

REVIEWED INTERIM CONSOLIDATED FINANCIAL RESULTS

For the half year ended 30 June 2023

KEY FINANCIAL HIGHLIGHTS (ZWL\$m) INFLATION ADJUSTED



Profit after taxation

543,876.5



582%



Total comprehensive income

753,708.3



595%



Total equity

1,300,455.2



147%



Total advances

1,745,853.8



217%



Total deposits

4,527,477.3



113%



Total assets

6,517,438.8



118%

GROUP CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the financial performance of CBZ Holdings Limited and its subsidiaries for the half year ended 30 June 2023.

Operating Environment

The period under review was characterised by elevated inflationary pressures on the global, regional and domestic fronts, as the effects of rising food prices and pent up demand from the transition from lockdown became more pronounced. Major Central Banks maintained tight monetary and fiscal policy stances.

In Zimbabwe, the Reserve Bank continued to align its monetary policy stance to developments in the goods, equities and money markets. The country experienced significant exchange rate depreciation between April and June 2023 largely driven by money supply factors, which exerted pass-through inflation to the economy. However, the bold policy intervention measures instituted by the Government and the Reserve Bank of Zimbabwe, for tackling the transitory price and exchange rate volatility, have gone a long way in arresting the instabilities and bringing the much-needed normalcy in the price and exchange rate dynamics in domestic markets.

On the local bourse performance, save for the top 10 Index, all major ZSE benchmarks rounded the first half of the year on a positive note. The Zimbabwe Stock Exchange closed the period with a market capitalization of ZWL\$13 trillion, a gain of 779%. On the US dollar denominated bourse, VFEX, the All Share Index closed at 76.17 and a market cap of US\$ 1.29 billion.

These developments, together with advancements in the technology spaces shaped the Group's corporate and business strategies, initiatives and tactics, as it sought to continuously meet and exceed the expectations of its stakeholders.

Corporate Social Responsibility

CBZ Holdings takes a holistic approach towards Corporate Social Responsibility (CSR) in its business activities to ensure a positive impact in the communities it does business in. During the first half of 2023, CBZ Holdings launched the CBZ Foundation (CBZF) in March 2023 which seeks to extend contribution to national development in the areas of health, education and vulnerable groups.

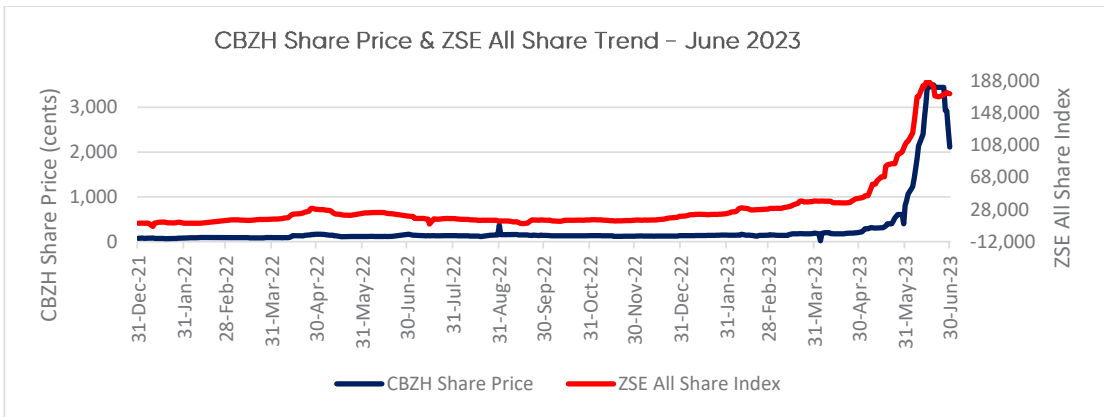
The Group continued promoting sporting excellence in Zimbabwe by hosting the CBZ Annual Marathon. Over 2000 runners from all over the nation competed in the various races.

Corporate Governance

As Chairman of the Board of Directors of CBZ Holdings Limited, I have strived to ensure that the Group has both, sound corporate governance and effective, active Boards across the entire breadth of subsidiaries. My responsibilities have paid special emphasis on leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that good information flows freely between the Executive and Non-Executive Directors promptly. The Board believes that corporate governance is more than just a set of guidelines; rather it is a framework which underpins the core values for running the business in which we all believe, including a commitment to sustainable practices coupled with open and transparent communications with stakeholders. We believe that good corporate governance improves long-term success, productivity and performance. There have been no changes in directorship throughout the Group, which is indicative of the stability, commitment and dedication that is a constant theme within the Group.

Share Price Performance

On the capital markets, the CBZH share price increased by 1,465.8% from ZWS135 at the beginning of the period to close at ZWS2,113.85. The ZSE benchmark index registered a growth of 758.6%. CBZH ended the period with a market capitalisation of ZWS1.1 trillion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2022 to June 2023.



Overview of the Group's performance

The table below summarises the Group's financial performance for the half year ended 30 June 2023.

	REVIEWED		UNAUDITED		AUDITED	UNAUDITED
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$m	RESTATED 30 JUNE 2022 ZWL\$m	HISTORICAL 30 JUNE 2023 ZWL\$m	RESTATED 30 JUNE 2022 ZWL\$m	INFLATION ADJUSTED 31 DEC 2022 ZWL\$m	HISTORICAL 31 DEC 2022 ZWL\$m
Key Financial Highlights						
Profit after taxation	543 876.5	79 780.7	779 422.3	37 244.4	103 215.8	80 960.6
Total comprehensive income	753 708.3	108 397.8	1 054 494.6	52 086.4	134 456.4	111 222.0
Total assets	6 517 438.8	2 267 427.3	6 391 499.8	441 899.1	2 983 872.3	923 273.1
Total equity	1 300 455.2	503 492.9	1 212 638.2	83 436.2	526 137.4	143 364.9
Total deposits	4 527 477.3	1 416 015.7	4 527 477.3	288 608.3	2 125 397.0	680 399.5
Total advances	1 745 853.8	897 117.7	1 745 853.8	182 893.6	550 463.5	176 218.9
Other statistics						
Basic earnings per share (cents)	208 368.29	30 583.52	298 604.18	14 269.14	19 772.54	15 509.21
Non-interest income to total income (%)	89.1	79.9	94.4	86.9	70.4	77.6
Cost to income ratio (%)	17.5	27.3	9.0	20.5	34.5	27.1
Return on assets (%)	30.9	13.6	51.5	32.0	6.8	17.9
Return on equity (%)	91.8	35.2	146.0	100.3	22.7	93.5
Growth in deposits (YTD %)	113.0	0.4	565.4	119.7	50.7	417.9
Growth in advances (YTD %)	217.2	49.5	890.7	227.2	(8.3)	215.2
Growth in PAT (YOY %)	581.7	146.8	1 992.7	887.2	24.7	400.9

Dividend

The Board has proposed the declaration of an interim dividend of USD 3 000 000 or 0.525 cents per share. A separate dividend announcement with record and settlement dates will be published.

Outlook

Going forward, core economic sectors are expected to remain strong, providing significant upside potential for the economy. Activity is expected to remain elevated in the mining sector, particularly precious and battery metals subsectors, thanks to high global demand. The local construction sector will continue to witness visible growth driven by residential construction as well as public sector investment projects.

Increased focus on climate change adaptation and mitigation coupled with intermittent power shortages is also expected to stimulate further investment in green energy and the related technologies. The Group has already made inroads into the renewable energy sector, and it will continue to mobilise resources to meet and support its client's growing demands in this space.

Meanwhile, it is expected that the Government will continue with the arrears clearance and reengagement program as this is critical in unlocking broad based economic growth. On the global level, the decision by some Central Banks to halt interest rate hikes provides some prospects for the gradual reduction in the cost of global capital. Therefore, the Group will continue to monitor developments around global interest rates with a view to tap into favourably priced lines of credit for the benefit of its various customers.

Appreciation

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

Marc Holtzman

Marc Holtzman
Group Chairman

15 September 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- state whether they have been prepared in accordance with IAS 34 [Interim financial reporting]; and
- prepared on the going concern basis, unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent;

Compliance with Local Legislation

The interim condensed consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), Asset Management Act (Chapter 24:06) and Zimbabwe Stock Exchange (ZSE) Listing Rules of 2019. In addition, the Group is generally compliant with the RBZ Banking Regulations, Statutory Instrument 205 of 2000.

Compliance with IFRS

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard [IAS] 34 Interim financial reporting as promulgated by the International Accounting Standards Board (IASB).

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

Going concern

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

Responsibility

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

By order of the Board.

T. Gumbo

T. GUMBO
GROUP CFO

15 September 2023

B. Mudavanhu

DR . B. MUDAVANHU
GROUP CEO

15 September 2023

AUDITOR'S REVIEW STATEMENT

CBZ Holdings Limited

The Inflation Adjusted Interim Condensed Consolidated Financial Statements for the half year ended 30 June 2023 have been reviewed by KPMG and a qualified review conclusion issued thereon in relation to the initial application of IFRS 17, Insurance Contracts.

The review conclusion has been made available to management and those charged with governance of CBZ Holdings Limited. The engagement partner responsible for this review is Themba Mudidi (PAAB Practicing Certificate Number 0437). The auditors' review conclusion on the Inflation Adjusted Interim Condensed Consolidated Financial Statements is available for inspection at the Company's registered office.

The interim condensed inflation adjusted financial results for CBZ Life Limited ("CBZ Life"), CBZ Insurance (Private) Limited ("CBZ Life") and CBZ Asset Management (Private) Limited t/a Datvest ("Datvest"), for the half year ended 30 June 2023 have not been audited or reviewed by Messrs KPMG Chartered Accountants (Zimbabwe).

CBZ Bank Limited

The Interim Inflation Adjusted Financial Results of CBZ Bank Limited for the half year financial period ended 30 June 2023, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). An unmodified review conclusion has been expressed thereon. The auditor's review conclusion is available for inspection at the Company's registered office. The engagement partner responsible for this review is Themba Mudidi (PAAB Practicing Certificate Number 0437).



