



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022

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Key Financial Highlights

Inflation Adjusted	Profit after taxation (ZWL\$^m) 33,042.3 24.7%	Total comprehensive income (ZWL\$^m) 43,043.3 32.4%	Total assets (ZWL\$^m) 955,093.2 46.0%	Total equity (ZWL\$^m) 168,545.3 37.0%	Total deposits (ZWL\$^m) 680,399.5 50.7%	Total advances (ZWL\$^m) 176,218.9 8.3%
Historical	80,960.6 400.9%	111,222.0 453.3%	923,034.3 405.6%	143,419.5 382.7%	680,399.5 417.9%	176,218.9 215.2%

Group Chairman's Statement

It is my pleasure to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the year to 31 December 2022.

Given that the Group's strategic and financial performance was largely driven by global, regional and domestic macroeconomic developments, it is essential that I outline the major environmental factors that influenced our strategy development and execution during the year 2022.

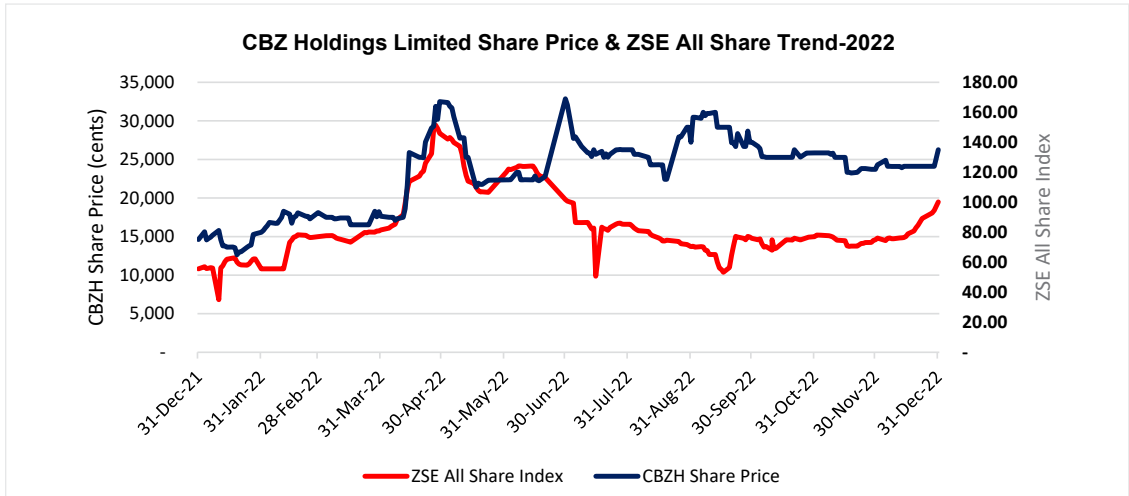
On the global scale, most economies noticeably transitioned into a post-crisis mode, as COVID-19 subsided from pandemic to endemic status. The subsequent reopening of borders and airspaces resulted in a noticeable recovery in the global tourism, hospitality, aviation and related sectors, as people began to travel further and stay longer on vacations and business. This somewhat eased accessibility to international markets, as well as opened up new opportunities in the tourism and allied sectors. However, the period was also characterised with an increase in downside risks, including rising global inflation, cost of living crises, currency weaknesses and tightening monetary and fiscal conditions, which dampened prospects of rapid and sustained recovery in global economic activity.

In Zimbabwe, the operating environment was intermittently volatile during the second quarter of the year. However, significant exchange rate and price stability was achieved from the end of the third quarter of the year, following enhancement of the tight fiscal and monetary policy stances by the authorities, as well as a slowdown in global instabilities. Moreover, notwithstanding the aforementioned intermittent market volatilities, considerably strong activity and resilience was still recorded in the tourism, mining and infrastructure sectors. Additionally, record high Diaspora remittances of US\$1.6 billion for the year 2022 continued to propel private consumption and investment, especially in the residential construction sector. Subsequently, the Government of Zimbabwe estimates the economy to have grown by a resilient 4.0% in 2022 – above the projected Sub Saharan Africa growth rate of 3.6% for 2022.

Meanwhile, the CBZ Group continued to play a significant role in supporting the economy, providing different solutions through its banking, microfinance, insurance, wealth management, risk advisory and properties subsidiaries. In particular, in the digital space, the Group continued to put unprecedented freedom and convenience into its customers' hands through enhancements to its multi-award winning mobile app, CBZ Touch. Additionally, under the wealth management banner, Datvest successfully added investment options to the Group's clients through the launch of the Datvest Modified Consumer Staples Exchange Traded Fund "ETF". The completion of the Fairview housing project was also another milestone for Datvest and the Group, as it continued to play a part towards putting a roof above every citizen's head. Finally, CBZ Bank leveraged on its huge balance sheet to support new and expansion projects in the mining, agriculture and infrastructure development sectors, among others, thereby maintaining its market leadership position throughout the year. On the Agriculture space, CBZ Agro-Yield remains a key strategic partner in supporting Government's quest to make the country food self-sustenance.

Share Price Performance

On the capital markets, the CBZH share price increased by 79.6% from ZWL\$75.20 at the beginning of the year to close at ZWL\$135.00. The ZSE benchmark index rose by 80.1% growth. CBZH ended the year with a market capitalisation of ZWL\$70.6 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2021 to December 2022.



Corporate Social Responsibility

In 2022, CBZ Holdings facilitated community-driven, sustainable, and environmentally inclusive projects to further the socio-economic status of the underprivileged populations in Zimbabwe. Leveraging on staff volunteerism, philanthropy, health, and sports development pillars. Several initiatives were carried out during this period, including donations to the Makomborero Trust, which houses top performing A-Level students from disadvantaged backgrounds, Tariro - Hope and Health for Zimbabwe's Orphans (Tariro Trust), which educates girls from disadvantaged families at various primary, secondary, and tertiary levels. Furthermore, the Group made a donation towards the reconstruction of toilets at Denya Primary School, located in Mashonaland East Province which had been destroyed by torrential rains. As part of our continued support of health initiatives, CBZ donated to Karanda Mission Hospital Surgical Outreach, which offered free surgical procedures ranging from inguinal hernias to thyroidectomies to patients who had been assessed and pre-booked through Operation of Hope Mission.

To achieve community-wide impact, we leveraged on our core competencies to address social challenges in the community. The Group also donated towards the renovation of Tshovani Stadium in Chiredzi, which was in a dilapidated state. As a community gathering place, the stadium offers a unique opportunity for the Chiredzi community, including the youth, to participate in positive recreational activities. Through the CBZ sporting development pillar, the Group hosted the annual CBZ Marathon at the Old Georgians Sports Club in Harare, where approximately 1,800 athletes from across the country competed in races ranging from 5 km, 10 km, 21.1 km, and the main 42.2 km race.

Our geographical spread has enabled us to reach many communities in Zimbabwe. During the period under review, the Rusape Branch visited and donated groceries to Nyazura Farm Prison. Among the groceries were cooking oil, soya mince, dry beans, bars of washing soap, and sanitary pad packs, among others.

The Group looks forward to a deeper engagement with all our partners, beneficiaries, local administrations, and employees to accelerate the impact of our work in the communities and continue focusing on bringing sustainable change in the communities we serve.

Governance & Directorship

As Chairman of the Board of Directors of CBZ Holdings Limited, it is my responsibility to ensure that the Group has both sound Corporate Governance and an effective Board. My responsibilities include leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that good information flows freely between the Executive and Non-executive directors in a timely manner.

The Board believes that Corporate Governance is more than just a set of guidelines; rather it is a framework which underpins the core values for running the business in which we all believe, including a commitment to open and transparent communication with our stakeholders. We believe that good corporate governance improves long term success and performance

There have been no changes to the Group's key corporate governance arrangements over the past year.

Overview of the Group's performance

The table below summarises the Group's financial performance for the year ended 31 December 2022.

	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	AUDITED 31 DEC 2022 ZWL\$ M	AUDITED 31 DEC 2021 ZWL\$ M	UNAUDITED 31 DEC 2022 ZWL\$ M	UNAUDITED 31 DEC 2021 ZWL\$ M
Key Financial Hig hlights				
Profit after taxation	33 042.3	26 493.5	80 960.6	16 164.2
Total comprehensive income	43 043.3	32 515.1	111 222.0	20 101.6
Total assets	955 093.2	654 184.3	923 034.3	182 570.9
Total equity	168 545.3	123 046.4	143 419.5	29 710.3
Total deposits	680 399.5	451 611.6	680 399.5	131 374.1
Total advances	176 218.9	192 166.1	176 218.9	55 901.3
Other statistics				
Basic earnings per share (cents)	6 331.63	5 075.78	15 510 .63	3 096.43
Non-interest income to total income (%)	70.4	54.3	77.6	55.7
Cost to income ratio (%)	34.5	40.2	27.1	34.8
Return on assets (%)	6.8	6.2	17.9	11.9
Return on equity (%)	22.7	24.0	93.5	79.3
Growth in deposits (YTD %)	50.7	25.4	417.9	101.5
Growth in advances (YTD %)	(8.3)	18.1	215.2	89.9
Growth in PAT (YOY %)	24.7	(5.5)	400.9	163.0

Outlook

The effects of the turbulence experienced in 2022 are expected to spill over into the year 2023, with the International Monetary Fund "IMF" projecting global growth to decelerate further from 3.4% in 2022 to 2.9% on 2023 – the weakest level in more than two decades outside the global financial crisis and COVID-19 pandemic phases. In Zimbabwe, the Government expects the economy to grow by 3.8% in 2023, supported by pent up demand in the hospitality sector – thanks to an emerging middle income class - and continued resilience and investments in the mining and construction sectors as well as progression of projects in the energy and iron and steel sectors. Diaspora remittances are expected to continue playing a significant role in propping up private consumption and demand. The Group will, therefore, continue to invest in building its capacity and ability to continuously meet the increasing demands of its wide range of customers. The intended continuation of the multicurrency system, in line with the National Development Strategy "NDS 1", is also expected to enable the Group to offer solutions that speaks to the evolving business models of its clients. Finally, the expected launch of the National Financial Inclusion Strategy II by the Reserve Bank of Zimbabwe in 2023 should provide further guidance and alignment to the Group's ongoing ESG initiatives, especially under the financial inclusion pillar.

Appreciation

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

Marc Holtzman
Group Chairman

8 May 2023

Statement of Directors' Responsibilities

The Directors are responsible for the oversight of the Group's consolidated inflation adjusted financial statements preparation to ensure that its financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards ("IFRS"). They have general responsibility, through various Board Committees, Executive management, compliance and internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities.

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

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

Compliance with local legislation

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

Compliance with IFRS

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

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

Going concern

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

Responsibility

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

By order of the Board.

T. L. GUMBO
GROUP CFO

8 May 2023

DR. B. MUDAVANHU
GROUP CEO

8 May 2023

Auditor's Statement

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2022, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon. The opinion includes key audit matters in respect of valuation of owner-occupied property and investment property, expected credit loss allowance on loans and advances to customers and valuation of unlisted investments.

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

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Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
NOTES					
Interest income	2	87 217 393	74 916 927	62 283 222	19 313 284
Interest expense	2	(13 460 234)	(9 473 445)	(10 206 580)	(2 040 312)
Net interest income		73 757 159	65 443 482	52 076 642	17 272 972
Non-interest income	3	179 025 582	79 399 247	183 062 792	22 081 856
Net underwriting income	4	1 566 038	1 420 454	658 302	263 464
Total income		254 348 779	146 263 183	235 797 736	39 618 292
Operating expenditure	5	(87 858 923)	(58 782 712)	(63 997 752)	(13 803 898)
Operating income		166 489 856	87 480 471	171 799 984	25 814 394
Transfer to life fund and investment contract liabilities		(1 835 895)	(902 339)	(1 182 363)	(178 200)
Expected credit loss expense	14	(71 781 058)	(25 221 686)	(71 781 058)	(7 337 007)
Charge for impairment on insurance assets	14	(118 419)	(66 889)	(118 419)	(19 458)
Monetary loss		(38 227 959)	(24 608 419)	-	-
Profit before taxation		54 526 525	36 681 138	98 718 144	18 279 729
Taxation	6.1	(21 484 244)	(10 187 603)	(17 757 513)	(2 115 550)
Profit after tax for the year		33 042 281	26 493 535	80 960 631	16 164 179
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		9 225 937	5 114 463	24 981 633	3 418 317
Gains on equity instruments at FVOCI		4 354 048	1 515 833	9 756 040	1 094 623
Deferred income tax relating to components of other comprehensive income	6.3	(3 833 962)	(891 761)	(4 731 324)	(573 232)
		9 746 023	5 738 535	30 006 349	3 939 708
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of foreign subsidiary	30.7	254 995	283 038	254 995	(2 241)
Other comprehensive income for the year net of tax		10 001 018	6 021 573	30 261 344	3 937 467
Total comprehensive income for the year		43 043 299	32 515 108	111 221 975	20 101 646
Profit for the year attributable to:					
Equity holders of parent		33 052 100	26 496 368	80 967 977	16 163 848
Non-controlling interests	30.5	(9 819)	(2 833)	(7 346)	331
		33 042 281	26 493 535	80 960 631	16 164 179
Total comprehensive income for the year attributable to:					
Equity holders of parent		43 050 200	32 515 325	111 218 208	20 099 596
Non-controlling interests	30.5	(6 901)	(217)	3 767	2 050
Total comprehensive income for the year		43 043 299	32 515 108	111 221 975	20 101 646
Earnings per share (cents)					
Basic	7.1	6 331.63	5 075.78	15 510.63	3 096.43
Diluted basic	7.1	6 331.63	5 075.78	15 510.63	3 096.43
Headline	7.1	4 986.21	4 321.34	12 182.84	2 622.24

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

AUDITED INFLATION ADJUSTED											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based Payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000
Restated											
31 December 2021											
Opening balance	924 972	5 652 468	-	-	13 062 896	4 081 935	437 997	73 192 552	97 352 820	15 250	97 368 070
Profit for the year	-	-	-	-	-	-	-	26 496 368	26 496 368	(2 833)	26 493 535
Other comprehensive income for the year	-	-	-	-	4 298 026	1 437 893	283 038	-	6 018 957	2 616	6 021 573
Equity-settled-											
share based payment	-	-	-	1 959 263	-	-	-	-	1 959 263	-	1 959 263
Dividend paid	-	-	-	-	-	-	-	(8 796 086)	(8 796 086)	-	(8 796 086)
Closing balance	924 972	5 652 468	-	1 959 263	17 360 922	5 519 828	721 035	90 892 834	123 031 322	15 033	123 046 355
31 December 2022											
Opening balance	924 972	5 652 468	-	1 959 263	17 360 922	5 519 828	721 035	90 892 834	123 031 322	15 033	123 046 355
Profit for the year	-	-	-	-	-	-	-	33 052 100	33 052 100	(9 819)	33 042 281
Other comprehensive income for the year	-	-	-	-	5 608 553	4 134 552	254 995	-	9 998 100	2 918	10 001 018
Issue of shares	-	-	-	-	-	-	-	-	-	-	-
awaiting allotment	-	-	3 722 167	-	-	-	-	-	3 722 167	-	3 722 167
Dividend paid	-	-	-	-	-	-	-	(1 266 550)	(1 266 550)	-	(1 266 550)
Closing balance	924 972	5 652 468	3 722 167	1 959 263	22 969 475	9 654 380	976 030	122 678 384	168 537 139	8 132	168 545 271
UNAUDITED HISTORICAL											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based Payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000
31 December 2021											
Opening balance	5 220	33 876	-	-	2 892 977	923 754	79 270	7 126 176	11 061 273	2 907	11 064 180
Profit for the year	-	-	-	-	-	-	-	16 163 848	16 163 848	331	16 164 179
Other comprehensive income for the year	-	-	-	-	2 897 733	1 040 256	(2 241)	-	3 935 748	1 719	3 937 467
Equity-settled-											
share based payment	-	-	-	569 951	-	-	-	-	569 951	-	569 951
Dividend paid	-	-	-	-	-	-	-	(2 025 509)	(2 025 509)	-	(2 025 509)
Closing balance	5 220	33 876	-	569 951	5 790 710	1 964 010	77 029	21 264 515	29 705 311	4 957	29 710 268
31 December 2022											
Opening balance	5 220	33 876	-	569 951	5 790 710	1 964 010	77 029	21 264 515	29 705 311	4 957	29 710 268
Profit for the year	-	-	-	-	-	-	-	80 967 977	80 967 977	(7 346)	80 960 631
Other comprehensive income for the year	-	-	-	-	20 726 298	9 268 938	254 995	-	30 250 231	11 113	30 261 344
Dividend paid	-	-	-	-	-	-	-	(1 012 734)	(1 012 734)	-	(1 012 734)
Issue of shares	-	-	3 500 000	-	-	-	-	-	3 500 000	-	3 500 000
awaiting allotment	-	-	3 500 000	-	-	-	-	-	3 500 000	-	3 500 000
Closing balance	5 220	33 876	3 500 000	569 951	26 517 008	11 232 948	332 024	101 219 758	143 410 785	8 724	143 419 509
** Shares awaiting allotment reserve (Refer to note 30.9)											
* Foreign currency translation reserve											

Consolidated Statement of Financial Position

As at 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
NOTES					
Cash and cash equivalents	9	263 077 584	136 001 483	263 077 584	39 562 931
Money market assets	10	35 458 149	83 717 940	35 458 149	24 353 610
Financial securities	11	49 633 591	3 315 622	49 633 591	964 517
Loans and advances to customers	12	176 218 892	192 166 130	176 218 892	55 901 268
Insurance assets	13	2 074 050	4 090 959	1 973 587	1 162 033
Equity investments	17	17 335 017	18 638 795	17 335 017	5 422 039
Land inventory	16	20 801 368	20 459 426	1 657 513	552 094
Other assets	15	283 425 317	129 655 225	278 675 429	37 217 108
Current tax receivable		167 047	127 831	167 047	37 186
Intangible assets	22	926 145	1 045 501	257 276	213 757
Property and equipment	20	45 533 661	31 313 403	37 593 673	7 395 991
Investment properties	21	28 591 973	21 209 840	28 591 973	6 169 958
Deferred tax asset	23	31 850 453	12 442 131	32 394 532	3 618 424
TOTAL ASSETS		955 093 247	654 184 286	923 034 263	182 570 916
LIABILITIES					
Deposits	24	680 399 535	451 611 586	680 399 535	131 374 141
Insurance liabilities	25	1 972 132	3 336 179	1 977 841	930 419
Other liabilities	26	56 995 029	56 019 613	56 611 156	15 963 342
Current tax payable		1 385 218	1 796 358	1 385 218	522 562
Life fund	27	1 574 500	1 367 473	1 574 500	397 799
Investment contract liabilities	28	369 246	214 994	369 246	62 542
Lease liability	20.1b	261 756	124 682	261 756	36 270
Deferred tax liability	23	43 590 560	16 667 046	37 035 502	3 573 573
		786 547 976	531 137 931	779 614 754	152 860 648
EQUITY					
Share capital	30.1	924 972	924 972	5 220	5 220
Share premium	30.2	5 652 468	5 652 468	33 876	33 876
Revaluation reserve	30.3	22 969 475	17 360 922	26 517 008	5 790 710
Shares awaiting allotment reserve	30.9	3 722 167	-	3 500 000	-
Share based payment reserve	30.8	1 959 263	1 959 263	569 951	569 951
Fair value reserve	30.6	9 654 380	5 519 828	11 232 948	1 964 010
Retained earnings	30.4	122 678 384	90 892 834	101 219 758	21 264 515
Foreign currency translation reserve	30.7	976 030	721 035	332 024	77 029
Equity attributable to equity holders of the parent		168 537 139	123 031 322	143 410 785	29 705 311
Non-controlling interest	30.5	8 132	15 033	8 724	4 957
TOTAL EQUITY		168 545 271	123 046 355	143 419 509	29 710 268
TOTAL LIABILITIES AND EQUITY		955 093 247	654 184 286	923 034 263	182 570 916

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Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	54 526 525	36 681 138	98 718 144	18 279 729
Non-cash items:				
Monetary loss	38 227 959	24 608 419	-	-
Depreciation	2 664 253	2 170 680	1 386 362	312 929
Amortisation of intangible assets	402 534	241 984	125 724	39 039
Write off of property and equipment	32 028	16 401	73 711	947
Write off of intangible assets	-	1 966	-	323
Write down of land inventory	-	313 743	-	12 658
Write off of equity investments	2	-	1	-
Fair value adjustments on investment properties	(9 348 511)	(5 568 663)	(23 136 415)	(3 300 355)
Write off of right of use asset and lease liability	-	11 113	-	92
Fair value adjustments on financial instruments	5 826 316	(3 566 983)	(2 204 496)	(1 561 872)
Expected credit loss expense	71 781 058	25 221 686	71 781 058	7 337 007
Impairment on insurance assets	118 419	66 889	118 419	19 458
Unrealised gain on foreign currency position	(111 140 399)	(14 340 632)	(111 140 399)	(4 171 700)
Loss/ (Profit) on disposal of investment properties	727 623	(254 344)	174 651	(50 256)
Unearned premium reserve movement	306 297	290 340	673 696	124 902
Incurred But Not Reported (IBNR) claims provisions	234 125	117 766	133 778	29 435
Deferred commission movement	(47 968)	(95 287)	(49 445)	(23 846)
Profit on sale of property and equipment	(13 046)	(6 105)	(13 280)	(1 870)
Transfer to life fund and investment contract liabilities	1 835 895	902 339	1 182 363	178 200
Accrued interest on loans and advances to customers	(26 810 967)	(22 401 005)	(14 762 975)	(5 049 926)
Interest on lease liability	26 996	15 490	23 943	3 590
Operating cash flows before changes in operating assets and liabilities	29 349 139	44 426 935	23 084 840	12 178 484
Changes in operating assets and liabilities				
Deposits	957 488 951	328 776 532	527 224 021	72 631 103
Loans and advances to customers	(42 060 101)	(139 740 174)	(23 159 637)	(30 769 214)
Life assurance investment contract liabilities	226 473	177 628	124 070	51 672
Money market assets	(17 780 138)	(74 864 095)	(8 108 060)	(16 538 472)
Financial securities	(88 518 463)	16 170	(48 713 208)	9 957
Insurance assets	(516 238)	(1 144 645)	(288 998)	(555 516)
Insurance liabilities	350 672	1 550 436	158 059	352 098
Land inventory	(341 943)	(312 601)	(1 105 419)	(94 112)
Other assets	(951 511 642)	(180 378 247)	(304 800 329)	(17 055 977)
Other Liabilities	390 258 139	129 405 629	40 902 167	7 265 087
	247 595 710	63 486 633	182 232 666	15 296 626
TAXATION				
Corporate tax paid	(19 689 815)	(18 705 615)	(17 084 252)	(4 738 473)
Net cash inflow from operating activities	257 255 034	89 207 953	188 233 254	22 736 637
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	1 351 248	506 231	605 826	104 960
Investment in equities during the year	(1 569 640)	(1 321 829)	(820 408)	(347 276)
Equity investments disposed during the year	1 401 148	355 245	867 965	75 513
Purchase of investment property	(112 493)	(706 959)	(66 077)	(175 939)
Proceeds on disposal of property and equipment	18 332	6 810	14 213	1 971
Purchase of property and equipment	(7 543 365)	(2 053 899)	(6 534 157)	(523 936)
Purchase of intangible assets	(283 178)	(356 775)	(169 243)	(119 761)
Net cash outflow from investing activities	(6 737 948)	(3 571 176)	(6 101 881)	(984 468)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares awaiting allotment	3 722 167	-	3 500 000	-
Lease liability principal repayment	(151 625)	(79 927)	(90 884)	(17 704)
Interest on lease liability paid	(26 996)	(15 490)	(23 943)	(3 590)
Dividend paid	(1 266 550)	(8 796 086)	(1 012 734)	(2 025 509)
Net cash inflow/ (outflow) from financing activities	2 276 996	(8 891 503)	2 372 439	(2 046 803)
Net increase in cash and cash equivalents	252 794 082	76 745 274	184 503 812	19 705 366
Cash and cash equivalents at beginning of the year	136 001 483	109 140 361	39 562 931	19 752 126
Exchange gains on foreign cash balances	39 010 841	362 457	39 010 841	105 439
Inflation effects on cash and cash equivalents	(164 728 822)	(50 246 609)	-	-
Cash and cash equivalents at end of the year	263 077 584	136 001 483	263 077 584	39 562 931



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



Group Accounting Policies

For the year ended 31 December 2022

1 GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2022 annual report which is available at the Company registered offices.

