
Construction	251 975 480	0.37%	83 774 047	0.20%	251 975 480	0.37%	24 369 932	0.20%
Transport	3 715 834 227	5.49%	1 554 000 759	3.67%	3 715 834 227	5.49%	452 059 959	3.67%
Services	18 129 745 483	26.77%	9 729 182 545	22.98%	18 129 745 483	26.77%	2 830 226 328	22.95%
Financial	4 256 049 658	6.28%	1 593 873 975	3.76%	4 256 049 658	6.28%	463 659 107	3.86%
Communication	8 006 550	0.01%	172 597 592	0.41%	8 006 550	0.01%	50 208 764	0.41%
	67 721 391 829	100%	42 346 728 463	100%	67 721 391 829	100%	12 318 694 320	100%
<b>3.7 Sectoral analysis of guarantees</b>								
Manufacturing	3 045 948 099	97.20%	2 703 272 638	94.86%	3 045 948 099	97.20%	786 383 990	94.86%
Distribution	41 020 464	1.31%	114 101 074	4.00%	41 020 464	1.31%	33 192 086	4%
Construction	-	-	3 231 343	0.11%	-	-	940 000	0.11%
Services	46 807 563	1.49%	29 237 990	1.03%	46 807 563	1.49%	8 505 353	1.03%
	3 133 776 126	100%	2 849 843 045	100%	3 133 776 126	100%	829 021 429	100%
<b>3.8 Sectoral analysis of loan commitments</b>								
Private	-	-	66 251 090	2.49%	-	-	19 272 491	2.49%
Agriculture	1 184 716 731	17.27%	19 912 019	0.75%	1 184 716 731	17.27%	5 792 421	0.75%
Mining	43 766 562	0.64%	-	-	43 766 562	0.64%	-	-
Manufacturing	1 234 835 807	17.99%	121 225 442	4.55%	1 234 835 807	17.99%	35 264 570	4.55%
Distribution	578 852 049	8.43%	503 986 597	18.91%	578 852 049	8.43%	146 610 070	18.91%
Construction	6 396 893	0.09%	397 661 828	14.92%	6 396 893	0.09%	115 680 117	14.92%
Transport	1 200 847 525	17.49%	79 759 832	2.99%	1 200 847 525	17.49%	23 202 194	2.99%
Communication	40 649 141	0.59%	-	-	40 649 141	0.59%	-	-
Services	2 568 063 257	37.41%	1 395 722 435	52.37%	2 568 063 257	37.41%	406 016 678	52.37%
Financial Services	6 022 066	0.09%	80 594 069	3.02%	6 022 066	0.09%	23 444 873	3.02%
Total	6 864 150 031	100%	2 665 113 312	100%	6 864 150 031	100%	775 283 414	100%

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>3.9 Non-performing debt</b>				
Non-performing loans and advances	223 367 943	1 707 588 402	223 367 943	496 738 717
Less: Allowance for loan impairment	(75 028 348)	(1 606 755 559)	(75 028 348)	(467 406 369)
Value to be received from security held	148 339 595	100 832 843	148 339 595	29 332 348

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Bank discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW\$5 410 066 340 as at 31 December 2022(2021: ZW\$16 635 882).

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>3.10 Loan impairment movement</b>				
Balance at beginning of the year	2 324 950 337	1 381 016 582	676 329 756	249 935 161
Write offs charged to provision	(2 658 081 717)	(936 615 291)	(1 386 754 759)	(314 388)
Charge to statement of profit or loss (note 23)	6 593 695 184	1 881 629 784	4 793 409 611	426 708 983
Effects of inflation adjustment	(2 177 579 196)	(1 080 738)	-	-
Balance at end of the year	4 082 984 608	2 324 950 337	4 082 984 608	676 329 756

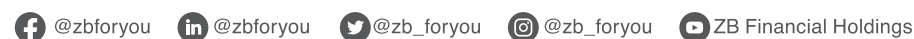
## 3.11 Internal rating grade:

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

	Inflation adjusted							
	STAGE 1 ZWS		STAGE 2 ZWS		STAGE 3 ZWS		2021 TOTAL ZWS	
	ECL STAGE CLASSIFICATION							
<b>3.11.1 Total loans and advances</b>								
Good (AAA - A)	65 786 422 211	-	-	65 786 422 211	40 254 254 339	-	-	40 254 254 339
Special mention (BBB+ - CCC-)	-	1 711 601 675	-	1 711 601 675	-	384 885 721	-	384 885 721
Non performing (CC - D)	-	-	223 367 943	223 367 943	-	-	1 707 588 403	1 707 588 403
<b>Total</b>	<b>65 786 422 211</b>	<b>1 711 601 675</b>	<b>223 367 943</b>	<b>67 721 391 829</b>	<b>40 254 254 339</b>	<b>384 885 721</b>	<b>1 707 588 403</b>	<b>42 346 728 463</b>
<b>Corporate lending</b>								
Good (AAA - A)	45 346 023 842	-	-	45 346 023 842	19 165 369 891	-	-	19 165 369 891
Special mention (BBB+ - CCC-)	-	1 348 278 989	-	1 348 278 989	-	123 175 385	-	123 175 385
Non performing (CC - D)	-	-	28 896 398	28 896 398	-	-	1 624 740 268	1 624 740 268
<b>Total</b>	<b>45 346 023 842</b>	<b>1 348 278 989</b>	<b>28 896 398</b>	<b>46 723 199 229</b>	<b>19 165 369 891</b>	<b>123 175 385</b>	<b>1 624 740 268</b>	<b>20 913 285 544</b>
<b>Small business lending</b>								
Good (AAA - A)	2 641 153 618	-	-	2 641 153 618	1 336 130 174	-	-	1 336 130 174
Special mention (BBB+ - CCC-)	-	19 193 390	-	19 193 390	-	121 320 105	-	121 320 105
Non performing (CC - D)	-	-	80 300 977	80 300 977	-	-	11 412 519	11 412 519
<b>Total</b>	<b>2 641 153 618</b>	<b>19 193 390</b>	<b>80 300 977</b>	<b>2 740 647 985</b>	<b>1 336 130 174</b>	<b>121 320 105</b>	<b>11 412 519</b>	<b>1 468 862 798</b>
<b>Consumer lending</b>								
Good (AAA - A)	15 725 073 391	-	-	15 725 073 391	18 741 028 619	-	-	18 741 028 619
Special mention (BBB+ - CCC-)	-	252 473 029	-	252 473 029	-	139 371 299	-	139 371 299
Non performing (CC - D)	-	-	103 951 594	103 951 594	-	-	33 111 775	33 111 775
<b>Total</b>	<b>15 725 073 391</b>	<b>252 473 029</b> </						

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

## 3.12 Impairment allowance for loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>3.12.1 Total loans and advances</b>								
Good (AAA to -A)	3 620 441 028	-	-	3 620 441 028	616 211 318	-	-	616 211 318
Special Mention (BBB+ to B)	-	387 515 232	-	387 515 232	-	101 983 460	-	101 983 460
Non performing (CC TO D)	-	-	75 028 348	75 028 348	-	-	1 606 755 559	1 606 755 559
<b>TOTAL</b>	<b>3 620 441 028</b>	<b>387 515 232</b>	<b>75 028 348</b>	<b>4 082 984 608</b>	<b>616 211 318</b>	<b>101 983 460</b>	<b>1 606 755 559</b>	<b>2 324 950 337</b>
<b>Corporate Lending</b>								
Good (AAA to -A)	2 849 835 271	-	-	2 849 835 271	28 857 816	-	-	28 857 816
Special Mention (BBB+ to B)	-	296 643 087	-	296 643 087	-	19 016 754	-	19 016 754
Non performing (CC TO D)	-	-	8 935 369	8 935 369	-	-	1 581 839 329	1 581 839 329
<b>TOTAL</b>	<b>2 849 835 271</b>	<b>296 643 087</b>	<b>8 935 369</b>	<b>3 155 413 727</b>	<b>28 857 816</b>	<b>19 016 754</b>	<b>1 581 839 329</b>	<b>1 629 713 899</b>
<b>Small business Lending</b>								
Good (AAA to -A)	156 160 214	-	-	156 160 214	76 669 436	-	-	76 669 436
Special Mention (BBB+ to B)	-	777 578	-	777 578	-	48 485 815	-	48 485 815
Non performing (CC TO D)	-	-	29 454 771	29 454 771	-	-	2 917 046	2 917 046
<b>TOTAL</b>	<b>156 160 214</b>	<b>777 578</b>	<b>29 454 771</b>	<b>186 392 563</b>	<b>76 669 436</b>	<b>48 485 815</b>	<b>2 917 046</b>	<b>128 072 297</b>
<b>Consumer Lending</b>								
Good (AAA to -A)	559 075 984	-	-	559 075 984	484 714 167	-	-	484 714 167
Special Mention (BBB+ to B)	-	62 694 707	-	62 694 707	-	34 228 544	-	34 228 544
Non performing (CC TO D)	-	-	35 537 640	35 537 640	-	-	19 475 092	19 475 092
<b>TOTAL</b>	<b>559 075 984</b>	<b>62 694 707</b>	<b>35 537 640</b>	<b>657 308 331</b>	<b>484 714 167</b>	<b>34 228 544</b>	<b>19 475 092</b>	<b>538 417 803</b>
<b>Mortgage Lending</b>								
Good (AAA to -A)	55 369 559	-	-	55 369 559	25 969 899	-	-	25 969 899
Special Mention (BBB+ to B)	-	27 399 860	-	27 399 860	-	252 347	-	252 347
Non performing (CC TO D)	-	-	1 100 568	1 100 568	-	-	2 524 092	2 524 092
<b>TOTAL</b>	<b>55 369 559</b>	<b>27 399 860</b>	<b>1 100 568</b>	<b>83 869 987</b>	<b>25 969 899</b>	<b>252 347</b>	<b>2 524 092</b>	<b>28 746 338</b>

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>3.12.1 Total loans and advances</b>								
Good (AAA to -A)	3 620 441 028	-	-	3 620 441 028	179 256 324	-	-	179 256 324
Special Mention (BBB+ to B)	-	387 515 232	-	387 515 232	-	29 667 063	-	29 667 063
Non performing (CC TO D)	-	-	75 028 348	75 028 348	-	-	467 406 369	467 406 369
<b>TOTAL</b>	<b>3 620 441 028</b>	<b>387 515 232</b>	<b>75 028 348</b>	<b>4 082 984 608</b>	<b>179 256 324</b>	<b>29 667 063</b>	<b>467 406 369</b>	<b>676 329 756</b>
<b>Corporate Lending</b>								
Good (AAA to -A)	2 849 835 271	-	-	2 849 835 271	8 394 760	-	-	8 394 760
Special Mention (BBB+ to B)	-	296 643 087	-	296 643 087	-	5 531 988	-	5 531 988
Non performing (CC TO D)	-	-	8 935 369	8 935 369	-	-	460 158 219	460 158 219
<b>TOTAL</b>	<b>2 849 835 271</b>	<b>296 643 087</b>	<b>8 935 369</b>	<b>3 155 413 727</b>	<b>8 394 760</b>	<b>5 531 988</b>	<b>460 158 219</b>	<b>474 084 967</b>
<b>Small business Lending</b>								
Good (AAA to -A)	156 160 214	-	-	156 160 214	22 303 195	-	-	22 303 195
Special Mention (BBB+ to B)	-	777 578	-	777 578	-	14 104 559	-	14 104 559
Non performing (CC TO D)	-	-	29 454 771	29 454 771	-	-	848 571	848 571
<b>TOTAL</b>	<b>156 160 214</b>	<b>777 578</b>	<b>29 454 771</b>	<b>186 392 563</b>	<b>22 303 195</b>	<b>14 104 559</b>	<b>848 571</b>	<b>37 256 325</b>
<b>Consumer Lending</b>								
Good (AAA to -A)	559 075 984	-	-	559 075 984	141 003 706	-	-	141 003 706
Special Mention (BBB+ to B)	-	62 694 707	-	62 694 707	-	9 957 108	-	9 957 108
Non performing (CC TO D)	-	-	35 537 640	35 537 640	-	-	5 665 319	5 665 319
<b>TOTAL</b>	<b>559 075 984</b>	<b>62 694 707</b>	<b>35 537 640</b>	<b>657 308 331</b>	<b>141 003 706</b>	<b>9 957 108</b>	<b>5 665 319</b>	<b>156 626 133</b>
<b>Mortgage Lending</b>								
Good (AAA to -A)	55 369 559	-	-	55 369 559	7 554 663	-	-	7 554 663
Special Mention (BBB+ to B)	-	27 399 860	-	27 399 860	-	73 408	-	73 408
Non performing (CC TO D)	-	-	1 100 568	1 100 568	-	-	734 260	734 260
<b>TOTAL</b>	<b>55 369 559</b>	<b>27 399 860</b>	<b>1 100 568</b>	<b>83 869 987</b>	<b>7 554 663</b>	<b>73 408</b>	<b>734 260</b>	<b>8 362 331</b>

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>3.12.2 Financial guarantees and loan commitments</b>								
<b>Guarantees</b>								
Good (AAA to -A)	315 142 225	-	-	315 142 225	131 584 536	-	-	131 584 536
<b>TOTAL</b>	<b>315 142 225</b>	<b>-</b>	<b>-</b>	<b>315 142 225</b>	<b>131 584 536</b>	<b>-</b>	<b>-</b>	<b>131 584 536</b>
<b>Loan commitments</b>								
Good (AAA to -A)	26 134 882	-	-	26 134 882	5 458 697	-	-	5 458 697
<b>TOTAL</b>	<b>26 134 882</b>	<b>-</b>	<b>-</b>	<b>26 134 882</b>	<b>5 458 697</b>	<b>-</b>	<b>-</b>	<b>5 458 697</b>

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>Guarantees</b>								
Good (AAA to -A)	315 142 225	-	-	315 142 225	38 278 037	-	-	38 278 037
<b>TOTAL</b>	<b>315 142 225</b>	<b>-</b>	<b>-</b>	<b>315 142 225</b>	<b>38 278 037</b>	<b>-</b>	<b>-</b>	<b>38 278 037</b>
<b>Loan commitments</b>								
Good (AAA to -A)	26 134 882	-	-	26 134 882	1 587 939	-	-	1 587 939
<b>TOTAL</b>	<b>26 134 882</b>	<b>-</b>	<b>-</b>	<b>26 134 882</b>	<b>1 587 939</b>	<b>-</b>	<b>-</b>	<b>1 587 939</b>

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>3.12.3 Other financial assets</b>								
<b>Bonds</b>								
Good (AAA+ - A)	6 591 447	-	-	6 591 447	45 084 770	-	-	45 084 770
<b>TOTAL</b>	<b>6 591 447</b>	<b>-</b>	<b>-</b>	<b>6 591 447</b>	<b>45 084 770</b>	<b>-</b>	<b>-</b>	<b>45 084 770</b>

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2022 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$
<b>Bonds</b>								
Good (AAA+ - A)	6 591 447	-	-	6 591 447	13 115 193	-	-	13 115 193
<b>TOTAL</b>	<b>6 591 447</b>	<b>-</b>	<b>-</b>	<b>6 591 447</b>	<b>13 115 193</b>	<b>-</b>	<b>-</b>	<b>13 115 193</b>

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$

## 4. INVENTORIES

	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Point of sale machines	8 362 054	26 433	8 164 218	7 270
Stationery	264 693 637	167 246 483	258 431 306	46 002 757
Fuel	9 885 873	12 085 650	9 651 985	3 324 274
PPE materials	1 040 776	7 205 128	1 016 153	1 981 840
ATM spares	75 653	268 539	73 863	73 864
Computer consumables	6 174	21 919	6 028	6 028
<b>TOTAL</b>	<b>284 064 167</b>	<b>186 854 152</b>	<b>277 343 553</b>	<b>51 396 033</b>
Current	284 064 167	186 854 152	277 343 553	51 396 033

## 5. TRADE AND OTHER RECEIVABLES






	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
Accrued interest	1 670 959	-	1 670 959	-
Remittances in transit	-	2 074	-	603
Advance payments and sundry assets	10 524 239 236	6 225 299 953	10 524 239 236	1 810 944 316
Amounts clearing from other Banks	883 147 543	261 155 439	883 147 543	75 970 308
<b>TOTAL</b>	<b>11 409 057 738</b>	<b>6 486 457 466</b>	<b>11 409 057 738</b>	<b>1 886 915 227</b>

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<b>6.1 Carrying amounts</b>				
Unlisted equities	7 545 136 564	6 838 521 565	7 545 136 564	1 989 330 930
Listed equity investments	671 830 775	389 865 041	671 830 775	113 412 027
<b>TOTAL</b>	<b>8 216 967 339</b>	<b>7 228 386 606</b>	<b>8 216 967 339</b>	<b>2 102 742 957</b>
<b>6.2 Movement of financial assets at fair value through profit or loss</b>				
Balance at beginning of the year	7 228 386 606	2 241 038 757	2 102 742 957	405 581 214
Movement during the year:				
- On listed equity investments	-	(1 371 695 661)	-	(299 606 419)
- On unlisted equity investments	7 228 386 606	961 781 528	2 102 742 957	132 865 202
Fair value adjustments:				
- On listed equity investments	(285 045 306)	843 113 759	(8 592 292)	218 930 703
- On unlisted equity investments	521 019 501	5 423 491 319	5 370 210 136	1 723 034 352
<b>TOTAL</b>	<b>7 464 360 801</b>	<b>7 228 386 606</b>	<b>7 464 360 801</b>	<b>2 074 830 257</b>
Exchange gains:				
- On listed equity investments	567 011 040	-	567 011 040	27 868 027
- On unlisted equity investments	185 595 498	-	185 595 498	44 673
<b>Balance at end of year</b>	<b>8 216 967 339</b>	<b>7 228 386 606</b>	<b>8 216 967 339</b>	<b>2 102 742 957</b>