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000
NOTES					
Interest income	2	196 496 822	109 823 021	94 205 641	14 398 892
Interest expense	2	(42 316 907)	(9 238 937)	(17 981 602)	(1 107 124)
Net interest income		154 179 915	100 584 084	76 224 039	13 291 768
Non-interest income	3	1 142 542 343	358 516 730	1 149 243 948	78 895 621
Net insurance service result	4.1	(13 723 910)	(10 084 336)	(8 431 887)	(1 307 064)
Net insurance finance cost	4.2	(483 040)	(356 070)	(245 170)	(44 809)
Total income		1 282 515 308	448 660 408	1 216 790 930	90 835 516
Operating expenditure	5	(225 077 503)	(122 263 053)	(108 415 938)	(18 652 118)
Operating income		1 057 437 805	326 397 355	1 108 374 992	72 183 398
Expected credit loss expense on financial assets	13	(165 383 557)	(112 121 138)	(165 383 557)	(22 857 913)
Expected credit loss expense on insurance assets		(344 652)	(399 441)	(344 652)	(81 433)
Monetary loss		(158 126 065)	(73 059 547)		
Profit before taxation		733 583 531	140 817 229	942 646 783	49 244 052
Taxation	6.1	(189 706 988)	(61 036 555)	(163 224 489)	(11 999 631)
Profit after tax for the period		543 876 543	79 780 674	779 422 294	37 244 421
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		197 153 548	33 428 963	259 632 899	14 472 595
Gains on equity instruments at FVOCI*		59 438 884	314 522	86 031 666	2 703 980
Deferred income tax relating to components of other comprehensive income	6.3	(45 763 696)	(5 415 138)	(69 595 283)	(2 393 512)
		210 828 736	28 328 347	276 069 282	14 783 063
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of foreign subsidiaries	28.7	(996 940)	288 767	(996 940)	58 870
Other comprehensive income for the period net of tax		209 831 796	28 617 114	275 072 342	14 841 933
Total comprehensive income for the period		753 708 339	108 397 788	1 054 494 636	52 086 354
Profit for the period attributable to:					
Equity holders of parent		543 857 916	79 825 441	779 380 803	37 243 608
Non-controlling interests	28.5	18 627	(44 767)	41 491	813
		543 876 543	79 780 674	779 422 294	37 244 421
Total comprehensive income for the period attributable to:					
Equity holders of parent		753 602 290	108 424 032	1 054 336 681	52 077 760
Non-controlling interests	28.5	106 049	(26 244)	157 955	8 594
Total comprehensive income for the period		753 708 339	108 397 788	1 054 494 636	52 086 354
Earnings per share (cents)					
Basic	7.1	208 368.29	30 583.52	298 604.18	14 269.14
Basic Diluted	7.1	208 368.29	30 583.52	298 604.18	14 269.14
Headline	7.1	155 601.65	21 593.38	228 233.45	10 426.64

* Fair value through other comprehensive income

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

REVIEWED INFLATION ADJUSTED											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based Payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000
REVIEWED											
REVIEWED											
30 JUNE 2022											
Opening balance at 1 January 2022	2 889 384	17 656 889	-	6 120 243	54 231 157	17 242 553	2 252 334	283 926 354	384 318 914	46 959	384 365 873
Impact of initial application of IFRS 17***	-	-	-	-	-	-	-	(2 508 899)	(2 508 899)	9 563	(2 499 336)
Restated opening balance at 1 January 2022	2 889 384	17 656 889	-	6 120 243	54 231 157	17 242 553	2 252 334	281 417 455	381 810 015	56 522	381 866 537
Profit for the period	-	-	-	-	-	-	-	79 825 441	79 825 441	(44 767)	79 780 674
Other comprehensive income for the period	-	-	-	-	27 996 129	313 695	288 767	-	28 598 591	18 523	28 617 114
Issue of shares awaiting allotment	-	-	4 905 134	-	-	-	-	-	4 905 134	-	4 905 134
Closing balance at 30 June 2022	2 889 384	17 656 889	4 905 134	6 120 243	82 227 286	17 556 248	2 541 101	361 242 896	495 139 181	30 278	495 169 459
30 JUNE 2023											
Opening balance at 1 January 2023	2 889 384	17 656 889	11 627 113	6 120 243	71 750 865	30 157 851	3 048 872	382 864 018	526 115 235	22 148	526 137 383
Profit for the period	-	-	-	-	-	-	-	543 857 916	543 857 916	18 627	543 876 543
Other comprehensive income for the period	-	-	-	-	157 055 684	53 685 630	(996 940)	-	209 744 374	87 422	209 831 796
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Issue of shares awaiting allotment	-	-	20 609 455	-	-	-	-	-	20 609 455	-	20 609 455
Equity-settled share-based payment	-	-	-	-	-	-	-	-	-	-	-
Closing balance at 30 June 2023	2 889 384	17 656 889	32 236 568	6 120 243	228 806 549	83 843 481	2 051 932	926 721 934	1 300 326 980	128 197	1 300 455 177
UNAUDITED HISTORICAL											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based Payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022											
Opening balance at 1 January 2022	5 220	33 876	-	569 951	5 790 710	1 964 010	77 029	21 264 515	29 705 311	4 957	29 710 268
Impact of initial application of IFRS 17***	-	-	-	-	-	-	-	(241 875)	(241 875)	746	(241 129)
Restated opening balance at 1 January 2022	5 220	33 876	-	569 951	5 790 710	1 964 010	77 029	21 022 640	29 463 436	5 703	29 469 139
Profit for the period	-	-	-	-	-	-	-	37 243 608	37 243 608	813	37 244 421
Other comprehensive income for the period	-	-	-	-	12 207 700	2 567 583	58 870	-	14 834 153	7 780	14 841 933
Issue of shares awaiting allotment	-	-	1 000 000	-	-	-	-	-	1 000 000	-	1 000 000
Closing balance at 30 June 2022	5 220	33 876	1 000 000	569 951	17 998 410	4 531 593	135 899	58 266 248	82 541 197	14 286	82 555 493
30 JUNE 2023											
Opening balance at 1 January 2023	5 220	33 876	3 500 000	569 951	26 517 008	11 232 948	332 024	101 165 564	143 356 591	8 333	143 364 924
Profit for the period	-	-	-	-	-	-	-	779 380 803	779 380 803	41 491	779 422 294
Other comprehensive income for the period	-	-	-	-	197 501 230	78 451 588	(996 940)	-	274 955 878	116 464	275 072 342
Issue of shares awaiting allotment	-	-	14 778 618	-	-	-	-	-	14 778 618	-	14 778 618
Closing balance at 30 June 2023	5 220	33 876	18 278 618	569 951	224 018 238	89 684 536	(664 916)	880 546 367	1 212 471 890	166 288	1 212 638 178

* Foreign currency translation reserve ** Shares awaiting allotment reserve (Refer to note 28.9) *** Refer to Note 28.4.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
NOTES					
Cash and cash equivalents	9	1 781 504 208	821 788 207	1 781 504 208	263 077 584
Money market assets	10	441 470 102	110 762 340	441 470 102	35 458 149
Financial securities	11	57 329 132	155 042 856	57 329 132	49 633 591
Loans and advances to customers	12	1 745 853 793	550 463 498	1 745 853 793	176 218 892
Insurance contract assets	24	6 047 398	2 593 946	6 047 398	830 395
Reinsurance contract assets	24	7 933 702	3 956 845	7 933 702	1 266 697
Equity investments	16	136 221 202	54 150 233	136 221 202	17 335 017
Land inventory	15	62 667 234	64 978 242	2 034 875	1 657 513
Other assets	14	1 481 271 071	885 678 620	1 464 479 273	278 780 809
Current tax receivable		11 237 165	521 814	11 237 165	167 047
Intangible assets	21	2 184 645	2 893 044	557 802	257 276
Property and equipment	19	353 073 176	142 235 671	306 185 192	37 593 673
Investment properties	20	271 351 556	89 314 133	271 351 556	28 591 973
Deferred tax asset	22	159 294 376	99 492 805	159 294 376	32 404 493
TOTAL ASSETS		6 517 438 760	2 983 872 254	6 391 499 776	923 273 109
LIABILITIES					
Deposits	23	4 527 477 297	2 125 397 023	4 527 477 297	680 399 535
Insurance contract liabilities	24	15 953 541	8 695 704	15 953 541	2 783 740
Reinsurance contract liabilities	24	3 875 707	1 733 465	3 875 707	554 931
Other liabilities	25	257 779 843	179 454 031	254 345 821	57 118 257
Current tax payable		4 286 714	4 327 073	4 286 714	1 385 218
Investment contract liabilities	25	1 770 773	1 153 431	1 770 773	369 246
Lease liabilities	19b	2 316 903	817 660	2 316 903	261 756
Deferred tax liability	22.1	403 522 805	136 156 484	368 834 842	37 035 502
		5 216 983 583	2 457 734 871	5 178 861 598	779 908 185
EQUITY					
Share capital	28.1	2 889 384	2 889 384	5 220	5 220
Share premium	28.2	17 656 889	17 656 889	33 876	33 876
Revaluation reserve	28.3	228 806 549	71 750 865	224 018 238	26 517 008
Shares allotment reserve	28.9	32 236 568	11 627 113	18 278 618	3 500 000
Share based payment reserve	28.8	6 120 243	6 120 243	569 951	569 951
Fair value reserve	28.6	83 843 481	30 157 851	89 684 536	11 232 948
Retained earnings	28.4	926 721 934	382 864 018	880 546 367	101 165 564
Foreign currency translation reserve	28.7	2 051 932	3 048 872	(664 916)	332 024
Equity attributable to equity holders of the parent		1 300 326 980	526 115 235	1 212 471 890	143 356 591
Non-controlling interest	28.6	128 197	22 148	166 288	8 333
TOTAL EQUITY		1 300 455 177	526 137 383	1 212 638 178	143 364 924
TOTAL LIABILITIES AND EQUITY		6 517 438 760	2 983 872 254	6 391 499 776	923 273 109

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

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	733 583 531	140 817 229	942 646 783	49 244 052
Non-cash items:				
Monetary loss	158 126 065	73 059 547	-	-
Depreciation	8 570 416	3 785 420	2 175 620	372 091
Amortisation of intangible assets	1 340 109	407 322	79 159	42 966
Write off & impairment of property and equipment	1 583 989	13 378	506 783	415
Write off of intangible assets	-	36 686	-	3 599
Fair value adjustments on investment properties	(183 687 411)	(33 638 789)	(243 188 934)	(13 558 805)
Write off of right of use asset and lease liability	(35 585)	-	(13 530)	-
Fair value adjustments on financial instruments	(21 847 137)	10 505 125	(32 144 506)	(1 745



GROUP ACCOUNTING POLICIES

For the half year ended 30 June 2023

1. GROUP ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for new standards and amendments adopted effective 1 January 2023 (see 1.1c). Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2022 annual report, which is available at the Company registered offices.

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:03), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019 and the Securities Act (Chapter 24:25). The consolidated financial results have been restated to take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

a) Basis of consolidation

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

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

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

b) Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except for judgements used in applying IFRS 17 which was adopted effective 1 January 2023.

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

i. IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- An explicit, unbiased and probability weighted estimate of the present value of insurance contract fulfilment cash flows, including a risk adjustment for non-financial risk.
- A Contractual Service Margin (CSM), a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period.
- The effect of changes in discount rates will be reported in the Statement of Profit or Loss or Other Comprehensive income.
- Insurance revenue and insurance service expenses are recognised in the Statement of Comprehensive Income based on the concept of services provided during the period.
- Insurance service results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 Transition

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required.

On transition date, 1 January 2022, the Group:

- Identified, recognised and measured each group of insurance contracts as if IFRS 17 had always been applied.
- Identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 had always applied. However, no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied
- Recognised any resulting net difference in equity (Refer to note 28.4.2.)

