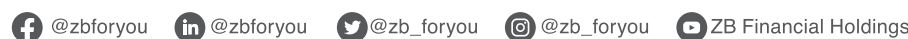


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## AUDITED INFLATION ADJUSTED FINANCIAL HIGHLIGHTS



pps - percentage points

## CHAIRMAN'S STATEMENT

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

### Operating Environment:

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

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

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

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

### Group Performance:

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

### Capital Requirements:

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

### Dividends:

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

### Compliance & Regulatory Issues:

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

### Sustainability:

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

### Directorate:

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

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

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

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

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

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

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

### Outlook:

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

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

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

### Conclusion:

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

P. Chiromo  
Chairman

19 April, 2023

## GROUP CHIEF EXECUTIVE'S REPORT

### Introduction:

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

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

### Performance Outturn:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Operations Review:

#### Banking Operations:

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

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

#### Insurance Operations:

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

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

#### Strategic Operations:

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

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

#### Internal Processes:

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

#### Sustainability:

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

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

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

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

#### Human Capital:

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

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

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

Industrial relations remained cordial during the year under review.

#### Appreciation:

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

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

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

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

S. T. Fungura  
Group Chief Executive

19 April, 2023
























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

## 19.2 Corrective orders and regulatory penalties

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

## 19.3 Insurance operations

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

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

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

## 19.4 Other compliance issues

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

## 20. SUBSEQUENT EVENTS

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

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

## 21. GOING CONCERN

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

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

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

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

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

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

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

## 21. GOING CONCERN (continued)

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

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

## 22. BOARD ATTENDANCE DURING THE YEAR 2022

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

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

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

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

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






## KEY

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

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

26.2 Liquidity risk (continued)

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

26.3 Interest rate risk

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



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

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

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

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

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

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

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

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

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

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

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>Cash flows (used in) / generated from operating activities</b>				
Interest received	(56 305 922)	458 206 740	1 383 758 825	185 519 479
Interest paid	16.1 (19 183 547)	886 676 392 (66 417 806)	592 996 610 (12 101 769)	208 670 028 (18 690 175)
<b>Net cash generated from operating activities</b>	<b>736 288 922</b>	<b>1 278 465 326</b>	<b>1 964 653 666</b>	<b>375 499 332</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property and equipment	46 692	2 847 727	46 692	828 406
Purchase of property and equipment	(36 527 645)	(3 499 038)	(175 286 164)	(823 257)
Dividends received	37 228 707	102 425 473	26 398 583	25 847 280
<b>Net cash generated / (used in) investing activities</b>	<b>747 754</b>	<b>101 774 162</b>	<b>(148 840 889)</b>	<b>25 852 429</b>
<b>Cash flows from financing activities</b>				
Lease commitments paid during the year	(3 922 398)	(2 612 336)	(2 638 862)	(599 014)
<b>Net cash used in financing activities</b>	<b>(3 922 398)</b>	<b>(2 612 336)</b>	<b>(2 638 862)</b>	<b>(599 014)</b>
<b>Net increase in cash and cash equivalents</b>	<b>733 114 278</b>	<b>1 377 627 152</b>	<b>1 813 173 915</b>	<b>400 752 747</b>
Cash and cash equivalents at beginning of year	1 523 143 072	145 515 920	443 083 435	42 330 688
<b>Cash and cash equivalents at end of year</b>	<b>2 256 257 350</b>	<b>1 523 143 072</b>	<b>2 256 257 350</b>	<b>443 083 435</b>

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

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>1. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	210 863 357	76 969 819	210 863 357	22 390 577
Local bank accounts	1 747 721 458	1 237 560 937	1 747 721 458	360 007 382
Balances at the RBZ	297 672 535	208 612 316	297 672 535	60 685 476
	<b>2 256 257 350</b>	<b>1 523 143 072</b>	<b>2 256 257 350</b>	<b>443 083 435</b>
<b>2. MONEY MARKET INVESTMENTS</b>				
Fixed deposits	1 900 000 000	-	1 900 000 000	-

Fixed deposits are investments in money market instruments on an unsecured basis. Fixed deposits on average run for 30 days on an average interest rate of 45.0% per annum (2021: 20.0%).