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Unaudited Historical cost		
	Computer software ZWS	Capital work in progress ZWS	Total ZWS
<b>10. INTANGIBLE ASSETS (Continued)</b>			
<b>2022</b>			
<b>Cost or valuation</b>			
Balance at 1 January 2022	23 077 903	17 202 845	40 280 748
Additions	149 984 831	466 762 552	616 747 383
Balance at 31 December 2022	173 062 734	483 965 397	657 028 131
<b>Accumulated amortisation</b>			
Balance at 1 January 2022	21 583 672	-	21 583 672
Charge to income statement (Note 22)	7 087 898	-	7 087 898
Balance at 31 December 2022	28 671 570	-	28 671 570
<b>Carrying value at 31 December 2022</b>	<b>144 391 164</b>	<b>483 965 397</b>	<b>628 356 561</b>
<b>2021</b>			
<b>Cost or valuation</b>			
Balance at 1 January 2021	23 077 903	24 971 484	48 049 387
Additions	-	7 127 304	7 127 304
Other movements	-	(1 385 883)	(1 385 883)
Transfer to PPE	-	(13 510 060)	(13 510 060)
Balance at 31 December 2021	23 077 903	17 202 845	40 280 748
<b>Accumulated amortisation</b>			
Balance at 1 January 2021	20 608 039	-	20 608 039
Charge to income statement (Note 22)	975 633	-	975 633
Balance at 31 December 2021	21 583 672	-	21 583 672
<b>Carrying value at 31 December 2021</b>	<b>1 494 231</b>	<b>17 202 845</b>	<b>18 697 076</b>

	Inflation adjusted						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment, furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>							
<b>2022</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2022	587 630 997	6 460 950 014	10 150 430 113	13 585 597 639	2 461 820 007	199 629 452	33 446 058 222
Additions	-	15 803 249	733 687 133	579 389 232	749 351 625	2 161 741 390	4 239 972 629
Gains on revaluation	134 171 622	-	-	6 250 519 981	268 620 429	-	6 653 312 032
Disposals	-	(28 981 343)	-	(5 672 699)	(5 960 370)	-	(40 614 412)
Transfer between categories	-	1 610 406 684	169 666 466	-	(1 780 073 150)	-	(94 805 259)
Other movements	-	-	-	-	-	(94 805 259)	(94 805 259)
Balance at 31 December 2022	721 802 619	8 087 159 947	11 024 802 369	20 409 834 153	3 473 831 691	486 492 432	44 203 923 211
<b>Accumulated depreciation</b>							
Balance at 1 January 2022	56 762 619	6 069 084 334	2 940 396 398	3 424 670 044	1 519 659 467	185 967 715	14 196 540 577
Charge to statement of profit or loss (Note 22)	-	63 424 409	293 824 570	1 376 590 159	146 667 948	-	1 880 507 086
Disposals	-	(2 139 327)	(1 276 327)	(1 276 251)	(1 229 326)	-	(4 644 904)
Impairment	-	323 389 397	3 887 915 924	-	-	114 075 978	4 325 381 299
Balance at 31 December 2022	56 762 619	6 455 898 140	7 119 997 565	4 799 983 952	1 665 098 089	300 043 693	20 397 784 058
<b>Net book value at 31 December 2022</b>	<b>665 040 000</b>	<b>1 631 261 807</b>	<b>3 904 804 804</b>	<b>15 609 850 201</b>	<b>1 808 733 602</b>	<b>186 448 739</b>	<b>23 806 139 153</b>
<b>2021</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2021	463 935 158	2 384 918 141	2 474 605 367	6 308 760 699	2 184 391 796	496 894 182	14 313 505 343
Additions	-	30 109 847	111 697 423	135 077 073	137 503 951	79 730 790	494 119 084
Gains on revaluation	123 695 839	3 812 538 211	7 492 830 845	6 773 576 271	147 350 546	-	18 349 991 712
Disposals	-	-	(9 838 825)	(2 901 465)	(7 426 286)	-	(20 166 576)
Transfer from intangible assets	-	-	-	-	-	325 881 324	325 881 324
Inter Group transfers	-	-	-	-	-	(17 160 179)	(17 160 179)
Transfer between categories	-	233 383 815	81 135 303	371 085 061	-	(685 604 179)	-
Other movements	-	-	-	-	-	(112 486)	(112 486)
Balance at 31 December 2021	587 630 997	6 460 950 014	10 150 430 113	13 585 597 639	2 461 820 007	199 629 452	33 446 058 222
<b>Accumulated depreciation</b>							
Balance at 1 January 2021	56 762 619	1 992 438 208	931 995 675	2 483 683 640	1 413 406 288	185 967 715	7 064 254 145
Charge to statement of profit or loss (Note 22)	-	4 076 646 126	2 009 212 428	941 746 450	107 784 851	-	7 135 389 855
Disposals	-	-	(811 705)	(760 046)	(1 531 672)	-	(3 103 423)
Balance at 31 December 2021	56 762 619	6 069 084 334	2 940 396 398	3 424 670 044	1 519 659 467	185 967 715	14 196 540 577
<b>Net book value at 31 December 2021</b>	<b>530 868 378</b>	<b>391 865 680</b>	<b>7 210 033 715</b>	<b>10 160 927 595</b>	<b>942 160 540</b>	<b>13 661 737</b>	<b>19 249 517 645</b>

	Unaudited Historical cost						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment, furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
<b>2022</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2022	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522	5 978 699 745
Additions	-	14 134 137	616 027 230	404 831 338	589 889 342	2 083 442 186	3 708 324 233
Gains on revaluation	510 610 000	-	1 251 964 180	13 180 992 162	1 050 643 625	-	15 994 209 967
Disposals	-	-	(28 280 656)	(4 899 644)	(5 960 370)	-	(39 140 670)
Inter Group transfers	-	-	-	-	-	(138 758 520)	(138 758 520)
Transfer between categories	-	1 547 392 301	167 021 842	-	-	(1 714 414 143)	-
Other movements	-	-	-	-	-	(44 299 306)	(44 299 306)
Balance at 31 December 2022	665 040 000	1 705 280 487	4 142 701 228	16 798 297 908	1 961 267 087	186 448 739	25 459 035 449
<b>Accumulated depreciation</b>							
Balance at 1 January 2022	-	29 760 038	38 564 543	261 552 773	52 619 298	-	382 496 652
Charge to statement of profit or loss (Note 22)	-	44 258 642	201 423 091	928 108 733	101 143 513	-	1 274 933 979
Disposals	-	-	(2 091 210)	(1 213 799)	(1 229 326)	-	(4 534 335)
Balance at 31 December 2022	-	74 018 680	237 896 424	1 188 447 707	152 533 485	-	1 652 896 296
<b>Net book value at 31 December 2022</b>	<b>665 040 000</b>	<b>1 631 261 807</b>	<b>3 904 804 804</b>	<b>15 609 850 201</b>	<b>1 808 733 602</b>	<b>186 448 739</b>	<b>23 806 139 153</b>
<b>2021</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2021	73 689 726	87 440 441	290 425 362	737 281 010	160 492 884	56 271 197	1 405 600 620
Additions	-	7 366 853	26 886 004	30 856 236	40 000 000	17 045 321	122 154 414
Gain on revaluation	80 740 274	-	1 804 559 677	2 434 663 884	128 361 918	-	4 448 325 753
Inter-group transfers	-	-	-	-	-	(4 991 909)	(4 991 909)
Disposals	-	-	(2 862 121)	(844 038)	(2 160 312)	-	(5 866 471)
Transfer from intangible assets	-	-	-	-	-	13 510 060	13 510 060
Transfer between categories	-	48 946 755	16 959 710	15 416 960	-	(81 323 425)	-
Other movements	-	-	-	-	-	(32 722)	(32 722)
Balance at 31 December 2021	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522	5 978 699 745
<b>Accumulated depreciation</b>							
Balance at 1 January 2021	-	16 409 771	11 245 221	45 021 941	20 960 606	-	93 637 539
Charge to statement of profit or loss (Note 22)	-	13 350 267	27 555 448	216 751 930	32 104 256	-	289 761 901
Disposals	-	-	(236 126)	(221 098)	(445 564)	-	(902 788)
Balance at 31 December 2021	-	29 760 038	38 564 543	261 552 773	52 619 298	-	382 496 652
<b>Net book value at 31 December 2021</b>	<b>154 430 000</b>	<b>113 994 011</b>	<b>2 097 404 089</b>	<b>2 955 821 279</b>	<b>274 075 192</b>	<b>478 522</b>	<b>5 596 203 093</b>

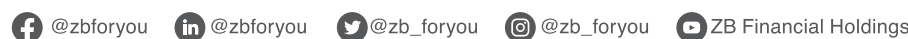
## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>12. DEPOSITS FROM CUSTOMERS</b>				
Current accounts	13 943 608 911	1 683 427 552	13 943 608 911	4 723 059 655
Savings and call accounts	79 528 569 914	16 235 984 069	79 528 569 914	11 698 748 674
Term deposits	10 093 143 488	40 215 604 073	10 093 143 488	2 859 502 349
Bank deposits	3 922 054 654	9 829 821 763	3 922 054 654	489 710 308
	107 487 376 967	67 964 837 457	107 487 376 967	19 771 020 986
Current	107 487 376 967	67 964 837 457	107 487 376 967	19 791 020 986
Non-current	-	-	-	-
	107 487 376 967	67 964 837 457	107 487 376 967	19 791 020 986
<b>Maturity analysis of deposits</b>				
On demand	95 042 568 426	46 945 571 951	95 042 568 426	13 656 501 258
Within 1 month	3 141 767 858	18 512 387 160	3 141 767 858	5 385 266 981
Between 1 and 6 months	9 153 040 052	1 540 543 704	9 153 040 052	448 145 292
Between 6 and 12 months	150 000 631	934 504 437	150 000 631	271 848 025
After 12 months	-	31 830 205	-	9 259 430
	107 487 376 967	67 964 837 457	107 487 376 967	19 771 020 986
<b>Secured and unsecured deposits analysis</b>				
Secured deposits	6 347 322 639	8 397 437 858	6 347 322 639	2 442 820 822
Unsecured deposits	101 140 054 328	59 567 399 599	101 140 054 328	17 328 200 164
	107 487 376 967	67 964 837 457	107 487 376 967	19 771 020 986

	Inflation adjusted				Unaudited Historical cost				
	31 Dec 2022 ZWS	Contribution	%	31 Dec 2021 ZWS	Contribution	%	31 Dec 2022 ZWS	Contribution	%
<b>Sectoral analysis of deposits</b>									
Private	16 447 133 654	15.30%	8 842 239 558	13.02%	16 447 133 654	15.30%	2 572 213 962	13.01%	
Agriculture	5 779 957 094	5.38%	3 507 823 088	5.16%	5 779 957 094	5.38%	1 020 428 305	5.16%	
Mining	2 450 824 504	2.28%	681 453 715	1.00%	2 450 824 504	2.28%	198 235 385	1.00%	
Manufacturing	5 878 224 461	5.47%	2 937 315 840	4.32%	5 878 224 461	5.47%	854 467 329	4.32%	
Distribution	3 823 031 709	3.56%	1 851 365 796	2.72%	3 823 031 709	3.56%	538 563 666	2.72%	
Construction	563 616 054	0.52%	839 741 533	1.24%	563 616 054	0.52%	244 281 427	1.24%	
Transport	585 086 764	0.54%	1 035 140 266	1.52%	585 086 764	0.54%	301 123 061	1.52%	
Services	48 343 157 523	44.98%	28 865 896 922	42.47%	48 343 157 523	44.98%	8 397 110 553	42.47%	

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>17. NET INTEREST AND RELATED INCOME</b>				
<b>17.1 Interest received</b>				
Interest received comprises interest on:				
-Advances	18 495 664 392	9 891 905 660	13 590 208 118	2 174 977 816
-Overdrafts	2 376 955 402	1 135 320 691	1 865 623 463	263 149 215
Establishment fees	1 432 660 951	208 086 966	941 022 097	219 200 480
Placements with other banks	218 663 825	-	155 262 740	60 274
Financial assets at amortised cost	236 946 677	238 161 193	203 226 409	57 834 549
Treasury bills at FVTPL	1 325 325 537	912 166 725	750 328 035	193 316 382
Treasury bills at FVTOCI	35 586 511	38 710 555	235 303 129	33 368 088
Other interest receivable categories	52 994 533	6 164 700	337 027 351	385 240
Total interest received	24 174 797 828	12 430 516 490	18 078 001 342	2 942 292 044
<b>17.2 Interest paid</b>				
Interest paid comprise interest on:				
Customer deposits	3 517 121 183	1 572 584 697	2 511 191 851	378 117 728
Placements from other banks	642 410 400	100 303 483	543 064 362	26 336 071
Other interest expense categories	1 265 333 107	397 516 899	979 958 711	85 041 471
Total interest paid	5 424 864 690	2 070 405 079	4 034 214 924	489 495 270
Net interest received	18 749 933 138	10 360 111 411	14 043 786 418	2 452 796 774
<b>18. ANALYSIS OF LOAN IMPAIRMENT CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS</b>				
Impairment charges on loans and overdrafts (Note 3.10)	6 593 695 184	1 881 629 784	4 793 409 611	426 708 983
Impairment charges on other financial assets (Note 7.3)	24 177 119	50 171 499	(6 523 746)	11 578 240
Impairment charges on guarantees (Note 24.2)	349 434 489	131 205 840	276 864 188	37 445 505
Impairment charges on undrawn facilities (Note 24.3)	48 049 379	5 351 661	24 546 943	957 780
Recoveries during the year	(276 281 492)	(8 358 800)	(234 068 861)	(1 901 320)
	6 739 074 679	2 059 999 984	4 854 228 135	474 789 188
<b>19. COMMISSION AND FEE INCOME COMPRISES INCOME FROM:</b>				
Digital channels	3 824 437 635	4 154 866 735	2 572 957 520	952 720 186
Management and service fees	9 982 477 563	5 349 213 679	6 715 886 925	1 226 586 597
Other commissions	1 000 776 873	1 286 934 220	1 687 635 543	335 437 085
	14 807 692 071	10 791 014 634	10 976 479 988	2 514 743 868
<b>20. OPERATING INCOME</b>				
Exchange income	15 389 497 868	2 607 819 440	14 096 520 176	733 077 682
Dividends from other investments	303 900 630	830 226 079	216 804 845	204 763 159
Rentals and recoveries	464 133 175	260 209 080	359 077 900	65 109 893
Loss on sale of equipment	(24 833 597)	(1 288 099)	(24 205 656)	(374 709)
Sundry	177 991 055	94 549 541	111 959 059	20 505 716
	16 310 689 131	3 791 516 041	14 760 156 324	1 023 081 741
<b>21. FAIR VALUE ADJUSTMENTS</b>				
<u>Arising from fair value through profit or loss instruments</u>				
Investment securities at fair value through profit or loss (Note 9.2)	235 974 195	6 266 605 078	5 361 617 844	1 941 965 055
Investment in subsidiary company (Note 11.1)	8 688 821 052	3 667 640 262	17 474 488 007	2 042 055 398
Treasury bills at fair value through profit or loss	(146 710 549)	(24 002 095)	(146 710 549)	(7 869 963)
	8 778 084 698	9 910 243 245	22 689 395 302	3 976 150 490
<b>22. OPERATING EXPENSES</b>				
Staff expenses	12 527 729 958	6 629 482 946	9 305 919 248	1 607 079 372
Communication expenses	596 962 407	641 462 080	448 072 739	152 276 224
Computer and information technology	3 445 753 463	2 299 774 438	2 719 964 538	530 522 490
Occupation expenses	1 050 095 531	680 110 557	710 469 145	155 154 284
Transport expenses	271 896 508	84 370 549	196 268 649	20 181 015
Travelling expenses	252 607 182	115 169 793	201 198 592	28 443 822
Administration expenses	18 043 053 312	13 929 402 410	10 644 892 871	1 858 409 642
	36 188 098 361	24 379 772 773	24 226 785 782	4 352 066 849
Included in administration expenses are the following:				
Depreciation charges on property and equipment (Note 11)	1 880 507 086	7 135 389 855	1 274 933 979	289 761 901
Amortisation of intangible assets (Note 10)	210 220 002	137 827 641	7 087 898	975 633
Depreciation charges on right of use Asset (Note 9)	437 490 942	441 082 104	255 326 523	113 426 422
Auditor's remuneration	407 931 372	72 236 601	283 873 238	15 638 950
<b>23. INCOME TAX EXPENSE</b>				
Current income tax expense	2 639 133 130	2 228 905 779	2 639 133 130	648 390 323
Deferred taxation (credit) / charge	(3 055 647 529)	(1 844 906 527)	(1 550 451 613)	147 441 691
	(416 514 399)	383 999 252	1 088 681 517	795 832 014
<b>24. CONTINGENT LIABILITIES</b>				
<b>24.1 In respect of guarantees</b>				
In respect of undrawn loan commitments	3 133 776 126	2 849 843 045	3 133 776 126	829 021 429
	6 864 150 031	2 665 113 312	6 864 150 031	775 283 414
	9 997 926 157	5 514 956 357	9 997 926 157	1 604 304 843
<b>24.2 Impairment movement on guarantees</b>				
Opening balance	131 584 536	4 600 160	38 278 037	832 532
Charge to profit or loss (note 18)	349 434 489	131 205 840	276 864 188	37 445 505
Effects of inflation adjustment	(165 876 800)	(4 221 464)	-	-
	315 142 225	131 584 536	315 142 225	38 278 037
<b>24.3 Impairment movement on undrawn commitments</b>				
Opening balance	5 458 697	3 481 939	1 587 939	630 159
Charge to profit or loss (note 18)	48 049 379	5 351 661	24 546 943	957 780
Effects of inflation adjustment	(27 373 194)	(3 374 903)	-	-
	26 134 882	5 458 697	26 134 882	1 587 939
<b>25. CAPITAL ADEQUACY</b>				
Ordinary share capital	415 178 768	415 178 768	1 810 402	1 810 402
Share premium	7 558 253 774	7 558 253 774	32 958 032	32 958 032
Reserves	48 345 780 790	31 574 760 568	54 584 922 264	11 224 013 128
IFRS capital	56 319 213 332	39 548 193 110	54 619 690 698	11 258 781 562
Add / (less)				
Regulatory adjustments:				
Fair value adjustment on capitalization treasury bills	425 440	4 666 753	425 440	1 357 562
Interest in reserve	(182 126 683)	(109 291 915)	(182 126 683)	(31 793 098)
Loans to group entities	(874 407 863)	(24 665 677)	(874 407 863)	(7 175 264)
Revaluation reserve	(23 753 707 081)	(18 747 155 277)	(17 852 125 604)	(4 597 116 820)
Tier 1 capital	31 509 397 145	20 671 746 994	35 711 435 988	6 624 053 942
Revaluation reserve	23 753 707 081	18 747 155 277	17 806 687 631	4 551 678 847
General provision	790 461 245	622 303 226	790 461 245	181 028 464
Effect of change in functional currency	-	-	45 437 973	45 437 973
Tier 2 capital	24 544 168 326	19 369 458 503	18 642 586 849	4 778 145 284
Total capital base	56 053 565 471	40 041 205 497	54 354 042 837	11 402 199 226
Credit risk weighted assets	129 052 753 215	85 961 963 828	127 225 388 169	24 745 495 135
Operational risk equivalent assets	92 210 665 773	64 630 379 952	51 540 950 078	9 404 625 654
Market risk equivalent assets	35 931 826 706	12 937 610 629	35 931 826 706	3 763 560 406
Total risk weighted assets	257 195 245 694	163 529 954 409	214 698 164 953	37 913 681 195
Tier 1 capital ratio	12.91%	12.64%	16.19%	17.47%
Tier 2 capital ratio	8.89%	11.84%	8.68%	12.60%
Capital adequacy ratio	21.79%	24.49%	25.32%	30.07%