The new standard has impact on the Group's interim condensed consolidated financial statements. The Group has elected to apply the general measurement model on life assurance and the premium allocation approach on short term insurance products. A detailed analysis of the Group's IFRS 17 accounting policies, is available at the Company registered offices. The numbers disclosed for IFRS 17 may fluctuate as the model is still being adjusted and updated for adoption due to the complexity and degree of judgment required in its implementation. Restated has been included on all comparative numbers, to reflect IFRS 17 related restatements. The group applied the full retrospective transition approach.

ii. Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

iii. Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2, "Making Materiality Judgements", provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

iv. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12, Income Tax, narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no material impact on the Group's interim condensed consolidated financial statements.

v. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

The standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 is effective for annual reporting periods beginning on or after 1 January 2024. The Group decided to early adopt the standard together with IFRS S2 Climate-related Disclosures. The standard had no impact on the Group's interim condensed consolidated financial statements.

vi. IFRS S2 Climate-related Disclosures

IFRS S2 requires an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

The standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 is effective for annual reporting periods beginning on or after 1 January 2024. The Group decided to early adopt the standard together with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. The standard had no impact on the Group's interim condensed consolidated financial statements.

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

The Consolidated interim financial results for the period ended 30 June 2023 have been prepared in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWL\$ inflation rates and Consumer Price Index (CPI) effective February 2023, the Group used a combination of the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) up to January 2023 and an internal estimation based on the published Total Consumption Poverty Line (TCPL) from February to June 2023 to determine the Consumer Price Index (CPI). The indices and conversion factors used to restate these financials are given below.

Date	Indices	Percentage (%) movement	Conversion Factors
30 June 2023	42,710.72	212%	1.0000
31 December 2022	13,672.91	57%	3.1237
30 June 2022	8,707.35	192%	4.9051
30 June 2021	2,986.44		14.3015

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

- All comparative figures as at end of the period 31 December 2022 and 30 June 2022 were restated by applying the change in the index from the date of last re-measurement to 30 June 2023. Restated has also been included on these prior period inflation adjusted numbers, to reflect restatement to June 2023 purchasing power.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 30 June 2023. Property and equipment is restated by applying the change in the index from the date of transaction to 30 June 2023.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 30 June 2023.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- The financial statements of the group subsidiaries that do not report in the currencies of hyperinflationary economies was accounted for in accordance with IAS 21. Comparative figures were restated by applying the change in the index from the date of last re-measurement to 30 June 2023.
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

NOTES TO THE REVIEWED INFLATION ADJUSTED
CONSOLIDATED FINANCIAL RESULTS

For the half year ended 30 June 2023

1.3 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the half year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 15 September 2023. The Group offers commercial banking, property management, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000
2. INTEREST				
Interest Income				
Bankers acceptances	-	1 423 200	-	174 902
Overdrafts	37 857 270	12 388 682	16 175 225	1 435 685
Loans	72 822 943	73 855 505	39 006 020	9 860 627
Mortgage loans	3 238 970	1 358 879	1 702 215	183 017
Staff loans	3 632 792	825 112	1 473 644	106 902
Securities investments	73 469 689	1 718 362	25 611 933	231 922
Other investments	5 475 158	18 253 281	10 236 604	2 405 837
	196 496 822	109 823 021	94 205 641	14 398 892
Interest expense				
Savings deposits	4 345 160	2 152 007	1 430 093	160 381
Money market deposits	32 659 909	6 559 093	13 606 925	864 377
Other offshore deposits	5 251 661	509 387	2 909 680	79 647
Lease liability	60 177	18 450	34 904	2 719
	42 316 907	9 238 937	17 981 602	1 107 124
NET INTEREST INCOME	154 179 915	100 584 084	76 224 039	13 291 768

Interest Income and Interest expense is calculated using the Effective Interest Rate method.

3 NON-INTEREST INCOME

Fair value adjustments on financial instruments	21 847 137	(10 505 125)	32 144 506	1 745 397
Fair value adjustments on investment properties	183 687 411	33 638 789	243 188 934	13 558 805
Net income from trading securities	353 484	971 153	136 234	119 020
Net income from foreign currency dealing	37 165 917	6 110 498	27 602 340	881 126
Unrealised gains on foreign currency exchange	786 319 968	236 478 003	786 319 968	48 210 300
Agro business income	9 127 789	40 849 405	5 050 433	7 251 249
Commission and fee income	85 952 216	53 816 682	43 558 015	7 035 140
Profit on disposal of property and equipment	100 657	8 290	85 114	1 282
(Loss)/ Profit on disposal of investment property	710 867	(2 426 719)	699 185	(222 062)
Bad debts recovered	784 331	110 228	434 380	14 111
Property sales	8 005 387	(2 042 572)	5 145 998	114 566
Lease income	1 743 956	709 248	851 494	103 368
Other operating income	6 743 223	798 850	4 027 347	83 319
Total non interest income	1 142 542 343	358 516 730	1 149 243 948	78 895 621

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

4. INSURANCE INCOME

4.1 Insurance service result

Insurance revenue (i)	12 046 262	5 212 185	5 596 972	676 472
Insurance service expenses (ii)	(36 181 249)	(15 739 142)	(19 894 275)	(2 047 467)
Net income/(expenses) from reinsurance contracts held (iii)	10 411 077	442 621	5 865 416	63 931
Insurance service result	(13 723 910)	(10 084 336)	(8 431 887)	(1 307 064)

(i) Insurance revenue

Changes in Liability for remaining coverage	3 595 669	312 621	1 825 008	22 999
Revenue from contracts measured under Premium Allocation Approach (PAA)	8 450 593	4 899 564	3 771 964	653 473
Total	12 046 262	5 212 185	5 596 972	676 472

Included in liability for remaining coverage is a combined impact of largely contractual service margin and related changes, risk adjustments and experience adjustments resulting from remeasurement of insurance contract assets under the general measurement model.

(ii) Insurance service expenses

Incurred claims and other directly attributable expenses	23 716 950	11 466 932	12 998 793	1 478 832
Changes to liabilities for incurred claims	7 500 366	900 723	4 408 726	138 581
Onerous contracts	3 226 186	2 188 033	1 637 474	275 352
Insurance acquisition cashflow amortisation	1 735 723	1 182 081	848 254	154 259
Other	2 024	1 373	1 028	173
Total	36 181 249	15 739 142	19 894 275	2 047 467

Other directly attributable expenses include, allocation for employee benefits and other administrative costs directly attributable to insurance service

(iii) Net income/ expenses from reinsurance contracts held

Reinsurance expenses for contracts measured under PAA	(4 037 375)	(1 816 778)	(1 714 794)	(238 790)
Claims recovered from reinsurance contracts under PAA	14 448 452	2 259 399	7 580 210	302 721
Total	10 411 077	442 621	5 865 416	63 931

4.2 Net insurance finance cost

Expenses from insurance contracts issued	483 040	356 070	245 170	44 809
	483 040	356 070	245 170	44 809

5 OPERATING EXPENDITURE

Staff costs	159 927 282	93 213 251	81 289 389	14 964 050
Administration expenses	48 167 574	24 107 820	22 622 903	3 178 332
Audit fees	1 744 294	509 263	832 420	85 698
Depreciation	8 356 139	3 568 180	2 136 743	367 331
Amortisation of intangible assets	1 316 287	395 410	78 533	40 871
Property cost of sales	4 017 523	419 065	962 697	11 822
Write off & Impairment of property and equipment	1 583 989	13 378	506 783	415
Write off intangible assets	-	36 686	-	3 599
Write offs of right of use asset and lease liability	(35 585)	-	(13 530)	-
	225 077 503	122 263 053	108 415 938	18 652 118

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

Fees for services as directors	3 073 226	79 331	1 206 863	9 968
Pension and retirement benefits for past and present directors	1 231 549	288 584	483 632	36 259
Salaries and other benefits	18 399 348	6 488 115	7 225 466	815 197
	22 704 123	6 856 030	8 915 961	861 424

Short term employment benefits	21 472 574	6 567 446	8 432 329	825 165
Post employment benefits	1 231 549	288 584	483 632	36 259
	22 704 123	6 856 030	8 915 961	861 424

6 INCOME TAX EXPENSE

6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.

Analysis of tax charge in respect of the profit for the period				
Current income tax charge	27 910 199	21 247 202	27 910 199	4 331 625
Deferred income tax	161 796 789	39 789 353	135 314 290	7 668 006
Income tax expense	189 706 988	61 036 555	163 224 489	11 999 631

6.2 Tax rate reconciliation

	%	%	%	%
Notional Tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.72	0.72	0.72
Exempt income	(3.66)	(2.09)	(5.28)	(2.96)
Non-Deductible expenditure	8.22	21.27	0.81	3.90
Effect of rebasing tax bases	(0.45)	0.12	(0.43)	0.09
Effect of special tax rate	(2.88)	(1.63)	(2.47)	(0.85)
Tax credits	(0.09)	(0.70)	(0.03)	(0.83)
Effective tax rate	25.86	41.69	17.32	24.07

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

6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.

Revaluation of property and equipment	40 031 462	5 418 373	62 044 573	2 258 735
Unlisted equities	5 732 234	(3 235)	7 550 710	134 777
Total taxation relating to components of other comprehensive income	45 763 696	5 415 138	69 595 283	2 393 512





7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by sum of the weighted average number of ordinary shares outstanding at the end of the period and the weighted average number of potentially dilutive ordinary shares.

The following reflects the income and shareholding data used in the basic and diluted earnings per share computations:

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000
7.1 Annualised earnings per share (ZWL cents)				
Basic	208 368.29	30 583.52	298 604.18	14 269.14
Diluted basic	208 368.29	30 583.52	298 604.18	14 269.14
Headline	155 601.65	21 593.38	228 233.45	10 426.64
7.2 Earnings attributable to holders of parent				
Basic	543 857 916	79 825 441	779 380 803	37 243 608
Diluted basic	543 857 916	79 825 441	779 380 803	37 243 608
Headline	406 132 756	56 360 441	595 707 568	27 214 352
7.3 Number of shares used in calculations (weighted)				
Basic	522 016	522 016	522 016	522 016
Diluted basic	522 016	522 016	522 016	522 016
Headline	522 016	522 016	522 016	522 016
7.4 Reconciliation of denominators used for calculating basic and diluted earnings per share:				
Weighted average number of shares used for EPS	522 016	522 016	522 016	522 016.00
7.5 Headline Earnings				
Profit attributable to ordinary shareholders	543 857 916	79 825 441	779 380 803	37 243 608
Adjusted to exclude re-measurements				
Write off & impairment of property and equipment	1 583 989	13 378	-	11 823
Write off of right of use asset and lease liability	(35 586)	-	(13 530)	-
Write off of intangible assets	-	36 686	-	3 599
Disposal gain on property and equipment	(100 657)	(8 290)	(85 114)	(1 282)
Profit/(loss) on disposal of investment property	(710 867)	2 426 717	(699 185)	222 062
Gain on investment properties valuation	(183 687 411)	(33 638 789)	(243 188 934)	(13 558 805)
Tax relating to remeasurements	45 225 372	7 705 298	60 313 528	3 293 347
Headline earnings	406 132 756	56 360 441	595 707 568	27 214 352
8. DIVIDENDS				
Proposed dividend on ordinary shares:				
Interim dividend	17 850 305	-	17 850 305	-
Interim dividend per share (ZWL\$)	31.227	-	31.227	-

There were no dividends paid during the interim period under review or its comparative period. Proposed dividends are paid on qualifying shares held at the record date.