1.1 Basis of preparation

The consolidated inflation adjusted financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). In addition, these consolidated inflation adjusted financial statements have also been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07; Securities Act (Chapter 24:25), Microfinance act (Chapter 24:29), Estate agents act chapter (27:17) and Asset Management Act (Chapter 24:06). The consolidated inflation adjusted financial results have been restated to take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Determination of the functional currency

In recent years, monetary policy and exchange control measures have undergone significant changes, which have affected the Group's operations. The economy has also experienced significant improvement, as a result of a substantial increase in foreign currency transactions during the year. Consequently, the Group's foreign currency transactions activity, deposits, and advances increased. The Directors have reviewed these prevalent market activities in order to determine whether the underlying transactions, events, and conditions may indicate a potential change in the functional currency of the Group.

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

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

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

Basis of Consolidation

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

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

Use of judgements and estimates

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

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

Changes in significant accounting policies and disclosures

Except as described below, the accounting policies applied in these financial results are the same as those applied in the Group's consolidated inflation adjusted financial statements as at and for the year ended 31 December 2021. The changes in accounting policies are reflected in the Group's annual report for the year ending 31 December 2022.

The details of changes in accounting policies are disclosed below:

i. Reference to the Conceptual Framework (Amendments to IFRS 3: Business Combinations)

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

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

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

iii. Subsidiary as a first-time adopter (Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards)

The amendment permits a subsidiary that elects to apply paragraph D16 (a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated inflation adjusted financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16 (a) of IFRS 1.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group as it is not a first-time adopter.

iv. Fees in the '10 per cent' test for derecognition of financial liabilities (Amendments to IFRS 9: Financial Instruments)

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group, as there were no modifications of the Group's financial instruments during the period.

v. Taxation in fair value measurements (Amendments to IAS 41: Agriculture)

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

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

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

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

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

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

Date	Indices	Percentage (%) movement	Conversion Factors
31 December 2022	13,672.91	244%	1.0000
31 December 2021	3,977.46	61%	3.4376
31 December 2020	2,474.51	349%	5.5255

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

- All comparative figures as at end of the period 31 December 2021 were restated by applying the change in the index from the date of last re-measurement to 31 December 2022.
- Monetary assets and liabilities balances were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2022. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2022.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 31 December 2022.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The financial statements of one of the Group subsidiaries which do not report in the currencies of hyperinflationary economies were dealt with in accordance with IAS 21. Comparative figures as at end of the period 31 December 2021 were restated by applying the change in the index from the date of last re-measurement to 31 December 2022.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

Notes to the Audited Inflation Adjusted Consolidated Financial Results

For the year ended 31 December 2022

1.4 INCORPORATION AND ACTIVITIES

The consolidated inflation adjusted financial results of the Group for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2023. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATE 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
2. INTEREST				
Interest income				
Bankers acceptances	630 563	723 309	297 146	179 682
Overdrafts	21 160 389	12 133 919	17 711 973	2 948 580
Loans	47 518 875	50 897 108	30 312 936	13 545 023
Mortgage loans	1 211 163	600 909	821 657	138 430
Staff loans	1 309 532	470 281	1 127 227	113 942
Securities investments	4 800 477	1 571 371	4 332 202	355 489
Other investments	10 586 394	8 520 030	7 680 081	2 032 138
	87 217 393	74 916 927	62 283 222	19 313 284
Interest expense				
Call deposits	-	8 688	-	2 098
Savings deposits	4 235 923	1 950 452	2 557 559	328 326
Lease liability	8 406 911	7 357 035	6 945 246	1 674 387
Other offshore deposits	790 404	141 780	679 832	31 911
Lease liability	26 996	15 490	23 943	3 590
	13 460 234	9 473 445	10 206 580	2 040 312
NET INTEREST INCOME	73 757 159	65 443 482	52 076 642	17 272 972
* Interest Income and Interest expense is calculated using the Effective Interest Rate Method				
3. NON-INTEREST INCOME				
Fair value adjustments on financial instruments	(5 826 316)	3 566 983	2 204 496	1 561 872
Fair value adjustments on investment properties	9 348 511	5 568 663	23 136 415	3 300 355
Net income from trading securities	157 445	171 753	60 000	41 099
Net income from foreign currency dealing	10 153 949	2 465 910	9 028 745	561 845
Unrealised gains on foreign currency exchange	111 140 399	14 340 632	111 140 399	4 171 700
Agro business income	16 019 116	15 357 404	10 034 269	3 322 831
Commission and fee income	35 914 545	31 794 324	24 961 523	7 364 529
Profit on disposal of property and equipment	13 046	6 105	13 280	1 870
(Loss)/ Profit on disposal of investment property	(727 623)	254 344	(174 651)	50 256
Bad debts recovered	74 360	132 471	52 051	30 277
Property sales	104 204	575 375	874 471	137 564
Lease income	645 234	412 261	499 750	94 629
Other operating income	2 008 712	4 753 022	1 232 044	1 443 029
Total non interest income	179 025 582	79 399 247	183 062 792	22 081 856
Included in unrealised exchange gains on foreign currency position, are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agro business segments. Commission and fee income largely comprises income earned from banking operations.				
4. UNDERWRITING INCOME (NET)				
Gross premium insurance	5 955 932	4 911 603	4 587 349	1 178 332
Reinsurance	(2 365 545)	(2 134 247)	(1 960 956)	(532 068)
Net written premium	3 590 387	2 777 356	2 626 393	646 264
Unearned premium	(306 297)	(290 340)	(673 696)	(124 902)
Net earned premium	3 284 090	2 487 016	1 952 697	521 362
Net commission(a)	(238 899)	71 120	(199 524)	16 805
Net claims (b)	(1 479 153)	(1 137 682)	(1 094 871)	(274 703)
	1 566 038	1 420 454	658 302	263 464
(a) Net Commissions				
Commission received	552 306	616 354	390 464	151 317
Commission paid	(839 173)	(640 521)	(639 433)	(158 358)
Deferred acquisition costs	47 968	95 287	49 445	23 846
	(238 899)	71 120	(199 524)	16 805
(b) Net Claims				
Gross claims incurred	2 888 539	2 327 266	2 113 206	596 412
Reinsurance claims	(1 820 219)	(1 469 072)	(1 285 951)	(383 582)
Incurred but not yet reported claims	234 125	117 766	133 778	29 435
Gross outstanding claims	120 824	1 513 444	10 965	342 773
Reinsurance share of outstanding claims	55 884	(1 351 722)	122 873	(310 335)
	1 479 153	1 137 682	1 094 871	274 703
5. OPERATING EXPENDITURE				
Staff costs	62 032 777	34 835 547	45 389 173	8 311 324
Administration expenses	21 161 681	20 633 122	16 024 658	5 025 092
Audit fees	1 035 301	316 685	575 811	80 041
Depreciation	2 664 253	2 170 680	1 386 363	312 928
Write off of property and equipment	32 028	16 401	73 711	947
Write down of land inventory	-	313 743	-	12 658
Amortisation of intangible assets	402 534	241 984	125 724	39 039
Property cost of sales	530 347	261 471	422 311	21 454
Write off intangible assets	-	1 966	-	323
Write off of equities	2	-	1	-
Write offs of right of use asset and lease liability	-	11 113	-	92
	87 858 923	58 782 712	63 997 752	13 803 898
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	1 182 173	321 687	650 942	72 519
Pension and retirement benefits for past and present directors	360 693	183 351	198 609	41 333
Salaries and other benefits	6 505 632	2 951 333	3 582 209	665 328
	8 048 498	3 456 371	4 431 760	779 180
Short term employment benefits	7 687 805	3 273 020	4 233 151	737 847
Post employment benefits	360 693	183 351	198 609	41 333
	8 048 498	3 456 371	4 431 760	779 180
6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.				
Analysis of tax charge in respect of the profit for the year				
Current income tax charge	17 803 016	15 661 717	17 803 016	4 555 926
Deferred income tax	3 681 228	(5 474 114)	(45 503)	(2 440 376)
Income tax expense	21 484 244	10 187 603	17 757 513	2 115 550
6.2 Tax rate reconciliation				
	%	%	%	%
Notional Tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.72	0.72	0.72
Non-Deductible expenditure	30.57	36.60	6.38	5.81
Exempt income	(7.10)	(30.46)	(3.72)	(18.12)
Tax credits	(6.98)	(0.38)	(4.07)	(0.22)
Effect of rebasing tax bases	(0.48)	0.06	(3.77)	0.01
Effect of special tax rate	(1.33)	(2.76)	(1.55)	(0.62)
Effective tax rate	39.40	27.78	17.99	11.58
Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess pension costs and disallowable donations.				
6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.				
Revaluation of property and equipment	3 616 116	813 081	4 247 487	518 926
Unlisted equities	217 846	78 680	483 837	54 306
Total taxation relating to components of other comprehensive income	3 833 962	891 761	4 731 324	573 232
7. EARNINGS PER SHARE				
Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period.				
Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the period and the weighted average number of potentially dilutive ordinary shares.				
The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:				

Partners for Success





Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
7.1	Annualised earnings per share (ZWL cents)				
	Basic	6 331.63	5 075.78	15 510.63	3 096.43
	Diluted basic	6 331.63	5 075.78	15 510.63	3 096.43
	Headline	4 986.21	4 321.34	12 182.84	2 622.24
7.2	Earnings attributable to holders of parent				
	Basic	33 052 100	26 496 368	80 967 977	16 163 848
	Diluted basic	33 052 100	26 496 368	80 967 977	16 163 848
	Headline	26 028 832	22 558 061	63 596 377	13 688 488
7.3	Number of shares used in calculations				
	Basic	522 016	522 016	522 016	522 016
	Diluted basic	522 016	522 016	522 016	522 016
	Headline	522 016	522 016	522 016	522 016
7.4	Headline Earnings				
	Profit attributable to ordinary shareholders	33 052 100	26 496 368	80 967 977	16 163 848
	Adjusted to exclude re-measurements				
	Write off & impairment of property and equipment	32 028	16 401	73 711	947
8.	Write off of right of use asset and lease liability	-	11 113	-	92
	Write off of intangible assets	-	1 966	-	323
	Write offs of equities	2	-	1	-
	Write down of land inventory	-	313 743	-	12 658
	Disposal gain on property and equipment	(13 046)	(6 105)	(13 280)	(1 869)
	Gain on investment properties valuation	(9 348 511)	(5 568 663)	(23 136 415)	(3 300 355)
	Tax relating to remeasurements	2 306 259	1 293 238	5 704 383	812 844
	Headline earnings	26 028 832	22 558 061	63 596 377	13 688 488
	DIVIDENDS				
	Cash dividends on ordinary shares declared and paid:				
9.	Interim dividend	-	1 840 834	-	506 339
	Final dividend	1 266 550	6 955 252	1 012 731	1 519 170
		1 266 550	8 796 086	1 012 731	2 025 509
	Interim paid per share (cents)	-	353.00	-	97.00
	Final dividend paid per share (cents)	242.63	1 334.00	194.00	291.02
	Dividends are paid on shares held at the record date net of treasury shares held on the same date.				
	Proposed dividend on ordinary shares:				
	Final	-	3 437 599	-	1 000 000
	Final dividend per share (cents)	-	658.52	-	191.57

Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2022.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
9.	CASH AND CASH EQUIVALENTS				
	Balances with local banks	3 436 482	22 430 157	3 436 482	6 524 949
	Cash and current accounts	38 260 435	36 434 491	38 260 435	10 598 820
	Balances with foreign banks	33 686 942	55 269 259	33 686 942	16 077 868
	Balances with the Reserve Bank of Zimbabwe	166 334 473	9 544 785	166 334 473	2 776 585
	RBZ Statutory reserve	21 359 252	12 322 791	21 359 252	3 584 709
		263 077 584	136 001 483	263 077 584	39 562 931
10.	MONEY MARKET ASSETS				
	Interbank placements	35 531 357	20 668 325	35 531 357	6 012 431
	RBZ Savings bonds	-	58 861 553	-	17 122 869
	Bankers acceptances	206 187	4 306 844	206 187	1 252 864
	Accrued interest	313 978	147 213	313 978	42 824
	Total gross money market assets	36 051 522	83 983 935	36 051 522	24 430 988
	Expected credit loss	(593 373)	(265 995)	(593 373)	(77 378)
	Total net money market assets	35 458 149	83 717 940	35 458 149	24 353 610
10.1	Maturity analysis				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	15 001 450	65 058 102	15 001 450	18 925 449
	Between 3 and 6 months	10 596 872	18 917 608	10 596 872	5 503 146
	Between 6 and 12 months	10 453 200	-	10 453 200	-
	Above 12 months	-	8 225	-	2 393
		36 051 522	83 983 935	36 051 522	24 430 988
11.	FINANCIAL SECURITIES				
	Treasury bills	48 430 506	3 294 683	48 430 506	958 426
	Savings bonds	53 384	-	53 384	-
	Accrued interest	1 227 264	70 471	1 227 264	20 500
	Total gross financial securities	49 711 154	3 365 154	49 711 154	978 926
	Expected credit loss	(77 563)	(49 532)	(77 563)	(14 409)
	Total net financial securities	49 633 591	3 315 622	49 633 591	964 517
11.1	Maturity analysis				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	48 763 070	34 747	48 763 070	10 108
	Between 3 and 6 months	-	157 212	-	45 733
	Between 1 and 5 years	202 766	510 882	202 766	148 616
	Above 5 years	745 318	2 662 313	745 318	774 469
		49 711 154	3 365 154	49 711 154	978 926
12.	LOANS AND ADVANCES TO CUSTOMERS				
	Overdrafts	25 691 842	9 701 440	25 691 842	2 822 156
	Commercial loans	133 905 380	69 317 134	133 905 380	20 164 405
	Staff loans	7 342 093	6 471 070	7 342 093	1 882 439
	Mortgage advances	8 009 927	3 707 852	8 009 927	1 078 617
	Agro business loans	51 544 739	107 866 346	51 544 739	31 378 399
	Interest accrued	21 409 387	22 847 694	21 409 387	6 646 411
	Total gross loans and advances to customers	247 903 368	219 911 536	247 903 368	63 972 427
	Allowance for Expected Credit Loss (ECL)	(71 684 476)	(27 745 406)	(71 684 476)	(8 071 159)
	Total net advances	176 218 892	192 166 130	176 218 892	55 901 268

Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	%	RESTATED 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2021 ZWL\$ 000	%
12.1	Sectoral analysis:								
	Private	24 847 523	10	22 034 428	10	24 847 523	10	6 409 832	10
	Agriculture	88 610 417	36	111 180 927	51	88 610 417	36	32 342 613	51
	Mining	24 900 966	10	16 197 928	7	24 900 966	10	4 711 989	7
	Manufacturing	31 959 703	13	9 550 509	4	31 959 703	13	2 778 250	4
	Distribution	42 567 822	17	39 418 536	18	42 567 822	17	11 466 881	18
	Construction	3 178 265	1	413 375	-	3 178 265	1	120 251	-
	Transport	653 658	-	302 430	-	653 658	-	87 977	-
	Communication	6 509 099	3	-	-	6 509 099	3	-	-
	Services	24 328 105	10	19 264 689	9	24 328 105	10	5 604 112	9
	Financial organisations	347 810	-	1 548 714	1	347 810	-	450 522	1
		247 903 368	100	219 911 536	100	247 903 368	100	63 972 427	100

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
12.2	Maturity analysis				
	Less than 1 month	736 484	17 937 253	736 484	5 217 960
	Between 1 and 3 months	7 356 015	13 327 306	7 356 015	3 876 923
	Between 3 and 6 months	45 160 277	28 463 043	45 160 277	8 279 920
	Between 6 months and 1 year	128 197 839	134 767 141	128 197 839	39 203 860
	Between 1 and 5 years	59 935 846	20 180 901	59 935 846	5 870 639
	More than 5 years	6 516 907	5 235 892	6 516 907	1 523 125
		247 903 368	219 911 536	247 903 368	63 972 427
12.3	Loans to directors and key management				
	Opening balance	2 147 372	1 218 780	624 672	220 574
	Advances made during the year	3 113 394	2 580 712	1 714 335	581 778
	Monetary adjustment	(2 830 773)	(863 951)	-	-
	Repayments during the year	(202 474)	(788 169)	(111 488)	(177 680)
	Closing balance	2 227 519	2 147 372	2 227 519	624 672
12.4	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	4 323 702	5 500 151	1 257 768	995 414
	Advances made during the year	7 772 242	2 951 684	4 279 645	665 407
	Monetary adjustment	(6 213 456)	(2 340 228)	-	-
	Repayments during the year	(767 911)	(1 787 905)	(422 836)	(403 053)
	Closing balance	5 114 577	4 323 702	5 114 577	1 257 768
12.5	Allowance for Expected Credit Loss (ECL)				
	Opening balance	27 745 406	6 424 587	8 071 159	1 162 716
	Credit loss expense on loans and advances	69 896 367	23 794 292	69 896 367	6 921 777
	Monetary adjustment	(19 674 247)	(2 416 103)	-	-
	Amounts written off during the year	(6 283 050)	(57 370)	(6 283 050)	(13 334)
	Closing balance	71 684 476	27 745 406	71 684 476	8 071 159
13.	INSURANCE ASSETS				
	Reinsurance unearned premium reserve	389 111	731 875	367 605	191 731
	Reinsurance receivables	515 620	1 718 311	515 620	499 858
	Deferred acquisition costs	239 164	288 683	160 207	73 617
	Insurance premium receivables	1 097 459	1 493 025	1 097 459	437 825
	Suspended premium	(15 715)	(25 088)	(15 715)	(7 298)
	Impairment provision	(151 589)	(115 847)	(151 589)	(33 700)
		2 074 050	4 090 959	1 973 587	1 162 033
13.1	Reinsurance unearned premium reserve				
	Opening balance	731 875	1 089 760	191 731	197 223
	Written premiums	2 416 597	2 629 577	1 736 421	642 738
	Premiums earned during the year	(2 759 361)	(2 987 462)	(1 560 547)	(648 230)
	Closing balance	389 111	731 875	367 605	191 731
13.2	Impairment provision on insurance assets				
	Opening balance	115 847	89 120	33 700	16 129
	Charge for impairment on insurance receivables	118 419	66 889	118 419	19 458
	Monetary adjustment	(82 147)	(33 675)	-	-
	Amounts written off during the year	(530)	(6 487)	(530)	(1 887)
	Closing balance	151 589	115 847	151 589	33 700
14.	EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL INSTRUMENTS AND CHARGE FOR IMPAIRMENT ON INSURANCE ASSETS				
	The table below shows the expected credit loss expense on financial instruments and charge for impairment on insurance assets for the period recorded in the Statement of Profit or Loss:				

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Money market assets	515 995	223 083	-	-	-	-	515 995	223 083
Financial securities	63 154	28 893	-	-	-	-	63 154	28 893
Loans and advances to customers	8 288 070	612 367	2 598 261	2 803 431	59 010 036	20 378 495	69 896 367	23 794 293
Financial guarantees	643	(705)	-	-	-	(165)	643	(870)
Other commitments	465 370	221 144	152 720	13 909	639 125	852 906	1 257 215	1 087 959
Lease receivables	422	(337)	22 694	5 232	24 568	83 433	47 684	88 328
	9 333 654	1 084 445	2 773 675	2 822 572	59 673 729	21 314 669	71 781 058	25 221 686
Insurance assets impairment charge	20 916	66 889	-	-	97 502	-	118 419	66 889
Total	9 354 570	1 151 334	2 773 675	2 822 572	59 771 231	21 314 669	71 899 477	25 288 575



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATE 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
16.	LAND INVENTORY				
	Opening balance	20 459 426	20 460 567	552 094	470 639
	Additions	1 783 390	631 133	1 517 510	135 868
	Disposals	(1 441 448)	(318 531)	(412 091)	(41 755)
	Write down	-	(313 743)	-	(12 658)
	Closing balance	20 801 368	20 459 426	1 657 513	552 094
17	EQUITY INVESTMENTS				
	Opening balance	18 638 795	12 589 394	5 422 039	2 493 781
	Additions	1 569 640	1 321 829	820 408	347 276
	Disposals	(1 401 148)	(355 245)	(867 965)	(75 513)
	Write offs	(2)	-	(1)	-
	Fair value adjustments - Profit or loss	(5 826 316)	3 566 983	2 204 496	1 561 872
	Fair value adjustments - Other comprehensive income	4 354 048	1 515 834	9 756 040	1 094 623
		17 335 017	18 638 795	17 335 017	5 422 039
17.1	Investments in Equities				
	Listed investments	5 151 866	7 621 490	5 151 866	2 217 097
	Unlisted investments	12 183 151	11 017 305	12 183 151	3 204 942
		17 335 017	18 638 795	17 335 017	5 422 039
	Equity investment designated at fair value through other comprehensive income	12 183 151	11 017 305	12 183 151	3 204 942
	Equity investment designated at fair value through profit or loss	5 151 866	7 621 490	5 151 866	2 217 097
		17 335 017	18 638 795	17 335 017	5 422 039

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

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

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

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	• Jurisdiction/country and size discount (10-20%)	The fair values would increase/ decrease if : • The jurisdiction/country and size discount was higher or lower
Discounted Cash Flow Technique	• Inflation shock adjusted return (1.5%) • Discount rate (10-15%)	The fair values would increase/ decrease if : • The Inflation shock adjusted return was higher/lower • The discount rate was lower / higher

If the jurisdiction or country discount had been at 15% or 20%, the decline in other comprehensive income would be ZWL\$591,441 or ZWL\$ 1,182,883 respectively.