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

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>3. LOANS AND ADVANCES</b>				
<b>3.1 Categories of loans and advances</b>				
Mortgage loans				
Residential properties	12 912 787	67 262 898	12 912 787	19 566 826
Other loans and overdrafts				
Consumer loans	1 638 767 415	1 249 257 083	1 638 767 415	363 409 801
Gross loans and advances	1 651 680 202	1 316 519 981	1 651 680 202	382 976 627
Less: Allowance for loan impairment	(74 913 981)	(62 753 198)	(74 913 981)	(18 254 952)
Loans and advances	1 576 766 221	1 253 766 783	1 576 766 221	364 721 675
<b>3.2 Maturity analysis</b>				
Within 1 month	135 847 474	68 203 772	135 847 474	19 840 528
Between 2 – 6 months	118 341 697	43 302 994	118 341 697	12 596 873
Between 7 – 12 months	740 730 213	118 447 826	740 730 213	34 456 559
After 12 months	656 760 818	1 086 565 389	656 760 818	316 082 667
	<b>1 651 680 202</b>	<b>1 316 519 981</b>	<b>1 651 680 202</b>	<b>382 976 627</b>
<b>3.3 Loans and advances to customers by business line</b>				
Mortgage lending	12 912 787	67 262 898	12 912 787	19 566 826
Consumer lending	1 385 609 604	1 240 819 723	1 385 609 604	360 955 367
Small business lending	253 157 811	8 437 360	253 157 811	2 454 434
	<b>1 651 680 202</b>	<b>1 316 519 981</b>	<b>1 651 680 202</b>	<b>382 976 627</b>
<b>3.4 Mortgage loans spread</b>				
Residential high density	120 946	34 014 273	120 946	9 894 777
Residential medium density	3 957 828	4 173 789	3 957 828	1 214 158
Residential low density	8 834 013	29 074 836	8 834 013	8 457 891
	<b>12 912 787</b>	<b>67 262 898</b>	<b>12 912 787</b>	<b>19 566 826</b>
<b>3.5 Non-performing debt</b>				
Non-performing loans and advances	6 804 151	9 065 818	6 804 151	2 637 253
Less: Allowance for loan impairment	(3 823 976)	(5 095 047)	(3 823 976)	(1 482 153)
Value to be received from security held	2 980 175	3 970 771	2 980 175	1 155 100

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

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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






	Inflation adjusted 31 Dec 2022				Inflation adjusted 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	63 329 212	8 319 241	1 553 238	73 201 691	52 419 670	4 141 320	3 130 119	59 691 109
Special mention (BB+ to CCC-)	482 473	83 925	172 018	738 416	598 359	64 641	208 480	871 480
Non-performing (CC+ to D)	-	-	973 874	973 874	-	-	2 190 609	2 190 609
<b>Total</b>	<b>63 811 685</b>	<b>8 403 166</b>	<b>2 699 130</b>	<b>74 913 981</b>	<b>53 018 029</b>	<b>4 205 961</b>	<b>5 529 208</b>	<b>62 753 198</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	262 303	-	14	262 317	169 993	-	-	169 993
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	3 310	3 310	-	-	10 861	10 861
<b>Total</b>	<b>262 303</b>	<b>-</b>	<b>3 324</b>	<b>265 627</b>	<b>169 993</b>	<b>-</b>	<b>10 861</b>	<b>169 993</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	62 535 849	8 254 984	1 539 323	72 330 156	48 728 816	4 140 626	3 098 153	55 967 595
Special mention (BB+ to CCC-)	482 473	79 369	172 018	733 860	598 359	26 731	208 480	833 570
Non-performing (CC+ to D)	-	-	848 974	848 974	-	-	1 705 932	1 705 932
<b>Total</b>	<b>63 018 322</b>	<b>8 334 353</b>	<b>2 560 315</b>	<b>73 912 990</b>	<b>49 327 175</b>	<b>4 167 357</b>	<b>5 012 565</b>	<b>58 507 097</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	531 060	64 257	13 901	609 218	3 520 861	694	31 966	3 553 521
Special mention (BB+ to CCC-)	-	4 556	-	4 556	-	37 910	-	37 910
Non-performing (CC+ to D)	-	-	121 590	121 590	-	-	484 677	484 677
<b>Total</b>	<b>531 060</b>	<b>68 813</b>	<b>135 491</b>	<b>735 364</b>	<b>3 520 861</b>	<b>38 604</b>	<b>516 643</b>	<b>4 076 108</b>