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
9. CASH AND CASH EQUIVALENTS				
Balances with local banks	68 116 127	10 734 705	68 116 127	3 436 482
Cash and current accounts	469 426 115	119 515 976	469 426 115	38 260 435
Balances with foreign banks	78 265 753	105 229 534	78 265 753	33 686 942
Balances with the Reserve Bank of Zimbabwe	983 499 702	519 587 059	983 499 702	166 334 473
RBZ Statutory reserve	182 196 511	66 720 933	182 196 511	21 359 252
	1 781 504 208	821 788 207	1 781 504 208	263 077 584
The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 10% and 15% for foreign and local currency demand deposits respectively and 5% for all term deposits.				
Included in cash and cash equivalents are the following balances that are reserved and restricted in nature and are not available for use by the Group:				
RBZ Statutory reserve	182 196 511	66 720 933	182 196 511	21 359 252
Amounts secured as guarantees or collateral	8 393 722	13 995 215	8 393 722	4 480 263
	190 590 233	80 716 148	190 590 233	25 839 515
10. MONEY MARKET ASSETS				
Interbank placements	454 424 975	110 991 023	454 424 975	35 531 357
Bankers acceptances	1 879 991	644 076	1 879 991	206 187
Accrued interest	11 529 679	980 789	11 529 679	313 978
Total gross money market assets	467 834 645	112 615 888	467 834 645	36 051 522
Allowance for expected credit losses	(26 364 543)	(1 853 548)	(26 364 543)	(593 373)
Total net money market assets	441 470 102	110 762 340	441 470 102	35 458 149
Maturity analysis				
The maturity analysis of money market assets is shown below:				
Between 0 and 3 months	193 795 728	46 860 756	193 795 728	15 001 450
Between 3 and 6 months	82 850 814	33 101 964	82 850 814	10 596 872
Between 6 and 12 months	149 403 330	32 653 168	149 403 330	10 453 200
Above 12 months	41 784 773	-	41 784 773	-
	467 834 645	112 615 888	467 834 645	36 051 522

Maturity analysis is based on the remaining year from 30 June 2023 to contractual maturity.

11. FINANCIAL SECURITIES				
Treasury bills	50 890 621	151 284 719	50 890 621	48 430 506
Savings bonds	480 491	166 759	480 491	53 384
Accrued interest	6 157 101	3 833 665	6 157 101	1 227 264
Total gross financial securities	57 528 213	155 285 143	57 528 213	49 711 154
Allowance for expected credit losses	(199 081)	(242 287)	(199 081)	(77 563)
Total net financial securities	57 329 132	155 042 856	57 329 132	49 633 591
Maturity analysis				
The maturity analysis of financial securities is shown below:				
Between 0 and 3 months	55 872 342	152 323 567	55 872 342	48 763 070
Between 6 and 12 months	25 991	-	25 991	-
Between 1 and 5 years	657 873	633 390	657 873	202 766
Above 5 years	972 007	2 328 186	972 007	745 318
	57 528 213	155 285 143	57 528 213	49 711 154

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

12. LOANS AND ADVANCES TO CUSTOMERS				
Overdrafts	231 152 663	80 254 853	231 152 663	25 691 842
Commercial loans	1 326 303 526	418 286 729	1 326 303 526	133 905 380
Staff loans	21 653 223	22 934 852	21 653 223	7 342 093
Mortgage advances	81 350 954	25 020 997	81 350 954	8 009 927
Agro business loans	213 667 948	161 012 801	213 667 948	51 544 739
Interest accrued	75 926 617	66 877 540	75 926 617	21 409 387
Total gross loans and advances to customers	1 950 054 931	774 387 772	1 950 054 931	247 903 368
Allowance for Expected Credit Loss (ECL)	(204 201 138)	(223 924 274)	(204 201 138)	(71 684 476)
Total net advances	1 745 853 793	550 463 498	1 745 853 793	176 218 892

	REVIEWED				UNAUDITED			
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	%	RESTATED 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 30 JUNE 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%
12.1 Sectoral analysis:								
Private	221 086 364	11	77 617 410	10	221 086 364	11	24 847 523	10
Agriculture	406 696 787	21	276 796 657	36	406 696 787	21	88 610 417	36
Mining	427 642 374	22	77 784 355	10	427 642 374	22	24 900 966	10
Manufacturing	344 289 725	18	99 834 075	13	344 289 725	18	31 959 703	13
Distribution	324 587 139	17	132 971 170	17	324 587 139	17	42 567 822	17
Construction	37 051 703	2	9 928 101	1	37 051 703	2	3 178 265	1
Transport	51 905	-	2 041 863	-	51 905	-	653 658	-
Communication	79 466 660	4	20 332 788	3	79 466 660	4	6 509 099	3
Services	107 013 549	5	75 994 882	10	107 013 549	5	24 328 105	10
Financial organisations	2 168 725	-	1 086 471	-	2 168 725	-	347 810	-
	1 950 054 931	100	774 387 772	100	1 950 054 931	100	247 903 368	100

12.2 Maturity analysis

Less than 1 month
Between 1 and 3 months
Between 3 and 6 months
Between 6 months and 1 year
Between 1 and 5 years
More than 5 years

Maturity analysis is based on the remaining period from 30 June 2023 to contractual maturity.

12.3

Loans to directors and key management

Opening balance
Advances made during the period
Monetary adjustment
Repayment during the period
Closing balance

Loans to employees

Included in advances are loans to employees: -
Opening balance
Advances made during the period
Monetary adjustment
Repayments during the period
Closing balance

12.4

Allowance for Expected Credit Loss (ECL)

Opening balance
Credit loss expense on loans and advances
Foreign exchange losses
Monetary adjustment
Amounts written off during the period
Closing balance

12.5

Collateral

Government Guarantee
Cash cover
Registered Marketable Commodities
Mortgage bonds
Notarial general covering bonds

13.

EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL ASSETS AND INSURANCE ASSETS

The table below shows the (ECL) charges on financial assets and insurance contract assets for the period recorded in the Statement of Profit or Loss:

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
Money market assets	17 639 384	1 982 871	-	-	-	-	17 639 384	1 982 871
Financial securities	122 986	(2 845)	-	-	-	-	122 986	(2 845)
Loans and advances to customers	13 476 534	18 323 285	1 565 964	2 433 324	131 966 544	88 675 756	147 009 042	109 432 365
Financial guarantees	(238 809)	819	-	-	-	-	(238 809)	819
Other commitments	593 846	595 173	(148 561)	(10 585)	422 957	45 049	868 242	629 637
Lease receivables	-	-	(21 622)	24 153	4 334	54 138	(17 288)	78 291
	31 593 941	20 899 303	1 395 781	2 446 892	132 393 835	88 774 943	165 383 557	112 121 138
Insurance contract assets	-	399 441	-	-	344 652	-	344 652	399 441
Total	31 593 941	21 298 744	1 395 781	2 446 892	132 738 487	88 774 943	165 728 209	112 520 579

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
Money market assets	17 639 384	404 244	-	-	-	-	17 639 384	404 244
Financial securities	122 986	(580)	-	-	-	-	122 986	(580)
Loans and advances to customers	13 476 534	3 735 531	1 565 964	496 077	131 966 544	18 078 150	147 009 042	22 309 758
Financial guarantees	(238 809)	167	-	-	-	-	(238 809)	167
Other commitments	593 846	121 337	(148 561)	(2 158)	422 957	9 184	868 242	128 363
Lease receivables	-	-	(21 622)	4 924	4 334	11 037	(17 288)	15 961
	31 593 941	4 260 699	1 395 781	498 843	132 393 835	18 098 371	165 383 557	22 857 913
Insurance contract assets	-	81 433	-	-	344 652	-	344 652	81 433
Total	31 593 941	4 342 132	1 395 781	498 843	132 738 487	18 098 371	165 728 209	22 939 346

14. OTHER ASSETS

Prepayments and deposits
Other receivables

REVIEWED		UNAUDITED	
INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
52 233 449	48 573 277	35 441 651	10 694 398
1 429 037 622	837 105 343	1 429 037 622	268 086 411
1 481 271 071	885 678 620	1 464 479 273	278 780 809

Included in other receivables is an amount of ZWL\$859,408,829,968 (2022: ZWL\$105 680 795 658) which relates to the RBZ financial asset in lieu of legacy debt registration and promissory notes receivable amounting to ZWL\$ 522 426 247 056.80 (2022: NIL). Guarantee receivable amounting to ZWL\$ 461 768 973 215 at 31 December 2022 was settled during the period. RBZ committed to provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of US\$1:Z\$1.

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

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
15.	LAND INVENTORY				
	Opening balance	64 978 242	63 910 101	1 657 513	552 094
	Additions	1 706 514	5 570 862	1 340 060	1 517 510
	Disposals	(4 017 522)	(4 502 721)	(962 698)	(412 091)
	Closing balance	62 667 234	64 978 242	2 034 875	1 657 513
16.	EQUITY INVESTMENTS				
	Opening balance	54 150 233	58 222 908	17 335 017	5 422 039
	Additions	3 101 238	4 903 161	1 558 160	820 408
	Disposals	(2 316 290)	(4 376 834)	(848 147)	(867 965)
	Write offs	-	(6)	-	(1)
	Fair value adjustments through profit or loss	21 847 137	(18 199 946)	32 144 506	2 204 496
	Fair value adjustments through other comprehensive income	59 438 884	13 600 950	86 031 666	9 756 040
		136 221 202	54 150 233	136 221 202	17 335 017
16.1	Investments in Equities				
	Listed investments	37 659 886	16 093 134	37 659 886	5 151 866
	Unlisted investments	98 561 316	38 057 099	98 561 316	12 183 151
		136 221 202	54 150 233	136 221 202	17 335 017
	Equity investment designated at fair value through profit or loss	37 659 886	16 093 134	37 659 886	5 151 866
	Equity investment designated at fair value through other comprehensive income	98 561 316	38 057 099	98 561 316	12 183 151
		136 221 202	54 150 233	136 221 202	17 335 017