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

## 26. RISK MANAGEMENT


## 26.1 Fair values and risk management - accounting classification and fair values

Notes	Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated as "FVTPL" ZWS	Classified as "AMCO" ZWS	Designated as "FVTOCI" ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
31 December 2022								
<b>Financial assets measured at fair value</b>								
Equity securities	6	8 216 967 339	-	8 216 967 339	671 830 775	-	7 545 136 564	8 216 967 339
Treasury bills	2	6 724 208 776	-	6 724 208 776	-	6 724 208 776	9 998 488 908	16 722 697 684
Investment in subsidiary	8	21 076 646 584	-	21 076 646 584	-	-	21 076 646 584	21 076 646 584
Total		36 017 822 699	-	36 017 822 699	671 830 775	6 724 208 776	38 620 272 056	46 016 311 607
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	1	-	50 948 126 262	50 948 126 262	-	-	-	50 948 126 262
Treasury Bills	2	-	40 301 611	40 301 611	-	-	-	40 301 611
Advances and other accounts	3	-	63 638 407 221	63 638 407 221	-	-	-	63 638 407 221
Trade and other receivables	5	-	11 409 057 738	11 409 057 738	-	-	-	11 409 057 738
Financial assets at amortised cost	7	-	652 589 276	652 589 276	-	-	-	652 589 276
Total		-	126 688 482 108	126 688 482 108	-	-	-	126 688 482 108
<b>Financial liabilities</b>								
Deposits and other accounts	12	-	(107 487 376 967)	(107 487 376 967)	-	-	-	(107 487 376 967)
Offshore borrowings	13	-	(6 714 466 000)	(6 714 466 000)	-	-	-	(6 714 466 000)
Trade and other payables	14	-	(21 660 173 247)	(21 660 173 247)	-	-	-	(21 660 173 247)
Total		-	(135 862 016 214)	(135 862 016 214)	-	-	-	(135 862 016 214)

Notes	Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated as "FVTPL" ZWS	Classified as "AMCO" ZWS	Designated as "FVTOCI" ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
31 December 2021								
<b>Financial assets measured at fair value</b>								
Equity securities	6	7 228 386 606	-	7 228 386 606	389 865 041	-	6 838 521 565	7 228 386 606
Treasury bills	2	7 154 704 010	-	7 154 704 010	-	7 154 704 010	979 865 723	13 146 569 733
Investment in subsidiary	8	12 387 825 532	-	12 387 825 532	-	-	12 387 825 532	12 387 825 532
Total		26 770 916 148	-	26 770 916 148	389 865 044	7 154 704 010	20 206 212 817	27 550 781 871
<b>Financial assets not measured at fair value</b>								
Cash and cash equivalents	1	-	30 260 873 938	30 260 873 938	-	-	-	30 260 873 938
Treasury Bills	2	-	151 180 884	151 180 884	-	-	-	151 180 884
Advances and other accounts	3	-	40 021 778 126	40 021 778 126	-	-	-	40 021 778 126
Trade and other receivables	5	-	6 486 457 466	6 486 457 466	-	-	-	6 486 457 466
Financial assets at amortised cost	7	-	967 032 023	967 032 023	-	-	-	967 032 023
Total		-	77 887 322 437	77 887 322 437	-	-	-	77 887 322 437
<b>Financial liabilities</b>								
Deposits and other accounts	12	-	(67 964 837 457)	(67 964 837 457)				

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

## 26.2 Liquidity risk (continued)

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

Liquidity gap analysis	Unaudited Historical Cost					Carrying amount ZWS
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	
<b>As at 31 December 2022</b>						
<b>FINANCIAL ASSETS BY TYPE</b>						
Cash and cash equivalents	48 104 372 434	870 891 791	1 972 862 037	-	50 948 126 262	50 948 126 262
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 295
Advances and other accounts	4 058 324 360	10 275 262 426	14 393 795 825	37 867 692 787	66 595 075 398	63 638 407 221
Financial assets at fair value through profit or loss	-	-	-	8 216 967 339	8 216 967 339	8 216 967 339
Financial assets held at amortised cost	-	167 788 875	52 908 490	431 891 911	652 589 276	652 589 276
Gross loan commitments	53 721 098	2 474 417 639	823 202 539	3 512 808 755	6 864 150 031	6 864 150 031
	52 216 417 892	20 942 644 557	17 242 768 891	60 077 539 370	150 479 370 710	147 083 239 424
<b>FINANCIAL LIABILITIES BY TYPE</b>						
Deposits and other accounts	104 077 558 915	3 727 335 366	192 622 304	-	107 997 516 585	107 487 376 967
Offshore borrowings	-	6 742 509 518	-	-	6 742 509 518	6 714 466 000
Trade and other payables	9 419 355 801	9 077 558 665	1 747 136	2 605 860 685	21 104 522 287	21 660 173 247
Lease liabilities	-	-	2 464 184 780	3 449 858 692	5 914 043 472	5 914 043 472
	113 496 914 716	19 547 403 549	2 658 554 220	6 055 719 377	141 758 591 862	141 776 059 686
Period gap	(61 280 496 824)	1 395 241 008	14 584 214 671	54 021 819 993	8 720 778 848	5 307 179 738
Cumulative gap	(61 280 496 824)	(59 885 255 816)	(45 301 041 145)	8 720 778 848	-	-
<b>As at 31 December 2021</b>						
<b>FINANCIAL ASSETS BY TYPE</b>						
Cash and cash equivalents	8 215 980 305	45 356 181	541 573 902	-	8 802 910 388	8 802 910 388
Treasury bills	101 093 151	1 436 013 199	766 976 857	207 141 172	2 511 224 379	2 410 330 922
Advances and other accounts	1 460 275 828	1 331 045 156	1 842 103 222	10 075 570 928	14 708 995 134	11 642 364 564
Financial assets at fair value through profit or loss	-	-	-	2 102 742 957	2 102 742 957	2 102 742 957
Financial assets held at amortised cost	-	-	281 310 324	-	281 310 324	281 310 324
Gross loan commitments	129 071 900	247 561 768	289 916 895	108 732 851	775 283 414	775 283 414
	9 906 421 184	3 059 976 304	3 721 881 200	12 494 187 908	29 182 466 596	26 014 942 569
<b>FINANCIAL LIABILITIES BY TYPE</b>						
Deposits and other accounts	19 112 304 999	451 503 589	272 797 222	9 339 160	19 845 944 970	19 771 020 986
Offshore borrowings	-	82 401 664	82 401 669	506 279 827	671 083 160	657 911 243
Trade and other payables	1 552 479 840	812 235 499	14 072 868	1 081 871 576	3 460 659 783	3 548 755 685
Lease liabilities	-	-	162 624 271	227 673 980	390 298 251	390 298 251
	20 664 784 839	1 346 140 752	531 896 030	1 825 164 543	24 367 986 164	24 367 986 165
Period gap	(10 758 363 655)	1 713 835 552	3 189 985 170	10 669 023 365	4 814 480 432	1 646 956 404
Cumulative gap	(10 758 363 655)	(9 044 528 103)	(5 854 542 933)	4 814 480 432	-	-

Liquidity ratios	Inflation adjusted		Unaudited Historical Cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Cash and short term funds	50 948 126 262	30 260 873 938	50 948 126 262	8 802 910 388
Treasury bills	16 762 999 295	8 285 750 617	16 762 999 295	2 410 330 922
Parastatal bond	167 788 875	645 628 949	167 788 875	187 813 934
Corporate bond	52 908 490	26 690 042	52 908 490	7 764 153
Total liquid assets	67 931 822 922	39 218 943 546	67 931 822 922	11 408 819 397
Total liabilities to the public	107 487 376 967	67 964 837 457	107 487 376 967	19 771 020 986
Liquidity ratio	63%	57.70%	63%	58%
Average for the year	63%	58%	63%	58%
Maximum for the year	85%	51%	85%	71%
Minimum for the year	47%	68%	47%	44%
Minimum statutory liquidity ratio	30%	30%	30%	30%

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

## 26.3 Interest rate risk

Interest rate gap analysis	Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
<b>As at 31 December 2022</b>					
<b>ASSETS</b>					
Cash and short term funds	14 850 669 523	-	-	-	14 850 669 523
Treasury bills	-	6 724 208 777	-	10 038 790 518	16 762 999 295
Advances and other accounts	4 058 104 725	10 262 533 675	14 382 863 389	34 934 905 432	63 638 407 221
Financial assets at fair value through profit or loss	-	-	-	8 216 967 339	8 216 967 339
Financial assets held at amortised cost	-	167 788 875	52 908 490	-	220 697 365
	18 908 774 248	17 154 531 327	14 435 771 879	53 190 663 289	103 689 740 743
<b>LIABILITIES</b>					
Deposits and other accounts	103 723 947 750	3 613 428 586	150 000 631	-	107 487 376 967
Offshore borrowings	-	6 714 466 000	-	-	6 714 466 000
Lease liability	-	-	2 464 184 780	3 449 858 692	5 914 043 472
	103 723 947 750	10 327 894 586	2 614 185 411	3 449 858 692	120 115 886 439
Period gap	(84 815 173 502)	6 826 636 741	11 821 586 468	49 740 804 597	(16 426 145 696)
Cumulative gap	(84 815 173 502)	(77 988 536 761)	(66 166 950 293)	(16 426 145 696)	-
<b>As at 31 December 2021</b>					
<b>ASSETS</b>					
Cash and short term funds	4 726 331 202	-	-	-	4 726 331 202
Treasury bills	343 759 877	4 936 437 209	2 331 600 191	673 953 339	8 285 750 616
Advances and other accounts	5 003 670 821	4 238 658 701	5 698 181 809	25 081 268 795	40 021 778 126
Financial assets at fair value through profit or loss	-	-	-	7 228 386 606	7 228 386 606
Financial assets held at amortised cost	-	-	967 032 023	-	967 032 023
	10 073 761 900	9 175 093 910	8 996 814 023	32 983 608 740	61 229 278 573
<b>LIABILITIES</b>					
Deposits and other accounts	65 470 623 370	1 527 879 445	934 504 436	31 830 206	67 964 837 457
Offshore borrowings	-	277 704 000	277 704 017	1 706 226 865	2 261 634 882
Lease liability	-	-	559 036 995	782 651 793	1 341 688 788
	65 470 623 370	1 805 583 445	1 771 245 448	2 520 708 864	71 568 161 127
Period gap	(55 396 861 470)	7 369 510 465	7 225 568 575	30 462 899 876	(10 338 882 554)
Cumulative gap	(55 396 861 470)	(48 027 351 005)	(40 801 782 430)	(10 338 882 554)	-

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## AUDITED FINANCIAL RESULTS for the year ended 31 December 2022

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	2 256 257 350	1 523 143 072	2 256 257 350	443 083 435
Money market investments	1 900 000 000	-	1 900 000 000	-
Loans and other advances	1 576 766 221	1 253 766 783	1 576 766 221	364 721 675
Trade and other receivables	477 639 557	337 234 449	477 639 557	98 101 748
Inventories	17 561 654	62 336 179	17 146 166	17 146 166
Financial assets at FVTPL	912 389 778	836 695 408	912 389 778	243 395 307
Right of use assets	104 419 994	2 369 572	104 419 994	689 310
Property and equipment	289 827 821	71 692 913	289 827 821	20 855 521
Investment properties	6 625 355 000	3 852 035 680	6 625 355 000	1 120 560 000
Investments in subsidiaries	3 581 625 834	2 153 445 436	3 581 624 075	626 434 675
<b>Total assets</b>	<b>17 741 843 209</b>	<b>10 092 719 492</b>	<b>17 741 425 962</b>	<b>2 934 987 837</b>
<b>LIABILITIES</b>				
Deposits from customers	3 269 152 435	2 242 591 011	3 269 152 435	652 371 367
Trade and other payables	2 370 392 206	527 444 742	2 370 392 206	153 434 062
Lease liabilities	120 283 951	2 510 641	120 283 951	730 347
Deferred tax liabilities	331 267 750	192 601 784	331 267 750	56 028 000
<b>Total liabilities</b>	<b>6 091 096 342</b>	<b>2 965 148 178</b>	<b>6 091 096 342</b>	<b>862 563 776</b>
<b>EQUITY</b>				
Share capital	218 967 155	218 967 155	954 814	954 814
Share premium	2 040 335 052	2 040 335 052	8 896 953	8 896 953
Reserves	9 391 444 660	4 868 269 107	11 640 477 853	2 062 572 294
<b>Total equity</b>	<b>11 650 746 867</b>	<b>7 127 571 314</b>	<b>11 650 329 620</b>	<b>2 072 424 061</b>
<b>Total equity and liabilities</b>	<b>17 741 843 209</b>	<b>10 092 719 492</b>	<b>17 741 425 962</b>	<b>2 934 987 837</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Interest income	811 778 391	886 676 392	592 996 610	208 670 028
Interest expense	(19 183 547)	(66 417 806)	(12 101 769)	(18 690 175)
Net interest income	792 594 844	820 258 586	580 894 841	189 979 853
Allowance for loan impairment	(56 659 030)	(87 276 916)	(56 659 030)	(14 626 710)
Net income from lending activities	735 935 814	732 981 670	524 235 811	175 353 143
Commissions, fees and operating income	1 711 912 073	871 393 957	1 252 543 865	204 131 926
Fair value adjustments	4 277 194 088	2 463 980 022	9 128 978 871	1 198 034 557
<b>Total income</b>	<b>6 725 041 975</b>	<b>4 068 355 649</b>	<b>10 905 758 547</b>	<b>1 577 519 626</b>
Total operating expenses	(1 593 771 580)	(1 100 414 733)	(1 174 010 465)	(263 357 852)
Operating profit	5 131 270 395	2 967 940 916	9 731 748 082	1 314 161 774
Effects of inflation adjustments	(520 148 441)	(105 551 044)	-	-
Profit before taxation	4 611 121 954	2 862 389 872	9 731 748 082	1 314 161 774
Income tax expense	(138 665 966)	(55 525 471)	(275 239 750)	(31 220 050)
<b>Profit for the year</b>	<b>4 472 455 988</b>	<b>2 806 864 401</b>	<b>9 456 508 332</b>	<b>1 282 941 724</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Gains on property and equipment revaluation	50 719 565	26 825 538	121 397 227	12 564 377
Other comprehensive income for the year, net of tax	50 719 565	26 825 538	121 397 227	12 564 377
<b>Total comprehensive income for the year</b>	<b>4 523 175 553</b>	<b>2 833 689 939</b>	<b>9 577 905 559</b>	<b>1 295 506 101</b>

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Inflation adjusted				
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2021	218 967 155	2 040 335 052	307 471 355	1 727 107 813	4 293 881 375
<b>Changes in equity for 2021</b>					
Profit or loss	-	-	-	2 806 864 401	2 806 864 401
Other comprehensive income, net of tax	-	-	26 825 538	-	26 825 538
Other movements	-	-	(200 650 112)	200 650 112	-
Balance at 1 January 2022	218 967 155	2 040 335 052	133 646 781	4 734 622 326	7 127 571 314
<b>Changes in equity for 2022</b>					
Profit or loss	-	-	-	4 472 455 988	4 472 455 988
Other comprehensive income, net of tax	-	-	50 719 565	-	50 719 565
Balance at 31 December 2022	218 967 155	2 040 335 052	184 366 346	9 207 078 314	11 650 746 867

### STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2022

	Historical cost					
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2021	954 814	8 896 953	18 061 563	54 107 802	694 896 828	776 917 960
<b>Changes in equity for 2021</b>						
Profit or loss	-	-	-	-	1 282 941 724	1 282 941 724
Other comprehensive income, net of tax	-	-	-	12 564 377	-	12 564 377
Other movements	-	-	-	(36 313 480)	36 313 480	-
Balance at 1 January 2022	954 814	8 896 953	18 061 563	30 358 699	2 014 152 032	2 072 424 061
<b>Changes in equity for 2022</b>						
Profit or loss	-	-	-	-	9 456 508 332	9 456 508 332
Other comprehensive income, net of tax	-	-	-	121 397 227	-	121 397 227
Balance at 31 December 2022	954 814	8 896 953	18 061 563	151 755 926	11 470 660 364	11 650 329 620

### STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Cash flows (used in) / generated from operating activities</b>				
Interest received	(56 305 922)	458 206 740	1 383 758 825	185 519 479
Interest paid	(19 183 547)	(66 417 806)	(12 101 769)	(18 690 175)
<b>Net cash generated from operating activities</b>	<b>736 288 922</b>	<b>1 278 465 326</b>	<b>1 964 653 666</b>	<b>375 499 332</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property and equipment	46 692	2 847 727	46 692	828 406
Purchase of property and equipment	(36 527 645)	(3 499 038)	(175 286 164)	(823 257)
Dividends received	37 228 707	102 425 473	26 398 583	25 847 280
<b>Net cash generated / (used in) investing activities</b>	<b>747 754</b>	<b>101 774 162</b>	<b>(148 840 889)</b>	<b>25 852 429</b>
<b>Cash flows from financing activities</b>				
Lease commitments paid during the year	(3 922 398)	(2 612 336)	(2 638 862)	(599 014)
<b>Net cash used in financing activities</b>	<b>(3 922 398)</b>	<b>(2 612 336)</b>	<b>(2 638 862)</b>	<b>(599 014)</b>
<b>Net increase in cash and cash equivalents</b>	<b>733 114 278</b>	<b>1 377 627 152</b>	<b>1 813 173 915</b>	<b>400 752 747</b>
Cash and cash equivalents at beginning of year	1 523 143 072	145 515 920	443 083 435	42 330 688
<b>Cash and cash equivalents at end of year</b>	<b>2 256 257 350</b>	<b>1 523 143 072</b>	<b>2 256 257 350</b>	<b>443 083 435</b>






### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>1. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	210 863 357	76 969 819	210 863 357	22 390 577
Local bank accounts	1 747 721 458	1 237 560 937	1 747 721 458	360 007 382
Balances at the RBZ	297 672 535	208 612 316	297 672 535	60 685 476
	<b>2 256 257 350</b>	<b>1 523 143 072</b>	<b>2 256 257 350</b>	<b>443 083 435</b>
<b>2. MONEY MARKET INVESTMENTS</b>				
Fixed deposits	1 900 000 000	-	1 900 000 000	-
Fixed deposits are investments in money market instruments on an unsecured basis. Fixed deposits on average run for 30 days on an average interest rate of 45.0% per annum (2021: 20.0%).				
These money market investments are short term in nature and the carrying amount approximates the fair value, thus these have been classified as level 2 financial instruments in the fair value hierarchy.				
<b>3. LOANS AND ADVANCES</b>				
<b>3.1 Categories of loans and advances</b>				
Mortgage loans				
Residential properties	12 912 787	67 262 898	12 912 787	19 566 826
Other loans and overdrafts				
Consumer loans	1 638 767 415	1 249 257 083	1 638 767 415	363 409 801
Gross loans and advances	1 651 680 202	1 316 519 981	1 651 680 202	382 976 627
Less: Allowance for loan impairment	(74 913 981)	(62 753 198)	(74 913 981)	(18 254 952)
Loans and advances	1 576 766 221	1 253 766 783	1 576 766 221	364 721 675
<b>3.2 Maturity analysis</b>				
Within 1 month	135 847 474	68 203 772	135 847 474	19 840 528
Between 2 – 6 months	118 341 697	43 302 994	118 341 697	12 596 873
Between 7 – 12 months	740 730 213	118 447 826	740 730 213	34 456 559
After 12 months	656 760 818	1 086 565 389	656 760 818	316 082 667
	<b>1 651 680 202</b>	<b>1 316 519 981</b>	<b>1 651 680 202</b>	<b>382 976 627</b>
<b>3.3 Loans and advances to customers by business line</b>				
Mortgage lending	12 912 787	67 262 898	12 912 787	19 566 826
Consumer lending	1 385 609 604	1 240 819 723	1 385 609 604	360 955 367
Small business lending	253 157 811	8 437 360	253 157 811	2 454 434
	<b>1 651 680 202</b>	<b>1 316 519 981</b>	<b>1 651 680 202</b>	<b>382 976 627</b>
<b>3.4 Mortgage loans spread</b>				
Residential high density	120 946	34 014 273	120 946	9 894 777
Residential medium density	3 957 828	4 173 789	3 957 828	1 214 158
Residential low density	8 834 013	29 074 836	8 834 013	8 457 891
	<b>12 912 787</b>	<b>67 262 898</b>	<b>12 912 787</b>	<b>19 566 826</b>
<b>3.5 Non-performing debt</b>				
Non-performing loans and advances	6 804 151	9 065 818	6 804 151	2 637 253
Less: Allowance for loan impairment	(3 823 976)	(5 095 047)	(3 823 976)	(1 482 153)
Value to be received from security held	2 980 175	3 970 771	2 980 175	1 155 100

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZWS1 994 635 as at 31 Dec 2022 (2021: ZWS1 753 947).

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted			
	31 Dec 2022 ZWS	Percentage Contribution	31 Dec 2021 ZWS	Percentage Contribution
<b>3.6 Sectoral analysis</b>				
Private	1 398 522 392	85%	1 308 082 621	99%
Manufacturing	247 524 175	15%	-	0%
Distribution	453 646	0%	2 830 019	0%
Services	5 179 989	0%	5 607 341	0%
<b>Total</b>	<b>1 651 680 202</b>	<b>100%</b>	<b>1 316 519 981</b>	<b>100%</b>
	Historical cost			
	31 Dec 2022 ZWS	Percentage Contribution	31 Dec 2021 ZWS	Percentage Contribution
Private	1 398 522 392	85%	380 522 192	99%
Manufacturing	247 524 175	15%	-	0%
Distribution	453 646	0%	823 255	0%
Services	5 179 989	0%	1 631 180	0%
<b>Total</b>	<b>1 651 680 202</b>	<b>100%</b>	<b>382 976 627</b>	<b>100%</b>

## 3.7 Internal rating scale of advances and other accounts

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

	Inflation adjusted 31 Dec 2022				Inflation adjusted 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>								
Good (AAA to BBB-)	1 599 038 297	27 295 032	4 184 162	1 630 517 491	1 272 964 842	16 997 180	4 534 001	1 294 496 023
Special mention (BB+ to CCC-)	13 477 697	491 604	389 259	14 358 560	12 229 344	219 742	509 057	12 958 143
Non-performing (CC+ to D)	-	-	6 804 151	6 804 151	-	-	9 065 815	9 065 815
<b>Total</b>	<b>1 612 515 994</b>	<b>27 786 636</b>	<b>11 377 572</b>	<b>1 651 680 202</b>	<b>1 285 194 186</b>	<b>17 216 922</b>	<b>14 108 873</b>	<b>1 316 519 981</b>
<b>Mortgage lending</b>								
Good (AAA to BBB-)	12 904 611	-	670	12 905 281	66 786 178	439 384	-	67 225 562
Special mention (BB+ to CCC-)	-	-	7 506	7 506	-	-	37 336	37 336
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12 904 611</b>	<b>-</b>	<b>8 176</b>	<b>12 912 787</b>	<b>66 786 178</b>	<b>439 384</b>	<b>37 336</b>	<b>67 262 898</b>
<b>Consumer lending</b>								
Good (AAA to BBB-)	1 333 644 710	27 138 051	4 152 187	1 364 934 948	1 199 823 104	16 546 961	4 495 943	1 220 866 008
Special mention (BB+ to CCC-)	13 477 697	481 385	386 796	14 345 878	12 229 344	109 450	509 057	12 847 851
Non-performing (CC+ to D)	-	-	6 328 778	6 328 778	-	-	7 105 864	7 105 864
<b>Total</b>	<b>1 347 122 407</b>	<b>27 619 436</b>	<b>10 867 761</b>	<b>1 385 609 604</b>	<b>1 212 052 448</b>	<b>16 656 411</b>	<b>12 110 864</b>	<b>1 240 819 723</b>
<b>Small business lending</b>								
Good (AAA to BBB-)	252 488 976	156 981	31 305	252 677 262	6 355 560	10 835	38 058	6 404 453
Special mention (BB+ to CCC-)	-	10 219	2 463	12 682	-	110 292	-	110 292
Non-performing (CC+ to D)	-	-	467 867	467 867	-	-	1 922 615	1 922 615
<b>Total</b>	<b>252 488 976</b>	<b>167 200</b>	<b>501 635</b>	<b>253 157 811</b>	<b>6 355 560</b>	<b>121 127</b>	<b>1 960 673</b>	<b>8 437 360</b>

	Historical cost 31 Dec 2022				Historical cost 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>								
Good (AAA to BBB-)	1 599 038 297	27 295 032	4 184 162	1 630 517 491	370 306 406	4 944 492	1 318 944	376 569 842
Special mention (BB+ to CCC-)	13 477 697	491 604	389 259	14 358 560	3 557 525	63 923	148 085	3 769 533
Non-performing (CC+ to D)	-	-	6 804 151	6 804 151	-	-	2 637 252	2 637 252
<b>Total</b>	<b>1 612 515 994</b>	<b>27 786 636</b>	<b>11 377 572</b>	<b>1 651 680 202</b>	<b>373 863 931</b>	<b>5 008 415</b>	<b>4 104 281</b>	<b>382 976 627</b>
<b>Mortgage lending</b>								
Good (AAA to BBB-)	12 904 611	-	670	12 905 281	19 428 148	127 817	-	19 555 965
Special mention (BB+ to CCC-)	-	-	7 506	7 506	-	-	10 861	10 861
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12 904 611</b>	<b>-</b>	<b>8 176</b>	<b>12 912 787</b>	<b>19 428 148</b>	<b>127 817</b>	<b>10 861</b>	<b>19 566 826</b>
<b>Consumer lending</b>								
Good (AAA to BBB-)	1 333 644 710	27 138 051	4 152 187	1 364 934 948	349 029 421	4 813 523	1 307 873	355 150 817
Special mention (BB+ to CCC-)	13 477 697	481 385	386 796	14 345 878	3 557 525	31 839	148 085	3 737 449
Non-performing (CC+ to D)	-	-	6 328 778	6 328 778	-	-	2 067 101	2 067 101
<b>Total</b>	<b>1 347 122 407</b>	<b>27 619 436</b>	<b>10 867 761</b>	<b>1 385 609 604</b>	<b>352 586 946</b>	<b>4 845 362</b>	<b>3 523 059</b>	<b>360 955 367</b>
<b>Small business lending</b>								
Good (AAA to BBB-)	252 488 976	156 981	31 305	252 677 262	1 848 837	3 152	11 071	1 863 060
Special mention (BB+ to CCC-)	-	10 219	2 463	12 682	-	32 084	-	32 084
Non-performing (CC+ to D)	-	-	467 867	467 867	-	-	559 290	559 290
<b>Total</b>	<b>252 488 976</b>	<b>167 200</b>	<b>501 635</b>	<b>253 157 811</b>	<b>1 848 837</b>	<b>35 236</b>	<b>570 361</b>	<b>2 454 434</b>

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






	Inflation adjusted 31 Dec 2022				Inflation adjusted 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	63 329 212	8 319 241	1 553 238	73 201 691	52 419 670	4 141 320	3 130 119	59 691 109
Special mention (BB+ to CCC-)	482 473	83 925	172 018	738 416	598 359	64 641	208 480	871 480
Non-performing (CC+ to D)	-	-	973 874	973 874	-	-	2 190 609	2 190 609
<b>Total</b>	<b>63 811 685</b>	<b>8 403 166</b>	<b>2 699 130</b>	<b>74 913 981</b>	<b>53 018 029</b>	<b>4 205 961</b>	<b>5 529 208</b>	<b>62 753 198</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	262 303	-	14	262 317	169 993	-	-	169 993
Special mention (BB+ to CCC-)	-	-	3 310	3 310	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>262 303</b>	<b>-</b>	<b>3 324</b>	<b>265 627</b>	<b>169 993</b>	<b>-</b>	<b>-</b>	<b>169 993</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	62 535 849	8 254 984	1 539 323	72 330 156	48 728 816	4 140 626	3 098 153	55 967 595
Special mention (BB+ to CCC-)	482 473	79 369	172 018	733 860	598 359	26 731	208 480	833 570
Non-performing (CC+ to D)	-	-	848 974	848 974	-	-	1 705 932	1 705 932
<b>Total</b>	<b>63 018 322</b>	<b>8 334 353</b>	<b>2 560 315</b>	<b>73 912 990</b>	<b>49 327 175</b>	<b>4 167 357</b>	<b>5 012 565</b>	<b>58 507 097</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	531 060	64 257	13 901	609 218	3 520 861	694	31 966	3 553 521
Special mention (BB+ to CCC-)	-	4 556	-	4 556	-	37 910	-	37 910
Non-performing (CC+ to D)	-	-	121 590	121 590	-	-	484 677	484 677
<b>Total</b>	<b>531 060</b>	<b>68 813</b>	<b>135 491</b>	<b>735 364</b>	<b>3 520 861</b>	<b>38 604</b>	<b>516 643</b>	<b>4 076 108</b>

	Historical cost 31 Dec 2022				Historical cost 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	63 329 212	8 319 241	1 553 238	73 201 691	15 248 921	1 204 713	910 554	17 364 188
Special mention (BB+ to CCC-)	482 473	83 925	172 018	738 416	174 063	18 804	60 647	253 514
Non-performing (CC+ to D)	-	-	973 874	973 874	-	-	637 250	637 250
<b>Total</b>	<b>63 811 685</b>	<b>8 403 166</b>	<b>2 699 130</b>	<b>74 913 981</b>	<b>15 422 984</b>	<b>1 223 517</b>	<b>1 608 451</b>	<b>18 254 952</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	262 303	-	14	262 317	49 451	-	-	49 451
Special mention (BB+ to CCC-)	-	-	3 310	3 310	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>262 303</b>	<b>-</b>	<b>3 324</b>	<b>265 627</b>	<b>49 451</b>	<b>-</b>	<b>-</b>	<b>49 451</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	62 535 849	8 254 984	1 539 323	72 330 156	14 175 249	1 204 511	901 255	16 281 015
Special mention (BB+ to CCC-)	482 473	79 369	172 018	733 860	174 063	7 776	60 647	242 486
Non-performing (CC+ to D)	-	-	848 974	848 974	-	-	496 257	496 257
<b>Total</b>	<b>63 018 322</b>	<b>8 334 353</b>	<b>2 560 315</b>	<b>73 912 990</b>	<b>14 349 312</b>	<b>1 212 287</b>	<b>1 458 159</b>	<b>17 019 758</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	531 060	64 257	13 901	609 218	1 024 221	202	9 299	1 033 722
Special mention (BB+ to CCC-)	-	4 556	-	4 556	-	11 028	-	11 028
Non-performing (CC+ to D)	-	-	121 590	121 590	-	-	140 993	140 993
<b>Total</b>	<b>531 060</b>	<b>68 813</b>	<b>135 491</b>	<b>735 364</b>	<b>1 024 221</b>	<b>11 230</b>	<b>150 292</b>	<b>1 185 743</b>

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>4. TRADE AND OTHER RECEIVABLES</b>				
Sundry debtors and other accounts	477 469 885	336 668 655	477 469 885	97 937 158
Intercompany balances	11 208	21 059	11 208	6 126
Prepayments	158 464	544 735	158 464	158 464
<b>Total</b>	<b>477 639 557</b>	<b>337 234 449</b>	<b>477 639 557</b>	<b>98 101 748</b>
<b>Current</b>	<b>477 639 557</b>	<b>337 234 449</b>	<b>477 639 557</b>	<b>98 101 748</b>
Sundry debtors and other accounts comprises				
VAT claimable	303 477	205 200	303 477	59 693
Trade debtors	450 193 663	320 523 637	450 193 663	93 240 560
Lease receivables	35 905 998	22 322 914	35 905	

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>10 INVESTMENT IN SUBSIDIARIES</b>				
<b>10.1 Assets at fair value through profit or loss</b>				
Balance at beginning of period	2 153 445 436	1 471 964 162	626 434 675	266 388 063
Fair value gain	1 428 180 398	681 481 274	2 955 189 400	360 046 612
Balance at end of period	3 581 625 834	2 153 445 436	3 581 624 075	626 434 675
Non-current	3 581 625 834	2 153 445 436	3 581 624 075	626 434 675

**10.2 Measurement of fair value**

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

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>11. DEPOSITS FROM CUSTOMERS</b>				
<b>11.1 Deposit by type</b>				
Demand accounts	3 250 834 161	1 941 091 800	3 250 834 161	564 665 026
Savings accounts	982 549	223 157 457	982 549	64 916 667
Fixed deposits	17 335 725	78 341 754	17 335 725	22 789 674
	3 269 152 435	2 242 591 011	3 269 152 435	652 371 367
<b>11.2 Maturity analysis</b>				
On demand	3 250 834 161	1 941 091 800	3 250 834 161	564 665 025
Within 1 month	574 632	165 244 736	574 632	48 069 815
1 month to 6 months	625 162	1 397 810	625 162	406 624
6 months to 12 months	148 440	86 117 930	148 440	25 051 769
More than 1 year	16 970 040	48 738 735	16 970 040	14 178 134
	3 269 152 435	2 242 591 011	3 269 152 435	652 371 367

	Inflation adjusted				Historical cost			
	31 Dec 2022 ZW\$	Contribution %	31 Dec 2021 ZW\$	Contribution %	31 Dec 2022 ZW\$	Contribution %	31 Dec 2021 ZW\$	Contribution %
<b>11.3 Sectorial analysis</b>								
Private individuals	2 211 853 247	68%	2 006 908 146	89%	2 211 853 247	68%	583 811 049	89%
Financial institutions	747 840	0%	23 322 427	1%	747 840	0%	6 784 511	1%
Communication	2 275 141	0%	3 101 175	0%	2 275 141	0%	902 134	0%
Manufacturing	33 379 223	1%	737 406	0%	33 379 223	1%	214 512	0%
Distribution	103 206 126	3%	76 135 635	3%	103 206 126	3%	22 147 912	3%
Construction	721 577 358	22%	13 036 925	1%	721 577 358	22%	3 792 451	1%
Agriculture	100 180 314	3%	51 203 848	2%	100 180 314	3%	14 895 237	2%
Services	95 933 186	3%	68 145 449	3%	95 933 186	3%	19 823 561	3%
	3 269 152 435	100%	2 242 591 011	100%	3 269 152 435	100%	652 371 367	100%

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>12. TRADE AND OTHER PAYABLES</b>				
Leave pay accrual	10 178 029	4 420 456	10 178 029	1 285 914
Creditors and other accounts	1 827 343 625	95 140 975	1 827 343 625	27 676 580
Deferred income	31 863 556	29 142 695	31 863 556	8 477 631
Intercompany balances	501 006 996	398 740 616	501 006 996	115 993 937
	2 370 392 206	527 444 742	2 370 392 206	153 434 062
Financial items	2 338 528 650	498 302 047	2 338 528 650	144 956 431
Non-financial items	31 863 556	29 142 695	31 863 556	8 477 631
	2 370 392 206	527 444 742	2 370 392 206	153 434 062

**13. LEASE LIABILITIES**

Balance at beginning of year	2 510 641	4 029 101	730 347	729 183
Lease reassessments	110 690 109	1 912 243	110 690 109	556 273
Accrued interest expense posted to profit or loss	7 463 809	459 881	4 109 812	103 672
Lease commitments paid during the year	(3 922 398)	(2 612 336)	(2 638 862)	(599 014)
Gain on lease modification	(108 532 621)	(943 450)	(108 532 621)	(274 451)
Exchange loss on lease modification	115 925 166	737 996	115 925 166	214 684
Effects of inflation adjustments	(3 850 755)	(1 072 794)	-	-
Balance at end of year	120 283 951	2 510 641	120 283 951	730 347

**14. DEFERRED TAX LIABILITIES**

	Inflation adjusted			
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Transfers between categories ZW\$	Balance at 31 December ZW\$
<b>2022</b>				
Investment properties	192 601 784	138 665 966	-	331 267 750
<b>2021</b>				
Property and equipment	12 879 387	-	(12 879 387)	-
Investment properties	124 196 926	55 525 471	12 879 387	192 601 784
	137 076 313	55 525 471	-	192 601 784
	Historical cost			
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Transfers between categories ZW\$	Balance at 31 December ZW\$
<b>2022</b>				
Investment properties	56 028 000	275 239 750	-	331 267 750
<b>2021</b>				
Property and equipment	2 330 900	-	(2 330 900)	-
Investment properties	22 477 050	31 220 050	2 330 900	56 028 000
	24 807 950	31 220 050	-	56 028 000