	Historical cost 31 Dec 2022				Historical cost 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	63 329 212	8 319 241	1 553 238	73 201 691	15 248 921	1 204 713	910 554	17 364 188
Special mention (BB+ to CCC-)	482 473	83 925	172 018	738 416	174 063	18 804	60 647	253 514
Non-performing (CC+ to D)	-	-	973 874	973 874	-	-	637 250	637 250
<b>Total</b>	<b>63 811 685</b>	<b>8 403 166</b>	<b>2 699 130</b>	<b>74 913 981</b>	<b>15 422 984</b>	<b>1 223 517</b>	<b>1 608 451</b>	<b>18 254 952</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	262 303	-	14	262 317	49 451	-	-	49 451
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	3 310	3 310	-	-	10 861	10 861
<b>Total</b>	<b>262 303</b>	<b>-</b>	<b>3 324</b>	<b>265 627</b>	<b>49 451</b>	<b>-</b>	<b>10 861</b>	<b>49 451</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	62 535 849	8 254 984	1 539 323	72 330 156	14 175 249	1 204 511	901 255	16 281 015
Special mention (BB+ to CCC-)	482 473	79 369	172 018	733 860	174 063	7 776	60 647	242 486
Non-performing (CC+ to D)	-	-	848 974	848 974	-	-	496 257	496 257
<b>Total</b>	<b>63 018 322</b>	<b>8 334 353</b>	<b>2 560 315</b>	<b>73 912 990</b>	<b>14 349 312</b>	<b>1 212 287</b>	<b>1 458 159</b>	<b>17 019 758</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	531 060	64 257	13 901	609 218	1 024 221	202	9 299	1 033 722
Special mention (BB+ to CCC-)	-	4 556	-	4 556	-	11 028	-	11 028
Non-performing (CC+ to D)	-	-	121 590	121 590	-	-	140 993	140 993
<b>Total</b>	<b>531 060</b>	<b>68 813</b>	<b>135 491</b>	<b>735 364</b>	<b>1 024 221</b>	<b>11 230</b>	<b>150 292</b>	<b>1 185 743</b>

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>4. TRADE AND OTHER RECEIVABLES</b>				
Sundry debtors and other accounts	477 469 885	336 668 655	477 469 885	97 937 158
Intercompany balances	11 208	21 059	11 208	6 126
Prepayments	158 464	544 735	158 464	158 464
<b>Total</b>	<b>477 639 557</b>	<b>337 234 449</b>	<b>477 639 557</b>	<b>98 101 748</b>
<b>Current</b>	<b>477 639 557</b>	<b>337 234 449</b>	<b>477 639 557</b>	<b>98 101 748</b>
Sundry debtors and other accounts comprises				
VAT claimable	303 477	205 200	303 477	59 693
Trade debtors	450 193 663	320 523 637	450 193 663	93 240 560
Lease receivables	35 905 998	22 322 914	35 905 998	6 493 752
ECL on lease receivables	(8 933 253)	(6 383 096)		

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

### 10.2 Measurement of fair value

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

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

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

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

### 13. LEASE LIABILITIES

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

### 14. DEFERRED TAX LIABILITIES

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

### 17. LOAN IMPAIRMENT MOVEMENT

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

### 18. COMMISSIONS, FEES AND OPERATING INCOME

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

### 19. FAIR VALUE ADJUSTMENT

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

### 20. OPERATING EXPENSES






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

### Included in administration expenses are the following:

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

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## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 21. RISK MANAGEMENT