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	%	RESTATE 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2021 ZWL\$ 000	%
17.2	Investment in subsidiaries								
	CBZ Bank Limited	3 362 508	100	3 362 508	100	21 840	100	21 840	100
	CBZ Asset Management (Private) Limited	306 070	100	306 070	100	1 988	100	1 988	100
	CBZ Building Society	-	100	-	100	-	100	-	100
	CBZ Insurance (Private) Limited	654 196	98.4	654 196	98.4	23 615	98.4	23 615	98.4
	CBZ Properties (Private) Limited	963 276	100	735 808	100	226 867	100	4 779	100
	CBZ Life Assurance (Private) Limited	213 698	100	213 698	100	1 388	100	1 388	100
	CBZ Asset Management Mauritius	2 251 861	100	13 685	100	691 550	100	89	100
	CBZ Risk Advisory Services (Private) Limited	207 091	100	207 091	100	1 345	100	1 345	100
	Red Sphere Finance (Private) Limited	1 511 753	100	1 511 753	100	250 520	100	250 520	100
	CBZ Agro Yield (Private) Limited	33 933	100	33 933	100	1 000	100	1 000	100
	CBZ South Africa Private Limited	94 436	100	-	-	88 499	100	-	-
		9 598 822		7 038 742		1 308 612		306 564	

During the year, the Group merged two of its wholly owned subsidiaries, CBZ Bank and CBZ Building Society, "The Merger" through the transfer of all the assets and liabilities of CBZ Building Society to CBZ Bank, close and cancel the licence of CBZ Building Society. The Merger qualifies as a business combination under common control as both CBZ Bank and CBZ Building Society were wholly owned subsidiaries of CBZ Holdings. This was accounted for by applying the book value method at Group level.

		At fair value through profit or loss ZWL\$ 000		At fair value through OCI ZWL\$ 000		At amortised cost ZWL\$ 000		Total carrying amount ZWL\$ 000	
		AUDITED INFLATION ADJUSTED							
31 December 2022									
Balances with banks and cash	-	-	-	263 077 584	263 077 584				
Money market assets	-	-	-	35 458 149	35 458 149				
Financial securities	-	-	-	49 633 591	49 633 591				
Loans and advances to customers	-	-	-	176 218 892	176 218 892				
Equity investments	5 151 866	12 183 151	-	-	17 335 017				
Other assets	-	-	-	267 981 031	267 981 031				
TOTAL ASSETS	5 151 866	12 183 151	792 369 247	809 704 264					
Restated 31 December 2021									
Balances with banks and cash	-	-	-	136 001 483	136 001 483				
Money market assets	-	-	-	83 717 940	83 717 940				
Financial securities	-	-	-	3 315 622	3 315 622				
Loans and advances to customers	-	-	-	192 166 130	192 166 130				
Equity investments	11 017 305	7 621 490	-	-	18 638 795				
Other assets	-	-	-	119 884 810	119 884 810				
TOTAL ASSETS	11 017 305	7 621 490	535 085 985	553 724 780					
31 December 2022									
Balances with banks and cash	-	-	263 077 584	263 077 584					
Money market assets	-	-	35 458 149	35 458 149					
Financial securities	-	-	49 633 591	49 633 591					
Loans and advances to customers	-	-	176 218 892	176 218 892					
Equity investments	5 151 866	12 183 151	-	17 335 017					
Other assets	-	-	267 981 031	267 981 031					
TOTAL ASSETS	5 151 866	12 183 151	792 369 247	809 704 264					
Restated 31 December 2021									
Balances with banks and cash	-	-	39 562 931	39 562 931					
Money market assets	-	-	24 353 610	24 353 610					
Financial securities	-	-	964 517	964 517					
Loans and advances to customers	-	-	55 901 268	55 901 268					
Equity investments	3 204 942	2 217 097	-	5 422 039					
Other assets	-	-	34 874 579	34 874 579					
TOTAL ASSETS	3 204 942	2 217 097	155 656 905	161 078 944					

19. FAIR VALUE MEASUREMENT

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

INFLATION ADJUSTED								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	5 151 866	11 017 305	-	-	12 183 151	7 621 490	17 335 017	18 638 795
Land and buildings	-	-	30 483 161	22 757 488	-	-	30 483 161	22 757 488
Investment properties	-	-	28 591 973	21 209 840	-	-	28 591 973	21 209 840
Total assets at fair value	5 151 866	11 017 305	59 075 134	43 967 328	12 183 151	7 621 490	76 410 151	62 606 123

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

UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	5 151 866	3 204 942	-	-	12 183 151	2 217 097	17 335 017	5 422 039
Land and buildings	-	-	30 483 161	6 620 170	-	-	30 483 161	6 620 170
Investment properties	-	-	28 591 973	6 169 958	-	-	28 591 973	6 169 958
Total assets at fair value	5 151 866	3 204 942	59 075 134	12 790 128	12 183 151	2 217 097	76 410 151	18 212 167

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards

In determining the market values of the subject properties, the following was considered:

- Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised,
- Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location to the properties owned by the group.

- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- The values per square metre of lettable spaces for both the subject properties and comparables were analysed.
- With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which have been sold or rented out. The procedure was performed as follows:
 - Surveys and data collection on similar past transactions.
 - Analysis of collected data.

- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
 - Age of property – state of repair and maintenance,
 - Aesthetic quality – quality of fixtures and fittings,
 - Structural condition – location,
 - Accommodation offered – size of land.

Land is not depreciated and the maximum useful lives of other classes of property plant and equipment are as follows:

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

The carrying amount of buildings would have been ZWL\$6,642,885,986 (December 2021: ZWL\$ 6,693,672,308) had they been carried at cost. Property and equipment was tested for impairment through comparison with open market values.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL\$ 347,264,269 (31 December 2021: ZWL\$ 192,508,378) higher or lower than the reported position

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

The information about the leases for which the Group is a lessee is presented on note 20.1a to 20.1e .



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
20.1a	Right of use assets				
	Opening balance	219 922	416 561	25 859	20 065
	Additions	152 523	135 024	142 899	28 607
	Write offs	-	(36 468)	-	(4 931)
	Depreciation charge for the year	(277 954)	(295 195)	(57 273)	(17 882)
		94 491	219 922	111 485	25 859
20.1b	Lease liability				
	Opening balance	124 682	116 830	36 270	21 144
	Additions	152 523	135 022	142 899	28 607
	Write-offs	-	(25 355)	-	(4 839)
	Interest	26 996	15 490	23 943	3 590
	Repayment	(178 621)	(95 417)	(114 827)	(21 294)
	Exchange loss on kease liability	173 472	31 155	173 471	9 062
	Monetary adjustment	(37 296)	(53 043)	-	-
		261 756	124 682	261 756	36 270
20.1c	Lease liability maturity analysis				
	Less than one month	11 485	7 484	11 485	2 177
	One to three months	29 095	18 312	29 095	5 327
	Three to six months	34 623	22 454	34 623	6 532
	Six to twelve months	58 318	40 000	58 318	11 636
	One to five years	163 069	47 882	163 069	13 929
		296 590	136 132	296 590	39 601
20.1d	Amounts recognised in Statement of Profit or Loss				
	Interest on lease liabilities	26 996	15 490	23 943	3 590
	Depreciation	277 954	295 195	57 273	17 882
		304 950	310 685	81 216	21 472
20.1e	Amounts recognised in Statement of Cash Flows				
	Lease liability repayments	178 621	95 417	114 827	21 294
21.	INVESTMENT PROPERTIES				
	Opening balance	21 209 840	15 186 105	6 169 958	2 748 368
	Additions	112 493	706 959	66 077	175 939
	Disposals	(2 078 871)	(251 887)	(780 477)	(54 704)
	Fair valuation gain	9 348 511	5 568 663	23 136 415	3 300 355
	Closing balance	28 591 973	21 209 840	28 591 973	6 169 958

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 31 December 2022.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter	ZWL\$ 1 846.15 - ZWL\$ 25 000.00
		Capitalisation rate	6.74%- 13.93%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 18 000.00 - ZWL\$ 55 000.00

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2022. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$444 054 272 higher or lower the reported position the Statement of Financial Position would be ZWL\$467 425 550 higher or lower than the reported position.

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
22.	INTANGIBLE ASSETS				
	At cost	2 598 645	2 317 643	443 079	273 836
	Accumulated amortisation	(1 672 500)	(1 272 142)	(185 803)	(60 079)
		926 145	1 045 501	257 276	213 757
	Movement in intangible assets				
	Opening balance	1 045 501	682 564	213 757	87 202
	Additions	283 178	356 775	169 243	119 761
	Transfer from property and equipment	-	250 116	-	46 156
	Write offs	-	(1 970)	-	(323)
	Amortisation charge	(402 534)	(241 984)	(125 724)	(39 039)
	Closing balance	926 145	1 045 501	257 276	213 757
	Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets which comprise computer software are amortised over a period of 3 years.				
23.	DEFERRED TAXATION				
23.1	Deferred tax asset				
	Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences unused tax losses and unused tax credits.				
	The deferred tax included in the Statement of Financial Position are comprised of:				
	Assessed losses	9 580 554	4 194 984	9 580 554	1 220 324
	Credit loss provisions	18 583 864	7 278 827	18 583 864	2 117 416
	Tax claimable impairments	1 608 065	193 392	1 608 065	56 258
	Other	2 077 970	774 928	2 622 049	224 426
	Closing deferred tax balance	31 850 453	12 442 131	32 394 532	3 618 424
23.2	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the Statement of Financial Position are comprised of:				
	Intangible assets	175 774	97 628	10 523	23 700
	Equity investments	697 955	475 791	697 955	138 408
	Property and equipment	4 722 109	2 875 043	2 827 086	590 449
	Investment properties	2 138 681	1 326 864	2 138 681	385 986
	Other*	35 856 041	11 891 720	31 361 257	2 435 030
	Closing balance	43 590 560	16 667 046	37 035 502	3 573 573
	*Included in Other is deferred tax on unrealised foreign exchange gains as at 31 December 2022 amounting to ZWL\$ 34 125 251 318 (2021:ZWL\$ 13 534 092 251)				
24.	DEPOSITS				
	Call deposits	1 817 720	1 532 942	1 817 720	445 934
	Savings and other deposits	553 251 825	399 820 760	553 251 825	116 308 152
	Money market deposits	110 405 761	47 891 488	110 405 761	13 931 669
	Lines of credit	11 770 544	1 456 260	11 770 544	423 627
	Accrued interest	3 153 685	910 136	3 153 685	264 759
		680 399 535	451 611 586	680 399 535	131 374 141
24.1	Deposits by type				
	Retail	35 757 931	31 106 292	35 757 931	9 048 843
	Corporate	519 407 802	370 352 003	519 407 802	107 735 669
	Money market	113 572 523	48 703 906	113 572 523	14 168 002
	Lines of credit	11 661 279	1 449 385	11 661 279	421 627
		680 399 535	451 611 586	680 399 535	131 374 141

Lines of credit relate to borrowings from foreign banks or financial institutions. These borrowings have an average tenure of 4.9 years (2021:2.8 years) and average interest rates of 9.7% (2021:9.2%) and are secured by a variety of instruments which include liens over bank accounts guarantees treasury bills and sub borrower securities.

24.2	Settlement of legacy liabilities and nostro gap accounts				
	Included in the deposits balance above are amounts that are denominated in USD amounting to US\$133 369 793 (December 2021: US\$145 044 224) (being legacy liabilities of US\$50 502 902 (December 2021: US\$50 833 318) and nostro gap accounts of US\$842 866 891 (December 2021: US\$94 210 906)) which are shown at ZWL\$91 269 470 456 (December 2021: ZWL\$15 761 375 643). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ wherein the Reserve Group of Zimbabwe (RBZ) will provide foreign currency gradually to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US\$39 069 129 (December 2021: US\$34 532 702) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.				
	The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts. A report on the risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.				

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	%	RESTATED 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2021 ZWL\$ 000	%
24.3	Sectoral analysis of deposits :								
	Private	42 851 883	7	41 045 321	9	42 851 883	7	11 940 114	9
	Agriculture	6 846 150	1	16 307 329	4	6 846 150	1	4 743 814	4
	Mining	242 327	-	16 228 997	4	242 327	-	4 721 027	4
	Manufacturing	9 849 018	1	42 273 060	9	9 849 018	1	12 297 264	9
	Distribution	27 062 213	4	55 357 936	12	27 062 213	4	16 103 664	12
	Construction	1 726 327	-	12 094 383	3	1 726 327	-	3 518 265	3
	Transport	2 111 922	-	8 274 854	2	2 111 922	-	2 407 161	2
	Communication	3 375 429	-	6 342 173	1	3 375 429	-	1 844 943	1
	Services	585 429 355	87	244 271 087	54	585 429 355	87	71 058 638	54
	Financial organisations	386 273	-	8 396 204	2	386 273	-	2 442 462	2
	Financial and investments	518 638	-	1 020 242	-	518 638	-	296 789	-
		680 399 535	100	451 611 586	100	680 399 535	100	131 374 141	100

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
24.4	Maturity analysis				
	Less than 1 month	599 467 993	410 111 917	599 467 993	119 301 857
	Between 1 and 3 months	61 114 685	16 328 354	61 114 685	4 749 930
	Between 3 and 6 months	7 677 856	23 667 362	7 677 856	6 884 853
	Between 6 months and 1 year	3 303 626	757 451	3 303 626	220 343
	Between 1 and 5 years	8 835 375	738 348	8 835 375	234 786
	More than 5 year	-	8 154	-	2 372
		680 399 535	451 611 586	680 399 535	131 374 141

Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.

25.	INSURANCE LIABILITIES				
	Reinsurance payables (a)	554 932	716 233	554 932	208 353
	Gross outstanding claims (b)	433 349	1 291 296	433 349	375 639
	Gross unearned premium reserve (c)	896 478	1 139 337	907 836	297 395
	Deferred reinsurance acquisition reserve (d)	87 373	189 313	81 724	49 032
		1 972 132	3 336 179	1 977 841	930 419
25.1	Insurance contract provisions				
	(a) Reinsurance payables				
	Opening balance	716 233	1 049 263	208 353	189 895
	Premiums ceded during the year	2 416 597	2 629 584	1 736 419	642 739
	Reinsurance paid	(1 934 259)	(2 554 064)	(1 389 840)	(624 281)
	Monetary adjustment	(643 639)	(408 550)	-	-
	Closing balance	554 932	716 233	554 932	208 353
	(b) Gross outstanding claims provision				
	Opening balance	1 291 296	178 171	375 639	32 245
	Claims incurred	2 813 119	3 457 430	1 863 037	844 090
	Incurred but not yet reported claims provision	119 118	33 527	70 452	9 753
	Claims paid	(2 832 358)	(1 982 508)	(1 875 779)	(510 449)
	Monetary adjustment	(957 826)	(395 324)	-	-
	Closing balance	433 349	1 291 296	433 349	375 639
	(c) Gross unearned premiums reserve				
	Opening balance	1 139 337	1 554 774	297 395	281 382
	Written premiums	4 355 391	4 103 084	3 110 352	983 158
	Premiums earned during the year	(4 598 250)	(4 518 521)	(2 499 911)	(967 145)
	Closing balance	896 478	1 139 337	907 836	297 395

		Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
		AUDITED INFLATION ADJUSTED		
31 December 2022	Opening balance	189 313	219 687	(30 374)
	Written premiums	525 863	659 207	(133 344)
	Earned during the year	(627 803)	(755 647)	127 844
	Closing balance	87 373	123 247	(35 874)

Restated 31 December 2021	Opening balance	273 430	272 753	677
	Written premiums	607 500	709 191	(101 691)
	Earned during the year	(691 617)	(762 257)	70 640
	Closing balance	189 313	219 687	(30 374)

		Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
		UNAUDITED HISTORICAL		
31 December 2022	Opening balance	49 032	57 436	(8 404)
	Written premiums	372 038	468 573	(96 535)
	Earned during the year	(339 346)	(409 002)	69 656
	Closing balance	81 724	117 007	(35 283)

31 December 2021	Opening balance	49 485	49 363	122
	Written premiums	149 017	173 224	(24 207)
	Earned during the year	(149 470)	(165 151)	15 681
	Closing balance	49 032	57 436	(8 404)

The Group is comprised of the following operating segments:

The table below shows the segment operational results for the year ended 31 December 2022:

UNAUDITED HISTORICAL									
Commercial Banking operations ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000

	There were no capital commitments at 31 December 2022.			
33. FUNDS UNDER MANAGEMENT				
Pensions	92 443 386	81 091 119	92 443 386	23 589 466
Institutional & individual clients - Equities	23 348 028	48 234 155	23 348 028	14 031 351
Institutional & individual clients - Fixed Income	31 194 954	287 242	31 194 954	83 559
Exchange Traded Funds	322 895	-	322 895	-
Unit trust	184 699	2 288 269	184 699	665 659
	147 493 962	131 900 785	147 493 962	38 370 035



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



35. RELATED PARTIES

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

INFLATION ADJUSTED					
	Utilised limits ZWL\$ 000		Value of security ZWL\$ 000		Interest earned ZWL\$ 000
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Loans to directors' companies	553 943	315 640	5 738	10 863	44 942
					41 805

UNAUDITED HISTORICAL					
	Utilised limits ZWL\$ 000		Value of security ZWL\$ 000		Interest earned ZWL\$ 000
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2021
Loans to directors' companies	553 943	91 820	3 160	3 160	24 746
					7 566

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

36. CLOSING EXCHANGE RATES

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED	RESTATE	HISTORICAL	HISTORICAL
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
USD	684.3339	108.666	684.3339	108.666
ZAR	0.0248	0.1463	0.0248	0.1463
GBP	824.417	146.6991	824.417	146.6991
EUR	728.6103	122.9338	728.6103	122.9338

37. RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

37.3(a) Credit risk exposure

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED	RESTATE	HISTORICAL	HISTORICAL
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
Balances with banks	224 817 149	99 566 992	224 817 149	28 964 111
Money market assets	35 458 149	83 717 936	35 458 149	24 353 609
Financial securities	49 633 591	3 315 622	49 633 591	964 517
Loans and advances to customers	176 218 892	192 166 130	176 218 892	55 901 268
Other assets	267 981 031	119 884 810	267 981 031	34 874 579
Total	754 108 812	498 651 490	754 108 812	145 058 084
Financial guarantees	623 411	575 382	623 411	167 379
Loan commitments	5 924 484	14 766 419	5 924 484	4 295 562
Total	6 547 895	15 341 801	6 547 895	4 462 941

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

The Group held cash and cash equivalents of ZWL\$224 817 149 427(2021: ZWL\$99 566 992 015) (excluding notes and coins) as at 31 December 2022 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local bank and foreign banks

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

	INFLATION ADJUSTED		RESTATE		HISTORICAL	
	31 DEC 2022	31 DEC 2022	31 DEC 2021	31 DEC 2021	31 DEC 2022	31 DEC 2021
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
	Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)	Net maximum exposure (not covered by mortgage security)
	Gross maximum exposure		Gross maximum exposure		Gross maximum exposure	Gross maximum exposure
Private	24 847 523	18 505 731	22 034 428	7 470 786	24 847 523	18 505 731
Agriculture	88 610 417	46 801 623	111 180 927	27 822 261	88 610 417	46 801 623
Mining	24 900 966	-	16 197 928	14 665 422	24 900 966	-
Manufacturing	31 959 703	1 752 145	9 550 509	3 938 766	31 959 703	1 752 145
Distribution	42 567 822	53 525	39 418 536	17 952 200	42 567 822	53 525
Construction	3 178 265	810 770	413 375	-	3 178 265	810 770
Transport	653 658	-	302 430	1 523	653 658	-
Communication	6 509 099	6 563 171	-	-	6 509 099	6 563 171
Services	24 328 105	13 273 882	19 264 689	10 802 383	24 328 105	13 273 882
Financial organisations	347 810	19 664 118	1 548 714	14 653 483	347 810	19 664 118
Gross value	247 903 368	107 424 965	219 911 536	97 306 824	247 903 368	107 424 965

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED	RESTATE	HISTORICAL	HISTORICAL
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
Collateral				
Government Guarantee	6 373 688	87 313 596	6 373 688	25 399 589
Cash cover	1 004 641	339 009	1 004 641	98 618
Registered Marketable Commodities	45 732 237	-	45 732 237	-
Mortgage bonds	57 755 115	31 623 905	57 755 115	9 199 417
Notarial general covering bonds	98 510 211	33 242 935	98 510 211	9 670 394
	209 375 892	152 519 445	209 375 892	44 368 018

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

37.3(c) Credit quality per class of financial assets

a. Loans and advances to customers

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

AUDITED INFLATION ADJUSTED								
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Internal rating grade								
Performing	"1 - 3c"	50 711 538	73 170 213	7 083 000	237 397	-	-	57 794 538
Special mention	"4a - 7c"	97 436 659	25 717 615	8 143 752	23 804 454	-	-	105 580 411
Non-performing	"8 - 10"	-	-	-	-	84 528 418	96 981 857	84 528 418
								96 981 857
Total		148 148 197	98 887 828	15 226 752	24 041 851	84 528 418	96 981 857	247 903 367
								219 911 536