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>15. EQUITY AND RESERVES</b>				
<b>15.1 Share capital</b>				
Authorised				
100 000 000 ordinary shares of ZW\$0.01 each	1 000 000	1 000 000	1 000 000	1 000 000
Issued and fully paid				
95 481 425 ordinary shares of ZW\$0.01 each	218 967 155	218 967 155	954 814	954 814
Share premium	2 040 335 052	2 040 335 052	8 896 953	8 896 953
<b>15.2 Reserves</b>				
Functional currency translation reserve	-	-	18 061 563	18 061 563
Property and equipment revaluation reserves	184 366 346	133 646 781	151 755 926	30 358 699
Retained income	9 207 078 314	4 734 622 326	11 470 660 364	2 014 152 032
Total reserves	9 391 444 660	4 868 269 107	11 640 477 853	2 062 572 294
<b>15.3 Capital adequacy</b>				
Share capital	218 967 155	218 967 155	954 814	954 814
Share premium	2 040 335 052	2 040 335 052	8 896 953	8 896 953
Retained income	9 207 078 314	4 734 622 326	11 470 660 364	2 014 152 032
Tier 1 Capital	11 466 380 521	6 993 924 533	11 480 512 131	2 024 003 799
Functional currency translation reserve	-	-	18 061 563	18 061 563
Revaluation reserves	184 366 346	133 646 781	151 755 926	30 358 699
Tier 2 Capital	184 366 346	133 646 781	169 817 489	48 420 262
Total capital base	11 650 746 867	7 127 571 314	11 650 329 620	2 072 424 061
Credit risk weighted assets	13 494 948 390	7 695 160 724	13 494 948 390	2 238 527 890
Operational risk equivalent assets	6 359 594 837	2 605 664 993	6 359 594 837	757 989 855
Total risk weighted assets	19 854 543 227	10 300 825 717	19 854 543 227	2 996 517 745
Tier 1 ratio	57.8%	67.9%	57.8%	67.6%
Tier 2 ratio	0.9%	1.3%	0.9%	1.6%
Capital adequacy ratio	58.7%	69.2%	58.7%	69.2%

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>16. NET INTEREST INCOME</b>				
<b>16.1 Interest income</b>				
Mortgage advances	12 282 523	16 610 195	7 204 647	3 780 403
Consumer loans	575 323 294	855 204 103	406 351 298	201 453 143
Short term funds and securities	220 528 023	9 272 661	175 919 363	1 916 198
Other	3 644 551	5 589 433	3 521 302	1 520 284
	811 778 391	886 676 392	592 996 610	208 670 028
<b>16.2 Interest and related expense</b>				
Fixed deposits	1 834 348	2 392 507	940 182	578 703
Savings accounts	9 885 389	8 097 223	7 051 774	1 872 061
Other	7 463 810	55 928 076	4 109 813	16 239 411
	19 183 547	66 417 806	12 101 769	18 690 175
Net interest income	792 594 844	820 258 586	580 894 841	189 979 853

<b>17. LOAN IMPAIRMENT MOVEMENT</b>				
Balance at beginning of period	62 753 198	20 047 847	18 254 951	3 628 242
Effect of inflation adjustments	(44 498 247)	(44 571 565)	-	-
Charge to statement of profit or loss	56 659 030	87 276 916	56 659 030	14 626 710
Balance at end of period	74 913 981	62 753 198	74 913 981	18 254 952

**18. COMMISSIONS, FEES AND OPERATING INCOME**

Account service fees	144 601 125	251 188 195	102 492 551	55 800 300
Transaction fees	85 069 330	51 114 639	60 296 713	11 354 881
Other commissions and fees	636 432 900	297 001 621	520 608 534	70 414 388
Operating lease rental income	424 130 427	127 516 797	242 485 173	28 548 900
Exchange gains	188 020 038	20 511 454	188 020 038	5 966 797
Profit on disposal of equipment	(149 114)	1 288 703	(149 114)	374 885
Dividend income	37 228 707	102 425 473	26 398 583	25 847 280
Other operating income	196 578 660	20 347 075	112 391 387	5 824 495
	1 711 912 073	871 393 957	1 252 543 865	204 131 926

**19. FAIR VALUE ADJUSTMENT**

Arising from fair value through profit or loss instruments:				
Financial assets at FVTPL (note 6)	75 694 370	671 989 322	668 994 471	213 586 945
Investment properties (note 9)	2 773 319 320	1 110 509 426	5 504 795 000	624 401 000
Investments in subsidiaries (note 10)	1 428 180 398	681 481 274	2 955 189 400	360 046 612
	4 277 194 088	2 463 980 022	9 128 978 871	1 198 034 557

**20. OPERATING EXPENSES**

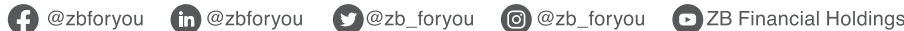
Operating expenses comprise the following:				
Staff costs	133 151 500	109 731 785	105 693 697	26 594 593
Communication expenses	2 616 085	2 824 176	1 998 582	651 088
Computer and information technology expenses	176 507 768	263 083 134	134 138 129	61 504 778
Occupation expenses	67 117 528	40 185 382	50 356 028	9 550 631
Transport costs	5 957 878	2 720 265	4 851 185	717 792
Security	68 368 316	37 232 853	39 087 747	9 132 729
Administration expenses	1 140 052 505	644 637 138	837 885 097	155 206 241
	1 593 771 580	1 100 414 733	1 174 010 465	263 357 852

Included in administration expenses are the following:

Audit fees	60 824 978	43 875 762	41 384 852	9 485 751
Directors fees	19 489 968	11 389 591	15 182 038	2 755 303
Depreciation of property and equipment	6 863 411	11 397 608	5 058 298	2 062 730

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 21. RISK MANAGEMENT

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

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

	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZW\$	Amortised cost ZW\$	Designated at FVOCI ZW\$	Total ZW\$	Level 1 ZW\$	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
<b>As at 31 December 2022</b>								
<b>Financial assets measured at fair value</b>								
Financial assets at FVTPL	912 389 778	-	-	912 389 778	-	-	912 389 778	912 389 778
Investments in subsidiaries	3 581 625 834	-	-	3 581 625 834	-	-	3 581 625 834	3 581 625 834
	<b>4 494 015 612</b>			<b>4 494 015 612</b>			<b>4 494 015 612</b>	<b>4 494 015 612</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	-	477 481 093	-	477 481 093				
Loans and advances	-	1 576 766 221	-	1 576 766 221				
Money market investments	-	1 900 000 000	-	1 900 000 000				
Cash and cash equivalents	-	2 256 257 350	-	2 256 257 350				
	-	<b>6 210 504 664</b>	-	<b>6 210 504 664</b>				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	-	(2 370 392 206)	-	(2 370 392 206)				
Deposits from customers	-	(3 269 152 435)	-	(3 269 152 435)				
	-	<b>(5 639 544 641)</b>	-	<b>(5 639 544 641)</b>				
<b>As at 31 December 2021</b>								
<b>Financial assets measured at fair value</b>								
Financial assets at FVTPL	836 695 408	-	-	836 695 408	-	-	836 695 408	836 695 408
Investments in subsidiaries	2 153 445 436	-	-	2 153 445 436	-	-	2 153 445 436	2 153 445 436
	<b>2 990 140 844</b>			<b>2 990 140 844</b>			<b>2 990 140 844</b>	<b>2 990 140 844</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	-	336 689 714	-	336 689 714				
Loans and advances	-	1 253 766 783	-	1 253 766 783				
Cash and cash equivalents	-	1 523 143 072	-	1 523 143 072				
	-	<b>3 113 599 569</b>	-	<b>3 113 599 569</b>				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	-	(527 444 742)	-	(527 444 742)				
Deposits from customers	-	(2 242 591 011)	-	(2 242 591 011)				
	-	<b>(2 770 035 753)</b>	-	<b>(2 770 035 753)</b>				

	Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZW\$	Amortised cost ZW\$	Designated at FVOCI ZW\$	Total ZW\$	Level 1 ZW\$	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
<b>As at 31 December 2022</b>								
<b>Financial assets measured at fair value</b>								
Financial assets at FVTPL	912 389 778	-	-	912 389 778	-	-	912 389 778	912 389 778
Investments in subsidiaries	3 581 624 075	-	-	3 581 624 075	-	-	3 581 624 075	3 581 624 075
	<b>4 494 013 853</b>			<b>4 494 013 853</b>			<b>4 494 013 853</b>	<b>4 494 013 853</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	-	477 481 093	-	477 481 093				
Loans and advances	-	1 576 766 221	-	1 576 766 221				
Money market investments	-	1 900 000 000	-	1 900 000 000				
Cash and cash equivalents	-	2 256 257 350	-	2 256 257 350				
	-	<b>6 210 504 664</b>	-	<b>6 210 504 664</b>				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	-	(2 370 392 206)	-	(2 370 392 206)				
Deposits from customers	-	(3 269 152 435)	-	(3 269 152 435)				
	-	<b>(5 639 544 641)</b>	-	<b>(5 639 544 641)</b>				
<b>As at 31 December 2021</b>								
<b>Financial assets measured at fair value</b>								
Financial assets at FVTPL	243 395 307	-	-	243 395 307	-	-	243 395 307	243 395 307
Investments in subsidiaries	626 434 675	-	-	626 434 675	-	-	626 434 675	626 434 675
	<b>869 829 982</b>			<b>869 829 982</b>			<b>869 829 982</b>	<b>869 829 982</b>
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	-	97 943 284	-	97 943 284				
Loans and advances	-	364 721 675	-	364 721 675				
Cash and cash equivalents	-	443 083 435	-	443 083 435				
	-	<b>905 748 394</b>	-	<b>905 748 394</b>				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	-	(153 434 062)	-	(153 434 062)				
Deposits from customers	-	(652 371 367)	-	(652 371 367)				
	-	<b>(805 805 429)</b>	-	<b>(805 805 429)</b>				

## 21.2 Interest rate risk

## 21.2.1 Interest rate gap analysis

	Inflation adjusted				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
<b>As at 31 December 2022</b>					
<b>Financial assets by type</b>					
Local bank accounts	1 747 721 458	-	-	-	1 747 721 458
Money market investments	1 900 000 000	-	-	-	1 900 000 000
Loans and other advances	1 238 630 122	12 596 873	29 456 559	296 082 667	1 576 766 221
	<b>4 886 351 580</b>	<b>12 596 873</b>	<b>29 456 559</b>	<b>296 082 667</b>	<b>5 224 487 679</b>
<b>Financial liability by type</b>					
Deposits from customers	3 245 770 389	347 913	244 459	22 789 674	3 269 152 435
Sensitivity gap	1 640 581 191	12 248 960	29 212 100	273 292 993	1 955 335 244
Cumulative gap	1 640 581 191	1 652 830 151	1 682 042 251	1 955 335 244	-
<b>As at 31 December 2021</b>					
<b>Financial assets by type</b>					
Local bank accounts	1 237 560 937	-	-	-	1 237 560 937
Loans and other advances	966 546 904	4 077 381	47 308 729	235 833 769	1 253 766 783
	<b>2 204 107 841</b>	<b>4 077 381</b>	<b>47 308 729</b>	<b>235 833 769</b>	<b>2 491 327 720</b>
<b>Financial liability by type</b>					
Deposits from customers	2 141 140 689	1 319 921	86 104 214	14 026 187	2 242 591 011
Sensitivity gap	62 967 152	2 757 460	(38 795 485)	221 807 582	248 736 709
Cumulative gap	62 967 152	65 724 612	26 929 127	248 736 709	-

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 21. RISK MANAGEMENT (Continued)

## 21.2.1 Interest rate gap analysis (continued)

	Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
<b>As at 31 December 2022</b>					
<b>Financial assets by type</b>					
Local bank accounts	1 747 721 458	-	-	-	1 747 721 458
Money market investments	1 900 000 000	-	-	-	1 900 000 000
Loans and other advances	1 238 630 122	12 596 873	29 456 559	296 082 667	1 576 766 221
	<b>4 886 351 580</b>	<b>12 596 873</b>	<b>29 456 559</b>	<b>296 082 667</b>	<b>5 224 487 679</b>
<b>Financial liability by type</b>					
Deposits from customers	3 245 770 389	347 913	244 459	22 789 674	3 269 152 435
Sensitivity gap	1 640 581 191	12 248 960	29 212 100	273 292 993	1 955 335 244
Cumulative gap	1 640 581 191	1 652 830 151	1 682 042 251	1 955 335 244	-
<b>As at 31 December 2021</b>					
<b>Financial assets by type</b>					
Local bank accounts	360 007 383	-	-	-	360 007 383
Loans and other advances	281 169 202	1 186 113	13 762 144	68 604 216	364 721 675
	<b>641 176 585</b>	<b>1 186 113</b>	<b>13 762 144</b>	<b>68 604 216</b>	<b>724 729 058</b>
<b>Financial liability by type</b>					
Deposits from customers	622 859 394	383 966	25 047 779	4 080 228	652 371 367
Sensitivity gap	18 317 191	802 147	(11 285 635)	64 523 988	72 357 691
Cumulative gap	18 317 191	19 119 338	7 833 703	72 357 691	-

## 21.3 Liquidity risk






## 21.3.1 Liquidity gap analysis

	Inflation adjusted					
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/(outflow) ZW\$	Carrying amount ZW\$
<b>As at 31 December 2022</b>						
<b>Financial assets by type</b>						
Cash and cash equivalents	2 256 257 350	-	-	-	2 256 257 350	2 256 257 350
Money market investments	1 922 078 505	-	-	-	1 922 078 505	1 900 000 000
Loans and other advances	94 526 844	143 193 453	949 827 705	949 410 379	2 136 958 381	1 576 766 221
Financial assets at FVTPL	-	-	-	912 389 778	912 389 778	912 389 778
	<b>4 272 862 699</b>	<b>143 193 453</b>	<b>949 827 705</b>	<b>1 861 800 157</b>	<b>7 227 684 014</b>	<b>6 645 413 349</b>
<b>Financial liabilities by type</b>						
Deposits from customers	3 252 108 749	632 869	153 950	17 959 959	3 270 855 527	3 269 152 435
Trade and other payables	-	2 338 528 650	-	-	2 338 528 650	2 370 392 206
Lease liabilities	-	-	-	120 283 951	120 283 951	120 283 951
	<b>3 252 108 749</b>	<b>2 339 161 519</b>	<b>153 950</b>	<b>138 243 910</b>	<b>5 729 668 128</b>	<b>5 759 828 592</b>
Sensitivity gap	1 020 753 950	(2 195 968 066)	949 673 755	1 723 556 247	1 498 015 886	885 584 757
Cumulative gap	1 020 753 950	(1 175 214 116)	(225 540 361)	1 498 015 886	-	-
<b>As at 31 December 2021</b>						
<b>Financial assets by type</b>						
Cash and cash equivalents	1 523 143 072	-	-	-	1 523 143 072	1 523 143 072
Loans and other advances	100 529 599	52 396 623	130 726 443	1 517 559 800	1 801 212 465	1 253 766 783
Financial assets at FVTPL	-	-	-	836 695 408	836 695 408	836 695 408
	<b>1 623 672 671</b>	<b>52 396 623</b>	<b>130 726 443</b>	<b>2 354 255 208</b>	<b>4 161 050 945</b>	<b>3 613 605 263</b>
<b>Financial liabilities by type</b>						
Deposits from customers	879 624 166	1 336 195	89 300 683	14 844 380	985 105 424	2 242 591 011
Trade and other payables	-	498 302 049	-	-	498 302 049	527 444 742
Lease liabilities	-	-	-	2 510 640	2 510 640	2 510 641
	<b>879 624 166</b>	<b>499 638 244</b>	<b>89 300 683</b>	<b>17 355 020</b>	<b>1 485 918 113</b>	<b>2 772 546 394</b>
Sensitivity gap	744 048 505	(447 241 621)	41 425 760	2 336 900 188	2 675 132 832	841 058 869
Cumulative gap	744 048 505	296 806 884	338 232 644	2 675 132 832	-	-

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## AUDITED SEPARATE FINANCIAL RESULTS for the year ended 31 December 2022

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

Notes	Inflation adjusted		Historical cost (Unaudited)*	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	12 057 291	19 464 533	12 057 291	5 662 247
Funds on deposit	191 808 393	230 126 953	191 808 393	66 944 099
Trade and other receivables	110 447 635	87 083 797	110 447 635	25 332 865
Reinsurance claim receivable	10 000	34 799	10 000	10 000
Inventories	997 226	1 380 807	973 506	379 806
Investment in securities	5 906 581 490	4 095 861 931	5 906 581 490	1 191 489 235
Investment properties	2 633 931 843	1 558 303 056	2 633 931 843	453 311 500
Right of use asset	153 282 017	125 764 104	65 470 839	31 613 823
Equity accounted investments	18 576 877 004	13 789 065 869	18 560 335 503	4 007 920 648
Equipment	424 876 680	226 242 366	424 876 680	65 814 070
Intangible assets	83 257 934	106 203 428	74 814 300	3 181 597
<b>TOTAL ASSETS</b>	<b>28 094 127 513</b>	<b>20 239 531 643</b>	<b>27 981 307 480</b>	<b>5 851 659 890</b>
<b>LIABILITIES</b>				
Life assurance funds	15 125 148 376	10 870 772 488	15 125 148 376	3 162 315 677
Lease Liability	152 828 035	107 752 953	152 828 035	31 345 413
Deferred tax liability	1 805 321 579	1 149 083 777	1 805 321 579	343 518 379
Trade and other payables	967 160 949	537 158 555	967 160 949	160 583 617
Provisions	66 179 544	45 621 700	66 179 544	8 947 586
Reinsurance premium payable	6 208 859	3 223 340	6 208 859	937 672
Taxation	48 003 053	183 876 900	48 003 053	53 489 925
	18 170 850 395	12 897 489 713	18 170 850 395	3 761 138 269
<b>EQUITY</b>				
Share capital	53 237 591	53 237 591	231 908	231 908
Share premium	1 017 260 518	1 017 260 518	4 431 623	4 431 623
Investment reserve	4 250 648 602	4 250 648 602	827 451 668	827 451 668
Revaluation reserve	688 610 311	414 642 130	557 839 942	95 392 205
Foreign currency translation reserve	-	-	28 051 287	28 051 287
Retained earnings	3 913 520 096	1 606 253 089	8 392 450 657	1 134 962 930
<b>Total equity</b>	<b>9 923 277 118</b>	<b>7 342 041 930</b>	<b>9 810 457 085</b>	<b>2 090 521 621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28 094 127 513</b>	<b>20 239 531 643</b>	<b>27 981 307 480</b>	<b>5 851 659 890</b>