		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
19.1a	Right of use assets				
	Opening balance	295 166	686 981	111 484	25 859
	Additions	809 035	476 443	211 847	142 898
	Write offs	(12 664)	-	(1 916)	-
	Depreciation charge for the period	(280 506)	(868 258)	(47 214)	(57 273)
		811 031	295 166	274 201	111 484
19.1b	Lease liability				
	Opening balance	817 660	389 476	261 756	36 270
	Additions	1 079 362	476 443	848 190	142 899
	Write-offs	(48 249)	-	(15 446)	-
	Interest	60 177	84 329	34 904	23 943
	Repayment	(336 338)	(557 967)	(160 795)	(114 827)
	Exchange loss on Lease liability	1 348 294	541 883	1 348 294	173 471
	Monetary adjustment	(604 003)	(116 504)	-	-
	Closing balance	2 316 903	817 660	2 316 903	261 756
19.1c	Lease liability maturity analysis				
	Less than one month	261 431	35 876	261 431	11 485
	One to three months	428 001	90 885	428 001	29 095
	Three to six months	480 069	108 154	480 069	34 623
	Six to twelve months	353 560	182 171	353 560	58 318
	One to five years	922 982	509 387	922 982	163 069
		2 446 043	926 473	2 446 043	296 590
19.1d	Amounts recognised in Statement of Profit or Loss				
	Interest on lease liabilities	60 177	84 329	34 904	23 943
	Depreciation	280 506	868 258	47 214	57 273
		340 683	952 587	82 118	81 216
19.1e	Amounts recognised in statement of cash flow				
	Repayments of lease liabilities	336 338	557 967	160 795	114 827
20.	INVESTMENT PROPERTIES				
	Opening balance	89 314 133	66 254 206	28 591 973	6 169 958
	Additions	622 997	351 400	546 120	66 077
	Disposals	(2 272 985)	(6 493 870)	(975 471)	(780 477)
	Fair valuation gain	183 687 411	29 202 397	243 188 934	23 136 415
	Closing balance	271 351 556	89 314 133	271 351 556	28 591 973

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 30 June 2023.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter	ZWL\$ 14 875 – ZWL\$ 119 000
		Capitalisation rate	6.74%- 13.93%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 118 673- ZWL\$ 786 712

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

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

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 6 913 994 150 higher or lower the reported position the Statement of Financial Position would be ZWL\$9 184 370 550 higher or lower than the reported position.

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
21.	INTANGIBLE ASSETS				
	At cost	8 371 614	8 117 513	821 971	443 079
	Accumulated amortisation	(6 186 969)	(5 224 469)	(264 169)	(185 803)
		2 184 645	2 893 044	557 802	257 276
	Movement in intangible assets				
	Opening balance	2 893 044	3 265 883	257 276	213 757
	Additions	631 710	884 577	379 685	169 243
	Amortisation charge	(1 340 109)	(1 257 416)	(79 159)	(125 724)
	Closing balance	2 184 645	2 893 044	557 802	257 276
	Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets which comprise computer software are amortised over a period of 3 years.				
22.	DEFERRED TAXATION				
22.1	Deferred tax asset				
	Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences unused tax losses and unused tax credits.				
	The deferred tax included in the Statement of Financial Position are comprised of:				
	Assessed losses	14 718 111	29 927 241	14 718 111	9 580 554
	Credit loss provisions	73 121 829	58 051 317	73 121 829	18 583 864
	Tax claimable impairments	60 969 991	5 023 191	60 969 991	1 608 063
	Other*	10 484 445	6 491 056	10 484 445	2 632 012
	Closing deferred tax balance	159 294 376	99 492 805	159 294 376	32 404 493
22.2	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the Statement of Financial Position are comprised of:				
	Intangible assets	503 397	549 074	101 189	10 523
	Equity investments	8 380 061	2 170 774	8 854 348	697 955
	Property and equipment	67 453 374	14 750 681	62 079 592	2 827 086
	Investment properties	24 103 762	6 680 700	27 045 599	2 138 681
	Other*	303 082 211	112 005 255	270 754 114	31 361 257
	Closing balance	403 522 805	136 156 484	368 834 842	37 035 502
	*Included in other are deferred tax balances relating to unrealised foreign currency exchange gains/losses, deferred facilitation fees, deferred establishment fees and other commissions				
23.	DEPOSITS				
	Demand	3 950 673 002	1 613 494 843	3 950 673 002	516 525 209
	Savings	15 020 720	21 677 896	15 020 720	6 939 706
	Time	332 556 899	344 879 832	332 556 899	110 405 762
	Treasury	107 339 236	89 720 426	107 339 236	28 722 039
	Credit lines	116 816 894	45 772 714	116 816 894	14 653 137
	Accrued interest	5 070 546	9 851 312	5 070 546	3 153 682
		4 527 477 297	2 125 397 023	4 527 477 297	680 399 535
	Lines of credit relate to borrowings from foreign banks or financial institutions. These borrowings have an average tenure of 4 years and average interest rates of 11.2%. Included in the total deposits are deposits from directors and key management amounting to ZWL\$ 170 045 000 (2022: ZWL\$ 286 076 000).				
23.1	Settlement of legacy liabilities and nostro gap accounts				
	Included in the deposits balance above are amounts that are denominated in USD amounting to US\$ 124 923 930 (December 2022: US\$133 369 793) (being legacy liabilities of US\$48 322 568 (December 2022: US\$50 502 902) and nostro gap accounts of US\$76 601 361 (December 2022: US\$82 866 891 which are shown at ZW\$743 310 060 363 (December 2022: ZW\$91 269 470 456). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US\$49 071 225 (December 2022: US\$39 069 129) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.				
	The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts. A report on the risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.				

		REVIEWED				UNAUDITED			
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	%	RESTATED 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 30 JUNE 2023 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%
23.2	Sectoral Analysis								
	Private	187 851 163	4	133 858 505	7	187 851 163	4	42 851 883	7
	Agriculture	3 922 239	-	21 385 651	1	3 922 239	-	6 846 150	1
	Mining	44 713 847	1	756 969	-	44 713 847	1	242 327	-
	Manufacturing	102 441 228	2	30 765 855	1	102 441 228	2	9 849 018	1
	Distribution	56 846 788	1	84 535 547	4	56 846 788	1	27 062 213	4
	Construction	2 203 179	-	5 392 611	-	2 203 179	-	1 726 327	-
	Transport	9 766 522	-	6 597 113	-	9 766 522	-	2 111 922	-
	Communication	5 788 285	-	10 543 990	-	5 788 285	-	3 375 429	-
	Services	3 981 677 864	89	1 828 734 066	87	3 981 677 864	89	585 429 355	87
	Financial organisations	128 491 090	3	1 206 620	-	128 491 090	3	386 273	-
	Financial and investments	3 775 092	-	1 620 096	-	3 775 092	-	518 638	-
		4 527 477 297	100	2 125 397 023	100	4 527 477 297	100	680 399 535	100

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
23.3	Maturity analysis				
	Less than 1 month	4 192 968 317	1 872 587 240	4 192 968 317	599 467 993
	Between 1 and 3 months	32 869 396	190 906 905	32 869 396	61 114 685
	Between 3 and 6 months	31 377 513	23 983 691	31 377 513	7 677 856
	Between 6 months and 1 year	196 417 414	10 319 697	196 417 414	3 303 626
	Between 1 and 5 years	73 844 657	27 599 490	73 844 657	8 835 375
		4 527 477 297	2 125 397 023	4 527 477 297	680 399 535
	Maturity analysis is based on the remaining period from 30 June 2023 to contractual maturity.				

24. Balance sheet composition of insurance assets and liabilities

	INFLATION ADJUSTED					
	Life Risk ZWL\$ 000	Property Risk ZWL\$ 000	Total ZWL\$ 000	Current ZWL\$ 000	Non current ZWL\$ 000	Total ZWL\$ 000
30 June 2023						
Insurance contract assets	2 747 355	3 300 042	6 047 397	6 047 397	-	6 047 397
Reinsurance assets	-	7 933 701	7 933 701	7 933 701	-	7 933 701
Insurance liabilities	(7 098 703)	(8 854 837)	(15 953 540)	(8 864 034)	(7 089 506)	(15 953 540)
Reinsurance liabilities	-	(3 875 706)	(3 875 706)	(3 875 706)	-	(3 875 706)
Total	(4 351 348)	(1 496 800)	(5 848 148)	1 241 358	(7 089 506)	(5 848 148)
31 Dec 2022						
Insurance contract assets	137 578	2 456 368	2 593 946	2 456 368	137 578	2 593 946
Reinsurance assets	-	3 956 845	3 956 845	3 956 845	-	3 956 845
Insurance liabilities	(3 310 724)	(5 384 979)	(8 695 703)	(5 434 481)	(3 261 222)	(8 695 703)
Reinsurance liabilities	-	(1 733 464)	(1 733 464)	(1 733 464)	-	(1 733 464)
Total	(3 173 146)	(705 230)	(3 878 376)	(754 732)	(3 123 644)	(3 878 376)

	HISTORICAL					
	Life Risk ZWL\$ 000	Property Risk ZWL\$ 000	Total ZWL\$ 000	Current ZWL\$ 000	Non current ZWL\$ 000	Total ZWL\$ 000
30 June 2023						
Insurance contract assets	2 747 355	3 300 043	6 047 398	6 047 398	-	6 047 398
Reinsurance assets	-	7 933 702	7 933 702	7 933 702	-	7 933 702
Insurance liabilities	(7 098 704)	(8 854 837)	(15 953 541)	(8 864 035)	(7 089 506)	(15 953 541)
Reinsurance liabilities	-	(3 875 707)	(3 875 707)	(3 875 707)	-	(3 875 707)
Total	(4 351 349)	(1 496 799)	(5 848 148)	1 241 358	(7 089 506)	(5 848 148)
31 Dec 2022						
Insurance contract assets	44 042	786 353	830 395	786 352	44 043	830 395
Reinsurance assets	-	1 266 697	1 266 697	1 266 697	-	1 266 697
Insurance liabilities	(1 059 856)	(1 723 884)	(2 783 740)	(1 739 731)	(1 044 009)	(2 783 740)
Reinsurance liabilities	-	(554 931)	(554 931)	(554 931)	-	(554 931)
Total	(1 015 814)	(225 765)	(1 241 579)	(241 613)	(999 966)	(1 241 579)

At 30 June 2023, the maximum exposure to credit risk from insurance contracts is ZWL\$ 3 764 970 000 (Dec 2022: ZWL\$ 2 832 060 000), which primarily relates to premiums receivable for services that the Group has already provided, and the maximum exposure to credit risk from reinsurance contracts is ZWL\$ 2 655 820 000 (2022: ZWL\$ 991 460 000).Expected credit losses on insurance and related assets recognised as at 30 June 2023 amounted to ZWL\$1 261 098 030 (2022: ZWL\$ 916 445 988)