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

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

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

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

## 21.2 Interest rate risk

## 21.2.1 Interest rate gap analysis

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 21. RISK MANAGEMENT (Continued)

## 21.2.1 Interest rate gap analysis (continued)

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






## 21.3 Liquidity risk

## 21.3.1 Liquidity gap analysis

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

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

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

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

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

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

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

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

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

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

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

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

	Inflation adjusted		Historical cost (Unaudited)*	
	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$	31 Dec 2022 ZW\$	31 Dec 2021 ZW\$
<b>Cash generated from / (used in) operations</b>	<b>782 799 365</b>	<b>(146 478 566)</b>	<b>507 804 393</b>	<b>(79 333 439)</b>
Cash generated to increase working capital	430 590 295	245 493 686	783 372 007	112 822 545
Cash generated from operating activities	1 213 389 660	99 015 120	1 291 176 400	33 489 106
Interest received	50 164 898	28 569 392	39 438 898	5 799 193
Dividends received from Equity accounted investment	63 337 204	25 225 354	53 604 367	11 731 184
Other Dividends received	45 820 605	45 669 246	25 898 769	6 105 934
Dividend paid	(17 444 717)	(23 659 143)	(8 500 000)	(5 300 000)
Taxation paid	(279 172 279)	(243 156 174)	(148 785 304)	(49 727 541)
Lease liability finance charge	(82 534 050)	(18 723 786)	(82 534 050)	(4 351 818)
<b>Cash generated from operating activities</b>	<b>993 561 321</b>	<b>(87 059 991)</b>	<b>1 170 299 080</b>	<b>(2 253 942)</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(20 718 514)	(13 452 895)	(14 729 601)	(2 950 764)
Purchase of intangible assets	(83 257 933)	(10 613 689)	(74 814 300)	(2 760 642)
Proceeds on disposal of equipment	4 415 393	2 078 499	15 625	604 637
Net disposal of financial assets at amortised cost	(708 511 252)	(80 966 778)	(813 806 253)	(30 975 689)
Purchase of equity investments	(281 627 707)	(55 237 860)	(169 034 110)	(11 744 998)
(Purchase) /maturity of funds on deposit	38 318 559	(197 293 611)	(124 864 294)	(61 001 950)
Proceeds on disposal of listed equity investments	190 715 464	493 488 606	129 297 398	125 026 466
Additions to investment property	(12 437 752)	-	(9 945 200)	-
<b>Cash (used in)/generated from investing activities</b>	<b>(873 103 742)</b>	<b>138 002 272</b>	<b>(1 077 880 735)</b>	<b>16 197 240</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(127 864 820)	(54 687 054)	(86 023 301)	(12 481 451)
<b>Cash used in financing activities</b>	<b>(127 864 820)</b>	<b>(54 687 054)</b>	<b>(86 023 301)</b>	<b>(12 481 451)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(7 407 241)</b>	<b>(3 744 773)</b>	<b>6 395 044</b>	<b>1 461 847</b>
Cash and cash equivalents at the beginning of the year	19 464 532	23 209 306	5 662 247	4 200 400
<b>Cash and cash equivalents at the end of year</b>	<b>12 057 291</b>	<b>19 464 533</b>	<b>12 057 291</b>	<b>5 662 247</b>






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

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

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## 3.1 Reconciliation of carrying amount