\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical cost financial information.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	Inflation adjusted		Historical cost (Unaudited)*	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>INCOME</b>				
Gross premium income	3 109 559 607	1 817 732 131	2 207 869 306	482 400 765
Premiums ceded to reinsurers	(85 280 964)	(167 639 867)	(57 148 954)	(43 138 687)
<b>Net premiums</b>	<b>3 024 278 643</b>	<b>1 650 092 264</b>	<b>2 150 720 352</b>	<b>439 262 078</b>
Fair value gains on fair value through profit or loss financial instruments	1 044 675 289	1 772 003 291	3 885 021 115	791 094 067
Fair value gain on investment properties	1 063 191 034	407 622 075	2 170 675 143	245 062 272
Investment income	155 089 253	119 307 345	120 899 938	29 346 475
(Loss)/profit on disposal of listed equity investments	(33 379 227)	5 688 917	(23 471 703)	(528 283)
Other income	477 977 615	41 846 302	467 895 091	10 784 121
<b>Total income</b>	<b>5 731 832 607</b>	<b>3 996 560 194</b>	<b>8 771 739 936</b>	<b>1 515 020 730</b>
<b>Expenses and Policyholder Benefits</b>				
Policyholders' benefits	(526 448 966)	(514 388 674)	(347 488 074)	(136 968 124)
Changes to policyholder liabilities	(4 254 375 889)	(1 622 433 895)	(11 962 832 700)	(1 488 559 527)
Operating expenses	(2 153 390 267)	(1 122 024 336)	(1 459 162 657)	(280 269 888)
Commissions	(623 056 588)	(432 381 143)	(434 980 446)	(111 626 169)
Profit share under bancassurance agreements	(140 769 464)	(50 488 440)	(114 285 111)	(15 812 268)
<b>Total expenses and policyholder benefits</b>	<b>(7 698 041 174)</b>	<b>(3 741 716 488)</b>	<b>(14 318 748 988)</b>	<b>(2 033 235 976)</b>
<b>Operating profit before taxation</b>	<b>(1 966 208 567)</b>	<b>254 843 706</b>	<b>(5 547 009 052)</b>	<b>(518 215 246)</b>
Share of profit of equity accounted investee net of tax	4 801 665 914	60 192 073	14 500 632 462	1 547 432 944
Lease liability finance charge	(82 534 050)	(16 641 172)	(82 534 050)	(4 351 818)
Effects of inflation adjustments	371 324 662	129 125 550	-	-
<b>Profit before taxation</b>	<b>3 124 247 959</b>	<b>427 520 157</b>	<b>8 871 089 360</b>	<b>1 024 865 880</b>
Income tax expense	(799 536 234)	(524 581 914)	(1 605 101 632)	(256 429 979)
<b>Profit for the year</b>	<b>2 324 711 725</b>	<b>(97 061 757)</b>	<b>7 265 987 728</b>	<b>768 435 901</b>
<b>Other comprehensive income</b>				
Revaluation of equipment	224 485 756	89 608 489	357 060 976	40 845 221
Share of other comprehensive income of equity accounted investee net of tax	49 482 425	35 735 823	105 386 760	15 845 015
<b>Other comprehensive income for the year</b>	<b>273 968 181</b>	<b>125 344 312</b>	<b>462 447 736</b>	<b>56 690 236</b>
<b>Total comprehensive income for the year</b>	<b>2 598 679 906</b>	<b>28 282 555</b>	<b>7 728 435 464</b>	<b>825 126 137</b>

\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical cost financial information.

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Inflation adjusted					
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	Total ZWS
<b>Balance at 31 December 2020</b>	53 237 591	1 017 260 518	289 297 818	4 250 648 602	1 726 973 988	7 337 418 517
Profit for the year	-	-	-	-	(97 061 757)	(97 061 757)
Revaluation of Equipment	-	-	125 344 312	-	125 344 312	273 968 181
Dividend paid	-	-	-	-	(23 659 142)	(23 659 142)
Transfer to investment reserve	-	-	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>53 237 591</b>	<b>1 017 260 518</b>	<b>414 642 130</b>	<b>4 250 648 602</b>	<b>1 606 253 089</b>	<b>7 342 041 930</b>
Profit for the year	-	-	-	-	2 324 711 724	2 324 711 724
Revaluation of Equipment	-	-	273 968 181	-	-	273 968 181
Dividend paid	-	-	-	-	(17 444 717)	(17 444 717)
<b>Balance at 31 December 2022</b>	<b>53 237 591</b>	<b>1 017 260 518</b>	<b>688 610 311</b>	<b>4 250 648 602</b>	<b>3 913 520 096</b>	<b>9 923 277 118</b>

### STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2022

	Historical cost (Unaudited)*						
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	FCTR equity ZWS	Total ZWS
<b>Balance at 31 December 2020</b>	231 907	4 431 623	38 701 969	827 451 668	371 827 029	28 051 287	1 270 695 483
Profit for the year	-	-	-	-	768 435 901	-	768 435 901
Revaluation of property	-	-	56 690 236	-	-	-	56 690 236
Dividend paid	-	-	-	-	(5 300 000)	-	(5 300 000)
<b>Balance at 31 December 2021</b>	<b>231 907</b>	<b>4 431 623</b>	<b>95 392 205</b>	<b>827 451 668</b>	<b>1 134 962 930</b>	<b>28 051 287</b>	<b>2 090 521 620</b>
Profit for the year	-	-	-	-	7 265 987 726	-	7 265 987 726
Revaluation of property	-	-	462 447 736	-	-	-	462 447 736
Dividend paid	-	-	-	-	(8 500 000)	-	(8 500 000)
<b>Balance at 31 December 2022</b>	<b>231 907</b>	<b>4 431 623</b>	<b>557 839 941</b>	<b>827 451 668</b>	<b>8 392 450 656</b>	<b>28 051 287</b>	<b>9 810 457 082</b>

\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical cost financial information.

### STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	Inflation adjusted		Historical cost (Unaudited)*	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Cash generated from / (used in) operations</b>	<b>782 799 365</b>	<b>(146 478 566)</b>	<b>507 804 393</b>	<b>(79 333 439)</b>
Cash generated to increase working capital	430 590 295	245 493 686	783 372 007	112 822 545
<b>Cash generated from operating activities</b>	<b>1 213 389 660</b>	<b>99 015 120</b>	<b>1 291 176 400</b>	<b>33 489 106</b>
Interest received	50 164 898	28 569 392	39 438 898	5 799 193
Dividends received from Equity accounted investment	63 337 204	25 225 354	53 604 367	11 731 184
Other Dividends received	45 820 605	45 669 246	25 898 769	6 105 934
Dividend paid	(17 444 717)	(23 659 143)	(8 500 000)	(5 300 000)
Taxation paid	(279 172 279)	(243 156 174)	(148 785 304)	(49 727 541)
Lease liability finance charge	(82 534 050)	(18 723 786)	(82 534 050)	(4 351 818)
<b>Cash generated from operating activities</b>	<b>993 561 321</b>	<b>(87 059 991)</b>	<b>1 170 299 080</b>	<b>(2 253 942)</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(20 718 514)	(13 452 895)	(14 729 601)	(2 950 764)
Purchase of intangible assets	(83 257 933)	(10 613 689)	(74 814 300)	(2 760 764)
Proceeds on disposal of equipment	4 415 393	2 078 499	15 625	604 637
Net disposal of financial assets at amortised cost	(708 511 252)	(80 966 778)	(813 806 253)	(30 975 689)
Purchase of equity investments	(281 627 707)	(55 237 860)	(169 034 110)	(11 744 998)
(Purchase) /maturity of funds on deposit	38 318 559	(197 293 611)	(124 864 294)	(61 001 950)
Proceeds on disposal of listed equity investments	190 715 464	493 488 606	129 297 398	125 026 466
Additions to investment property	(12 437 752)	-	(9 945 200)	-
<b>Cash (used in)/generated from investing activities</b>	<b>(873 103 742)</b>	<b>138 002 272</b>	<b>(1 077 880 735)</b>	<b>16 197 240</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(127 864 820)	(54 687 054)	(86 023 301)	(12 481 451)
<b>Cash used in financing activities</b>	<b>(127 864 820)</b>	<b>(54 687 054)</b>	<b>(86 023 301)</b>	<b>(12 481 451)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(7 407 241)</b>	<b>(3 744 773)</b>	<b>6 395 044</b>	<b>1 461 847</b>
Cash and cash equivalents at the beginning of the year	19 464 532	23 209 306	5 662 247	4 200 400
<b>Cash and cash equivalents at the end of year</b>	<b>12 057 291</b>	<b>19 464 533</b>	<b>12 057 291</b>	<b>5 662 247</b>






\*The historical cost financial information is shown 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 for Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical cost financial information.

### NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the year ended 31 December 2022

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>1. FUNDS ON DEPOSIT</b>				
Fixed deposits	191 808 393	230 126 953	191 808 393	66 944 099
These are money market placements with terms of not more than a year.				
<b>2. TRADE AND OTHER RECEIVABLES</b>				
Prepayments	951 184	9 737 308	951 184	2 832 590
Related party balances	35 842 897	12 040 953	35 842 897	3 502 722
Rent debtors	8 588 798	4 893 755	8 588 798	1 423 597
Sundry debtors	30 145 485	27 898 731	30 145 485	8 115 886
Advances for sales agents	35 044 610	36 156 114	35 044 610	10 517 840
Allowance for credit losses	(125 339)	(3 643 064)	(125 339)	(1 059 770)
	110 447 635	87 083 797	110 447 635	25 332 865
<b>3. INVESTMENT SECURITIES</b>				
<b>Designated as fair value through profit and loss: -</b>				

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## 3.1 Reconciliation of carrying amount

	Inflation adjusted			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold Coin ZW\$	Total ZW\$
<b>2022</b>				
Opening Balance	1 334 137 102	2 613 233 628	-	3 947 370 730
Additions	238 579 528	-	43 048 179	281 627 707
Disposals	(224 095 246)	-	-	(224 095 246)
Fair value gains	(574 862 714)	1 617 526 934	2 011 627	1 044 675 847
Closing balance	773 758 670	4 230 760 562	45 059 806	5 049 579 038
<b>2021</b>				
Opening Balance	765 162 228	1 646 181 714	191 214 720	2 602 558 662
Additions	55 237 860	-	-	55 237 860
Disposals	(351 422 436)	-	(131 006 226)	(482 428 662)
Fair value gains	865 159 450	967 051 914	(60 208 494)	1 772 002 870
Closing balance	1 334 137 102	2 613 233 628	-	3 947 370 730

	Historical cost (Unaudited)			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold Coin ZW\$	Total ZW\$
<b>2022</b>				
Opening balance	388 101 458	760 191 578	-	1 148 293 036
Additions	129 126 958	-	39 907 152	169 034 110
Disposals	(152 769 223)	-	-	(152 769 223)
Fair value gains	409 299 341	3 470 568 984	5 152 790	3 885 021 115
Closing balance	773 758 534	4 230 760 562	45 059 942	5 049 579 038
<b>2021</b>				
Opening balance	138 478 307	297 924 541	34 605 871	471 008 719
Additions	11 744 998	-	-	11 744 998
Disposals	(87 444 943)	-	(38 109 805)	(125 554 748)
Fair value gains	325 323 096	462 267 037	3 503 934	791 094 067
Closing balance	388 101 458	760 191 578	-	1 148 293 036

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>4. INVESTMENT PROPERTIES</b>				
Reconciliation of carrying amount				
Opening balance as at 1 January	1 558 303 056	1 150 680 981	453 311 500	208 249 228
Fair value adjustment	1 063 191 034	407 622 075	2 170 675 143	245 062 272
Additions	12 437 753	-	9 945 200	-
Closing balance as at 31 December	2 633 931 843	1 558 303 056	2 633 931 843	453 311 500

## 5 RIGHT OF USE ASSET

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>Cost</b>				
Balance at 1 January	309 641 359	164 390 064	49 263 918	7 010 210
Remeasurement of lease asset	44 863 252	145 251 295	44 863 251	42 253 708
Monetary adjustment	-	-	-	-
Balance at 31 December	354 504 611	309 641 359	94 127 169	49 263 918
<b>Depreciation and impairment losses</b>				
Balance as at 1 January	183 877 255	123 689 861	17 650 095	1 910 544
Depreciation	17 345 339	60 187 394	11 006 235	15 739 551
Balance as at 31 December	201 222 594	183 877 255	28 656 330	17 650 095
<b>Net book value as at 31 December</b>	153 282 017	125 764 104	65 470 839	31 613 823

## 6. EQUITY ACCOUNTED INVESTMENTS

	Inflation adjusted		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
<b>2022</b>			
Balance at 1 January 2022	13 703 765 874	85 299 995	13 789 065 869
Share of profit / (loss) for the year	4 809 434 066	(7 768 152)	4 801 665 914
Dividend received	(63 337 204)	-	(63 337 204)
Share of other comprehensive income	-	49 482 425	49 482 425
Balance at 31 December 2022	18 449 862 736	127 014 268	18 576 877 004
<b>2021</b>			
Balance at 1 January 2021	13 658 673 350	59 689 976	13 718 363 326
Share of profit / (loss) for the year	70 317 878	(10 125 804)	60 192 074
Dividend Received	(25 225 354)	-	(25 225 354)
Share of other comprehensive income	-	35 735 823	35 735 823
Balance at 31 December 2021	13 703 765 874	85 299 995	13 789 065 869

	Historical cost		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
<b>2022</b>			
Balance at 1 January 2022	3 983 413 613	24 507 035	4 007 920 648
Share of profit / (loss) for the year	14 502 315 285	(1 682 823)	14 500 632 461
Dividend received	(53 604 367)	-	(53 604 367)
Share of other comprehensive income	-	105 386 760	105 386 760
Balance at 31 December 2022	18 432 124 531	128 210 972	18 560 335 502
<b>2021</b>			
Balance at 1 January 2021	2 440 255 455	10 493 168	2 450 748 623
Share of profit / (loss) for the year	1 549 264 092	(1 831 148)	1 547 432 944
Dividend received	(6 105 934)	-	(6 105 934)
Share of other comprehensive income	-	15 845 015	15 845 015
Balance at 31 December 2021	3 983 413 613	24 507 035	4 007 920 648

## 7. EQUIPMENT

	Inflation adjusted			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
<b>2022</b>				
Cost or valuation				
At 1 January 2022	28 393 947	141 781 197	56 067 222	226 242 366
Additions	-	7 444 541	13 273 973	20 718 514
Disposals	-	(2 240 249)	-	(2 240 249)
Revaluation	20 374 532	164 181 407	-	184 555 939
At 31 December 2022	48 768 479	311 166 896	69 341 195	429 276 570
Accumulated depreciation and impairment				
Balance at 1 January 2022	-	-	-	-
Charge for the year	6 388 636	13 270 388	22 023 068	41 682 092
Disposal	-	-	4 399 890	4 399 890
Revaluation	(6 388 636)	(13 270 388)	(22 023 068)	(41 682 092)
Balance at 31 December 2022	-	-	4 399 890	4 399 890
Carrying amount	48 768 479	311 166 896	64 941 305	424 876 680
Balance at 31 December 2021	28 393 947	141 781 197	56 067 222	226 242 366
<b>2021</b>				
Cost or valuation				
At 1 January 2021	25 889 127	93 249 497	32 100 641	151 239 265
Additions	-	-	13 452 895	13 452 895
Revaluation	2 504 820	48 591 586	12 619 865	63 716 271
Disposals	-	(59 886)	(2 106 179)	(2 166 065)
At 31 December 2021	28 393 947	141 781 197	56 067 222	226 242 366
Accumulated depreciation and impairment				
Balance at 1 January 2021	-	-	-	-
Charge for the year	5 825 052	8 427 552	11 805 880	26 058 484
Disposal	-	(4 940)	(159 474)	(164 414)
Revaluation	(5 825 052)	(8 422 612)	(11 646 406)	(25 894 070)
Balance at 31 December 2021	-	-	-	-
Carrying amount	28 393 947	141 781 197	56 067 222	226 242 366
Balance at 31 December 2020	25 889 127	93 249 497	32 100 641	151 239 265

	Historical cost (Unaudited)			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
<b>2022</b>				
Cost or valuation				
At 1 January 2022	8 259 820	41 244 255	16 309 995	65 814 070
Additions	-	5 295 465	9 434 136	14 729 601
Disposals	-	(651 690)	-	(651 690)
Currency conversion	40 508 660	265 278 870	39 197 169	344 984 699
At 31 December 2022	48 768 480	311 166 900	64 941 300	424 876 680
Accumulated depreciation and impairment				
Balance at 1 January 2022	-	-	-	-
Charge for the year	1 858 459	3 860 366	6 406 527	12 125 351
Disposal	-	(49 074)	-	(49 074)
Revaluation	(1 858 459)	(3 811 292)	(6 406 527)	(12 076 277)
Balance at 31 December 2022	-	-	-	-
Carrying amount	48 768 480	311 166 900	64 941 300	424 876 680
Balance at 31 December 2021	8 259 820	41 244 255	16 309 995	65 814 070
<b>2021</b>				
Cost or valuation				
At 1 January 2021	4 685 391	16 876 212	5 809 546	27 371 149
Additions	-	-	2 950 764	2 950 764
Disposals	-	(17 421)	(7 216 216)	(288 637)
Currency conversion	3 574 429	24 385 464	7 820 901	35 780 794
At 31 December 2021	8 259 820	41 244 255	16 309 995	65 814 070
Accumulated depreciation and impairment				
Balance at 1 January 2021	-	-	-	-
Charge for the year	1 395 688	1 526 779	2 190 329	5 112 795
Disposal	-	(1 437)	(46 931)	(48 368)
Revaluation	(1 395 688)	(1 525 342)	(2 143 398)	(5 064 427)
Balance at 31 December 2021	-	-	-	-
Carrying amount	8 259 820	41 244 255	16 309 995	65 814 070
Balance at 31 December 2020	4 685 391	16 876 212	5 809 546	27 371 149