UNAUDITED HISTORICAL								
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022
Internal rating grade								
Performing	"1 - 3c"	50 711 538	21 285 269	7 083 000	69 059	-	-	57 794 538
Special mention	"4a - 7c"	97 436 659	7 481 273	8 143 752	6 924 733	-	-	105 580 411
Non-performing	"8 - 10"	-	-	-	-	84 528 418	28 212 093	84 528 418
								28 212 093
Total		148 148 197	28 766 542	15 226 752	6 993 792	84 528 418	28 212 093	247 903 367
								63 972 427

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

AUDITED INFLATION ADJUSTED								
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	98 887 828	163 828 034	24 041 851	5 457 814	96 981 857	(11 080 752)	219 911 536	158 205 096
New assets originated or purchased (excluding write offs)	232 381 827	119 520 097	156 800 896	920 464	302 187 059	132 798 082	691 369 782	253 238 643
Transfers from Stage 1	(38 864 089)	(119 269 930)	13 077 614	35 320 595	25 786 475	83 949 335	-	-
Transfers from Stage 2	56 279 208	6 686 615	(118 104 450)	(7 435 935)	61 825 242	749 320	-	-
Transfers from Stage 3	693 965	315 018	155 090	6 669	(849 055)	(321 687)	-	-
Repayments during the period	(33 682 479)	(21 766 566)	(36 977 409)	(1 738 432)	(275 263 705)	(141 199)	(345 923 593)	(23 646 197)
Amounts written off	-	-	-	-	(11 410 616)	(45 837)	(11 410 616)	(45 837)
Monetary adjustment	(167 548 063)	(50 425 440)	(23 766 839)	(8 489 324)	(114 728 839)	(108 925 405)	(306 043 741)	(167 840 169)
Gross loans and advances to customers	148 148 197	98 887 828	15 226 753	24 041 851	84 528 418	96 981 857	247 903 368	219 911 536
ECL allowance	(9 219 851)	(3 081 261)	(4 062 737)	(2 496 739)	(58 401 888)	(22 167 406)	(71 684 476)	(27 745 406)
Net loans and advances to customers	138 928 346	95 806 567	11 164 016	21 545 112	26 126 530	74 814 451	176 218 892	192 166 130

UNAUDITED HISTORICAL								
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	28 766 542	29 649 453	6 993 792	870 427	28 212 093	81 765	63 972 427	30 601 645
New assets originated or purchased (excluding write offs)	127 956 867	26 403 578	86 339 636	81 498	166 394 077	11 753 953	380 690 580	38 239 029
Transfers from Stage 1	(21 399 810)	(24 280 678)	7 200 953	7 962 428	14 198 857	16 318 250	-	-
Transfers from Stage 2	30 989 129	1 361 243	(65 032 085)	(1 530 165)	34 042 956	168 922	-	-
Transfers from Stage 3	382 118	64 130	85 398	1 503	(467 516)	(65 633)	-	-
Repayments during the period	(18 546 649)	(4 431 184)	(20 360 941)	(391 899)	(151 569 000)	(31 833)	(190 476 590)	(4 854 916)
Amounts written off	-	-	-	-	(6 283 049)	(13 331)	(6 283 049)	(13 331)
Gross loans and advances to customers	148 148 197	28 766 542	15 226 753	6 993 792	84 528 418	28 212 093	247 903 368	63 972 427
ECL allowance	(9 219 851)	(896 342)	(4 062 737)	(726 303)	(58 401 888)	(6 448 514)	(71 684 476)	(8 071 159)
Net loans and advances to customers	138 928 346	27 870 200	11 164 016	6 267 489	26 126 530	21 763 579	176 218 892	55 901 268

AUDITED INFLATION AD



b. Financial Securities

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

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 711 154	3 365 154	-	-	-	-	49 711 154	3 365 154
Total		49 711 154	3 365 154	-	-	-	-	49 711 154	3 365 154

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 711 154	978 926	-	-	-	-	49 711 154	978 926
Total		49 711 154	978 926	-	-	-	-	49 711 154	978 926

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

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	3 365 154	5 464 077	-	-	-	-	3 365 154	5 464 077
New assets originated or purchased	88 566 543	-	-	-	-	-	88 566 543	-
Monetary adjustment	(42 156 360)	(2 054 750)	-	-	-	-	(42 156 360)	(2 054 750)
Maturities during the period	(64 183)	(44 173)	-	-	-	-	(64 183)	(44 173)
Gross financial securities	49 711 154	3 365 154	-	-	-	-	49 711 154	3 365 154
ECL allowance	(77 563)	(49 532)	-	-	-	-	(77 563)	(49 532)
Closing balance	49 633 591	3 315 622	-	-	-	-	49 633 591	3 315 622

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	978 926	988 884	-	-	-	-	978 926	988 884
New assets originated or purchased	48 767 571	-	-	-	-	-	48 767 571	-
Maturities during the period	(35 343)	(9 958)	-	-	-	-	(35 343)	(9 958)
Gross financial securities	49 711 154	978 926	-	-	-	-	49 711 154	978 926
ECL allowance	(77 563)	(14 409)	-	-	-	-	(77 563)	(14 409)
Closing balance	49 633 591	964 517	-	-	-	-	49 633 591	964 517

c. Money market asset

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

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	36 051 522	83 983 935	-	-	-	-	36 051 522	83 983 935
Total		36 051 522	83 983 935	-	-	-	-	36 051 522	83 983 935

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	36 051 522	24 430 988	-	-	-	-	36 051 522	24 430 988
Total		36 051 522	24 430 988	-	-	-	-	36 051 522	24 430 988

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

AUDITED INFLATION ADJUSTED								
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	83 983 935	41 972 820	-	-	-	-	83 983 935	41 972 820
New assets originated or purchased (excluding write offs)	65 401 219	117 946 238	-	-	-	-	65 401 219	117 946 238
Maturities during the period	(44 297 223)	(35 251 541)	-	-	-	-	(44 297 223)	(35 251 541)
Monetary adjustment	(69 036 409)	(40 683 582)	-	-	-	-	(69 036 409)	(40 683 582)
Gross money market assets	36 051 522	83 983 935	-	-	-	-	36 051 522	83 983 935
ECL allowance	(593 373)	(265 993)	-	-	-	-	(593 373)	(265 995)
Closing balance	35 458 149	83 717 942	-	-	-	-	35 458 149	83 717 940

UNAUDITED HISTORICAL								
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	24 430 988	7 596 204	-	-	-	-	24 430 988	7 596 204
New assets originated or purchased (excluding write offs)	36 012 002	24 011 205	-	-	-	-	36 012 002	24 011 205
Maturities during the period	(24 391 468)	(7 176 421)	-	-	-	-	(24 391 468)	(7 176 421)
Gross money market assets	36 051 522	24 430 988	-	-	-	-	36 051 522	24 430 988
ECL allowance	(593 373)	(77 378)	-	-	-	-	(593 373)	(77 378)
Closing balance	35 458 149	24 353 610	-	-	-	-	35 458 149	24 353 610

d. Financial guarantees

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

AUDITED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	575 382	-	-	-	-	623 411	575 382
Total		623 411	575 382	-	-	-	-	623 411	575 382

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	167 379	-	-	-	-	623 411	167 379
Total		623 411	167 379	-	-	-	-	623 411	167 379

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

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	575 382	396 466	-	-	-	-	575 382	396 466
New assets originated or purchased (excluding write offs)	1 132 172	822 181	-	-	-	-	1 132 172	822 181
Monetary adjustment	(780 167)	(290 814)	-	-	-	-	(780 167)	(290 814)
Guarantees Expired	(303 976)	(352 451)	-	-	-	-	(303 976)	(352 451)
Gross Guarantees	623 411	575 382	-	-	-	-	623 411	575 382
ECL allowance	(1 019)	(1 293)	-	-	-	-	(1 019)	(1 293)
Closing balance	622 392	574 089	-	-	-	-	622 392	574 089

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	167 379	71 752	-	-	-	-	167 379	71 752
New assets originated or purchased (excluding write offs)	623 409	167 377	-	-	-	-	623 409	167 377
Guarantees expired during the period	(167 377)	(71 750)	-	-	-	-	(167 377)	(71 750)
Gross Guarantees	623 411	167 379	-	-	-	-	623 411	167 379
ECL allowance	(1 019)	(376)	-	-	-	-	(1 019)	(376)
Closing balance	622 392	167 003	-	-	-	-	622 392	167 003

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 31 December 2022.

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

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

Default

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

The Probability of Default (PD)

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

The Exposure at Default (EAD)

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

The Loss Given Default (LGD)

This is an estimate of the loss arising in the event of a default. It is a function of the pledged collateral after application of the relevant haircuts, a conservative LGD floor estimate of 25% were applicable and an estimate LGD cap for losses on unsecured portions of exposures. LGD measurement takes into account time value of money, from the time of the default to when collateral cash will be received. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Group considers three scenarios (a Base Case, a Best Case and a Worst Case). Each of these is associated with different PDs. EAD and LGD are case invariant for the sake of simplicity, interpretability and computational convenience. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument, unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Significant increase in credit risk and Stage Recognition

The CBZ Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. Credit risk has increased significantly when contractual payments are more than 30 days past due.

Key consideration for a significant change in credit risk under a financial asset include the following;

- The counterparty rating deteriorates. The downward credit migration of a credit rating by at least three (3) notches is categorised as Significant Increase in Credit Risk;
- Breaches in conditionality or covenants;
- Deterioration in account conduct. This can be through account performance deterioration;
- Any corporate action relating to changes in corporate structure, control, acquisitions or disposals;
- Significant changes in executive leadership;
- Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks, and negative media coverage;
- Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating);
- Declining asset quality;
- Reduction in financial support from the parent company;
- Expected changes in the loan agreement terms and conditions;
- Changes in group parent's payment pattern;
- Decision to change collateral; and
- Deterioration of macro-economic factors affecting the borrower. Observance of environmental factors that would negatively influence performance of the client is also factored to determine Significant Increase in Credit Risk depending on the severity of change.

Forward looking information

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

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

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

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



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



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

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

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

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

Stage 1: (Performing)

The financial assets in this stage are neither past due nor specifically impaired, are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12 month ECL allowance based on the 12 month contractual cash flow for the EAD, an applicable LGD and the applicable credit risk measure (PD).

Stage 2: (Underperforming)

The assets have arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due where monthly repayments are required, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the Lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, except that the maturity horizon is the contractual maturity time and not 12 months.

Stage 3: (Credit Impaired)

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. Lifetime ECLs were calculated for all the assets which were classified under this stage with PD equal to 100%. Loans satisfying the followings were classified under Stage 3:

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more;
b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality);
c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections; and
d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

Purchased or originated credit impaired (POCI)

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

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

Debt instruments measured at fair value through OCI

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

Cure, Modification and Forbearance of Financial Assets

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

Cure

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

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

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

Modification and Forbearance

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

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

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

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

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

Derecognition

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

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

Write-offs

Financial assets are written off either partially or in their entirety only when there's no reasonable expectation of recovery or due to lengthy processes required to enforce collateral. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance. Any subsequent recoveries are treated as Other income.

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

37.3.2 Market risk

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

37.3.3 Group market risks management framework

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

37.4 Liquidity risk

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

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

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

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

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2022

AUDITED INFLATION ADJUSTED							
	Less than 1 months ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	263 054 255	34 889	-	-	-	-	263 089 144
Money market assets	14 784 023	831 676	10 779 495	11 086 209	-	-	37 481 403
Financial securities	32 013 519	19 365 251	218	3 341	311 375	922 683	52 616 387
Loans and advances to customers	15 927 932	44 883 906	54 316 470	139 000 086	75 828 898	12 707 655	342 664 947
Insurance assets	290 766	111 754	234 474	34 621	-	-	671 615
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Current tax receivable	387	104 000	27 672	34 987	-	-	167 046
Other liquid assets	5 938 829	81 615 462	112 970 985	15 286 469	48 080 255	-	263 892 000
Total assets	332 030 898	147 033 714	178 329 967	165 536 045	124 644 991	13 630 338	961 205 953
Liabilities							
Deposits	600 314 055	63 898 242	8 163 410	4 837 150	10 614 778	-	687 827 635
Insurance liabilities	592 968	197 656	197 656	-	-	-	988 280
Other liabilities	10 875 924	33 237 006	7 994 591	248 049	500 000	-	52 855 570
Current tax payable	-	1 345 526	14 129	25 563	-	-	1 385 218
Lease liabilities	11 485	29 095	34 623	58 318	159 832	3 237	296 590
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Loan commitments	5 924 484	-	-	-	-	-	5 924 484
Total liabilities	617 740 103	98 794 301	16 405 062	5 259 412	11 699 073	3 237	749 901 188
Liquidity gap	(285 709 205)	48 239 413	161 924 905	160 276 633	112 945 918	13 627 101	211 304 765
Cumulative liquidity gap	(285 709 205)	(237 469 792)	(75 544 887)	84 731 746	197 677 664	211 304 765	211 304 765

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
	Less than 1 months ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Restated							
Assets							
Balances with banks and cash	136 001 483	-	-	-	-	-	136 001 483
Money market assets	59 715 150	5 654 994	22 613 683	-	8 223	-	87 992 050
Financial securities	51 121	-	189 553	146 139	577 046	4 749 957	5 713 816
Loans and advances to customers	20 841 560	18 151 343	46 628 879	140 628 842	26 117 109	6 875 421	259 243 154
Insurance assets	1 826 214	594 495	797 464	-	-	-	3 218 173
Financial guarantees	8 089	193 454	74 372	287 930	11 537	-	575 382
Current tax receivable	2 874	127 831	-	-	-	-	130 705
Other liquid assets	12 455 558	59 445 619	4 027 804	10 249 624	55 459 290	-	141 637 895
Total assets	230 902 049	84 167 736	74 331 755	151 312 535	82 173 205	11 625 378	634 512 658
Liabilities							
Deposits	410 746 512	16 744 702	23 774 000	815 089	877 598	13 376	452 971 277
Insurance liabilities	1 204 517	401 505	401 505	-	-	-	2 007 527
Other liabilities	8 358 896	33 276 197	1 167 952	58 354 649	-	-	101 157 694
Current tax payable	-	1 796 358	-	-	-	-	1 796 358
Life fund	1 367 473	-	-	-	-	-	1 367 473
Investment contract liabilities	214 994	-	-	-	-	-	214 994
Lease liability	7 484	18 312	22 454	40 000	47 882	-	136 132
Financial guarantees	8 089	193 454	74 372	287 930	11 537	-	575 382
Loan commitments	14 766 419	-	-	-	-	-	14 766 419
Total liabilities	436 674 384	52 430 528	25 440 283	59 497 668	937 017	13 376	574 993 256
Liquidity gap	(205 772 335)	31 737 208	48 891 472	91 814 867	81 236 188	11 612 002	59 519 402
Cumulative liquidity gap	(205 772 335)	(174 035 127)	(125 143 655)	(33 328 788)	47 907 400	59 519 402	59 519 402

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2022

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	263 054 255	34 889	-	-	-	-	263 089 144
Money market assets	14 784 023	831 676	10 779 495	11 086 209	-	-	37 481 403
Financial securities	32 013 519	19 365 251	218	3 341	311 375	922 683	52 616 387
Loans and advances to customers	15 927 932	44 883 906	54 316 470	139 000 086	75 828 898	12 707 655	342 664 947
Insurance assets	290 766	111 754	234 474	34 621	-	-	671 615
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Current tax receivable	387	104 000	27 672	34 987	-	-	167 046
Other liquid assets	5 938 829	81 615 462	112 970 985	15 286 469	48 080 255	-	263 892 000
Total assets	332 030 898	147 033 714	178 329 967	165 536 045	124 644 991	13 630 338	961 205 953
Liabilities							
Deposits	600 314 055	63 898 242	8 163 410	4 837 150	10 614 778	-	687 827 635
Insurance liabilities	592 968	197 656	197 656	-	-	-	988 280
Other liabilities	10 875 924	33 237 006	7 994 591	248 049	500 000	-	52 855 570
Current tax payable	-	1 345 526	14 129	25 563	-	-	1 385 218
Lease liability	11 485	29 095	34 623	58 318	159 832	3 237	296 590
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Loan commitments	5 924 484	-	-	-	-	-	5 924 484
Total liabilities	617 740 103	98 794 301	16 405 062	5 259 412	11 699 073	3 237	749 901 188
Liquidity gap	(285 709 205)	48 239 413	161 924 905	160 276 633	112 945 918	13 627 101	211 304 765
Cumulative liquidity gap	(285 709 205)	(237 469 792)	(75 544 887)	84 731 746	197 677 664	211 304 765	211 304 765

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

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



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



37.5 INTEREST RATE RISK

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

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

At 31 December 2022 if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant post tax profit would have been ZWL\$ 110,635,738.50 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 December 2022 Assets								
Balances with banks and cash	33 686 942	-	-	-	-	-	229 390 642	263 077 584
Deposits	13 673 024	749 315	10 382 609	10 453 201	-	-	-	35 458 149
Money market assets	32 935 579	15 803 332	-	-	149 383	745 317	-	49 633 591
Financial securities	78 043 452	78 530 937	4 482 358	14 857 003	305 142	-	-	176 218 892
Loans and advances to customers	-	-	-	-	-	-	2 074 050	2 074 050
Insurance assets	-	-	-	-	-	-	17 335 017	17 335 017
Equity investments	-	-	-	-	-	-	20 801 368	20 801 368
Land inventory	-	-	-	-	-	-	132 998 559	283 425 317
Other assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	167 047	167 047
Current tax receivable	-	-	-	-	-	-	926 145	926 145
Intangible assets	-	-	-	-	-	-	28 591 973	28 591 973
Investment properties	-	-	-	-	-	-	45 533 661	45 533 661
Property and equipment	-	-	-	-	-	-	31 850 453	31 850 453
Deferred taxation	-	-	-	-	-	-	-	-
Total assets	160 179 616	175 297 921	21 833 922	38 832 776	48 534 780	745 317	509 668 915	955 093 247
Equity & Liabilities								
Deposits	85 644 710	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	680 399 535
Insurance liabilities	-	-	-	-	-	-	1 972 132	1 972 132
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	39 913 993	56 995 029
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Life Fund	-	-	-	-	-	-	1 574 500	1 574 500
Investment contract liabilities	-	-	-	-	-	-	369 246	369 246
Deferred taxation	-	-	-	-	-	-	43 590 560	43 590 560
Lease liability	18 082	22 859	35 395	35 808	149 612	-	261 756	261 756
Equity	-	-	-	-	-	-	168 545 271	168 545 271
Total liabilities and equity	87 413 724	75 967 648	7 713 251	3 339 434	9 484 987	-	771 174 203	955 093 247
Interest rate repricing gap	72 765 892	99 330 273	14 120 671	35 493 342	39 049 793	745 317	(261 505 288)	-
Cumulative gap	72 765 892	172 096 165	186 216 836	221 710 178	260 759 971	261 505 288	-	-

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
Restated								
31 December 2021 Assets								
Balances with banks and cash	64 814 044	-	-	-	-	-	71 187 439	136 001 483
Deposits	10 689 997	5 489 244	18 918 928	-	7 745	-	48 612 027	83 717 941
Money market assets	34 751	-	157 212	-	510 882	2 612 778	-	3 315 623
Financial securities	12 875 818	13 694 978	28 780 894	113 034 033	19 240 302	4 540 105	-	192 166 130
Loans and advances to customers	-	-	-	-	-	-	4 090 959	4 090 959
Insurance assets	-	-	-	-	-	-	18 638 795	18 638 795
Equity investments	-	-	-	-	-	-	20 459 427	20 459 427
Land inventory	-	-	-	-	-	-	129 655 228	129 655 228
Other assets	-	-	-	-	-	-	127 831	127 831
Current tax receivable	-	-	-	-	-	-	1 045 502	1 045 502
Intangible assets	-	-	-	-	-	-	31 313 400	31 313 400
Investment properties	-	-	-	-	-	-	21 209 840	21 209 840
Property and equipment	-	-	-	-	-	-	12 442 131	12 442 131
Deferred taxation	-	-	-	-	-	-	-	-
Total assets	88 414 610	19 184 222	47 857 034	113 034 033	19 758 929	7 152 883	358 782 579	654 184 290
Equity & Liabilities								
Deposits	359 695 946	16 326 559	23 666 874	757 451	738 348	8 154	50 418 254	451 611 586
Insurance liabilities	-	-	-	-	-	-	3 336 179	3 336 179
Other liabilities	-	-	-	-	-	-	56 019 611	56 019 611
Current tax payable	-	-	-	-	-	-	1 796 358	1 796 358
Life Fund	-	-	-	-	-	-	1 367 473	1 367 473
Investment contract liabilities	-	-	-	-	-	-	214 994	214 994
Deferred taxation	-	-	-	-	-	-	16 667 046	16 667 046
Lease Liability	7 484	18 312	22 454	40 000	36 432	-	-	124 682
Equity	-	-	-	-	-	-	123 046 361	123 046 361
Total liabilities and equity	359 703 430	16 344 871	23 689 328	797 451	774 780	8 154	252 866 276	654 184 290
Interest rate repricing gap	(71 288 820)	2 839 351	24 167 706	112 236 582	18 984 149	7 144 729	105 916 303	-
Cumulative gap	(71 288 820)	(268 449 469)	(244 281 763)	(132 045 181)	(113 061 032)	(105 916 303)	-	-