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

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

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

## 5 RIGHT OF USE ASSET

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

## 6. EQUITY ACCOUNTED INVESTMENTS

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

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

## 7. EQUIPMENT

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

	Historical cost (Unaudited)			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
<b>2022</b>				
Cost or valuation				
At 1 January 2022	8 259 820	41 244 255	16 309 995	65 814 070
Additions	-	5 295 465	9 434 136	14 729 601
Disposals	-	(651 690)	-	(651 690)
Currency conversion	40 508 660	265 278 870	39 197 169	344 984 699
At 31 December 2022	48 768 480	311 166 900	64 941 300	424 876 680
Accumulated depreciation and impairment				
Balance at 1 January 2022	-	-	-	-
Charge for the year	1 858 459	3 860 366	6 406 527	12 125 351
Disposal	-	(49 074)	-	(49 074)
Revaluation	(1 858 459)	(3 811 292)	(6 406 527)	(12 076 277)
Balance at 31 December 2022	-	-	-	-
Carrying amount				
Balance at 31 December 2022	48 768 480	311 166 900	64 941 300	424 876 680
Balance at 31 December 2021	8 259 820	41 244 255	16 309 995	65 814 070
<b>2021</b>				
Cost or valuation				
At 1 January 2021	4 685 391	16 876 212	5 809 546	27 371 149
Additions	-	-	2 950 764	2 950 764
Disposals	-	(17 421)	(7 211 616)	(288 637)
Currency conversion	3 574 429	24 385 464	7 820 901	35 780 794
At 31 December 2021	8 259 820	41 244 255	16 309 995	65 814 070
Accumulated depreciation and impairment				
Balance at 1 January 2021	-	-	-	-
Charge for the year	1 395 688	1 526 779	2 190 329	5 112 795
Disposal	-	(1 437)	(46 931)	(48 368)
Revaluation	(1 395 688)	(1 525 342)	(2 143 398)	(5 064 427)
Balance at 31 December 2021	-	-	-	-
Carrying amount				
Balance at 31 December 2021	8 259 820	41 244 255	16 309 995	65 814 070
Balance at 31 December 2020	4 685 391	16 876 212	5 809 546	27 371 149

## 8. INTANGIBLE ASSETS

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

## 9. LIFE ASSURANCE FUNDS






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

## 10. LEASE LIABILITY

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

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

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

**19. RISK MANAGEMENT**

Liquidity risk gap analysis as at 31 December 2022

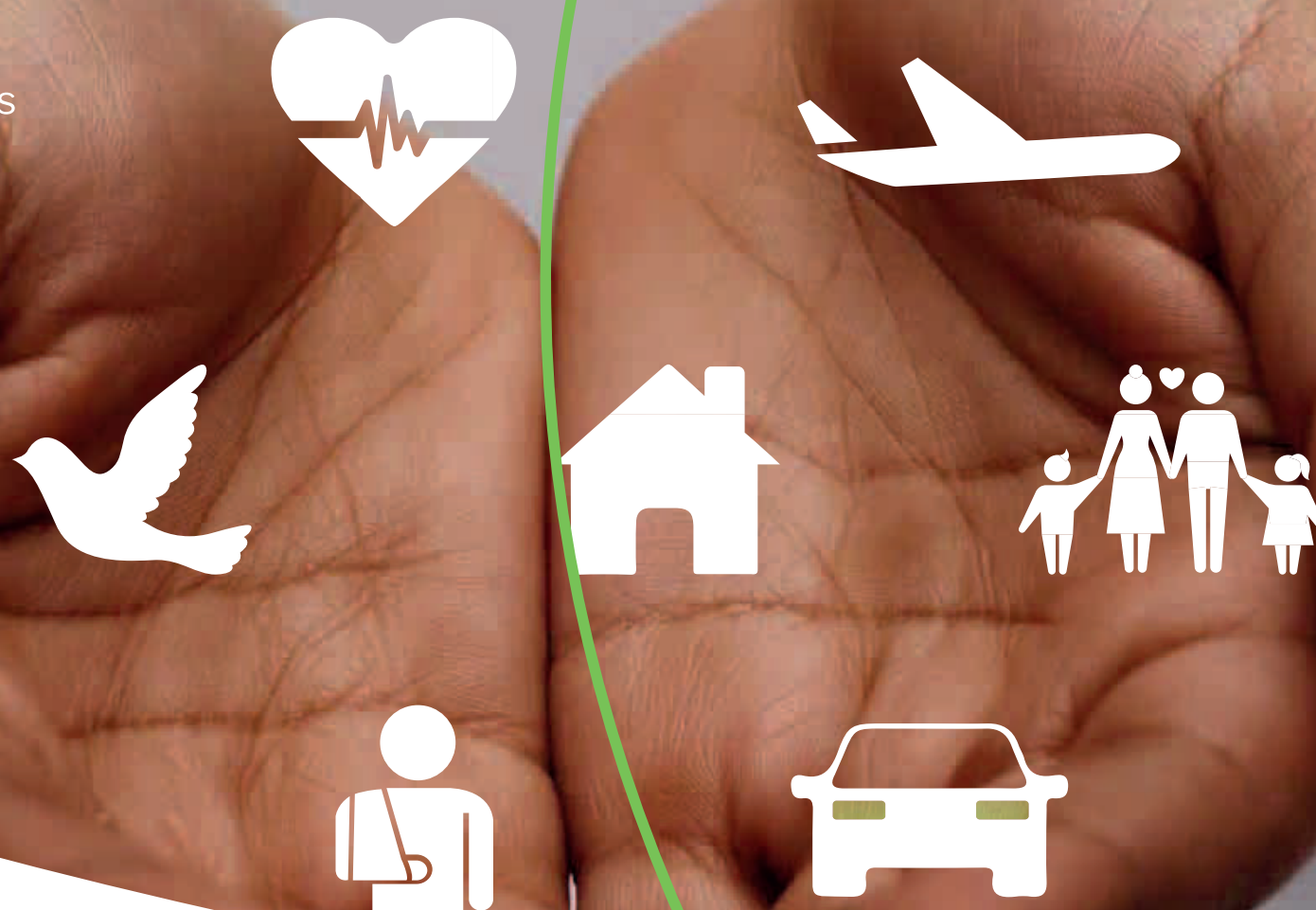
	Inflation adjusted			
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
<b>Assets</b>				
Bank and cash	12 057 291	-	-	12 057 291
Funds on deposit	176 737 480	5 531 187	9 539 727	191 808 393
Financial assets at Amortised cost	-	857 002 452	-	857 002 452
Investments-At Fair Value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