## 8. INTANGIBLE ASSETS

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>Cost</b>				
Balance at 1 January	193 886 174	183 272 485	4 072 032	1 311 570
Additions	83 257 933	10 613 689	74 814 300	2 760 462
Balance at 31 December	277 144 107	193 886 174	78 886 332	4 072 032
<b>Depreciation and impairment losses</b>				
Balance as at 1 January	87 682 746	50 851 354	890 434	315 275
Depreciation	3 400 754	36 831 392	989 282	575 160
Impairment	102 802 673	-	2 192 316	-
Balance as at 31 December	193 886 173	87 682 746	4 072 032	890 435
<b>Net book value as at 31 December</b>	83 257 934	106 203 428	74 814 300	3 181 597

## 9. LIFE ASSURANCE FUNDS






At 1 January	10 870 772 487	9 248 338 593	3 162 315 676	1 673 756 150
Changes to policyholder liabilities	4 254 375 889	1 622 433 895	11 962 832 700	1 488 559 527
Transfer (to)/from profit or loss	3 140 941 378	-	10 849 398 189	-
Additional expense reserve	1 113 434 511	-	1 113 434 511	-
At 31 December	15 125 148 376	10 870 772 488	15 125 148 376	3 162 315 677

## 10. LEASE LIABILITY

Balance as at 1 January	107 752 953	30 227 669	31 345 413	5 470 576
Remeasurement	90 405 852	132 212 338	124 971 873	38 356 287
Finance charge	82 534 050	18 723 785	82 534 050	4 351 818
Lease payments	(127 864 820)	(73 410 839)	(86 023 301)	(16 833 268)
Balance as at 31 December	152 828 035	107 752 953	152 828 035	31 345 413

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	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>11. TRADE AND OTHER PAYABLES</b>				
Policyholders' claims intimated but not paid	14 579 411	35 037 874	14 579 411	14 516 385
Other liabilities	171 014 611	62 881 433	171 014 611	18 292 255
Related parties	465 645 510	170 990 633	465 645 510	49 741 258
Unearned Premium	315 921 416	268 248 615	315 921 416	78 033 719
	967 160 948	537 158 555	967 160 948	160 583 617
<b>12. GROSS PREMIUM INCOME</b>				
Individual life	641 446 800	230 351 658	442 814 150	61 132 119
Group business	2 468 112 807	1 587 380 473	1 765 055 156	421 268 646
	3 109 559 607	1 817 732 131	2 207 869 306	482 400 765
<b>13. PREMIUMS CEDED TO REINSURERS</b>				
Individual life	(1 485 698)	(2 399 248)	(811 579)	(617 397)
Group business	(83 795 266)	(165 240 619)	(56 337 375)	(42 521 290)
	(85 280 964)	(167 639 867)	(57 148 954)	(43 138 687)
<b>14. INVESTMENT INCOME</b>				
Interest income on held to maturity financial instruments	50 164 898	28 569 392	39 438 898	5 799 193
Rentals from investment properties	59 103 750	45 068 707	55 562 271	11 816 097
Dividends from financial assets designated at FVTPL	45 820 605	45 669 246	25 898 769	11 731 185
	155 089 253	119 307 345	120 899 938	29 346 475
<b>15. OTHER INCOME</b>				
Gain on disposal of property and Equipment	-	78 697	-	22 893
Exchange gains	453 235 671	-	453 235 671	-
Sundry income	2 178 490	911 912	722 169	228 477
Reinsurance commission	12 539 727	31 822 759	7 642 846	8 167 579
Asset Management income	10 023 727	9 032 934	6 294 405	2 365 172
	477 977 615	41 846 302	467 895 091	10 784 121
<b>16. POLICYHOLDERS' BENEFITS</b>				
Claims during the year were as follows: -				
Death and disability benefits	293 700 940	278 360 293	195 973 650	71 739 158
Maturities	28 685 307	19 288 566	14 126 932	5 126 378
Annuities	63 358 602	55 819 863	45 349 369	14 413 756
Surrenders and pensions withdrawals	140 704 117	160 919 952	92 038 123	45 688 832
	526 448 966	514 388 674	347 488 074	136 968 124
<b>17. OPERATING EXPENSES</b>				
Loss on disposal of property and equipment	2 224 747	-	587 114	-
Staff expenses	1 239 956 991	605 842 992	895 967 467	160 411 728
Administration expenses	562 102 988	269 801 638	425 508 522	66 733 125
Depreciation of equipment	39 929 816	26 058 484	12 125 351	4 771 321
Depreciation of software	3 400 754	36 831 392	989 282	575 160
Depreciation of Right of Use Asset	17 345 339	60 187 394	11 006 235	15 739 551
Impairment	102 802 673	-	2 192 316	-
Foreign exchange loss	-	46 457 683	-	12 149 106
Directors Fees	87 458 111	41 700 555	70 408 602	10 740 769
Audit Fees	98 168 848	35 144 198	40 377 768	9 149 128
	2 153 390 267	1 122 024 336	1 459 162 657	280 269 888

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>18. INCOME TAX CHARGE</b>				
Current taxation	143 298 432	235 926 274	143 298 432	68 631 126
Deferred taxation	656 237 802	288 655 640	1 461 803 200	187 798 853
	799 536 234	524 581 914	1 605 101 632	256 429 979

**19. RISK MANAGEMENT**

Liquidity risk gap analysis as at 31 December 2022

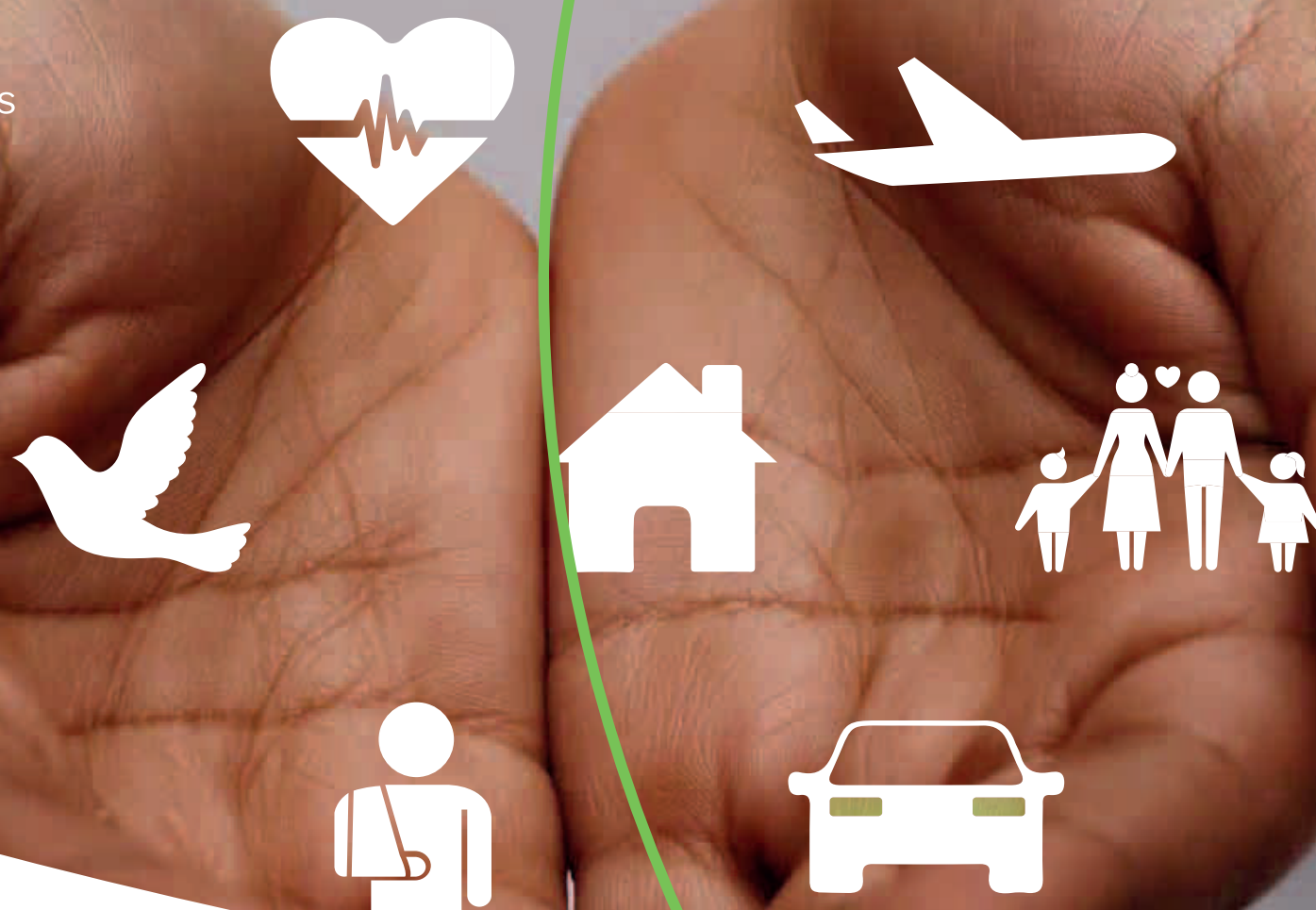
	Inflation adjusted			
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
<b>Assets</b>				
Bank and cash	12 057 291	-	-	12 057 291
Funds on deposit	176 737 480	5 531 187	9 539 727	191 808 393
Financial assets at Amortised cost	-	857 002 452	-	857 002 452
Investments-At Fair Value	-	818 818 475	4 230 760 562	5 049 579 038
Trade and other receivables	-	110 447 634	-	110 447 634
Reinsurance receivable	10 000	-	-	10 000
<b>Total</b>	188 804 771	1 791 799 748	4 240 300 289	6 220 904 808
<b>Liabilities</b>				
Trade and other payables	-	967 160 949	-	967 160 949
Reinsurance payable	6 208 859	-	-	6 208 859
<b>Total</b>	6 208 859	967 160 949	-	973 369 808
<b>Period Gap</b>	182 595 911	824 638 800	4 240 300 289	5 247 535 001
<b>Cumulative Gap</b>	182 595 911	1 007 234 712	5 247 535 001	-

Liquidity risk gap analysis as at 31 December 2021

	Inflation adjusted			
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
<b>Assets</b>				
Bank and cash	19 464 533	-	-	19 464 533
Funds on deposit	70 777 945	159 349 008	-	230 126 953
Financial assets at Amortised cost	-	148 491 201	-	148 491 201
Investments-At Fair Value	-	1 548 545 198	2 398 825 532	3 947 370 730
Trade and other receivables	-	87 702 326	-	87 702 326
Reinsurance receivable	34 376	-	-	34 376
<b>Total</b>	90 276 854	1 944 087 733	2 398 825 532	4 433 190 119
<b>Liabilities</b>				
Trade and other payables	-	552 022 045	-	552 022 045
Reinsurance payable	3 223 340	-	-	3 223 340
<b>Total</b>	3 223 340	552 022 045	-	555 245 385
<b>Period Gap</b>	87 053 514	1 392 065 688	2 398 825 532	3 877 944 734
<b>Cumulative Gap</b>	87 053 514	1 479 119 202	3 877 944 734	-

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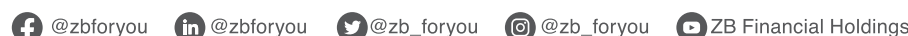
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## AUDITED FINANCIAL RESULTS for the year ended 31 December 2022

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments	1 891 519 104	1 614 439 391	1 891 519 104	469 641 600
Investment properties	2 791 426 000	1 792 195 557	2 791 426 000	521 351 000
Right of use assets	34 128 423	121 669 371	34 128 423	35 393 709
Equipment	261 482 827	85 124 860	261 482 827	24 762 885
<b>Total non-current assets</b>	<b>4 978 556 354</b>	<b>3 613 429 179</b>	<b>4 978 556 354</b>	<b>1 051 149 194</b>
<b>Current assets</b>				
Other assets	23 596 130	62 271 495	23 596 130	18 114 824
Balances receivable from insurance companies	1 959 336 533	716 534 626	1 959 336 533	208 440 447
Cash and cash equivalent	2 983 511 755	2 003 444 247	2 983 511 755	582 803 398
<b>Total current assets</b>	<b>4 966 444 418</b>	<b>2 782 250 368</b>	<b>4 966 444 418</b>	<b>809 358 669</b>
<b>Total assets</b>	<b>9 945 000 772</b>	<b>6 395 679 547</b>	<b>9 945 000 772</b>	<b>1 860 507 863</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liability	783 180 992	324 243 200	783 180 992	94 322 584
Lease Liabilities	122 365 138	123 814 878	122 365 138	36 017 839
<b>Current liabilities</b>				
Unearned premium reserve	831 016 652	349 525 569	831 016 652	101 677 244
Incurred but not reported claims reserve (IBNR)	909 286 965	388 594 133	909 286 965	113 042 318
Outstanding claims reserve	77 329 730	220 861 500	77 329 730	64 248 772
Balances payable to insurance companies	171 533 563	100 341 181	171 533 563	29 189 323
Taxation	(26 961 113)	42 148 567	(26 961 113)	12 261 049
Dividend Liability	-	96 008 517	-	27 928 948
Other payables	661 000 455	359 417 912	661 000 455	104 554 931
<b>Total liabilities</b>	<b>3 528 752 382</b>	<b>2 004 955 457</b>	<b>3 528 752 382</b>	<b>583 243 008</b>
<b>Equity</b>				
Share capital	1 131 603	1 131 603	5 000	5 000
Share premium	564 670 033	564 670 033	2 495 000	2 495 000
Revaluation reserve	116 410 048	41 973 760	137 095 427	20 112 341
Foreign Currency Revaluation Reserve	-	-	9 649 178	9 649 178
Retained earnings	5 734 036 706	3 782 948 694	6 267 003 785	1 245 003 336
<b>Total shareholders' equity</b>	<b>6 416 248 390</b>	<b>4 390 724 090</b>	<b>6 416 248 390</b>	<b>1 277 264 855</b>
<b>Total equity and liabilities</b>	<b>9 945 000 772</b>	<b>6 395 679 547</b>	<b>9 945 000 772</b>	<b>1 860 507 863</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2022

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Gross premium	11 904 767 647	6 758 704 164	9 008 797 117	1 569 584 679
Retrosession premium	(3 362 897 871)	(1 762 584 198)	(2 609 325 908)	(403 954 596)
<b>Net premium income</b>	<b>8 541 869 776</b>	<b>4 996 119 966</b>	<b>6 399 471 209</b>	<b>1 165 630 083</b>
Unearned premium	(886 939 515)	(83 779 050)	(729 339 408)	9 648 797
<b>Net earned premium</b>	<b>7 654 930 261</b>	<b>4 912 340 916</b>	<b>5 670 131 801</b>	<b>1 175 278 880</b>
Net claims	(3 575 609 815)	(1 790 670 444)	(2 812 021 478)	(433 202 372)
Net commission	(2 687 959 104)	(1 403 153 972)	(2 027 330 161)	(326 388 197)
Operating expenses	(2 315 546 901)	(976 748 899)	(1 714 021 969)	(223 634 557)
<b>Underwriting result</b>	<b>(924 185 559)</b>	<b>741 767 601</b>	<b>(883 241 807)</b>	<b>192 053 754</b>
Investment income	3 666 576 547	701 690 328	3 644 800 063	176 916 222
Fair value adjustment	895 007 804	1 113 194 857	2 910 886 389	504 749 315
<b>Operating profit</b>	<b>3 637 398 792</b>	<b>2 556 652 786</b>	<b>5 672 444 645</b>	<b>873 719 291</b>
Monetary loss	(1 251 815 935)	(706 453 959)	-	-
<b>Profit before taxation</b>	<b>2 385 582 857</b>	<b>1 850 198 827</b>	<b>5 672 444 645</b>	<b>873 719 291</b>
Income tax expense	(434 494 845)	(312 258 548)	(650 444 196)	(108 966 229)
<b>Profit for the year</b>	<b>1 951 088 012</b>	<b>1 537 940 279</b>	<b>5 022 000 449</b>	<b>764 753 062</b>
<b>Other Comprehensive income</b>				
Revaluation of equipment	98 879 235	32 163 553	155 397 298	14 815 232
Income tax r/walting to components of other comprehensive income	(24 442 947)	(7 950 830)	(38 414 212)	(3 662 325)
<b>Total comprehensive income</b>	<b>2 025 524 300</b>	<b>1 562 153 002</b>	<b>5 138 983 535</b>	<b>775 905 969</b>

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

Notes	Inflation adjusted					
	Share capital ZWS	Share premium ZWS	FCTR reserve ZWS	Revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
<b>2022</b>						
Balance at 1 January 2022	1 131 603	564 670 033	-	41 973 760	3 782 948 694	4 390 724 090
Profit for the year	-	-	-	-	1 951 088 012	1 951 088 012
<b>Other comprehensive income net of tax</b>						
Revaluation of equipment	-	-	-	74 436 288	-	74 436 288
<b>Balance at 31 December 2022</b>	<b>1 131 603</b>	<b>564 670 033</b>	<b>-</b>	<b>116 410 048</b>	<b>5 734 036 706</b>	<b>6 416 248 390</b>
<b>2021</b>						
Balance at 1 January 2021	1 131 603	564 670 033	-	17 761 038	2 341 016 932	2 924 579 606
Profit for the year	-	-	-	-	1 537 940 279	1 537 940 279
<b>Other comprehensive income net of tax</b>						
Revaluation of equipment	-	-	-	24 212 722	-	24 212 722
Dividend paid	-	-	-	-	(96 008 517)	(96 008 517)
<b>Balance at 31 December 2021</b>	<b>1 131 603</b>	<b>564 670 033</b>	<b>-</b>	<b>41 973 760</b>	<b>3 782 948 694</b>	<b>4 390 724 090</b>

### STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2022

	Historical cost					
	Share capital ZWS	Share premium ZWS	FCTR reserve ZWS	Revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
<b>2022</b>						
Balance at 1 January 2022	5 000	2 495 000	9 649 178	20 112 341	1 245 003 336	1 277 264 855
Profit for the year	-	-	-	-	5 022 000 449	5 022 000 449
<b>Other comprehensive income net of tax</b>						
Revaluation of equipment	-	-	-	116 983 086	-	116 983 086
<b>Balance at 31 December 2022</b>	<b>5 000</b>	<b>2 495 000</b>	<b>9 649 178</b>	<b>137 095 427</b>	<b>6 267 003 785</b>	<b>6 416 248 390</b>
<b>2021</b>						
Balance at 1 January 2021	5 000	2 495 000	9 649 178	8 959 434	508 179 220	529 287 832
Profit for the year	-	-	-	-	764 753 062	764 753 062
<b>Other comprehensive income net of tax</b>						
Revaluation of equipment	-	-	-	11 152 907	-	11 152 907
Dividend paid	-	-	-	-	(27 928 946)	(27 928 946)
<b>Balance at 31 December 2021</b>	<b>5 000</b>	<b>2 495 000</b>	<b>9 649 178</b>	<b>20 112 341</b>	<b>1 245 003 336</b>	<b>1 277 264 855</b>