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 December 2022 Assets								
Balances with banks and cash	33 686 942	-	-	-	-	-	229 390 642	263 077 584
Deposits	13 673 024	749 315	10 382 609	10 453 201	-	-	-	35 458 149
Money market assets	32 935 579	15 803 332	-	-	149 383	745 317	-	49 633 591
Financial securities	78 043 452	78 530 937	4 482 358	14 857 003	305 142	-	-	176 218 892
Loans and advances to customers	-	-	-	-	-	-	1 973 587	1 973 587
Insurance assets	-	-	-	-	-	-	17 335 017	17 335 017
Equity investments	-	-	-	-	-	-	1 657 513	1 657 513
Land inventory	-	-	-	-	-	-	128 248 671	278 675 429
Other assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	167 047	167 047
Current tax receivable	-	-	-	-	-	-	257 276	257 276
Intangible assets	-	-	-	-	-	-	28 591 973	28 591 973
Investment properties	-	-	-	-	-	-	37 593 673	37 593 673
Property and equipment	-	-	-	-	-	-	32 394 532	32 394 532
Deferred taxation	-	-	-	-	-	-	-	-
Total assets	160 179 616	175 297 921	21 833 922	38 832 776	48 534 780	745 317	477 609 931	923 034 263
Equity & Liabilities								
Deposits	85 644 710	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	680 399 535
Insurance liabilities	-	-	-	-	-	-	1 977 841	1 977 841
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	39 530 120	56 611 156
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Life Fund	-	-	-	-	-	-	1 574 500	1 574 500
Investment contract liabilities	-	-	-	-	-	-	369 246	369 246
Deferred taxation	-	-	-	-	-	-	37 035 502	37 035 502
Lease liability	18 082	22 859	35 395	35 808	149 612	-	261 756	261 756
Equity	-	-	-	-	-	-	143 419 509	143 419 509
Total liabilities and equity	87 413 724	75 967 648	7 713 251	3 339 434	9 484 987	-	739 115 219	923 034 263
Interest rate repricing gap	72 765 892	99 330 273	14 120 671	35 493 342	39 049 793	745 317	(261 505 288)	-
Cumulative gap	72 765 892	172 096 165	186 216 836	221 710 178	260 759 971	261 505 288	-	-

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 December 2021 Assets								
Balances with banks and cash	18 854 453	-	-	-	-	-	20 708 478	39 562 931
Deposits	3 109 728	1 596 825	5 503 530	-	2 252	-	14 141 275	24 353 610
Money market assets	10 109	-	45 733	-	148 616	760 059	-	964 517
Financial securities	3 745 585	3 983 879	8 372 383	32 881 683	5 597 018	1 320 720	-	55 901 268
Loans and advances to customers	-	-	-	-	-	-	1 162 033	1 162 033
Insurance assets	-	-	-	-	-	-	5 422 039	5 422 039
Equity investments	-	-	-	-	-	-	552 094	552 094
Land inventory	-	-	-	-	-	-	37 217 108	37 217 108
Other liquid assets	-	-	-	-	-	-	37 186	37 186
Current tax receivable	-	-	-	-	-	-	213 757	213 757
Intangible assets	-	-	-	-	-	-	6 169 958	6 169 958
Investment properties	-	-	-	-	-	-	7 395 991	7 395 991
Property and equipment	-	-	-	-	-	-	3 618 424	3 618 424
Deferred taxation	-	-	-	-	-	-	-	-
Total assets	25 719 875	5 580 704	13 921 646	32 881 683	5 747 886	2 080 779	96 638 343	182 570 916
Equity & Liabilities								
Deposits	104 635 814	4 749 408	6 884 711	220 343	214 786	2 372	14 666 707	131 374 141
Insurance liabilities	-	-	-	-	-	-	930 419	930 419
Other liabilities	-	-	-	-	-	-	15 963 342	15 963 342
Current tax payable	-	-	-	-	-	-	522 562	522 562
Life Fund	-	-	-	-	-	-	397 799	397 799
Investment contract liabilities	-	-	-	-	-	-	62 542	62 542
Deferred taxation	-	-	-	-	-	-	3 573 573	3 573 573
Lease Liability	1 875	4 540	5 702	10 757	13 396	-	-	36 270
Equity	-	-	-	-	-	-	29 710 268	29 710 268
Total liabilities and equity	104 637 689	4 753 948	6 890 413	231 100	228 182	2 372	65 827 212	182 570 916
Interest rate repricing gap	(78 917 814)	826 756	7 031 233	32 650 583	5 519 704	2 078 407	30 811 131	-
Cumulative gap	(78 917 814)	(78 091 058)	(71 059 825)	(38 409 242)	(32 889 538)	(30 811 131)	-	-



FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2022

	UNDERLYING CURRENCY				
	USD \$ 000	ZAR \$ 000	GBP \$ 000	EUR \$ 000	Other foreign currencies \$ 000
Assets					
Balances with banks and cash	224 116	422 067	145	5 042	196
Money market assets	34 943	-	-	-	-
Financial securities	44 990	-	-	-	-
Loans and advances to customers	201 510	886	-	-	-
Insurance assets	1 711	-	-	-	-
Equity investments	63	-	-	431	-
Other assets	373 021	5 831	24	108	-
Total assets	880 354	428 784	169	5 581	196
Liabilities					
Deposits	684 993	636 484	104	3 441	2 893
Insurance liabilities	1 734	-	-	-	-
Other liabilities	30 751	1 718	27	69	-
Lease liability	-	238	-	-	-
Total liabilities	717 716	638 202	131	3 510	2 893
Net position	162 638	(209 418)	38	2 071	(2 697)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

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

37.7 Operational risk

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

37.7.1 Operational risk management framework

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

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

37.8 Strategic risk

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

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

37.9 Regulatory risk

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

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

37.10 Reputation risk

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

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

37.11 Money-laundering risk

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

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

37.12 Insurance risk

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

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

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

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

37.13 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Long term)	AA-	A+	A+	A+	A	A	A	A	A+

CBZ Life Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Financial strength)	A(zw)-	A(zw)-	A(zw)-	A-	A-	BBB+	BBB+	BBB+	-

CBZ Insurance Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Claims paying ability)	BBB-	BBB-	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-

CBZ Asset Management Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Manager quality)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	A	A	A	A	A	-

37.13.2 Reserve Bank Ratings

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

Key

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

CBZ Bank Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY

Level of inherent risk

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

Adequacy of Risk Management Systems

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

Overall Composite Risk

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

Direction of Overall Composite Risk Rating

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

38. GOING CONCERN

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



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Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Interest income	2.1	105 350 697	78 697 832	79 122 253	18 319 915
Interest expense	2.2	(10 189 794)	(8 548 887)	(8 381 232)	(1 942 323)
Net interest income		95 160 903	70 148 945	70 741 021	16 377 592
Non-interest income	3	95 948 665	37 669 499	88 293 389	9 583 262
Total income		191 109 568	107 818 444	159 034 410	25 960 854
Operating expenditure	4	(55 736 595)	(37 430 219)	(41 120 159)	(8 756 557)
Credit loss expense	12.1	(33 775 639)	(6 537 779)	(33 775 639)	(1 901 845)
Operating income		101 597 334	63 850 446	84 138 612	15 302 452
Monetary Loss		(60 035 146)	(29 599 866)	-	-
Profit before taxation		41 562 188	34 250 580	84 138 612	15 302 452
Taxation	5.1	(16 078 584)	(15 876 192)	(17 390 995)	(3 735 056)
Profit after tax for the year		25 483 604	18 374 388	66 747 617	11 567 396
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		7 482 426	2 593 859	16 140 573	1 736 839
Gains on equity instruments at FVOCI		3 581 945	1 175 343	5 409 558	478 354
Deferred income tax relating to components of other comprehensive income	5.3	(3 685 061)	(699 969)	(4 026 943)	(453 264)
Other comprehensive income for the year net of tax		7 379 310	3 069 233	17 523 188	1 761 929
Total comprehensive income for the period		32 862 914	21 443 621	84 270 805	13 329 325
Earnings per share (cents)					
Basic	6.1	4 979.04	4 781.33	13 041.28	2 260.06
Fully Diluted	6.1	4 979.04	4 781.33 /-0	00 13 041.28	2 260.06

Statement of Financial Position

As at 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS					
Cash and cash equivalents	8	260 358 827	128 144 019	260 358 827	37 277 189
Money market assets	9	35 208 997	83 583 649	35 208 997	24 314 545
Financial securities	10	49 581 676	3 315 623	49 581 676	964 517
Loans and advances to customers	11	299 003 127	218 537 314	299 003 127	63 572 666
Equity investments	15	7 303 144	2 528 056	7 303 144	735 413
Land inventory	14	21 529 336	17 646 152	3 983 355	440 259
Other assets	13	115 226 473	86 942 822	114 891 217	24 964 083
Intangible assets	21	495 876	741 249	86 000	159 618
Investment properties	20	13 529 609	3 518 513	13 529 609	1 023 538
Property and equipment	18	39 754 427	19 077 881	33 349 503	4 029 578
TOTAL ASSETS		841 991 492	564 035 278	817 295 455	157 481 406
LIABILITIES					
Deposits	23	682 690 111	439 600 641	682 690 111	127 880 147
Other liabilities	24	25 013 999	19 558 705	24 715 925	5 364 041
Current tax payable		1 345 526	1 725 570	1 345 526	501 970
Deferred tax liability	22	11 908 294	9 169 801	5 781 736	1 428 625
Lease liability	18.1	47 502	54 505	47 502	15 856
		721 005 432	470 109 222	714 580 800	135 190 639
EQUITY					
Share capital	26.1	788 005	788 005	5 118	5 118
Share premium	26.2	2 574 506	2 574 506	16 722	16 722
Revaluation reserve	26.3	12 931 162	8 952 924	14 997 418	2 615 114
Retained Earnings	26.4	99 278 412	79 597 718	81 905 526	19 004 826
Fair value reserve	26.5	5 413 975	2 012 903	5 789 871	648 987
TOTAL EQUITY		120 986 060	93 926 056	102 714 655	22 290 767
TOTAL LIABILITIES AND EQUITY		841 991 492	564 035 278	817 295 455	157 481 406

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

AUDITED INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
Restated 31 Dec 2021						
Opening balance	788 005	2 574 506	7 000 267	896 327	70 403 001	81 662 106
Profit for the period	-	-	-	-	18 374 388	18 374 388
Total comprehensive income for the period	-	-	1 952 657	1 116 576	3 069 233	3 069 233
Dividend paid	-	-	-	-	(9 179 671)	(9 179 671)
Closing balance	788 005	2 574 506	8 952 924	2 012 903	79 597 718	93 926 056
31 Dec 2022						
Opening balance	788 005	2 574 506	8 952 924	2 012 903	79 597 718	93 926 056
Profit for the period	-	-	-	-	25 483 604	25 483 604
Other comprehensive income for the period	-	-	3 978 238	3 401 072	-	7 379 310
Dividend paid	-	-	-	-	(6 932 470)	(6 932 470)
Gain on bargain purchase	-	-	-	-	1 129 560	1 129 560
Closing balance	788 005	2 574 506	12 931 162	5 413 975	99 278 412	120 986 060
UNAUDITED HISTORICAL						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
31 Dec 2021						
Opening balance	5 118	16 722	1 307 622	194 550	9 437 430	10 961 442
Profit for the period	-	-	-	-	11 567 396	11 567 396
Other comprehensive income for the period	-	-	1 307 492	454 437	-	1 761 929
Dividend paid	-	-	-	-	(2 000 000)	(2 000 000)
Closing balance	5 118	16 722	2 615 114	648 987	19 004 826	22 290 767
31 Dec 2022						
Opening balance	5 118	16 722	2 615 114	648 987	19 004 826	22 290 767
Profit for the period	-	-	-	-	66 747 617	66 747 617
Other comprehensive income for the period	-	-	12 382 304	5 140 884	-	17 523 188
Dividend paid	-	-	-	-	(4 897 185)	(4 897 185)
Gain on bargain purchase	-	-	-	-	1 050 268	1 050 268
Closing balance	5 118	16 722	14 997 418	5 789 871	81 905 526	102 714 655

Statement of Cash Flows

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		41 562 188	34 250 580	84 138 612	15 302 452
Non cash items:					
Depreciation		1 960 275	1 449 787	982 281	207 367
Amortisation of intangible assets		247 083	183 674	75 003	33 101
Monetary Loss		60 035 146	29 599 866	-	-
Write off of property and equipment		5 221	-	48 661	-
Write off of land inventory		-	313 743	-	12 658
Fair value adjustments on investment properties		(2 557 755)	(340 573)	(5 575 617)	(515 047)
Fair value adjustments on financial instruments		58 997	(49 220)	6 072	(17 112)
(Increase)/Decrease in Interest receivable		(9 352 836)	(7 956 477)	(18 808 422)	(2 878 339)
Increase/(Decrease) in interest payable		2 243 242	96 294	2 888 836	117 505
Expected credit loss expense		33 775 639	6 537 779	33 775 639	1 901 845
Unrealised foreign exchange gains		(49 080 070)	(1 841 272)	(49 080 070)	(535 627)
Profit on sale of property and equipment		(12 577)	(6 247)	(12 489)	(1 840)
Interest on lease liability		3 958	4 443	3 154	1 047
Operating cash flows before changes in operating assets and liabilities		78 888 511	62 242 377	48 441 660	13 628 010

Changes in operating assets and liabilities

Deposits	591 994 384	268 356 299	324 402 130	64 191 116
Loans and advances to customers	(256 042 873)	(180 770 902)	(110 165 836)	(37 141 781)
Financial securities	(48 076 376)	(59 705)	(47 472 080)	9 957
Money market assets	(18 521 797)	(75 421 759)	(7 634 488)	(16 918 350)
Land inventory	(1 258 926)	(170 197)	(1 103 052)	(40 295)
Other assets	(77 390 120)	(12 427 869)	(1 602 888)	(2 773 476)
Other Liabilities	20 799 974	37 032 014	6 791 704	3 834 615
	211 504 266	36 537 881	163 215 490	11 161 786

TAXATION

Corporate tax paid	(19 223 601)	(17 008 637)	(16 746 796)	(4 330 079)
Net cash inflow from operating activities	271 169 176	81 771 621	194 910 354	20 459 717

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investment property	(4 404)	-	(4 404)	-
Investment in equities during the year	-	(138 053)	-	(29 027)
Proceeds on disposal of property and equipment	13 842	6 645	12 857	1 934
Purchase of property and equipment	(6 207 066)	(1 562 698)	(5 885 285)	(403 687)
Purchase of intangible assets	(1 710)	(310 809)	(1 385)	(107 996)
Net cash outflow from investing activities	(6 199 338)	(2 004 915)	(5 878 217)	(538 776)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid	(6 932 470)	(9 179 671)	(4 897 185)	(2 000 000)
Lease liability payment	(100 618)	(45 370)	(61 001)	(10 182)
Interest on lease liability	(3 958)	(4 443)	(3 154)	(1 047)
Net cash outflow from financing activities	(7 037 046)	(9 229 484)	(4 961 340)	(2 011 229)

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of year	128 144 019	106 435 179	37 277 189	19 262 545
Exchange gains on foreign cash balances	39 010 841	360 714	39 010 841	104 932
Inflation effects on cash	(164 728 825)	(49 189 096)	-	-
Cash and cash equivalents at end of year	260 358 827	128 144 019	260 358 827	37 277 189

Notes to the Inflation Adjusted Financial Results

For the year ended 31 December 2022

1. INCORPORATION ACTIVITIES

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

1.1 Basis of preparation

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

2. NET INTEREST INCOME

2.1 Interest income				
Bankers acceptances	630 563	723 309	297 146	179 682
Overdrafts	21 110 267	12 070 174	17 689 142	2 643 623
Loans	67 298 631	55 624 355	48 263 035	13 066 517
Mortgage loans	339 385	-	333 223	-
Staff loans	1 234 853	376 905	1 082 721	91 165
Securities investments	4 718 099	1 571 370	4 312 654	353 521
Other investments	10 018 899	8 331 719	7 144 332	1 985 407
	105 350 697	78 697 832	79 122 253	18 319 915
2.2 Interest expense				
Savings deposits	988 562	1 046 364	753 000	235 142
Money market deposits	8 406 870	7 356 299	6 945 246	1 674 222
Other offshore deposits	790 404	141 781	679 832	31 912
Lease liability	3 958	4 443	3 154	1 047
	10 189 794	8 548 887	8 381 232	1 942 323

3. NET NON-INTEREST INCOME

Fair value adjustments on financial instruments	(58 997)	49 220	(6 072)	17 112
Fair value adjustments on properties	2 557 755	340 573	5 575 617	515 047
Net income from foreign currency dealing	10 013 220	2 422 937	8 906 490	552 040
Unrealised foreign exchange gains	49 080 070	1 841 272	49 080 070	535 627
Commission and fee income	32 072 961	28 157 989	22 919 185	6 582 625
Profit on disposal of property and equipment	12 577	6 247	12 489	1 840
Bad debts recovered	74 228	132 496	51 367	30 280
Property sales	519 693	116 091	507 217	28 379
Lease income	329 350	165 306	272 591	38 538
Other operating income	1 347 808	4 437 368	974 435	1 281 774
	95 948 665	37 669 499	88 293 389	9 583 262

4. OPERATING EXPENDITURE

Staff costs	34 704 842	19 745 038	25 497 202	4 790 429
NSSA	414 526	119 357	312 031	28 480
Pension costs	1 579 201	823 044	1 109 133	194 379
Other Administration expenses	13 229 876	12 047 254	10 722 888	2 858 138
Licence fees	2 468 581	2 161 366	1 449 193	494 642
Insurance	278 755	464 911	194 513	109 695
Audit fees	250 098	101 653	221 597	23 825
Depreciation	1 960 275	1 449 787	982 281	207 367
Amortisation of intangible assets	247 083	183 674	75 003	33 101
Property cost of sales	506 967	4 603	421 030	833
Property management fees	91 170	15 789	86 627	3 010
Write off of property and equipment	5 221	-	48 661	-
Write off of Land inventory	-	313 743	-	12 658



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
5.	TAXATION				
5.1	Analysis of tax charge in respect of the profit for the period The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
	Current income tax charge	17 590 352	15 701 812	17 590 352	4 567 669
	Deferred income tax	(1 511 768)	174 380	(199 357)	(832 613)
	Income tax expense	16 078 584	15 876 192	17 390 995	3 735 056
5.2	Income tax rate reconciliations	%	%	%	%
	Notional tax	24.00	24	24.00	24.00
	Aids levy	0.72	0.72	0.72	0.72
	Non deductible expenses	24.91	22.86	2.02	0.49
	Exempt income	(1.95)	(1.19)	(0.82)	(0.77)
	Effect of rebasing taxes	(6.09)	-	(3.01)	-
	Tax benefits	(0.02)	(0.04)	(0.01)	(0.03)
	Special Tax Rate	(2.88)	-	(2.23)	-
	Effective tax rate	38.69	46.35	20.67	24.41
Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess management fees excess pension costs and disallowable donations.					
5.3	Analysis of tax effects in respect of other comprehensive income The following constitutes the major components of deferred tax expense recognised in the statement of comprehensive income.				
	Deferred tax expense on revaluation gains/(loss)	3 504 189	641 202	3 758 269	429 347
	Deferred tax expense on fair value adjustment on financial assets	180 872	58 767	268 674	23 917
	Total taxation relating to components of other comprehensive income	3 685 061	699 969	4 026 943	453 264
6.	EARNINGS PER SHARE				
Basic earnings per share is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period after adjusting for treasury shares.					
Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.					
The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:					
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
6.1.	Earnings per share (cents)				
	Basic	4 979.04	4 781.33	13 041.28	2 260.06
	Fully diluted	4 979.04	4 781.33	13 041.28	2 260.06
6.2	Earnings Basic (earnings attributable to holders of parent) Fully Diluted	25 483 604 25 483 604	18 374 388 18 374 388	66 747 617 66 747 617	11 567 396 11 567 396
6.3	Number of shares used in calculations				
	Basic	511 818	511 818	511 818	511 818
	Fully diluted	511 818	511 818	511 818	511 818
7.	DIVIDENDS Cash dividend on ordinary shares declared and paid: Final dividend	6 932 470	9 179 671	4 897 185	2 000 000
8.	CASH AND CASH EQUIVALENTS				
	Interbank placements	3 436 483	22 430 158	3 436 483	6 524 949
	Cash & bank	35 541 677	29 069 580	35 541 677	8 456 362
	Nostro accounts	33 686 942	55 315 973	33 686 942	16 077 867
	Balances with the Reserve Bank of Zimbabwe	166 673 330	9 544 784	166 673 330	2 790 175
	RBZ Statutory reserve	21 359 252	11 830 241	21 359 252	3 441 426
	Gross cash and cash equivalents	260 697 684	128 190 736	260 697 684	37 290 779
	ECL	(338 857)	(46 717)	(338 857)	(13 590)
	Net cash and cash equivalents	260 358 827	128 144 019	260 358 827	37 277 189
The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL					
Included in cash and cash equivalents are the following balances that are reserved and restricted in nature and are not available for use by the Bank:					
	RBZ Statutory reserve	21 359 252	11 830 241	21 359 252	3 441 426
	Amounts secured as guarantees or collateral	4 480 263	4 217 363	4 480 263	1 226 834
		25 839 515	16 047 604	25 839 515	4 668 260
9.	MONEY MARKET ASSETS Money market assets are non-credit financial assets securities with an original maturity of one year or less.				
	Interbank Placements	35 496 523	20 535 623	35 496 523	5 973 828
	RBZ Savings bonds	-	58 861 552	-	17 122 869
	Bankers acceptances	-	4 306 844	-	1 252 864
	Accrued interest	305 793	142 736	305 793	41 522
	Total gross money market	35 802 316	83 846 755	35 802 316	24 391 083
	Expected credit loss	(593 319)	(263 106)	(593 319)	(76 538)
	Total net money market	35 208 997	83 583 649	35 208 997	24 314 545
9.1	Maturity analysis The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	14 966 507	64 935 575	14 966 507	18 889 806
	Between 3 and 6 months	10 382 609	18 911 180	10 382 609	5 501 277
	Between 6 and 12 months	10 453 200	-	10 453 200	-
		35 802 316	83 846 755	35 802 316	24 391 083
10.	FINANCIAL SECURITIES Financial securities are non credit financial assets with an original maturity of more than 1 year.				
	Treasury bills	48 430 507	3 294 687	48 430 507	958 426
	Accrued interest	1 227 264	70 469	1 227 264	20 500
	Total gross financial securities	49 657 771	3 365 156	49 657 771	978 926
	Expected credit loss	(76 095)	(49 533)	(76 095)	(14 409)
	Total net financial securities	49 581 676	3 315 623	49 581 676	964 517
10.1	Maturity analysis The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	48 763 070	34 750	48 763 070	10 109
	Between 3 and 6 months	-	157 211	-	45 733
	Between 1 and 5 years	149 384	510 881	149 384	148 616
	Above 5 years	745 317	2 662 314	745 317	774 468
		49 657 771	3 365 156	49 657 771	978 926
Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.					
11.	LOANS AND ADVANCES TO CUSTOMERS				
	Overdrafts	37 191 025	27 278 637	37 191 025	7 935 375
	Commercial loans	258 549 533	180 993 806	258 549 533	52 651 232
	Staff loans	7 342 093	5 101 510	7 342 093	1 484 033
	Mortgage advances	8 009 927	-	8 009 927	-
	Interest accrued	17 129 981	13 121 438	17 129 981	3 817 036
	Total gross advances	328 222 559	226 495 391	328 222 559	65 887 676
	Allowance for Expected Credit Loss (ECL)	(29 219 432)	(7 958 077)	(29 219 432)	(2 315 010)
	Total net advances	299 003 127	218 537 314	299 003 127	63 572 666
11.1	Maturity analysis Less than 1 month Between 1 and 3 months Between 3 and 6 months Between 6 months and 1 year Between 1 and 5 years More than 5 years	55 953 429 99 990 797 38 169 835 67 960 887 59 630 704 6 516 907	35 300 463 13 221 222 28 193 314 132 187 115 14 486 628 3 106 649	55 953 429 99 990 797 38 169 835 67 960 887 59 630 704 6 516 907	10 268 933 3 846 063 8 201 456 38 453 327 4 214 171 903 726
		328 222 559	226 495 391	328 222 559	65 887 676
Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.					