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
25.	INVESTMENT CONTRACT LIABILITIES				
25.1	Movement investment contract liabilities				
	Opening balance	1 153 431	1 711 130	369 246	62 542
	Amounts recognised in profit or loss				
	Investment return on underlying items	2 083 634	1 602 520	1 376 695	99 149
	Recurring investment management fees	(42 694)	(93 144)	(29 754)	(8 844)
	Other	-	293 111	-	191 892
	Cash flows				
	Contributions received	168 586	2 771 930	73 841	32 527
	Benefits paid	(1 444 426)	(3 346 741)	(19 255)	(8 020)
	Monetary adjustment	(147 757)	(1 785 375)	-	-
	Closing balance	1 770 773	1 153 431	1 770 773	369 246
25.2	Investment contract liabilities are supported by the following net assets				
	Cash	131 855	34 532	131 855	11 055
	Prescribed assets	2 074 800	1 192 088	2 074 800	381 621
	Listed equity Investment	2 164 829	774 746	2 164 829	248 018
		4 371 484	2 001 366	4 371 484	640 694
26.	OTHER LIABILITIES				
	Revenue received in advance	5 166 742	2 327 466	1 732 720	868 320
	Sundry creditors	200 945 554	95 173 195	200 945 554	30 014 352
	Accruals	8 337 267	17 241 336	8 337 267	5 519 438
	Suspense	9 359 841	18 645 105	9 359 841	5 968 824
	Provisions	33 970 439	46 066 929	33 970 439	14 747 323
		257 779 843	179 454 031	254 345 821	57 118 257
27.	CATEGORIES OF FINANCIAL LIABILITIES				
	The Group's financial liabilities are carried at amortised cost as follows:				
	Deposits	4 527 477 297	2 125 397 022	4 527 477 297	680 399 535
	Other liabilities	200 945 554	95 173 195	200 945 554	30 014 356
	Lease liability	2 316 903	817 660	2 316 903	261 756
		4 730 739 754	2 221 387 877	4 730 739 754	710 675 647
28.	EQUITY AND RESERVES				
28.1	Share capital				
	Authorised				
	1 000 000 000 ordinary shares of ZWL\$ 000 0.01 each	10 000 000	10 000 000	10 000 000	10 000 000
	Reconciliation of number of shares	Shares	Shares	Shares	Shares
	Opening Balance	522 016	522 016	522 016	522 016
	Closing Balance	522 016	522 016	522 016	522 016
	Movement in share capital	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
	Opening Balance	2 889 384	2 889 384	5 220	5 220
	Closing Balance	2 889 384	2 889 384	5 220	5 220
28.2	Share premium				
	Opening balance	17 656 889	17 656 889	33 876	33 876
	Closing balance	17 656 889	17 656 889	33 876	33 876
28.3	Revaluation reserve				
	Opening balance	71 750 865	54 231 154	26 517 008	5 790 710
	Net revaluation gain	157 055 684	17 519 711	197 501 230	20 726 298
	Closing balance	228 806 549	71 750 865	224 018 238	26 517 008



	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
28.4 Retained earnings				
Retained earnings comprises:				
Opening balance	382 864 018	283 926 354	101 165 564	21 264 515
Impact of Initial application of IFRS 17 (Note 28.4.2)	-	(2 508 899)	-	(241 875)
Restated opening balance	382 864 018	281 417 455	101 165 564	21 022 640
Profit for the period	543 857 916	105 402 949	779 380 803	81 155 658
Dividend paid	-	(3 956 386)	-	(1 012 734)
Closing balance	926 721 934	382 864 018	880 546 367	101 165 564
Retained earnings comprises:				
Holding company	88 811 545	9 690 646	85 227 832	(679 033)
Subsidiary companies	884 168 656	399 393 420	815 415 955	110 019 767
Effect of consolidation journals	(46 258 267)	(26 220 048)	(20 097 420)	(8 175 170)
Closing balance	926 721 934	382 864 018	880 546 367	101 165 564

28.4.1 Reconciliation between the affected carrying amounts under IFRS 4 and the balances reported under IFRS 17 as at 1 January 2022:

	INFLATION ADJUSTED		
	Affected Assets and Liabilities ZWL\$ 000	Affected Assets and Liabilities ZWL\$ 000	Remeasurement Impact ZWL\$ 000
	Under IFRS 4	Under IFRS 17	
Insurance assets	12 145 105	3 948 683	(8 196 422)
Reinsurance Contract assets	-	9 745 353	9 745 353
Insurance liabilities	(10 421 380)	(8 793 683)	1 627 697
Reinsurance Contract liabilities	-	(9 750 118)	(9 750 118)
Investment contract Liabilities	(1 061 464)	(1 182 300)	(120 836)
Life Fund	(4 271 648)	-	4 271 648
Deferred taxation	776 801	700 143	(76 658)
	(2 832 586)	(5 331 922)	(2 499 336)
	HISTORICAL		
	Affected Assets and Liabilities ZWL\$ 000	Affected Assets and Liabilities ZWL\$ 000	Remeasurement Impact ZWL\$ 000
	Under IFRS 4	Under IFRS 17	
Insurance assets	1 102 990	367 723	(735 267)
Reinsurance contract assets	-	907 842	907 842
Insurance liabilities	(930 419)	(1 518 549)	(588 130)
Reinsurance contract liabilities	-	(208 352)	(208 352)
Investment contract liabilities	(62 542)	(135 873)	(73 331)
Life fund	(397 799)	-	397 799
Deferred taxation	6 891	65 201	58 310
	(280 879)	(522 008)	(241 129)

28.4.2 The Impact on adoption of IFRS 17 as at 1 January 2022 is split as follows:

	INFLATION ADJUSTED		HISTORICAL
	01 JAN 2022 ZWL\$ 000		01 JAN 2022 ZWL\$ 000
Equity holders of Parent		(2 508 899)	(241 875)
Non Controlling Interest		9 563	746
IFRS 17 Impact		(2 499 336)	(241 129)

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
28.5 Non-controlling Interests				
Non-controlling interests comprise:				
Opening balance	22 148	46 959	8 333	4 957
Impact of Initial application of IFRS 17 (Note 28.4.2)	-	9 563	-	746
Restated opening balance	22 148	56 522	8 333	5 703
Profit for the period	18 627	(43 489)	41 491	(8 483)
Other comprehensive income	87 422	9 115	116 464	11 113
Closing balance	128 197	22 148	166 288	8 333
28.6 Fair value reserve				
Opening balance	30 157 851	17 242 553	11 232 948	1 964 010
Other comprehensive income	53 685 630	12 915 298	78 451 588	9 268 938
Closing balance	83 843 481	30 157 851	89 684 536	11 232 948
28.7 Foreign currency translation reserve				
Opening balance	3 048 872	2 252 334	332 024	77 029
Exchange gain/(loss) on translation of a foreign subsidiary	(996 940)	796 538	(996 940)	254 995
Closing balance	2 051 932	3 048 872	(664 916)	332 024
28.8 Share based payment reserve				
Opening balance	6 120 243	-	569 951	-
Equity settled share based payments during the year	-	6 120 243	-	569 951
Closing balance	6 120 243	6 120 243	569 951	569 951
28.9 Shares awaiting allotment reserve				
Opening balance	11 627 113	-	3 500 000	-
Shares awaiting allotment during the period	20 609 455	11 627 113	14 778 618	3 500 000
Closing balance	32 236 568	11 627 113	18 278 618	3 500 000

During the period, the Group received ZWL\$14.8 billion for a share issue transaction. As at 30 June 2023, the shares were not yet allotted to the potential shareholder. This was accounted for through the Group's equity as shares awaiting allotment reserve.

29. CAPITAL MANAGEMENT

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

30. CONTINGENCIES AND COMMITMENT

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
Guarantees	7 034 986	1 947 379	7 034 986	623 411
	7 034 986	1 947 379	7 034 986	623 411
Capital Commitments				
Authorised and contracted for	12 062 657	6 658 760	12 062 657	2 131 657
Authorised but not yet contracted for	4 535 680	189 961	4 535 680	60 812
	16 598 337	6 848 721	16 598 337	2 192 469

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

31. FUNDS UNDER MANAGEMENT

Pensions	729 736 909	288 769 888	729 736 909	92 443 386
Institutional & individual clients - Equities	216 482 191	72 933 367	216 482 191	23 348 028
Institutional & individual clients - Fixed Income	1 137 804 498	97 445 191	1 137 804 498	31 194 954
Exchange traded funds	1 446 508	1 008 643	1 446 508	322 895
Unit trust	1 410 958	576 953	1 410 958	184 699
	2 086 881 064	460 734 042	2 086 881 064	147 493 962

32. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

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

The table below shows the segment operational results for the period ended 30 June 2023:

	INFLATION ADJUSTED									
	Banking operations ZWL\$ 000	Mortgage finance** ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000
INCOME										
Net interest income for the period ended 30 June 2023	205 005 530	-	(16 718)	(751 976)	(88 440)	(44 504 056)	3 831 823	(9 342 442)	46 194	154 179 915
Net interest income for the period ended 30 June 2022	114 551 002	(2 836 075)	(82 117)	(79 955)	(145 649)	(10 444 594)	5 398 822	(5 800 313)	22 963	100 584 084
Non-interest income for the period ended 30 June 2023	643 206 018	-	10 851 193	46 796 122	69 219 021	336 119 819	4 700 485	124 271 675	(92 621 990)	1 142 542 343
Non-interest income for the period ended 30 June 2022	177 289 075	(19 744 870)	4 433 945	7 694 591	13 468 019	190 748 094	177 205	29 479 878	(45 029 207)	358 516 730
Insurance service result for the period ended 30 June 2023	-	-	-	(12 095 824)	-	-	-	-	(1 628 086)	(13 723 910)
Insurance service result for the period ended 30 June 2022	-	-	-	(10 148 542)	-	-	-	-	64 206	(10 084 336)
Total income for the Period ended 30 June 2023	848 211 548	-	10 834 475	33 465 282	69 130 581	291 615 763	8 532 309	114 929 233	(94 203 883)	1 282 515 308
Total income for the period ended 30 June 2022	291 840 077	(22 580 944)	4 351 828	10 667 208	13 322 371	180 303 500	5 576 027	23 679 564	(58 499 223)	448 660 408
Depreciation and amortisation for the period ended 30 June 2023	8 730 674	-	28 334	44 900	41 036	494 613	141 205	323 407	(131 743)	9 672 426
Depreciation and amortisation for the period ended 30 June 2022	2 250 517	924 458	27 182	265 786	39 315	318 378	89 406	237 746	(189 198)	3 963 590
Impairment of assets for the period ended 30 June 2023	142 726 114	-	45 699	505 293	299 635	18 181 874	144 424	-	3 825 170	165 728 209
Impairment of assets for the Period ended 30 June 2022	24 876 319	1 661 708	30 111	432 263	73 529	91 930 464	185 457	-	(6 669 273)	112 520 579
RESULTS										
Profit before taxation for the period ended 30 June 2023	356 320 370	-	5 874 832	35 422 770	65 949 585	254 647 719	398 526	78 471 873	(63 502 144)	733 583 531
Profit before taxation for the period ended 30 June 2022	66 073 310	(1 784 465)	6 944 016	5 540 304	12 991 796	62 874 156	(1 849 883)	22 141 730	(32 113 735)	140 817 229
CASH FLOWS										
Used in operating activities for the period ended 30 June 2023	2 042 237 955	-	(2 355 946)	(962 571)	(3 869 475)	836 861	37 276 690	(3 480 830)	(69 937 291)	1 999 745 393
Used in operating activities for the Period ended 30 June 2022	27 935 489	1 426 453	(533 545)	1 924 308	(1 825 399)	(783 775)	404 521	29 703 224	(57 131 730)	1 119 546
Used in investing activities for the period ended 30 June 2023	(22 258 399)	-	1 186 576	(32 029)	(115 730)	(477 233)	(151 067)	(20 241 539)	20 172 951	(21 916 470)
Used in investing activities for the Period ended 30 June 2022	(6 130 193)	(76 458)	(431 910)	(545 885)	2 646 789	(68 464)	(37 745)	(6 862 630)	19	(11 506 477)
Used in financing activities for the period ended 30 June 2023	(33 849 475)	-	684 237	1 970 249	4 094 619	(116 884)	949 694	23 009 847	23 530 830	20 273 117
Used in financing activities for the Period ended 30 June 2022	(9 694 690)	-	(19 868)	(485)	(19 208)	(4 741 563)	(469 036)	4 789 442	14 894 852	4 739 444
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the period ended 30 June 2023	4 817 043 404	-	8 645 420	31 669 407	29 150 037	479 009 164	28 442 950	29 217 757	(206 194 556)	5 216 983 583
Reportable segment liabilities for the Period ended 31 December 2022	2 252 239 633	-	3 845 411	21 643 201	14 616 044	575 846 030	3 614 904	220 340 378	(634 410 730)	2 457 734 871
Total segment assets for the period ended 30 June 2023	5 561 261 036	-	18 215 280	101 204 146	121 437 166	719 236 734	31 474 319	220 340 378	(255 730 299)	6 517 438 760
Total segment assets for the period ended 31 December 2022	2 630 169 660	-	8 072 159	36 316 192	40 773 190	637 780 141	6 505 958	72 177 020	(447 922 066)	2 983 872 254