### STATEMENT OF CASH FLOWS For the year ended 31 December 2022

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Cash (used in) / generated from operating activities</b>	<b>(573 208 667)</b>	<b>457 364 723</b>	<b>(259 514 910)</b>	<b>207 071 813</b>
Income taxes paid	(61 729 779)	(177 057 358)	(39 222 162)	(46 446 653)
Interest received	22 069 988	13 900 433	13 743 462	3 167 026
<b>Net cash (used in) / generated from operating activities</b>	<b>(612 868 458)</b>	<b>294 207 798</b>	<b>(284 993 610)</b>	<b>163 792 186</b>
<b>Cash flows from investing activities</b>				
Additions to equipment	(143 212 214)	(5 254 260)	(97 833 858)	(1 066 650)
Purchase of investment property	-	(184 406 366)	-	(41 309 771)
Purchase of prescribed assets	(945 065 116)	(566 525 343)	(945 065 116)	(162 999 000)
Proceeds disposal of equipment	3 763 632	2 213 521	1 833 843	643 915
Dividend received	34 957 784	15 978 454	23 246 923	4 000 655
Maturity of prescribed assets	563 762 761	214 472 272	163 999 000	40 919 860
<b>Net cash used in investing activities</b>	<b>(485 793 153)</b>	<b>(523 521 722)</b>	<b>(853 819 208)</b>	<b>(159 810 991)</b>
<b>Cash flows from financing activities</b>				
Dividend Paid	(69 341 211)	-	(27 928 948)	-
Lease liability paid	(35 062 355)	(20 847 641)	(23 588 815)	(4 780 410)
<b>Net cash utilised in financing activities</b>	<b>(104 403 566)</b>	<b>(20 847 641)</b>	<b>(51 517 763)</b>	<b>(4 780 410)</b>
Net decrease in cash and cash equivalent	(1 203 065 177)	(250 161 565)	(1 190 330 581)	(799 215)
Cash and cash equivalents at the beginning of the year	2 003 444 247	2 330 907 983	582 803 398	421 845 668
Effects in movement for exchange rates	2 183 132 685	(77 302 171)	3 591 038 938	161 756 945
<b>Cash and cash equivalent at the end of the year</b>	<b>2 983 511 755</b>	<b>2 003 444 247</b>	<b>2 983 511 755</b>	<b>582 803 398</b>

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

#### 1. INVESTMENTS

	Inflation adjusted			
	Level 1 ZWS	Level 2 ZWS	Total fair value ZWS	Total carrying amount ZWS
<b>2022</b>				
Quoted shares	930 018 065	-	930 018 065	930 018 065
Unquoted investment	-	16 435 923	16 435 923	16 435 923
Bonds & Bills	-	945 065 116	945 065 116	945 065 116
<b>2021</b>				
Quoted shares	1 041 281 631	-	1 041 281 631	1 041 281 631
Unquoted investment	-	9 394 997	9 394 997	9 394 997
Bonds & Bills	-	563 762 763	563 762 763	563 762 763
<b>2022</b>				
Quoted shares	930 018 065	-	930 018 065	930 018 065
Unquoted investment	-	16 435 923	16 435 923	16 435 923
Bonds & Bills	-	945 065 116	945 065 116	945 065 116
<b>2021</b>				
Quoted shares	302 909 589	-	302 909 589	302 909 589
Unquoted investment	-	2 733 011	2 733 011	2 733 011
Bonds & Bills	-	163 999 000	163 999 000	163 999 000

	Historical cost			
	Level 1 ZWS	Level 2 ZWS	Total fair value ZWS	Total carrying amount ZWS
<b>2022</b>				
Quoted shares	930 018 065	-	930 018 065	930 018 065
Unquoted investment	-	16 435 923	16 435 923	16 435 923
Bonds & Bills	-	945 065 116	945 065 116	945 065 116
<b>2021</b>				
Quoted shares	302 909 589	-	302 909 589	302 909 589
Unquoted investment	-	2 733 011	2 733 011	2 733 011
Bonds & Bills	-	163 999 000	163 999 000	163 999 000

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>2. INVESTMENT PROPERTY</b>				
Opening balances	1 792 195 557	1 038 031 367	521 351 000	187 862 000
Fair value adjustment	999 230 443	569 757 825	2 270 075 000	292 179 229
Additions	-	184 406 365	-	41 309 771
Closing balances	<b></b>			



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NOTES TO THE FINANCIAL STATEMENTS (continued)

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>3. BALANCES RECEIVABLE FROM INSURANCE COMPANIES</b>				
Balances receivable	2 118 559 956	760 756 222	2 118 559 956	221 304 542
Impairment allowance	(159 223 423)	(44 221 596)	(159 223 423)	(12 864 095)
	1 959 336 533	716 534 626	1 959 336 533	208 440 447
<b>4. CASH AND CASH EQUIVALENTS</b>				
Local banks	224 627 598	645 206 999	224 627 598	187 691 188
Foreign banks	2 758 884 157	1 358 237 248	2 758 884 157	395 112 210
	2 983 511 755	2 003 444 247	2 983 511 755	582 803 398
<b>5. UNEARNED PREMIUM RESERVE (UPR)</b>				
Opening balance	349 525 569	615 131 972	101 677 244	111 326 041
Charge/(credit) to profit or loss	886 939 515	83 779 050	729 339 408	(9 648 797)
Effects of inflation adjustments	(405 448 432)	(349 385 453)	-	-
Closing balance	831 016 652	349 525 569	831 016 652	101 677 244
<b>6. INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR)</b>				
Opening balance	388 594 133	498 199 117	113 042 318	90 163 636
Charge/(credit) to profit or loss	656 923 608	92 968 910	796 244 647	22 878 682
Effects of inflation adjustments	(136 230 776)	(202 573 894)	-	-
Closing balance	909 286 965	388 594 133	909 286 965	113 042 318
<b>7. OUTSTANDING CLAIMS RESERVE</b>				
Opening balance	220 861 500	157 872 181	64 248 772	28 571 568
Charge/(credit) to profit or loss	22 167 411	134 060 783	13 080 958	35 677 204
Effects of inflation adjustments	(165 699 181)	(71 071 464)	-	-
Closing balance	77 329 730	220 861 500	77 329 730	64 248 772
<b>8. TECHNICAL RESERVES</b>				

An external independent actuarial firm, African Actuarial Consultants determined incurred but not reported claims reserve (IBNR), Unearned Premium Reserve and the Outstanding Claims Reserves. African Actuarial Consultants has the appropriate recognised professional qualifications and experience to undertake this valuation.

To estimate the IBNR Reserve, the actuary makes use of the Basic Chainleader and Inflation adjusted Chainleader methods. Following the results of the Actual-Estimate analysis carried out there was the use of the triangle based methods to calculate IBNR as these have inflation assumptions inherent in the approaches. To estimate the Unearned premium reserve the Actuary makes use of the 365th method. To estimate the outstanding claims reserve reports and individual case estimates received from ceding companies where used.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>9. OPERATING EXPENSES</b>				
Staff expenses	797 985 691	382 468 102	625 126 450	93 334 408
Impairment on balances receivable from insurance companies	115 001 826	(30 243 898)	146 359 328	(8 797 972)
Administration expenses	1 206 584 586	502 520 635	790 868 608	111 491 175
Interest expense	9 025 649	10 830 201	9 025 649	2 561 479
Depreciation - equipment	26 152 838	16 801 406	12 706 078	2 755 304
Depreciation - right of use	9 930 964	13 803 948	9 930 964	3 285 206
Directors' remuneration	77 336 041	48 217 060	60 139 112	11 623 987
Audit fees	73 529 306	32 351 445	59 865 780	7 380 970
	2 315 546 901	976 748 899	1 714 021 969	223 634 557
<b>10. INVESTMENT INCOME</b>				
Interest income	22 069 988	13 900 434	13 743 462	3 167 026
Dividend income	34 957 784	29 522 538	23 246 923	7 724 593
Exchange gain	3 591 038 938	640 096 345	3 591 038 938	161 756 945
Rental Income	23 722 965	16 367 475	18 742 033	3 736 318
Loss on disposal of assets	(5 213 128)	1 803 536	(1 971 293)	531 340
	3 666 576 547	701 690 328	3 644 800 063	176 916 222
<b>11. FAIR VALUE ADJUSTMENT</b>				
Fair value adjustment on equity investments	(104 222 639)	543 437 032	640 811 389	212 570 086
Fair value adjustment on investment property	999 230 443	569 757 825	2 270 075 000	292 179 229
	895 007 804	1 113 194 857	2 910 886 389	504 749 315
<b>12. REGULATORY FRAMEWORK</b>				

The Insurance and Pensions Commission (IPEC) requires reinsurers to maintain a minimum solvency level of 25%. The solvency ratio is calculated as shareholder's equity divided by net premium income. As at 31 December 2022 the company had a solvency margin of 74% (Inflation adjusted), 99% (Historical) (December 2020: 88%- Inflation adjusted and 110%-Historical). The solvency ratio is not significantly affected by the application of IPEC asset admissibility guidelines for the calculation of regulatory capital given the company's strong liquidity position. The company is also compliant with the IPEC prescribed minimum capital requirement of \$75,000,000.

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## **Independent Auditors' Report**

### ***To the shareholders of ZB Financial Holdings Limited***

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#### ***Opinion***

We have audited the inflation adjusted consolidated and separate financial statements of ZB Financial Holdings Limited (the Group and Company) set out on pages 18 to 185, which comprise;

- the inflation adjusted consolidated and separate statements of financial position as at 31 December 2022,
- the inflation adjusted consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2022;
- the inflation adjusted consolidated and separate statements of changes in equity for the year ended 31 December 2022;
- the inflation adjusted consolidated and separate statements of cash flows for the year ended 31 December 2022; and
- the notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of ZB Financial Holdings Limited as at 31 December 2022, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29) and the Insurance Act (Chapter 24:07).

#### ***Basis for opinion***

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the inflation adjusted consolidated and separate financial statements.



**Key audit matters**

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

**1. Valuation of property and equipment and investment properties**

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

Refer to the critical accounting judgements and key sources of estimation uncertainty note 2.2.2.3, the property and equipment accounting policy note 3.7, the investment property accounting policy note 3.16, the investment properties consolidated and separate note 12, the property and equipment consolidated and separate note 14 and the fair value adjustments consolidated and separate note 30 to the inflation adjusted consolidated and separate financial statements.

Key audit matter	How the matter was addressed in our audit
<p>The Group and the Company have freehold properties and equipment (property and equipment) that are measured at fair value in accordance with IAS 16, Property, Plant and Equipment (IAS 16). The Group and Company also holds investment property (made up of residential, commercial and industrial properties) which is measured at fair value in accordance with IAS 40, Investment Property (IAS 40).</p> <p>As at the reporting date, the Group and Company had freehold properties and equipment amounting to ZW\$49,3 billion inflation adjusted and ZW\$729 million inflation adjusted respectively, whilst the Group and Company had investment properties amounting to ZW\$94,1 billion inflation adjusted and ZW\$405 million inflation adjusted respectively.</p> <p>All valuations were determined in ZW\$. The key inputs and assumptions used in the valuations for commercial and industrial properties, such as, rental rates per square meter and investment yield are determined in an environment where there is limited market activity in the local currency.</p> <p>For freehold properties, residential properties and equipment, the valuer used the direct comparison method. For freehold and residential properties this was performed by identifying various properties that had been sold or which were on sale and situated in comparable areas using the Main Space Equivalent (MSE) principle. The total MSE was then used to determine the value per square meter.</p> <p>The degree of complexity involved in determining the appropriateness of key inputs and assumptions</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the professional competence and objectivity of the external valuers engaged by the directors and their independence to value the freehold properties, investment properties and equipment by enquiring about their interests and relationship with the Group and Company and validating their membership to professional associations;</li> <li>• We engaged our own independent valuation expert to evaluate the appropriateness of the valuation methodologies used in accordance with the requirements of IFRS 13 Fair Value Measurement (IFRS 13) and challenged the assumptions applied by the directors external valuation expert based on their industry knowledge and experience;</li> <li>• For equipment we corroborated the valuations from the independent valuation expert by evaluating the changes in valuation from the prior year after taking into account external factors that would impact the valuation of the equipment; and</li> <li>• We assessed the adequacy of the disclosures in the inflation adjusted consolidated and separate financial statements in respect of the valuation of freehold properties, equipment and</li> </ul>



Key audit matter	How the matter was addressed in our audit
used in determining the fair value and the significant judgement and estimation required in determining the fair values resulted in the valuation of freehold properties, equipment and investment properties being considered a key audit matter.	investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

## 2. Expected credit loss allowance on mortgages and other advances

*This matter relates to the inflation adjusted consolidated financial statements.*

Refer to the critical accounting judgements and key sources of estimation uncertainty note 2.2.2.7, impairment of financial assets accounting policy note 3.4.1.5, mortgages and other advances note 7 and credit risk note 39.2.4 to the inflation adjusted consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>The Group provides mortgages and advances loans to retail and corporate customers. At reporting date, the Group had mortgages and other advances of ZW\$ 64,7 billion inflation adjusted. The Group uses an Expected Credit Loss (ECL) model to determine the allowance for loan impairments.</p> <p>The Group's ECL model includes certain judgements and assumptions such as:</p> <ul style="list-style-type: none"> <li>• the credit grade allocated to the counterparties;</li> <li>• the probability of a loan becoming past due and subsequently defaulting (probability of default (PD));</li> <li>• the determination of the Group's definition of default;</li> <li>• the magnitude of the likely loss if there is default (loss given default (LGD));</li> <li>• the expected exposure in the event of a default (exposure at default (EAD));</li> <li>• the criteria for assessing significant increase in credit risk (SICR);</li> <li>• the rate of recovery on the loans that are past due and in default;</li> <li>• the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; and</li> </ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed and tested the design, implementation and operating effectiveness of the key controls over credit origination and monitoring;</li> <li>• We assessed whether the Group's credit policies are aligned with IFRS 9, <i>Financial Instruments</i> (IFRS 9);</li> <li>• We engaged our Financial Risk Management specialists to evaluate the appropriateness of the Group's IFRS 9 expected credit loss model by using our own independent models to recompute the ECL and assessed the reasonability of the methodology updates applied within the Group's IFRS 9 ECL model with that of the prior year;</li> <li>• We used available external and independent information regarding macro-economic factors to challenge management's judgements and assumptions in evaluating the forward looking information used to determine the allowance for loan impairments.</li> <li>• We engaged our Information Risk Management specialists to re-perform the extraction of the entire loan portfolio from the core systems and we performed independent classifications into stage 1, stage 2 and stage 3 in accordance with IFRS 9 staging requirements based on delinquency dates and compared our results</li> </ul>



Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios.</li> </ul> <p>Due to the significance of the mortgages and other advances balance to the inflation adjusted consolidated statement of financial position and the level of judgement applied in determining the ECL, the expected credit loss on mortgages and other advances was considered a key audit matter.</p>	<p>against management's IFRS 9 calculations and investigated variances in staging;</p> <ul style="list-style-type: none"> <li>We assessed the completeness, accuracy and validity of data and inputs used during the development and application of the ECL model;</li> <li>For a sample of mortgages and other advances, we evaluated the appropriateness of the credit risk grade through the performance of credit reviews and an analysis of the financial performance of selected entities; and</li> <li>We assessed the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 9.</li> </ul>

### 3. Valuation of incurred but not yet reported claims reserves (IBNR) and life assurance funds

*This matter relates to the inflation adjusted consolidated financial statements.*

Refer to the critical accounting judgements and key sources of estimation uncertainty note 2.2.2.5 and note 2.2.2.6, insurance liabilities accounting policy note 3.17.2, incurred but not yet reported claims reserve note 18.2, life assurance funds note 21 and insurance risk note 39.3 to the inflation adjusted consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
<p>The Group holds insurance liabilities which, on an inflation adjusted basis comprise incurred but not yet reported claims reserve (IBNR) of ZW\$ 841 million and life assurance funds amounting to ZW\$ 15,1 billion.</p> <p>The directors engaged two actuarial experts (one for the reinsurance subsidiary and another for the life assurance subsidiary) to assess the appropriateness of the valuation of the IBNR and the life assurance funds.</p> <p>The determination of the insurance liabilities is an area that makes use of significant qualitative and quantitative judgments and estimates due to the level of subjectivity inherent in the estimation of the occurrence and severity of insurable events that have occurred as at the end of the reporting year.</p> <p>Significant estimation and judgement is applied over key valuation assumptions used to determine the insurance liabilities such as</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>We tested the design, implementation and operating effectiveness of key controls over the identification, measurement and recording of the Group's calculation of insurance liabilities;</li> <li>We evaluated the appropriateness of the methodology applied and assumptions used by the Group to determine the insurance liabilities using our knowledge and industry experience;</li> <li>We engaged our own actuarial specialist to interrogate the methodology and assumptions used in the determination of the insurance liabilities by testing the principles and integrity of the data and models used by management and their actuaries based on their industry knowledge and experience;</li> <li>We assessed the reasonability and accuracy of the insurance liabilities by comparing the prior year claims recognised against the results of</li> </ul>



Key audit matter	How the matter was addressed in our audit
<p>valuation discount rates, expense inflation and mortality.</p> <p>Because of the inherent susceptibility of the IBNR and life assurance funds to the estimation uncertainty as well as their quantitative impact, we have considered the valuation of these insurance liabilities to be a key audit matter.</p>	<p>current year claims actually reported that related to the prior financial period; and</p> <ul style="list-style-type: none"> <li>We assessed the disclosures in the inflation adjusted consolidated financial statements, paying particular attention to the disclosure of the assumptions used and judgements made against the requirements of the International Financial Reporting Standards (IFRS) 4 Insurance Contracts.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the Chairman’s Statement, the Group Chief Executive’s Report, the Report of the Directors, the Directors’ Statement of Responsibility, extracts from the Report of the Independent Actuary, Certificate as to Solvency of an Insurer and the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled “Unaudited Historical Cost”, but does not include the inflation adjusted consolidated and separate financial statements and our auditors’ report thereon, which we obtained prior to the date of this auditors’ report, and the “ZB Financial Holdings Limited 2022 Annual Report”, which is expected to be made available to us after that date.

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

In connection with our audit of the inflation adjusted consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we have obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the inflation adjusted consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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



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

KPMG

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

19 April 2023

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

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