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%
11.2	Sectoral Analysis				
	Private	23 070 915	7%	23 070 915	7%
	Agriculture	158 108 192	48%	158 108 192	48%
	Mining	24 900 966	8%	24 900 966	8%
	Manufacturing	31 954 298	10%	31 954 298	10%
	Distribution	42 514 297	13%	42 514 297	13%
	Construction	3 178 265	1%	3 178 265	1%
	Transport	653 659	-	653 659	-
	Communication	6 509 099	2%	6 509 099	2%
	Services	24 280 894	7%	24 280 894	7%
	Financial organisations	13 051 974	4%	13 051 974	4%
		328 222 559	100%	328 222 559	100%

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
11.3	Loans to directors and key management personnel				
	Opening balance	1 807 616	1 087 742	525 837	196 859
	Advances made during the period	3 289 440	2 243 858	1 980 834	505 840
	Monetary adjustment	(2 499 399)	(464 932)	-	-
	Repayment during the period	(202 475)	(94 321)	(111 489)	(21 265)
	Day one loss adjustment	(301 922)	(964 731)	(301 922)	(155 597)
	Balance at end of the year	2 093 260	1 807 616	2 093 260	525 837
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	3 293 894	4 332 182	958 196	784 034
	Advances made during the period	8 319 738	2 422 394	5 361 324	546 087
	Monetary Adjustment	(4 949 037)	(1 322 829)	-	-
	Repayments during the period	(767 911)	(422 773)	(422 836)	(95 307)
	Day one loss adjustment	(647 851)	(1 715 080)	(647 851)	(276 618)
	Balance at end of the year	5 248 833	3 293 894	5 248 833	958 196
11.4	Allowance for Expected Credit Loss (ECL)				
	Opening balance	7 958 077	3 181 834	2 315 010	575 846
	Credit loss expense on loans and advances	32 491 559	6 011 363	32 491 559	1 748 710
	acquisition through merger	747 714	-	695 229	-
	Monetary Adjustment	(5 695 552)	(1 202 307)	-	-
	Amounts written off during the period	(6 282 366)	(32 813)	(6 282 366)	(9 546)
	Closing balance	29 219 432	7 958 077	29 219 432	2 315 010

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

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

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Money market assets	516 781	220 710	-	-	-	-	516 781	220 710
Financial securities	61 686	28 892	-	-	-	-	61 686	28 892
Loans and advances to customers	4 281 684	(1 010 418)	5 991 049	5 790 852	22 167 385	1 173 873	32 440 118	5 954 307
Staff loans	45 375	57 056	6 066	-	-	-	51 441	57 056
Financial guarantees	643	(706)	-	-	-	-	643	(706)
Cash equivalents	325 267	46 718	-	-	-	-	325 267	46 718
Other receivables	362 205	168 309	-	-	-	-	362 205	168 309
Lease receivables	-	(153)	11 965	(146)	5 533	62 792	17 498	62 493
Expected credit loss expense	5 593 641	(489 592)	6 009 080	5 790 706	22 172 918	1 236 665	33 775 639	6 537 779

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Money market assets	516 781	64 205	-	-	-	-	516 781	64 205
Financial securities	61 686	8 405	-	-	-	-	61 686	8 405
Loans and advances to customers	4 281 684	(293 931)	5 991 049	1 684 563	22 167 385	341 480	32 440 118	1 732 112
Staff loans	45 375	16 598	6 066	-	-	-	51 441	16 598
Financial guarantees	643	(205)	-	-	-	-	643	(205)
Cash equivalents	325 267	13 590	-	-	-	-	325 267	13 590
Other receivables	362 205	48 961	-	-	-	-	362 205	48 961
Lease receivables	-	(44)	11 965	(43)	5 533	18 266	17 498	18 179
Expected credit loss expense	5 593 641	(142 421)	6 009 080	1 684 520	22 172 918	359 746	33 775 639	1 901 845

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
13.	OTHER ASSET				
	Prepayments and deposits	3 862 012	4 059 326	3 526 756	853 213
	Other receivables	111 860 473	83 120 656	111 860 473	24 179 860
	Total gross other assets	115 722 485	87 179 982	115 387 229	25 033 073
	Expected credit loss	(496 012)	(237 160)	(496 012)	(68 990)
	Total net other assets	115 226 473	86 942 822	114 891 217	24 964 083

Included in other receivables is an amount of ZWL\$105 680 795 658 (2021: ZWL\$59 381 440 929) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of US\$1:Z\$1.

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
14.	LAND INVENTORY				
	Opening Balance	17 646 152	17 789 698	440 259	412 622
	Additions	1 765 893	174 801	1 507 680	411 28
	Acquisition through merger	2 624 257	-	2 440 044	-
	cost of sales	(506 966)	(4 604)	(404 628)	(833)
	Impairment	-	(313 743)	-	(12 658)
	Closing balance	21 529 336	17 646 152	3 983 355	440 259
15.	EQUITY INVESTMENTS				
	Opening balance	2 528 056	1 165 440	735 413	210 920
	Investment in equities during the period	-	138 053	-	29 027
	Acquisition through merger	1 252 140	-	1 164 245	-
	Fair value adjustments - Profit or loss	(58 997)	49 220	(6 072)	17 112
	Fair value adjustments - Other comprehensive income	3 581 945	1 175 343	5 409 558	478 354
		7 303 144	2 528 056	7 303 144	735 413
16.	CATEGORIES OF FINANCIAL ASSETS				
		At fair value through profit or loss ZWL\$ 000	At fair value through OCI ZWL\$ 000	At amortised cost ZWL\$ 000	Total carrying amount ZWL\$ 000



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



UNAUDITED HISTORICAL							
	Level 1		Level 2		Level 3		Total carrying amount
	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2022 ZWL\$ 000
Equity investments	15 640	21 712	-	-	7 287 504	713 701	7 303 144
Land and Buildings	-	-	27 102 138	3 459 652	-	-	27 102 138
Investment properties	-	-	13 529 609	1 023 538	-	-	13 529 609
Total assets at fair value	15 640	21 712	40 631 747	4 483 190	7 287 504	713 701	47 934 891
							5 218 603

The Bank determines for assets and liabilities that are recognized in the financial statements at fair value on a recurring basis whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

At the end of the reporting period there were no transfers between Level 1 Level 2 and Level 3 of the hierarchy.

The level 3 equity investments that amounts to ZWL\$ 7.29 billion (2021: ZWL\$2.45) billion consists of Swift and Zimswitch unquoted equity investments. The Bank used Earnings multiple valuation multiples in arriving at the valuation for these positions. The valuation took into account certain assumptions about the model inputs, including but not limited to jurisdiction/country and market discounts. A range of probabilities was also applied to these inputs and the fair values derived there from were deemed to be within acceptable fair values ranges of the equities.

If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$170 142 383(2021: ZWL\$ 919 899) and the Statement of Financial Position would be ZWL\$179 097 245(2021: ZWL\$692 224) higher or lower than the reported position.

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Jurisdiction/ country and size discount	The fair values would increase/ decrease if: • The jurisdiction/country and size discount was higher or lower

18. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED										
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000	
31 December 2022										
COST										
Opening balance	-	12 530 039	125 802	794 453	6 377 838	1 848 534	1 057 474	2 203 037	24 937 177	
Right of use assets	-	15 054	-	-	-	-	-	-	15 054	
Acquisition through merger	3 365 065	5 553 718	42	51	11 333	3 524	5 027	-	8 938 760	
Additions	-	788	-	235 026	2 547 437	507 758	416 809	2 499 248	6 207 066	
Revaluation gain	666 162	5 677 954	-	-	-	-	-	-	6 344 116	
Disposals	-	-	-	-	(5 178)	(899)	(435)	-	(6 512)	
Write offs	-	-	-	-	(9 585)	(39 546)	(1 930)	-	(51 061)	
Closing balance	4 031 227	23 777 553	125 844	1 029 530	8 921 845	2 319 371	1 476 945	4 702 285	46 384 600	
Accumulated depreciation										
Opening balance	-	435 095	84 579	677 474	2 779 315	1 308 717	574 116	-	5 859 296	
Right of use assets	-	245 181	-	-	-	-	-	-	245 181	
Charge for the period	-	1 138 310	10 961	148 391	299 418	89 878	28 136	-	1 715 094	
Disposals	-	-	-	-	(4 133)	(809)	(305)	-	(5 247)	
Write offs	-	-	-	-	(184)	(6 961)	(38 668)	-	(45 841)	
Revaluation	-	(1 138 310)	-	-	-	-	-	-	(1 138 310)	
Closing balance	-	680 276	95 540	825 681	3 067 639	1 359 118	601 919	-	6 630 173	
Net Book Value	4 031 227	23 097 277	30 304	203 849	5 854 206	960 253	875 026	4 702 285	39 754 427	
Restated 31 December 2021										
COST										
Opening balance	-	10 418 590	114 977	788 580	5 160 750	1 595 143	1 002 104	2 416 759	21 496 903	
Right of use assets	-	34 031	-	-	-	-	-	-	34 031	
Additions	-	226 976	-	-	935 531	218 412	15 813	165 966	1 562 698	
Revaluation gain	-	1 844 467	-	-	-	-	-	-	1 844 467	
Disposals	-	-	-	-	-	-	(26)	(137)	(922)	
Transfers(PPE Intercategories)	-	5 975	10 825	5 873	282 316	35 005	39 694	(379 688)	-	
Closing balance	-	12 530 039	125 802	794 453	6 377 838	1 848 534	1 057 474	2 203 037	24 937 177	
Accumulated depreciation & impairment										
Opening balance	-	233 457	83 609	673 276	2 387 479	1 214 265	567 339	-	5 159 425	
Right of use assets	-	201 638	-	-	-	-	-	-	201 638	
Charge for the year	-	749 392	970	4 198	392 229	94 475	6 885	-	1 248 149	
Disposals	-	-	-	-	(393)	(23)	(108)	-	(524)	
Revaluation	-	(749 392)	-	-	-	-	-	-	(749 392)	
Closing balance	-	435 095	84 579	677 474	2 779 315	1 308 717	574 116	-	5 859 296	
Net Book Value	-	12 094 944	41 223	116 979	3 598 523	539 817	483 358	2 203 037	19 077 881	

UNAUDITED HISTORICAL										
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000	
31 December 2022										
Opening balance	-	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437	
Right of use asset	-	14 086	-	-	-	-	-	-	14 086	
Acquisition through merger	3 128 850	5 163 868	39	47	10 538	3 276	4 674	1	8 311 293	
Additions	-	788	-	213 660	2 455 140	475 387	391 183	2 349 127	5 885 285	
Revaluation gain	902 376	14 432 518	-	-	(1 507)	(262)	(127)	-	15 334 894	
Disposals	-	-	-	-	(60)	(2 799)	(562)	(19 042)	(1 896)	
Write offs	-	-	-	-	(2 799)	(39 546)	(562)	(61 999)	-	
Closing balance	4 031 226	23 070 912	3 150	222 248	2 964 413	518 841	416 945	2 416 365	33 644 100	
Accumulated depreciation										
Opening balance	-	16 171	752	5 454	81 393	23 689	5 400	-	132 859	
Right of use asset	-	17 419	-	-	-	-	-	-	17 419	
Charge for the period	-	805 679	275	31 482	99 364	20 144	7 918	-	964 862	
Disposals	-	-	-	-	(1 203)	(236)	(89)	-	(1 528)	
Write offs	-	-	-	(54)	(1 710)	(11 564)	(8)	-	(13 336)	
Revaluation	-	(805 679)	-	-	-	-	-	-	(805 679)	
Closing balance	-	33 590	1 027	36 882	177 844	32 033	13 221	-	294 597	
Net Book Value	4 031 226	23 037 322	2 123	185 366	2 786 569	486 808	403 724	2 416 365	33 349 503	

31 December 2021

COST										
Opening balance	-	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972	
Right of use Asset	-	8 696	-	-	-	-	-	-	8 696	
Additions	-	66 027	-	-	237 752	58 643	3 921	37 344	403 687	
Revaluation gain	-	1 605 300	-	-	-	-	-	-	1 605 300	
Disposals	-	-	-	-	(178)	(7)	(33)	-	(218)	
Transfers(PPE Intercategories)	-	1 305	2 364	1 204	53 866	6 679	8 670	(74 088)	-	
Closing balance	-	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437	
Accumulated depreciation & impairment										
Opening balance	-	6 880	576	4 748	31 886	8 810	4 257	-	57 157	
Right of use asset	-	9 291	-	-	-	-	-	-	9 291	
Charge for the year	-	131 539	176	706	49 597	14 885	1 171	-	198 074	
Disposals	-	-	-	-	(90)	(6)	(28)	-	(124)	
Revaluation	-	(131 539)	-	-	-	-	-	-	(131 539)	
Closing balance	-	16 171	752	5 454	81 393	23 689	5 400	-	132 859	
Net Book Value	-	3 443 481	2 359	3 147	421 638	56 297	16 377	86 279	4 029 578	

Properties were revalued on an open market basis by professional valuer, as at 31 December 2022 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

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

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

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

Adjustments were made to the following aspects:

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

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

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

The carrying amount of buildings would have been ZWL\$8 122 988 952(2021: ZWL\$ 2 776 766 045) had they been carried at cost.

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
18.1a	Right of Use Assets				
	Opening balance	298 692	466 299	11 943	12 538
	Additions	15 054	34 031	14 086	8 696
	Depreciation	(245 181)	(201 638)	(17 419)	(9 291)
		68 565	298 692	8 610	11 943
	At cost	748 841	733 787	43 778	29 692
	Accumulated depreciation	(680 276)	(435 095)	(35 168)	(17 749)
		68 565	298 692	8 610	11 943

18.1b

Lease liability

Opening Balance
Additions
Interest
Exchange loss
Repayment
Monetary adjustment

18.1c

Lease liability maturity analysis

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

18.1d

Amounts recognised in statement of profit or loss

Interest on lease liabilities
Right of use asset depreciation

18.1e

Amounts recognised in statement of cash flow

Total cash outflow for leases

19.

BUSINESS COMBINATIONS

In July 2021, CBZ Holdings, (The Group) made a decision to merge its 2 wholly owned subsidiaries, CBZ Bank and CBZ Building Society, "The Merger" through the transfer of all the assets and liabilities of CBZ Building Society to CBZ Bank, and to close and cancel the licence of CBZ Building Society immediately after the merger. The main reason for the merger was to realise operational efficiencies and cost savings as the two entities were operating under essentially the same strategic thrust since 2010.

However, since both CBZ Bank and CBZ Building Society were regulated entities, The Merger transaction had to go through regulatory approvals from, the Competitions and Tariff Commission, Reserve Bank of Zimbabwe (RBZ) and the Ministry of Finance before it became effective. The Group went through all the various regulatory approval processes since July 2021 and obtained the final approval from RBZ on 06 September 2022. The Group then decided to finalise the merger effective 30 September 2022 and closed CBZ Building Society as a legal operating entity effective on that date.

The Merger qualifies as a business combination under common control as both CBZ Bank and CBZ Building Society were wholly owned subsidiaries of CBZ Holdings and is specifically scoped out of IFRS 3, Business combinations and there is no other IFRS that deals with Business combinations under common control.

The Merger was accounted for as an acquisition by CBZ Bank based on guidance provided by the acquisition method under IFRS 3 as it is the only IFRS standard that deals with similar and related transactions consistent with IAS 8 guidance, [Refer to Note 1.5]. Therefore, the identifiable assets and assumed liabilities of CBZ Building Society were acquired by CBZ Bank at their at-acquisition date fair values on the effective date of acquisition which was 30 September 2022. The resultant gain on bargain purchase acquisition was accounted for directly in equity under retained earnings.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS		
Cash and cash equivalents	2 775 654	2 580 813
Loans and advances	8 843 593	8 222 806
Equity investments	1 252 140	1 164 245
Other receivable assets	28 047	26 078
Prepayments and inventory	2 742 624	2 550 102
Property and Equipment	8 938 755	8 311 288
Investment Properties	7 448 936	6 926 049
Total identifiable assets acquired	32 029 749	29 781 381
LIABILITIES		
Deposits	(14 050 916)	(13 064 596)
Other liabilities	(16 849 273)	(15 666 518)
Total identifiable liabilities assumed	(30 900 189)	(28 731 113)
Total Identifiable Net assets acquired	1 129 560	1 050 268
Consideration Paid	-	-
Gain on bargain purchase acquisition	1 129 560	1 050 268



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



ECL RECONCILIATION		AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	
Opening balance	1 464 353	2 748 470	5 433 888	278 207	1 059 836	155 157	7 958 077	3 181 834	
New assets originated or purchased	11 636 000	6 721 359	42 022 848	752	1 312 657	-	54 971 505	6 722 111	
Transfers from Stage 1	(6 295 177)	(6 582 459)	682 962	5 775 376	5 612 215	807 083	-	-	
Transfers from Stage 2	1 220 496	57 815	(35 550 196)	(269 075)	34 329 700	211 260	-	-	
Transfers from Stage 3	14 793	5 820	9 703	872	(24 496)	(6 692)	-	-	
Amounts written off	-	-	-	-	(6 282 366)	(32 813)	(6 282 366)	(32 813)	
Repayments	(816 743)	(448 097)	(1 084 088)	(247 119)	(11 814 434)	(15 530)	(13 715 265)	(710 746)	
Monetary adjustment	(2 307 266)	(1 038 555)	(3 677 943)	(105 125)	(7 727 310)	(58 629)	(13 712 519)	(1 202 309)	
Closing Balance	4 916 456	1 464 353	7 837 174	5 433 888	16 465 802	1 059 836	29 219 432	7 958 077	

ECL RECONCILIATION		UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	
Opening balance	425 981	497 415	1 580 722	50 349	308 307	28 082	2 315 010	575 846	
New assets originated or purchased	7 432 206	1 955 248	25 578 191	220	722 790	-	33 733 187	1 955 468	
Transfers from Stage 1	(3 466 326)	(1 914 841)	376 061	1 680 060	3 090 265	234 781	-	-	
Transfers from Stage 2	672 044	16 818	(19 575 074)	(78 275)	18 903 030	61 457	-	-	
Transfers from Stage 3	8 145	1 693	5 343	255	(13 488)	(1 948)	-	-	
Amounts written off	-	-	-	-	(6 282 366)	(9 545)	(6 282 366)	(9 545)	
Repayments	(155 594)	(130 352)	(128 069)	(71 887)	(262 736)	(4 520)	(546 399)	(206 759)	
Closing Balance	4 916 456	425 981	7 837 174	1 580 722	16 465 802	308 307	29 219 432	2 315 010	

b. Financial Securities

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

		AUDITED INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 657 771	3 365 156	-	-	-	-	49 657 771	3 365 156
Total		49 657 771	3 365 156	-	-	-	-	49 657 771	3 365 156

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 657 771	978 926	-	-	-	-	49 657 771	978 926
Total		49 657 771	978 926	-	-	-	-	49 657 771	978 926

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

		AUDITED INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Gross carrying amount		3 365 156	3 365 156	-	-	-	-	3 365 156	3 365 156
New assets originated or purchased		48 714 186	-	-	-	-	-	48 714 186	-
Maturities during the year		(35 342)	-	-	-	-	-	(35 342)	-
Monetary adjustment		(2 386 229)	-	-	-	-	-	(2 386 229)	-
Gross financial securities		49 657 771	3 365 156	-	-	-	-	49 657 771	3 365 156
ECL allowance		(76 095)	(49 533)	-	-	-	-	(76 095)	(49 533)
Net financial securities		49 581 676	3 315 623	-	-	-	-	49 581 676	3 315 623

		UNAUDITED HISTORICAL							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Gross carrying amount		978 926	978 926	-	-	-	-	978 926	978 926
New assets originated or purchased		48 714 186	-	-	-	-	-	48 714 186	-
Maturities during the year		(35 341)	-	-	-	-	-	(35 341)	-
Gross financial securities		49 657 771	978 926	-	-	-	-	49 657 771	978 926
ECL allowance		(76 095)	(14 409)	-	-	-	-	(76 095)	(14 409)
Net financial securities		49 581 676	964 517	-	-	-	-	49 581 676	964 517

c. Money market

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

		AUDITED INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	35 802 316	83 846 755	-	-	-	-	35 802 316	83 846 755
Total		35 802 316	83 846 755	-	-	-	-	35 802 316	83 846 755

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	35 802 316	24 391 083	-	-	-	-	35 802 316	24 391 083
Total		35 802 316	24 391 083	-	-	-	-	35 802 316	24 391 083

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

		AUDITED INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Gross carrying amount		83 846 755	39 653 315	-	-	-	-	83 846 755	39 653 315
New assets originated or purchased (excluding write offs)		35 802 315	108 196 590	-	-	-	-	35 802 315	108 196 590
Maturities during the year		(24 391 082)	(31 833 945)	-	-	-	-	(24 391 082)	(31 833 945)
Monetary adjustment		(59 455 672)	(32 169 205)	-	-	-	-	(59 455 672)	(32 169 205)
Gross money market assets		35 802 316	83 846 755	-	-	-	-	35 802 316	83 846 755
ECL allowance		(593 319)	(263 106)	-	-	-	-	(593 319)	(263 106)
Net money market assets		35 208 997	83 583 649	-	-	-	-	35 208 997	83 583 649