	UNAUDITED HISTORICAL									
	Banking operations ZWL\$ 000	Mortgage finance** ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000
INCOME										
Net interest income for the period ended 30 June 2023	92 633 640	-	(4 978)	(194 392)	(195 337)	(15 066 358)	2 211 038	(3 185 266)	25 692	76 224 039
Net interest income for the period ended 30 June 2022	15 461 893	(390 519)	(12 510)	(10 554)	(15 647)	(1 770 605)	687 258	(660 746)	3 198	13 291 768
Non-interest income for the period ended 30 June 2023	611 886 592	-	11 943 051	57 997 585	88 356 831	332 068 335	4 626 453	107 649 200	(65 284 099)	1 149 243 948
Non-interest income for the period ended 30 June 2022	33 453 572	(2 045 908)	1 347 681	3 061 543	5 012 353	37 777 317	17 492	7 887 140	(7 615 569)	78 895 621
Insurance service result for the period ended 30 June 2023	-	-	-	(7 820 718)	-	-	-	-	(611 169)	(8 431 887)
Insurance service result for the period ended 30 June 2022	-	-	-	(1 290 722)	-	-	-	-	(16 342)	(1 307 064)
Total income for the period ended 30 June 2023	704 520 232	-	11 938 073	49 737 305	88 161 494	317 001 978	6 837 491	104 463 934	(65 869 577)	1 216 790 930
Total income for the period ended 30 June 2022	48 915 465	(2 436 426)	1 335 170	3 329 277	4 996 706	36 006 712	704 751	7 226 393	(9 242 532)	90 835 516
Depreciation and amortisation for the period ended 30 June 2023	2 046 108	-	1 939	4 389	12 648	80 143	16 525	32 506	21 018	2 215 276
Depreciation and amortisation for the period ended 30 June 2022	249 627	117 884	1 966	11 671	1 420	18 325	5 166	6 363	(4 220)	408 202</



33. RELATED PARTIES

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

Loans and advances to Directors' companies

INFLATION ADJUSTED						
	Gross limits ZWL\$ 000		Utilised limits ZWL\$ 000		Value of security ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Loans to directors' companies	-	1 730 379	-	17 924	-	140 388

UNAUDITED HISTORICAL						
	Gross limits ZWL\$ 000		Utilised limits ZWL\$ 000		Value of security ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Loans to directors' companies	-	553 943	-	3 160	-	24 746

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

Transactions with Directors' companies

There were no transactions with directors' companies recognised in the group statement of profit or loss and other comprehensive income for the period under review and its comparable period.

REVIEWED				UNAUDITED			
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000			HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
34. CLOSING EXCHANGE RATES							
USD		5 950.1015	684.33			5 950.1015	684.33
ZAR		0.0032	0.0248			0.0032	0.0248
GBP		7 508.4331	824.417			7 508.4331	824.417
EUR		6 463.5953	728.6103			6 463.5953	728.6103

35. RISK MANAGEMENT

35.1 Risk overview

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

35.2 Group risk management framework

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

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

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

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

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

35.3 Credit risk

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

Credit risk management framework

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

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

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

Credit mitigation

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

35.3 (a) Credit risk exposure

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

REVIEWED				UNAUDITED			
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000			HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000
Balances with banks		1 312 078 092	702 272 231			1 312 078 092	224 817 149
Money market assets		441 470 102	110 762 340			441 470 102	35 458 149
Financial securities		57 329 132	155 042 855			57 329 132	49 633 591
Loans and advances to customers		1 745 853 793	550 463 498			1 745 853 793	176 218 892
Other assets		1 429 037 622	837 105 342			1 429 037 622	267 981 031
Total		4 985 768 741	2 355 646 266			4 985 768 741	754 108 812
Financial guarantees		7 034 986	1 947 379			7 034 986	623 411
Loan commitments		16 598 337	18 506 598			16 598 337	5 924 484
Total		23 633 323	20 453 977			23 633 323	6 547 895

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

The Group held cash and cash equivalents of ZWL\$1 312 078 092 373 (2022: ZWL\$702 272 231 733) (excluding notes and coins) as at 30 June 2023 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

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

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	30 JUN 2023 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	221 086 364	179 180 273	77 617 410	77 617 413	221 086 364	179 180 273	24 847 523	24 847 523
Agriculture	406 696 787	175 273 947	276 796 657	276 796 657	406 696 787	175 273 947	88 610 417	88 610 417
Mining	427 642 374	369 416 199	77 784 355	77 784 355	427 642 374	369 416 199	24 900 966	24 900 966
Manufacturing	344 289 725	188 747 421	99 834 075	99 834 074	344 289 725	188 747 421	31 959 703	31 959 703
Distribution	324 587 139	263 032 683	132 971 170	132 971 170	324 587 139	263 032 683	42 567 822	42 567 822
Construction	37 051 703	-	9 928 101	9 928 101	37 051 703	-	3 178 265	3 178 265
Transport	51 905	51 905	2 041 863	2 041 863	51 905	51 905	653 658	653 658
Communication	79 466 660	79 441 010	20 332 788	20 332 788	79 466 660	79 441 010	6 509 099	6 509 099
Services	107 013 549	13 263 609	75 994 882	75 994 881	107 013 549	13 263 609	24 328 105	24 328 105
Financial organisations	2 168 725	2 168 725	1 086 471	1 086 471	2 168 725	2 168 725	347 810	347 810
Gross value	1 950 054 931	1 270 575 772	774 387 772	774 387 773	1 950 054 931	1 270 575 772	247 903 368	247 903 368

Collateral split by class	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED	RESTATED	HISTORICAL	RESTATED
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
Government Guarantee	870 711 072	19 909 798	870 711 072	6 373 688
Cash cover	-	3 138 244	-	1 004 641
Registered Marketable Commodities	190 635 948	-	190 635 948	45 732 237
Mortgage bonds	663 577 102	180 412 453	663 577 102	57 755 115
Notarial general covering bonds	377 732 866	307 721 123	377 732 866	98 510 211
	2 102 656 988	511 181 618	2 102 656 988	209 375 892

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

35.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	613 900 456	158 410 090	1 167 122	22 125 511	-	-	615 067 578	180 535 601
Special mention	"4a - 7c"	889 207 923	304 367 617	302 097 584	25 439 036	-	-	1 191 305 507	329 806 653
Non-performing	"8 - 10"	-	-	-	-	143 681 846	264 045 518	143 681 846	264 045 518
Total		1 503 108 379	462 777 707	303 264 706	47 564 547	143 681 846	264 045 518	1 950 054 931	774 387 772

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	613 900 456	50 711 538	1 167 122	7 083 000	-	-	615 067 578	57 794 538
Special mention	"4a - 7c"	889 207 923	97 436 659	302 097 584	8 143 753	-	-	1 191 305 507	105 580 412
Non-performing	"8 - 10"	-	-	-	-	143 681 846	84 528 418	143 681 846	84 528 418
Total		1 503 108 379	148 148 197	303 264 706	15 226 753	143 681 846	84 528 418	1 950 054 931	247 903 368

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

GROSS CARRYING AMOUNT		INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance		462 777 707	308 900 703	47 564 547	75 100 697	264 045 518	302 946 930	774 387 772	686 948 330
New assets originated or purchased (excluding write offs)		2 809 010 267	725 902 382	545 369 003	489 806 563	306 241 867	943 956 370	3 660 621 137	2 159 665 315
Transfers (from)/to Stage 1		(671 072 610)	(121 401 639)	634 835 888	40 851 177	36 236 722	80 550 462	-	-
Transfers to/(from) Stage 2		60 160 682	175 802 091	(87 631 926)	(368 928 598)	27 471 244	193 126 507	-	-
Transfers to/(from) Stage 3		5 894 476	2 167 772	2 169 161	484 462	(8 063 637)	(2 652 234)	-	-
Repayments during the period		(147 930 956)	(105 215 593)	(462 056 393)	(115 508 126)	(40 127 578)	(859 854 584)	(650 114 927)	(1 080 578 303)
Amounts written off		-	-	-	-	(628 064 883)	(35 643 895)	(628 064 883)	(35 643 895)
Monetary adjustment		(1 015 731 187)	(523 378 009)	(376 985 574)	(74 241 628)	185 942 593	(358 384 038)	(1 206 774 168)	(956 003 675)
Gross loans and advances to customers		1 503 108 379	462 777 707	303 264 706	47 564 547	143 681 846	264 045 518	1 950 054 931	774 387 772
ECL allowance		(66 064 849)	(28 800 495)	(18 913 129)	(12 690 969)	(119 223 160)	(182 432 810)	(204 201 138)	(223 924 274)
Net loans and advances to customers		1 437 043 530	433 977 212	284 351 577	34 873 578	24 458 686	81 612 708	1 745 853 793	550 463 498