Liquidity risk gap analysis as at 31 December 2021

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

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

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

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments	1 891 519 104	1 614 439 391	1 891 519 104	469 641 600
Investment properties	2 791 426 000	1 792 195 557	2 791 426 000	521 351 000
Right of use assets	34 128 423	121 669 371	34 128 423	35 393 709
Equipment	261 482 827	85 124 860	261 482 827	24 762 885
<b>Total non-current assets</b>	<b>4 978 556 354</b>	<b>3 613 429 179</b>	<b>4 978 556 354</b>	<b>1 051 149 194</b>
<b>Current assets</b>				
Other assets	23 596 130	62 271 495	23 596 130	18 114 824
Balances receivable from insurance companies	3 1 959 336 533	716 534 626	1 959 336 533	208 440 447
Cash and cash equivalent	4 2 983 511 755	2 003 444 247	2 983 511 755	582 803 398
<b>Total current assets</b>	<b>4 966 444 418</b>	<b>2 782 250 368</b>	<b>4 966 444 418</b>	<b>809 358 669</b>
<b>Total assets</b>	<b>9 945 000 772</b>	<b>6 395 679 547</b>	<b>9 945 000 772</b>	<b>1 860 507 863</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liability	783 180 992	324 243 200	783 180 992	94 322 584
Lease Liabilities	122 365 138	123 814 878	122 365 138	36 017 839
<b>Current liabilities</b>				
Unearned premium reserve	5 831 016 652	349 525 569	831 016 652	101 677 244
Incurred but not reported claims reserve (IBNR)	6 909 286 965	388 594 133	909 286 965	113 042 318
Outstanding claims reserve	7 77 329 730	220 861 500	77 329 730	64 248 772
Balances payable to insurance companies	171 533 563	100 341 181	171 533 563	29 189 323
Taxation	(26 961 113)	42 148 567	(26 961 113)	12 261 049
Dividend Liability	-	96 008 517	-	27 928 948
Other payables	661 000 455	359 417 912	661 000 455	104 554 931
<b>Total liabilities</b>	<b>3 528 752 382</b>	<b>2 004 955 457</b>	<b>3 528 752 382</b>	<b>583 243 008</b>
<b>Equity</b>				
Share capital	1 131 603	1 131 603	5 000	5 000
Share premium	564 670 033	564 670 033	2 495 000	2 495 000
Revaluation reserve	116 410 048	41 973 760	137 095 427	20 112 341
Foreign Currency Revaluation Reserve	-	-	9 649 178	9 649 178
Retained earnings	5 734 036 706	3 782 948 694	6 267 003 785	1 245 003 336
<b>Total shareholders' equity</b>	<b>6 416 248 390</b>	<b>4 390 724 090</b>	<b>6 416 248 390</b>	<b>1 277 264 855</b>
<b>Total equity and liabilities</b>	<b>9 945 000 772</b>	<b>6 395 679 547</b>	<b>9 945 000 772</b>	<b>1 860 507 863</b>