		UNAUDITED HISTORICAL							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Gross carrying amount at beginning of period		24 391 083	7 176 422	-	-	-	-	24 391 083	7 176 422
New assets originated or purchased (excluding write offs)		35 802 315	24 391 083	-	-	-	-	35 802 315	24 391 083
Maturities during the year		(24 391 082)	(7 176 422)	-	-	-	-	(24 391 082)	(7 176 422)
Gross money market assets		35 802 316	24 391 083	-	-	-	-	35 802 316	24 391 083
ECL allowance		(593 319)	(76 538)	-	-	-	-	(593 319)	(76 538)
Net money market asset		35 208 997	24 314 545	-	-	-	-	35 208 997	24 314 545

d. Financial guarantees

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

		AUDITED INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	575 381	-	-	-	-	623 411	575 381
Total		623 411	575 381	-	-	-	-	623 411	575 381

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	167 379	-	-	-	-	623 411	167 379
Total		623 411	167 379	-	-	-	-	623 411	167 379

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

		AUDITED INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Gross carrying opening balance		2 346 138	1 921 949	-	-	-	-	2 346 138	1 921 949
New assets originated or purchased (excluding write offs)		623 411	742 477	-	-	-	-	623 411	742 477
Guarantees Expired		(167 379)	(318 287)	-	-	-	-	(167 379)	(318 287)
Monetary adjustment		(2 178 759)	(1 770 758)	-	-	-	-	(2 178 759)	(1 770 758)
Gross financial guarantees		623 411	575 381	-	-	-	-	623 411	575 381
Expected credit loss allowance		(1 019)	(1 292)	-	-	-	-	(1 019)	(1 292)
Net financial guarantees		622 392	574 089	-	-	-	-	622 392	574 089

		UNAUDITED HISTORICAL							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



UNAUDITED HISTORICAL							
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022							
Assets							
Balances with banks and cash	260 358 827	-	-	-	-	-	260 358 827
Money market assets	14 784 023	617 414	10 779 495	11 086 209	-	-	37 267 141
Financial securities	31 961 604	19 365 251	218	3 341	311 375	922 683	52 564 472
Loans and advances to customers	72 204 596	128 867 143	46 637 578	78 448 606	75 542 219	12 707 655	414 407 797
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Other liquid assets	5 683 666	-	105 680 796	-	-	-	111 364 462
Total assets	385 013 903	148 936 584	163 098 740	89 628 488	76 278 057	13 630 338	876 586 110
Liabilities							
Deposits	602 604 631	63 898 242	8 163 410	4 837 150	10 614 778	-	690 118 211
Other liabilities	-	24 715 925	-	-	-	-	24 715 925
Current tax payable	-	1 345 526	-	-	-	-	1 345 526
Lease Liability	4 536	9 073	13 609	20 929	743	-	48 890
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Commitments	5 924 484	-	-	-	-	-	5 924 484
Total liabilities	608 554 838	90 055 542	8 177 672	4 948 411	11 039 984	-	722 776 447
Liquidity gap	(223 540 935)	58 881 042	154 921 068	84 680 077	65 238 073	13 630 338	153 809 663
Cumulative liquidity gap	(223 540 935)	(164 659 893)	(9 738 825)	74 941 252	140 179 325	153 809 663	153 809 663

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

The table above shows the cash flows of the Bank's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Bank carries out static statement of financial position analysis to track statement of financial position growth drivers the pattern of core banking deposits statement of financial position structure levels and direction of the Bank's maturity mismatch and related funding or liquidity gap. The Asset and Liability Management Committee (ALCO) comes up with strategies through its monthly meetings to manage these liquidity gaps.

Details of the liquidity ratio for the Bank at the reporting date and during the reporting year were as follows:

	%
At 31 December 2022	47.46
At 31 December 2021	51.35
Average for the year	47.95
Maximum for the year	51.91
Minimum for the year	44.63

31. INTEREST RATE RISK

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

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

At 31 December 2022, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL\$ 225 760 608 (ZWL\$ 440 856 682) lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement

31.1 INTEREST RATE REPRICING AND GAP ANALYSIS

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022								
Assets								
Balances with banks and cash	37 123 425	-	-	-	-	-	223 235 402	260 358 827
Money market assets	13 873 024	500 164	10 382 609	10 453 200	-	-	-	23 664 160
Financial securities	32 883 664	15 803 312	-	-	149 383	745 317	-	49 581 676
Loans and advances to customers	134 806 173	164 196 954	-	-	-	-	-	299 003 127
Equity investments	-	-	-	-	-	-	7 303 144	7 303 144
Land inventory	-	-	-	-	-	-	21 529 336	21 529 336
Other assets	-	-	-	-	-	-	115 226 473	115 226 473
Intangible assets	-	-	-	-	-	-	495 876	495 876
Investment properties	-	-	-	-	-	-	13 529 609	13 529 609
Property and equipment	-	-	-	-	-	-	39 754 427	39 754 427
Total assets	218 686 286	180 500 430	10 382 609	10 453 200	149 383	745 317	421 074 267	841 991 492
Equity & Liabilities								
Deposits	87 935 286	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	682 690 111
Other liabilities	-	-	-	-	-	-	25 013 999	25 013 999
Current tax payable	-	-	-	-	-	-	1 345 526	1 345 526
Deferred taxation	-	-	-	-	-	-	11 908 294	11 908 294
Lease liability	4 326	9 369	13 211	19 913	683	-	47 502	47 502
Equity	-	-	-	-	-	-	120 986 060	120 986 060
Total liabilities and equity	87 939 612	61 124 054	7 691 067	3 323 539	8 836 058	-	673 077 162	841 991 492
Interest rate repricing gap	130 746 674	119 376 376	2 691 542	7 129 661	(8 686 675)	745 317	(252 002 895)	-
Cumulative gap	130 746 674	250 123 050	252 814 592	259 944 253	251 257 578	252 002 895	-	-

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	56 510 276	-	-	-	-	-	71 633 743	128 144 019
Money market assets	10 602 289	5 458 157	18 911 180	-	-	-	48 612 023	83 583 649
Financial securities	34 750	-	157 211	-	510 881	2 612 781	3 315 623	3 315 623
Loans and advances to customers	27 342 387	13 221 222	28 193 314	132 187 115	14 486 628	3 106 648	-	218 537 314
Equity investments	-	-	-	-	-	-	2 528 056	2 528 056
Land inventory	-	-	-	-	-	-	17 646 152	17 646 152
Other assets	-	-	-	-	-	-	86 942 822	86 942 822
Intangible assets	-	-	-	-	-	-	741 249	741 249
Investment properties	-	-	-	-	-	-	3 518 513	3 518 513
Property and equipment	-	-	-	-	-	-	19 077 881	19 077 881
Total assets	94 489 702	18 679 379	47 261 705	132 187 115	14 997 509	5 719 429	250 700 439	564 035 278
Equity & Liabilities								
Deposits	348 872 159	16 326 559	23 714 449	757 451	738 349	8 153	49 183 521	439 600 641
Other liabilities	-	-	-	-	-	-	19 558 705	19 558 705
Current tax payable	-	-	-	-	-	-	1 725 570	1 725 570
Deferred taxation	-	-	-	-	-	-	9 169 801	9 169 801
Lease Liability	3 667	7 267	10 736	23 167	9 668	-	47 502	47 502
Equity	-	-	-	-	-	-	93 926 056	93 926 056
Total liabilities and equity	348 875 826	16 333 826	23 725 185	780 618	748 017	8 153	173 563 653	564 035 278
Interest rate repricing gap	(254 386 124)	2 345 553	23 536 520	131 406 497	14 249 492	5 711 276	77 136 786	-
Cumulative gap	(254 386 124)	(252 040 571)	(228 504 051)	(97 097 554)	(82 848 062)	(77 136 786)	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022								
Assets								
Balances with banks and cash	37 123 425	-	-	-	-	-	223 235 402	260 358 827
Money market assets	13 873 024	500 164	10 382 609	10 453 200	-	-	-	23 664 160
Financial securities	32 883 664	15 803 312	-	-	149 383	745 317	-	49 581 676
Loans and advances to customers	134 806 173	164 196 954	-	-	-	-	-	299 003 127
Equity investments	-	-	-	-	-	-	7 303 144	7 303 144
Land inventory	-	-	-	-	-	-	3 983 355	3 983 355
Other assets	-	-	-	-	-	-	114 891 217	114 891 217
Intangible assets	-	-	-	-	-	-	86 000	86 000
Investment properties	-	-	-	-	-	-	13 529 609	13 529 609
Property and equipment	-	-	-	-	-	-	33 349 503	33 349 503
Total assets	218 686 286	180 500 430	10 382 609	10 453 200	149 383	745 317	396 378 230	817 295 455
Equity & Liabilities								
Deposits	87 935 286	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	682 690 111
Other liabilities	-	-	-	-	-	-	24 715 925	24 715 925
Current tax payable	-	-	-	-	-	-	1 345 526	1 345 526
Deferred taxation	-	-	-	-	-	-	5 781 736	5 781 736
Lease liability	4 326	9 369	13 211	19 913	683	-	47 502	47 502
Equity	-	-	-	-	-	-	102 714 655	102 714 655
Total liabilities and equity	87 939 612	61 124 054	7 691 067	3 323 539	8 836 058	-	648 381 125	817 295 455
Interest rate repricing gap	130 746 674	119 376 376	2 691 542	7 129 661	(8 686 675)	745 317	(252 002 895)	-
Cumulative gap	130 746 674	250 123 050	252 814 592	259 944 253	251 257 578	252 002 895	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	16 425 290	-	-	-	-	-	20 851 898	37 277 188
Money market assets	17 225 487	1 587 782	5 501 276	-	-	-	-	24 314 545
Financial securities	10 109	-	45 733	-	148 616	760 060	-	964 518
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 726	-	63 572 664
Equity investments	-	-	-	-	-	-	735 413	735 413
Land inventory	-	-	-	-	-	-	24 964 087	24 964 087
Other assets	-	-	-	-	-	-	440 259	440 259
Intangible assets	-	-	-	-	-	-	159 618	159 618
Investment properties	-	-	-	-	-	-	1 023 538	1 023 538
Property and equipment	-	-	-	-	-	-	4 029 578	4 029 578
Total assets	41 614 806	5 433 845	13 748 465	38 453 328	4 362 787	1 663 786	52 204 391	157 481 408
Equity & Liabilities								
Deposits	101 487 167	4 749 408	6 898 550	220 343	214 786	2 372	14 307 521	127 880 147
Other liabilities	-	-	-	-	-	-	5 364 041	5 364 041
Current tax payable	-	-	-	-	-	-	501 970	501 970
Lease Liability	1 067	2 114	3 123	6 739	2 813	-	-	15 856
Deferred taxation	-	-	-	-	-	-	1 428 625	1 428 625
Equity	-	-	-	-	-	-	22 290 769	22 290 769
Total liabilities and equity	101 488 234	4 751 522	6 901 673	227 082	217 599	2 372	43 892 926	157 481 408
Interest rate repricing gap	(59 873 428)	682 323	6 846 792	38 226 246	4 145 188	1 661 414	8 311 465	-
Cumulative gap	(59 873 428)	(59 191 105)	(52 344 313)	(14 118 067)	(9 972 879)	(8 311 465)	-	-



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022



FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL							
	Total 000	ZWL\$ 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Balances with banks and cash	37 277 189	10 775 597	23 767 064	2 121 941	29 157	583 394	36
Money market assets	24 314 545	7 179 686	16 464 916	669 943	-	-	-
Financial securities	964 517	964 517	-	-	-	-	-
Loans and advances to customers	63 572 666	37 660 544	25 888 027	23 892	203	-	-
Equity investments	735 413	735 413	-	-	-	-	-
Land inventory	440 259	440 259	-	-	-	-	-
Other assets	24 964 083	3 731 918	12 827 361	7 346 956	417 999	635 241	4 608
Intangible assets	159 618	159 618	-	-	-	-	-
Investment properties	1 023 538	1 023 538	-	-	-	-	-
Property and equipment	4 029 578	4 029 578	-	-	-	-	-
Total assets	157 481 406	66 700 668	78 947 368	10 162 732	447 359	1 218 635	4 644
Equity & Liabilities							
Deposits	127 880 147	47 598 509	77 563 735	2 621 422	21 816	74 665	-
Other liabilities	5 364 041	4 767 578	542 733	36 041	1 972	15 717	-
Current tax payable	501 970	501 970	-	-	-	-	-
Deferred taxation	1 428 625	1 428 625	-	-	-	-	-
Lease liability	15 856	15 856	-	-	-	-	-
Equity	22 290 767	22 290 767	-	-	-	-	-
Total equity and liabilities	157 481 406	76 603 305	78 106 468	2 657 463	23 788	90 382	-

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2022

UNDERLYING CURRENCY					
	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies \$ 000
Assets					
Balances with banks and cash	224 481	422 067	145	5 042	196
Money market assets	34 580	-	-	-	-
Financial securities	44 915	-	-	-	-
Loans and advances to customers	315 859	886	-	-	-
Equity investments	63	-	-	431	-
Land inventory	598	-	-	-	-
Other assets	164 353	5 831	24	108	-
Total assets	784 849	428 784	169	5 581	196
Liabilities					
Deposits	686 323	636 484	104	3 441	2 893
Other liabilities	6 308	1 718	27	69	-
Total liabilities	692 631	638 202	131	3 510	2 893
Net position	92 218	(209 418)	38	2 071	(2 697)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNDERLYING CURRENCY					
	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies \$ 000
Assets					
Balances with banks and cash	218 717	310 440	199	4 746	30 422
Money market assets	151 519	98 013	-	-	-
Loans and advances to customers	238 235	3 495	1	-	-
Other assets	118 044	1 074 860	2 849	5 167	146 351
Total assets	726 515	1 486 808	3 049	9 913	176 773
Liabilities					
Deposits	713 781	383 514	149	607	48 883
Other liabilities	4 995	5 273	13	128	-
Total liabilities	718 776	388 787	162	735	48 883
Net position	7 739	1 098 021	2 887	9 178	127 890

33.

Operational risk

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Bank's revenue or erosion of the Bank's statement of financial position value.
- 33.1

Operational risk management framework

CBZ Bank Risk Management Committee exercises adequate oversight over operational risks across the Bank with the support of the Board as well as business and functional level committees. CBZ Bank Risk Management is responsible for setting and approval of Bank Operational Policies and maintaining standards for operational risk.

The Bank Board Audit Committee through Internal Audit function as well as Bank Enterprise Wide Governance and Compliance perform their independent reviews and assurances under processes and procedures as set under policies and procedure manuals. On the other hand, the Bank Risk Management and Bank IT Departments with assistance from the Organization and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.
- 33.2

Strategic risk

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

To mitigate this risk, the Bank's Board and Management teams craft the strategy which is underpinned to the Bank's corporate goals. Approval of the strategy is the responsibility of the Board whilst implementation is carried out by Management. On the other hand strategy and goal congruency is audited monthly by management and quarterly by the Board.
- 33.3

Regulatory risk

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

 - Comprehensive and consistent compliance policies and procedures exist covering the Bank;
 - A proactive and complete summary statement of the Bank's position on ethics and compliance exists;
 - A reporting structure of the Bank Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and that
 - Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.
- 33.4

Reputation risk

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

 - Continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders;
 - Ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that;
 - Stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.
- 33.5

Money laundering risk

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

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

33.6 Risk and Credit Ratings

33.6.1 External Credit Rating

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

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

33.6.2 Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION

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

Key

1. Strong2. Satisfactory3. Fair4. Substandard5. Weak

CBZ Bank Limited Risk Matrix Summary				
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY	
Level of inherent risk	
Low -	reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate -	could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
High -	reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.
Adequacy of Risk Management Systems	
Weak -	risk management systems are inadequate or inappropriate given the size, complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
Acceptable -	management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
Strong -	management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.
Overall Composite Risk	
Low Risk -	would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
Moderate Risk -	risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.
Direction of Overall Composite Risk Rating	
Increasing-	based on the current information composite risk is expected to increase in the next twelve months.
Decreasing-	based on current information composite risk is expected to decrease in the next twelve months.
Stable -	based on the current information composite risk is expected to be stable in the next twelve months.

34. CAPITAL MANAGEMENT

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

It is important to highlight that CBZ Bank has three levels of capital and other components that are measured and managed simultaneously: -

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

34.1 Capital Adequacy

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

	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Risk Weighted Assets	439 115 478	90 234 098
Total Qualifying Capital	95 962 702	18 784 313
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	69 686 466	14 392 284
	81 905 526	19 004 826
Exposure to insiders	(12 240 900)	(4 634 382)
Less Tier 3	(16 210 762)	(2 954 423)
	53 475 704	11 437 861
Tier 2		
Revaluation reserves	14 997 418	2 615 114
Fair Value Reserve	5 789 871	648 987
General provisions	5 488 943	1 127 926
	26 276 232	4 392 027
Tier 3		
Capital allocated for market risk	5 171 866	802 177
Capital allocated to operations risk	11 038 896	2 152 246
	16 210 762	2 954 423
Capital Adequacy (%)		
Tier 1	12.18%	12.68%
Tier 2	5.98%	4.87%
Tier 3	3.69%	3.27%
Total	21.85%	20.82%

35.

COMPLIANCE AND REGULATORY RISK

During the year, CBZ Bank was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.
36.

CORPORATE GOVERNANCE STATEMENT

The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.
37.

DISCLOSURE POLICY

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

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

The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.
38.

GOING CONCERN

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

Partners for Success

Banking | Insurance | Investments | Agro-Business



Abridged Audited Inflation Adjusted Financial Results

For the year ended 31 December 2022

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Gross written premium	2 213 369	1 530 745	1 476 998	362 147
Reinsurance premium	(317 546)	(83 562)	(224 536)	(21 415)
Net written premium	1 895 823	1 447 183	1 252 462	340 732
Unearned premium movement	(206 389)	(347 899)	(113 645)	(103 397)
Net earned premium	1 689 434	1 099 284	1 138 817	237 335
Net commission	(216 435)	(115 932)	(155 833)	(27 267)
Net claims	(430 059)	(489 391)	(280 076)	(119 856)
Underwriting profit	1 042 940	493 961	702 908	90 212
Operating expenditure	(1 879 813)	(1 244 665)	(1 332 438)	(289 520)
Transfer to reserves	(1 835 895)	(902 338)	(1 182 363)	(178 200)
Expected credit loss	(2 234)	(6 144)	(2 234)	(1 787)
Monetary gain	2 350 858	537 306	-	-
Operating profit	(124 144)	(1 121 880)	(1 814 127)	(379 295)
Investment and Other income	1 665 771	1 779 656	4 385 438	699 803
Interest from money market investments	(919 757)	(3 497)	(898 598)	(967)
Profit before taxation	421 870	654 279	1 672 713	319 541
Taxation	(16 423)	(2 693)	(16 423)	(712)
Profit for the year	405 447	651 586	1 656 290	318 829
Other comprehensive income				
Gains on property revaluations	122 478	242 523	656 236	136 950
Gains on equity instruments at FVOCI	156 149	(56 653)	317 431	8 708
Other comprehensive income for the year net of tax	278 627	185 870	973 667	145 658
Total comprehensive income	684 074	837 456	2 629 957	464 487

Statement Of Financial Position

As at 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Current assets				
Cash and cash equivalents	514 906	240 848	514 906	70 063
Money market assets	-	105 976	-	30 829
Equity investments	1 227 338	1 465 561	1 227 338	426 333
Insurance contract assets	154 331	44 049	81 614	12 429
Other receivables	93 675	64 958	92 670	18 896
Current tax receivables	-	1 543	-	448
	1 990 250	1 922 935	1 916 528	558 998
Non-current assets				
Property and equipment	939 568	875 848	877 564	232 175
Investment properties	4 413 898	2 468 352	4 413 898	718 046
	5 353 466	3 344 200	5 291 462	950 221
TOTAL ASSETS	7 343 716	5 267 135	7 207 990	1 509 219
EQUITY AND LIABILITIES				
Liabilities				
Life fund	1 574 500	1 367 475	1 574 500	397 799
Investment contract liabilities	369 245	214 994	369 246	62 542
Current tax payable	14 129	-	14 129	-
Other payables	1 874 553	857 451	1 820 715	249 433
	3 832 427	2 439 920	3 778 590	709 774
Equity				
Share capital	-	-	-	-
Share premium	213 701	213 701	1 388	1 388
Revaluation reserve	731 907	609 429	886 249	230 013
Revenue reserves	2 486 919	2 081 472	2 213 884	557 596
Fair value reserve	78 762	(77 387)	327 879	10 448
	3 511 289	2 827 215	3 429 400	799 445
TOTAL EQUITY AND LIABILITIES	7 343 716	5 267 135	7 207 990	1 509 219

Statement of Changes in Equity

AUDITED INFLATION ADJUSTED							
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	FCTR ZWL\$ 000	Fair Value reserve ZWL\$ 000	Revenue reserve ZWL\$ 000	Total ZWL\$ 000
31 December 2021							
Opening balance	-	213 701	366 906	-	(20 734)	1 429 886	1 989 759
Total comprehensive income	-	-	242 523	-	(56 653)	651 586	837 456
Closing balance	-	213 701	609 429	-	(77 387)	2 081 472	2 827 215
31 December 2022							
Opening balance	-	213 701	609 429	-	(77 387)	2 081 472	2 827 215
Total comprehensive income	-	-	122 478	-	156 149	405 447	684 074
Closing balance	-	213 701	731 907	-	78 762	2 486 919	3 511 289

UNAUDITED HISTORICAL							
31 December 2021							
Opening balance	-	1 388	93 063	-	1 740	238 767	334 958
Total comprehensive income	-	-	136 950	-	8 708	318 829	464 487
Closing balance	-	1 388	230 013	-	10 448	557 596	799 445
31 December 2022							
Opening balance	-	1 388	230 013	-	10 448	557 596	799 445
Total comprehensive income	-	-	656 236	-	317 431	1 656 290	2 629 957
Closing balance	-	1 388	886 249	-	327 879	2 213 886	3 429 402

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	421 870	654 279	1 672 713	319 541
Non cash items:	-	-	-	-
Depreciation	64 066	52 107	15 448	3 735
Unearned premium movement	206 389	347 899	113 645	103 397
Monetary gain	(2 350 859)	(537 305)	-	-
Claims incurred but not reported	115 007	84 238	63 326	19 682
Deferred commission movement	(42 468)	(64 242)	(22 565)	(15 323)
Fair value adjustment on investment properties	(1 873 816)	(790 019)	(3 648 098)	(412 853)
Fair value adjustment on financial instruments	559 698	(637 793)	(416 207)	(212 342)
Reserve movement	1 835 895	902 338	1 182 363	178 200
Credit loss expense	(2 234)	6 144	(2 234)	1 787
Write off of property and equipment	693	-	693	-
Unrealised loss on foreign currency position	(165 033)	(9 952)	(165 033)	(1 612)
(Profit)/loss on disposal of investment properties	(27 657)	(240 564)	(25 184)	(47 536)
Operating profit before changes in operating assets and liabilities	(1 258 449)	(232 870)	(1 231 133)	(63 324)
Changes in operating assets and liabilities				
Other receivables	(52 152)	(1 570)	(70 742)	(8 300)
Insurance contract assets	(50 123)	30 043	(37 068)	5 841
Other payables	2 672 741	579 750	1 518 631	167 402
Money market assets	266 421	(83 305)	30 031	(23 395)
Life assurance investment contract liabilities	226 473	147 592	114 517	51 672
	3 063 360	672 510	1 555 369	193 220
Corporate tax paid	(1 852)	(4 552)	(1 845)	(1 218)
Net cash inflow from operating activities	1 803 059	435 088	322 391	128 678
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(6 001)	(2 769)	(5 293)	(559)
Proceeds on disposal of property and equipment	242 868	-	105 417	-
Proceeds on disposal of investment properties	35 233	463 266	32 760	95 808
Investment in equities during the year	(408 195)	(410 761)	(172 784)	(119 560)
Purchase of investment properties	(79 305)	(186 484)	(55 332)	(43 167)
Net cash outflow from investing activities	(215 400)	(136 748)	(95 232)	(67 478)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	-	-	-	-
Net cash outflow from financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1 587 659	298 340	227 159	61 200
Cash and cash equivalents at the beginning of the year	240 848	32 974	70 063	5 968
Exchange gains on foreign cash balances	56 443	9 951	217 684	2 895
Effects of IAS 29	(1 370 044)	(100 417)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	514 906	240 848	514 906	70 063

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Gross written premium	4 355 391	4 103 084	3 110 351	983 158
Reinsurance premium	(2 416 597)	(2 629 577)	(1 736 420)	(642 737)
Net written premium	1 938 794	1 473 507	1 373 931	340 421
Unearned premium movement	(99 907)	57 560	(434 567)	(21 505)
Net earned premium	1 838 887	1 531 067	939 364	318 916
Net commission	(127 845)	(70 644)	(69 656)	(15 684)
Net claims	(1 112 018)	(670 129)	(770 411)	(159 924)
Technical result	599 024	790 294	99 297	143 308
Operating expenditure	(1 745 259)	(1 022 954)	(1 238 462)	(231 051)
Impairment loss	(98 928)	(37 902)	(98 928)	(11 026)
Underwriting profit	(1 245 163)	(270 562)	(1 238 093)	(98 769)
Other expense / (income)	125 478	242 924	448 262	109 065
Monetary Loss	314 469	(84 565)	-	-
Profit before taxation	(805 216)	(112 203)	(789 831)	10 296
Taxation	187 650	(66 006)	327 844	10 546
Loss/profit for the year	(617 566)	(178 209)	(461 987)	20 842
Other comprehensive income				
Gains/(losses) on property revaluations	105 886	279 967	655 673	136 932
Equity instruments fair value gains/ (losses)	108 498	(48 508)	216 080	4 102
Deferred income tax relating to components of other comprehensive income	(31 600)	(66 782)	(172 844)	(32 995)
Other comprehensive income for the year net of tax	182 784	164 677	698 909	108 039
Total comprehensive income/(loss) for the year	(434 782)	(13 532)	236 922	128 881

Statement Of Financial Position

As at 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Balances with banks and cash	234 118	143 965	234 118	41 879
Investments- Short term	51 916	74 564	51 916	21 691
Other receivables	63 146	52 079	37 101	2 738
Tax receivables	387	1 332	387	387
Premium receivables	786 353	1 175 100	786 353	341 838
Technical Assets				
Reinsurance receivables	317 394	613 470	317 394	178 459
Reinsurance Claims outstanding	198 226	1 103 809	198 226	321 099
Deferred acquisition costs	123 244	219 685	117 005	57 434
Reinsurance unearned premium reserve	389 113	731 878	367 605	191 731
Listed Investments at fair value	339 546	244 932	339 546	71 251
Investment property	604 342	447 179	604 342	130 085
Property and equipment	970 063	853 418	910 031	233 083
Intangible assets	15 252	22 878	2 527	3 791
Deferred Tax	443 528	248 676	443 528	72 340
TOTAL ASSETS	4 536 628	5 932 965	4 410 079	1 667 806
LIABILITIES				
Bank overdraft	1 086 997	-	1 086 997	-
Other Payables	515 012	1 238 273	515 012	360 215
Deferred Tax	279 069	240 317	281 585	65 449
Technical Liabilities				
Reinsurance payables	554 931	716 230	554 931	208 352
Gross outstanding claims	337 236	1 203 083	337 236	349 978
Incurred but reported claims	96 113	88 214	96 113	25 662
Unearned commission reserve	87 375	189 315	81 726	49 033
Gross unearned premium reserve	896 478	1 139 336	907 836	297 395
TOTAL LIABILITIES	3 853 211	4 814 768	3 861 436	1 356 084
EQUITY				
Share capital	12 028	12 028	78	78
Share premium	536 129	536 129	23 179	23 179
Revaluation Reserve	653 009	573 298	668 569	174 979
Fair value reserve	49 795	(53 278)	215 359	10 040
Retained earnings	(567 544)	50 020	(358 542)	103 446
TOTAL EQUITY	683 417	1 118 197	548 643	311 722
TOTAL LIABILITIES AND EQUITY	4 536 628	5 932 965	4 410 079	1 667 806

Statement of Changes in Equity

For the year ended 31 December 2022

AUDITED INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair Value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
31 December 2021						
Opening balance	12 028	536 129	362 539	(7 195)	228 229	1 131 730
Profit for the year	-	-	-	-	(178 209)	(178 209)
Other comprehensive income for the year	-	-	210 759	(46 083)	-	164 676
Dividend paid	-	-	-	-	-	-
Closing balance	12 028	536 129	573 298	(53 278)	50 020	1 118 197
31 December 2022						
Opening balance	12 028	536 129	573 298	(53 278)	50 020	1 118 197
Profit for the year	-	-	-	-	(617 564)	(617 564)
Other comprehensive income for the year	-	-	79 711	103 073	-	182 784
Closing balance	12 028	536 129	653 009	49 795	(567 544)	683 417
UNAUDITED HISTORICAL						
31 December 2021						
Opening balance	78	23 179	70 837	6 143	82 604	182 841
Profit for the year	-	-	-	-	20 842	20 842
Other comprehensive income for the year	-	-	104 142	3 897	-	108 039
Closing balance	78	23 179	174 979	10 040	103 446	311 722
31 December 2022						
Opening balance	78	23 179	174 979	10 040	103 446	311 722
Profit for the year	-	-	-	-	(461 988)	(461 988)
Other comprehensive income for the year	-	-	493 591	205 318	-	698 909
Closing balance	78	23 179	668 570	215 358	(358 542)	548 643



Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Revenue	1 084 915	1 833 175	2 033 344	561 283
Operating expenditure	(1 537 376)	(845 636)	(1 095 161)	(201 646)
Operating income/ (loss)	(452 461)	987 539	938 183	359 637
Monetary gain	164 894	42 930	-	-
Profit/ (Loss) before taxation	(287 567)	1 030 469	938 183	359 637
Taxation	66 048	(207 245)	13 862	(53 620)
Profit/(Loss) for the year after taxation	(221 519)	823 224	952 045	306 017
Other comprehensive income	22 593	14 239	44 505	5 974
Total comprehensive income/ (loss)	(198 926)	837 463	996 550	311 991

Statement of Financial Position

As at 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Cash and cash equivalents	18 006	94 220	18 006	27 409
Money market assets	34 889	-	34 889	-
Equity investments	232 948	144 347	232 948	41 991
Other assets	131 065	130 204	122 214	37 876
Investment property	1 375 923	1 505 471	1 375 923	437 943
Intangible assets	3 518	4 610	698	923
Property and equipment	75 171	266 036	11 607	18 853
Current taxation	42 304	-	42 304	-
Deferred taxation	85 715	39 401	85 715	11 462
TOTAL ASSETS	1 999 539	2 184 289	1 924 304	576 457
LIABILITIES				
Current taxation	-	42 146	-	12 260
Other liabilities	366 066	252 023	366 065	73 314
Lease liability	32 060	66 630	32 060	19 383
Deferred taxation	98 584	121 735	92 055	33 926
TOTAL LIABILITIES	496 710	482 534	490 180	138 883
EQUITY				
Share capital	9 700	9 700	63	63
Share premium	296 368	296 368	1 925	1 925
Retained Earnings	1 155 092	1 376 611	1 378 848	426 803
Fair value reserve	41 669	19 076	53 288	8 783
TOTAL EQUITY	1 502 829	1 701 755	1 434 124	437 574
TOTAL LIABILITIES AND EQUITY	1 999 539	2 184 289	1 924 304	576 457

Statement Of Changes In Equity

AUDITED INFLATION ADJUSTED					
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
Restated					
31 December 2021					
Opening balance	9 700	296 368	4 837	573 843	884 748
Profit for the period	-	-	-	823 224	823 224
Other comprehensive income	-	-	14 239	-	14 239
Dividend Paid	-	-	-	(20 456)	(20 456)
Closing balance	9 700	296 368	19 076	1 376 611	1 701 755
31 December 2022					
Opening balance	9 700	296 368	19 076	1 376 611	1 701 755
Loss for the period	-	-	-	(221 519)	(221 519)
Other comprehensive income	-	-	22 593	-	22 593
Closing balance	9 700	296 368	41 669	1 155 092	1 502 829
UNAUDITED HISTORICAL					
31 December 2021					
Opening balance	63	1 925	2 809	125 786	130 583
Profit for the period	-	-	-	306 017	306 017
Other comprehensive income	-	-	5 974	-	5 974
Dividend Paid	-	-	-	(5 000)	(5 000)
Closing balance	63	1 925	8 783	426 803	437 574
31 December 2022					
Opening balance	63	1 925	8 783	426 803	437 574
Profit for the period	-	-	-	952 045	952 045
Other comprehensive income	-	-	44 505	-	44 505
Closing balance	63	1 925	53 288	1 378 848	1 434 124

Statement Of Cash Flows

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/ (Loss) before taxation	(287 567)	1 030 469	938 183	359 637
Adjust for:				
Fair value adjustments	(37 569)	(801 944)	(1 264 103)	(314 685)
Depreciation and amortisation	37 772	11 818	3 646	2 707
Monetary gain	(164 894)	(42 930)	-	-
Expected credit loss expense	12 602	2 176	12 602	633
Unrealised (gain)/loss on foreign currency position	65 532	11 548	65 532	3 359
Profit on disposal of investment properties	(16 312)	(13 780)	(24 481)	(2 720)
Write off of property and equipment	37	-	13	-
Write off of right of use asset and lease liability	91 314	-	(70 087)	-
Interest on lease liability	6 321	5 968	3 705	1 355
Operating cash inflow/ (outflow) before changes in operating assets and liabilities	(292 764)	203 325	(334 990)	50 286
Changes in operating assets and liabilities				
Money market assets	(34 943)	12 070	(34 943)	2 499
Other assets	(333 439)	(99 110)	(96 885)	(22 699)
Other liabilities	624 035	176 215	292 751	52 059
	255 653	89 175	160 923	31 859
Corporate tax paid	(93 396)	(54 425)	(59 170)	(13 350)
Cash generated/(utilised) from operating activities	(130 507)	238 075	(233 237)	68 795
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	347 087	42 963	288 752	9 151
Purchase of investment property	(969)	(116 490)	(297)	(27 224)
Investment in equities during the year	(934 719)	(74 957)	(331 346)	(45 195)
Equity investments disposed during the year	707 212	-	249 384	28 396
Purchase of equipment	(4 228)	(18 011)	(3 380)	(4 456)
Purchase of intangible assets	(227)	(3 982)	(118)	(1 004)
Net cash inflow/(outflow) from investing activities	114 156	(170 477)	202 995	(40 332)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	(20 456)	-	(5 000)
Lease liability repayment	(13 019)	(7 631)	(4 064)	(1 748)
Interest on lease liability	(6 321)	(5 968)	(3 705)	(1 355)
Net cash outflow from financing activities	(19 340)	(34 055)	(7 769)	(8 103)
NET INCREASE IN BALANCES ON CASH AND CASH EQUIVALENTS	(35 691)	33 543	(38 011)	20 360
Balances on cash and cash equivalents at the beginning of the year	94 220	30 332	27 409	5 490
Exchange gains on foreign cash balances	28 608	5 360	28 608	1 559
Inflation effects on balances with cash and cash equivalents	(69 131)	24 985	-	-
BALANCES ON CASH AND CASH EQUIVALENTS AT YEAR END	18 006	94 220	18 006	27 409

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KPMG
Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone +263 430 2600
Internet www.kpmg.com/zw

Independent Auditors' Report

To the shareholders of CBZ Holdings Limited

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of CBZ Holdings Limited (the Group and Company) set out on page 13 to 135, which comprise the inflation adjusted consolidated and company's statements of financial position as at 31 December 2022, and the inflation adjusted consolidated and company's statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and company's statement of changes in equity and the inflation adjusted consolidated and company's statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including a summary of significant group and company 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 CBZ 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 Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06).

Basis for opinion

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

Key audit matters

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



1. Valuation of investment and owner occupied properties

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

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the investment properties accounting policy note 1.5, the property and equipment accounting policy note 1.6 and the fair value measurement accounting policy note 1.30.
- Consolidated financial statements notes - the fair value measurement note 19, the property and equipment note 20 and the investment properties note 21.
- Company financial statement notes - fair value measurement note 8 and property and equipment company note 9.

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • The Group and the Company hold owner occupied properties, comprising land and buildings, that are measured at fair value in accordance with IAS 16, <i>Property, Plant and Equipment</i> (IAS 16). The Group also holds investment properties which are measured at fair value in accordance with IAS 40, <i>Investment Property</i> (IAS 40). • As at reporting date the Group had owner occupied properties amounting to ZWL 30.1 billion inflation adjusted (3 percent of the Group's total assets), of which ZWL 254.6 million inflation adjusted related to the Company, and the Group held investment properties amounting to ZWL 28.6 billion inflation adjusted (3% of the Group's total assets). • Investment properties and owner-occupied property are subject to variability in fair values. The fair values of the properties were determined by a registered internal appraiser. • Office and retail property was valued using the implicit investment approach with significant inputs being comparable rentals per square meter and capitalisation rates which were determined by applying significant judgement and estimation. • Land and residential properties were valued using the market comparable approach which takes into account prices for recent sales and properties on offer, adjusted for location, size and quality. 	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluating the professional qualifications, competence, capabilities and objectivity of the registered internal appraiser, employed by management, who valued the Group and Company's properties through inspection of their professional membership and reviewing their curriculum vitae. • Evaluating the professional qualifications, competence, objectivity, capabilities and independence of our own engaged professional independent property valuer by enquiring about their interest and relationship with the Group and the Company and confirming their membership to professional associations. <p>Our engaged property valuer assisted with:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the valuation methodologies used by the internal appraiser, by comparing the valuation methods used by the internal appraiser to market best practice property valuation methods based on our specialist's knowledge of the industry and the requirements of IFRS 13, <i>Fair Value Measurement</i> (IFRS 13); and • Challenging the assumptions such as capitalisation rates, rent per square meter and market comparable prices used to value owner occupied and investment properties through performing independent property valuations for a sample of properties. The performance of independent fair values

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The fair values of the Group's and Company's properties are classified as Level 2 in the fair value hierarchy, through their use of observable inputs such as rental rates per square meter and unobservable inputs such as capitalisation rates which have estimation uncertainty inherent in their values. Furthermore, the hyperinflationary environment make it increasingly difficult to determine the fair values. Given the degree of complexity involved in determining the fair value of the owner occupied and investment properties, the significant judgement and estimation required in determining the key inputs and assumptions used in determining the fair values in the local property market, the valuation of the Group and the Company's owner occupied properties and the Group's investment properties was considered a key audit matter. 	<p>involved re-computation of capitalisation rates and comparison of management's rentals per square meter and comparable market prices to the engaged specialist values observed from market transactions and offer prices.</p> <ul style="list-style-type: none"> Assessing the adequacy of the disclosures in the inflation adjusted consolidated and separate financial statements in respect of the valuation of owner occupied and investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

2. Valuation of unlisted investments

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

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the financial assets accounting policy note 1.7 and the fair value measurement accounting policy note 1.30
- Consolidated financial statements notes - equity investments note 17 and the fair value measurement note 19.
- Company financial statement notes - the equities investment note 7.1 and fair value measurement note 8.

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The Group holds unlisted investments amounting to ZWL13.7 billion inflation adjusted (1,5% of total assets) which are measured at fair value, of which ZWL 4.2 billion inflation adjusted (14% of total assets) relates to the Company. Unlisted investments are shares that are not listed on a registered stock exchange therefore the prices are not quoted in any active market and are classified as level 3 	<p>Our procedures included the following:</p> <ol style="list-style-type: none"> We engaged our own valuation specialist who assisted with: <ol style="list-style-type: none"> Evaluating and challenging the appropriateness of the methodologies applied through comparison with market best practices; Evaluating and challenging assumptions such as comparable entities, country and size discounts, discounts rates,



Key audit matter	How the matter was addressed in our audit
<p>financial instruments in the fair value hierarchy.</p> <ul style="list-style-type: none"> Where a market price is not available, the fair value of the unlisted investments are determined using a market approach based on price earnings ("PE") multiples or a discounted cashflow valuation technique. Where PE valuation techniques are used, the multiples are market related based on management's judgement of comparable entities with similar businesses and then adjusted for country and size discounts to determine an adjusted PE multiple. Where the discounted cashflow method is used, projected cashflows are based on historical performance and adjusted for future assumptions. There are also significant unobservable inputs which include discounts rates and inflation. We identified assessing the fair value of the unlisted investments as a key audit matter because the valuation methodologies, assumptions and inputs used by management include significant unobservable inputs resulting in significant judgement being applied by management. 	<p>cashflows and inputs used in the valuation of the unlisted investments through independently computing the fair value using our own independent inputs and considering macro-economic factors. This included:</p> <ul style="list-style-type: none"> Calculating a range for the expected minimum and maximum values for the PE multiple method and using the Earnings Before Interest and Tax ("EBITA") multiple method through identification of a number of comparable entities and using company specific risk assumptions; and Performing an independent valuation using the discounted cashflow method to assess whether management's valuation is appropriate through the application of sensitivity analysis; <p>2. For a sample of unlisted investments, confirmed the holding of the shares held directly with the investee and confirmed that the holding was appropriately considered in the determination of the fair value of the investments; and</p> <p>3. Assessing whether the disclosures in the inflation adjusted consolidated and separate financial statements appropriately reflected the Group's and Company's exposure to financial instrument valuation risk in accordance with the requirements of IFRS 13.</p>

3. Expected credit losses in respect of loans and advances to customers

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3 and the impairment accounting policy note 1.9.
- Consolidated financial statements notes - loans and advances to customers note 12 and credit risk note 37.3.

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> The Group assesses at each reporting date on a forward-looking basis, the Expected Credit Losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. As at the reporting date, the Group assessed the ECL in respect of gross loans and advances to customers of ZWL 391.5 billion (42% of total assets). The Group's ECL model includes certain judgements and assumptions such as: <ul style="list-style-type: none"> the credit rating allocated to the counterparties; the probability of a loan becoming past due and subsequently defaulting (probability of default PD); the determination of the Group's definition of default; the magnitude of the likely loss if there is default (loss given default LGD); the expected exposure in the event of a default (exposure at default EAD); the criteria for assessing significant increase in credit risk (SICR); the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product used in determining the expected credit losses in the loans and advances to customers; Due to the significance of the loans and advances to customers to the Group and the level of judgement applied in determining the ECL, the expected credit loss in respect 	<p>Our procedures included the following:</p> <ol style="list-style-type: none"> Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination, approval, monitoring and the grading of the loans and advances to customers for impairment provisioning; We engaged our Financial Risk Management (FRM) specialists to: Evaluating the reasonability of the methodology and updates within the Group's IFRS 9 ECL model and credit policies against industry best practices; For a sample of loans and advances to customers, re-computing the probability of default using our independent model; Assessing the reasonableness of management's assumptions in the determination of the PD and LGDs for stage 1 and stage 2 loans by comparing against industry practices. Assessing the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models. <ul style="list-style-type: none"> Using available external and independent macro-economic information (inflation, interest rates, gross domestic product rates) to challenge management's judgements and assumptions in determining the ECL; For a sample of loans and advances to customers, we evaluated the appropriateness of the credit rating through the performance of credit reviews, an analysis of the financial performance of selected entities and independently computing the credit rating through use of an independent credit rating model; Independently computed the ECL for stage 3 loans at year end by (i) confirming default loans in stage 3 (ii) checking the accuracy of loan balances at default (iii) verifying the estimated future cashflows recoverable from stage 3 borrowers (iv) assessing the



Key audit matter	How the matter was addressed in our audit
of loans and advances to customers was considered a key audit matter.	<p>reasonableness of the interest rate used to discount future cashflows.</p> <p>7. Assessing the completeness, accuracy and validity of data and inputs used during the application of the ECL model by independently confirming loan balances, reconciling the balances on the sub-ledger to the general ledger and agreeing the interest rates to the loan agreements.</p> <p>8. Assessing the adequacy of the Group's disclosures in respect of the ECL as required in terms of IFRS 7, <i>Financial instruments disclosures</i>.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the report titled "CBZ Holdings Group and Company Annual Financial Statements for the year ended 31 December 2022", including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical" but does not include the inflation adjusted consolidated and separate financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the "The 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 Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06). and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.



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

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

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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

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

8 May 2023

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

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