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

Notes	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Gross premium	11 904 767 647	6 758 704 164	9 008 797 117	1 569 584 679
Retrosession premium	(3 362 897 871)	(1 762 584 198)	(2 609 325 908)	(403 954 596)
<b>Net premium income</b>	<b>8 541 869 776</b>	<b>4 996 119 966</b>	<b>6 399 471 209</b>	<b>1 165 630 083</b>
Unearned premium	(886 939 515)	(83 779 050)	(729 339 408)	9 648 797
<b>Net earned premium</b>	<b>7 654 930 261</b>	<b>4 912 340 916</b>	<b>5 670 131 801</b>	<b>1 175 278 880</b>
Net claims	(3 575 609 815)	(1 790 670 444)	(2 812 021 478)	(433 202 372)
Net commission	(2 687 959 104)	(1 403 153 972)	(2 027 330 161)	(326 388 197)
Operating expenses	9 (2 315 546 901)	(976 748 899)	(1 714 021 969)	(223 634 557)
<b>Underwriting result</b>	<b>(924 185 559)</b>	<b>741 767 601</b>	<b>(883 241 807)</b>	<b>192 053 754</b>
Investment income	10 3 666 576 547	701 690 328	3 644 800 063	176 916 222
Fair value adjustment	11 895 007 804	1 113 194 857	2 910 886 389	504 749 315
<b>Operating profit</b>	<b>3 637 398 792</b>	<b>2 556 652 786</b>	<b>5 672 444 645</b>	<b>873 719 291</b>
Monetary loss	(1 251 815 935)	(706 453 959)	-	-
<b>Profit before taxation</b>	<b>2 385 582 857</b>	<b>1 850 198 827</b>	<b>5 672 444 645</b>	<b>873 719 291</b>
Income tax expense	(434 494 845)	(312 258 548)	(650 444 196)	(108 966 229)
<b>Profit for the year</b>	<b>1 951 088 012</b>	<b>1 537 940 279</b>	<b>5 022 000 449</b>	<b>764 753 062</b>
<b>Other Comprehensive income</b>				
Revaluation of equipment	98 879 235	32 163 553	155 397 298	14 815 232
Income tax r/walting to components of other comprehensive income	(24 442 947)	(7 950 830)	(38 414 212)	(3 662 325)
<b>Total comprehensive income</b>	<b>2 025 524 300</b>	<b>1 562 153 002</b>	<b>5 138 983 535</b>	<b>775 905 969</b>

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

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

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

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

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

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

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

#### 1. INVESTMENTS

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

#### 2. INVESTMENT PROPERTY

	Inflation adjusted		Historical cost	
	31 Dec 2022 ZWS	31 Dec 2021 ZWS	31 Dec 2022 ZWS	31 Dec 2021 ZWS
Opening balances	1 792 195 557	1 038 031 367	521 351 000	187 862 000
Fair value adjustment	999 230 443	569 757 825	2 270 075 000	292 179 229
Additions	-	184 406 365	-	41 309 771
Closing balances	<b>2 791 426 000</b>	<b>1 792 195 557</b>	<b>2 791 426 000</b>	<b>521 351 000</b>



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NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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## **Independent Auditors' Report**

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

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#### ***Opinion***

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

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

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

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

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

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



**Key audit matters**

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

**Other information**

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

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

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

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

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

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



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

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

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

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

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

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



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

KPMG

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

19 April 2023

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

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