GROSS CARRYING AMOUNT			UNAUDITED HISTORICAL					
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	148 148 197	28 766 542	15 226 753	6 993 792	84 528 418	28 212 093	247 903 368	63 972 427
New assets originated or purchased (excluding write offs)	1 650 644 739	127 956 867	253 748 473	86 339 636	299 702 480	166 394 077	2 204 095 692	380 690 580
Transfers (from)/to Stage 1	(263 531 746)	(21 399 810)	249 301 503	7 200 953	14 230 243	14 198 857	-	-
Transfers to/(from) Stage 2	23 625 238	30 989 129	(34 413 258)	(65 032 085)	10 788 020	34 042 956	-	-
Transfers to/(from) Stage 3	2 314 775	382 118	851 834	85 398	(3 166 609)	(467 516)	-	-
Repayments during the period	(58 092 824)	(18 546 649)	(181 450 599)	(20 360 941)	(15 758 192)	(151 569 000)	(255 301 615)	(190 476 590)
Amounts written off	-	-	-	-	(246 642 514)	(6 283 049)	(246 642 514)	(6 283 049)
Gross loans and advances to customers	1 503 108 379	148 148 197	303 264 706	15 226 753	143 681 846	84 528 418	1 950 054 931	247 903 368
ECL allowance	(66 064 849)	(9 219 851)	(18 913 129)	(4 062 737)	(119 223 160)	(58 401 888)	(204 201 138)	(71 684 476)
Net loans and advances to customers	1 437 043 530	138 928 346	284 351 577	11 164 016	24 458 686	26 126 530	1 745 853 793	176 218 892



ECL RECONCILIATION		UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	
Opening balance	9 219 851	896 342	4 062 737	726 303	58 401 888	6 448 514	71 684 476	8 071 159	
New assets originated or purchased	78 564 547	14 678 538	11 616 918	22 663 936	298 896 651	33 149 801	389 078 116	70 492 275	
Transfers (from)/to Stage 1	(21 732 366)	(6 879 623)	19 281 810	376 061	2 450 556	6 503 562	-	-	
Transfers to/(from) Stage 2	256 651	672 044	(9 189 842)	(19 580 837)	8 933 191	18 908 793	-	-	
Transfers to/(from) Stage 3	193 301	8 145	51 510	5 343	(244 811)	(13 488)	-	-	
Amounts written off	-	-	-	-	(246 642 514)	(6 283 052)	(246 642 514)	(6 283 052)	
Amounts paid off	(437 135)	(155 595)	(6 910 004)	(128 069)	(2 571 801)	(312 242)	(9 918 940)	(595 906)	
Closing balance	66 064 849	9 219 851	18 913 129	4 062 737	119 223 160	58 401 888	204 201 138	71 684 476	

b. Financial Securities

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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	57 528 213	155 285 143	-	-	-	-	57 528 213	155 285 143
Total		57 528 213	155 285 143	-	-	-	-	57 528 213	155 285 143

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	57 528 213	49 711 154	-	-	-	-	57 528 213	49 711 154
Total		57 528 213	49 711 154	-	-	-	-	57 528 213	49 711 154

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

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	155 285 143	10 511 895	-	-	-	-	155 285 143	10 511 895
New assets originated or purchased	128 410 526	276 659 605	-	-	-	-	128 410 526	276 659 605
Monetary adjustment	(117 662 744)	(131 685 866)	-	-	-	-	(117 662 744)	(131 685 866)
Maturities during the period	(108 504 712)	(200 491)	-	-	-	-	(108 504 712)	(200 491)
Gross financial securities	57 528 213	155 285 143	-	-	-	-	57 528 213	155 285 143
ECL allowance	(199 081)	(242 287)	-	-	-	-	(199 081)	(242 287)
Closing balance	57 329 132	155 042 856	-	-	-	-	57 329 132	155 042 856

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	49 711 154	978 926	-	-	-	-	49 711 154	978 926
New assets originated or purchased	50 427 106	48 767 571	-	-	-	-	50 427 106	48 767 571
Maturities during the period	(42 610 047)	(35 343)	-	-	-	-	(42 610 047)	(35 343)
Gross financial securities	57 528 213	49 711 154	-	-	-	-	57 528 213	49 711 154
ECL allowance	(199 081)	(77 563)	-	-	-	-	(199 081)	(77 563)
Closing balance	57 329 132	49 633 591	-	-	-	-	57 329 132	49 633 591

c. Money market asset

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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	467 834 645	112 615 888	-	-	-	-	467 834 645	112 615 888
Total		467 834 645	112 615 888	-	-	-	-	467 834 645	112 615 888

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	467 834 645	36 051 522	-	-	-	-	467 834 645	36 051 522
Total		467 834 645	36 051 522	-	-	-	-	467 834 645	36 051 522

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

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	31 DEC 2022	31 DEC 2020	31 DEC 2022	31 DEC 2020	31 DEC 2022	31 DEC 2020	31 DEC 2022	31 DEC 2020
Opening balance	112 615 888	262 344 690	-	-	-	-	112 615 888	262 344 690
New assets originated or purchased (excluding write offs)	745 263 145	204 296 961	-	-	-	-	745 263 145	204 296 961
Maturities during the period	(172 824 664)	(138 373 384)	-	-	-	-	(172 824 664)	(138 373 384)
Monetary adjustment	(217 219 724)	(215 652 379)	-	-	-	-	(217 219 724)	(215 652 379)
Gross money market assets	467 834 645	112 615 888	-	-	-	-	467 834 645	112 615 888
ECL allowance	(26 364 543)	(1 853 548)	-	-	-	-	(26 364 543)	(1 853 548)
Closing balance	441 470 102	110 762 340	-	-	-	-	441 470 102	110 762 340

GROSS CARRYING AMOUNT		UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	
Opening balance	36 051 522	24 430 987	-	-	-	-	36 051 522	24 430 987	
New assets originated or purchased (excluding write offs)	292 666 540	36 012 002	-	-	-	-	292 666 540	36 012 002	
Maturities during the period	(85 302 682)	(24 391 467)	-	-	-	-	(85 302 682)	(24 391 467)	
Gross money market assets	467 834 645	36 051 522	-	-	-	-	467 834 645	36 051 522	
ECL allowance	(26 364 543)	(593 373)	-	-	-	-	(26 364 543)	(593 373)	
Closing balance	441 470 102	35 458 149	-	-	-	-	441 470 102	35 458 149	

d. Financial guarantees

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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	7 034 986	1 947 379	-	-	-	-	7 034 986	1 947 379
Total		7 034 986	1 947 379	-	-	-	-	7 034 986	1 947 379

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	7 034 986	623 411	-	-	-	-	7 034 986	623 411
Total		7 034 986	623 411	-	-	-	-	7 034 986	623 411

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

INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	1 947 380	1 797 350	-	-	-	-	1 947 380	1 797 350
New assets originated or purchased (excluding write offs)	17 293 080	3 536 621	-	-	-	-	17 293 080	3 536 621
Monetary adjustment	(11 239 203)	(2 437 045)	-	-	-	-	(11 239 203)	(2 437 045)
Guarantees Expired	(966 271)	(949 546)	-	-	-	-	(966 271)	(949 546)
Gross Guarantees	7 034 986	1 947 380	-	-	-	-	7 034 986	1 947 380
ECL allowance	(65 416)	(3 183)	-	-	-	-	(65 416)	(3 183)
Closing balance	6 969 570	1 944 197	-	-	-	-	6 969 570	1 944 197

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	623 411	167 379	-	-	-	-	623 411	167 379
New assets originated or purchased (excluding write offs)	6 791 032	623 409	-	-	-	-	6 791 032	623 409
Guarantees expired during the period	(379 457)	(167 377)	-	-	-	-	(379 457)	(167 377)
Gross Guarantees	7 034 986	623 411	-	-	-	-	7 034 986	623 411
ECL allowance	(65 416)	(1 019)	-	-	-	-	(65 416)	(1 019)
Closing balance	6 969 570	622 392	-	-	-	-	6 969 570	622 392

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 30 June 2023.

Expected Credit Losses is determined through a combination of expected credit exposures (Exposure-at-Default), likelihood of default occurring (Probability of Default) and anticipated Loss in the event of Default (Loss-Given-Default). ECLs were computed using the same model assumptions and estimates except for LGD floor which was adjusted from 25% to between 5% and 10% as well as upward adjustments to certain collateral haircuts on various financial assets. These changes were meant to better reflect the evolving risk profile of the Group's financial assets and to ensure that the ECL model remains dynamic and able to respond to new evolving risks in the market and therefore computing ECLs that are reliable and appropriate for the level of credit risk in the Group's financial assets.

The Group writes off financial assets when there is no longer any reasonable expectation of recovery. During the half year period ended 30 June 2023, the Group has written off loans and advances amounting to ZWL\$ 246 642 657 666 (2022: ZWL\$ 6 282 366 067) as there is no longer any reasonable expectation of recovery due to collection challenges. The Group still continues with recovery efforts for amounts it is legally owed but which have been written off.



Forward looking information

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

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

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

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

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

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

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

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

Stage 1: Performing

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

Stage 2: Underperforming

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

Stage 3: Credit Impaired

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

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

Purchased or originated credit impaired (POCI)

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

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

Debt instruments measured at fair value through OCI

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

Cure, Modification and Forbearance of Financial Assets

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

Cure

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

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

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

Modification and Forbearance

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

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.
If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

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

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

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

Derecognition

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

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

Write-offs

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

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

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

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

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

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

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

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

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

35.4.1 CONTRACTUAL GAP ANALYSIS

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2023

REVIEWED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	1 781 504 208	-	-	-	-	-	1 781 504 208
Money market assets	181 331 488	590 391	82 850 814	149 403 330	41 784 772	-	455 960 795
Financial securities	17 282 466	38 589 876	-	25 991	722 809	907 071	57 528 213
Loans and advances to customers	206 768 068	282 106 318	362 425 603	435 783 150	845 203 735	27 320 496	2 159 607 370
Insurance contract assets	4 727 381	990 013	330 004	-	-	-	6 047 398
Reinsurance contract assets	4 760 221	2 380 110	793 370	-	-	-	7 933 701
Financial guarantees	461 597	2 984 962	606 960	2 960 230	21 237	-	7 034 986
Current tax receivable	34 987	11 174 118	27 672	-	-	387	11 237 164
Other liquid assets	81 068 471	922 669 652	72 249 327	115 898 524	234 092 582	-	1 425 978 556
Total assets	2 277 938 887	1 261 485 440	519 283 750	704 071 225	1 121 825 135	28 227 954	5 912 832 391
Liabilities							
Deposits	4 195 734 245	36 938 318	34 775 843	208 956 392	86 045 704	-	4 562 450 502
Insurance contract liabilities	12 411 606	2 656 451	885 484	-	-	-	15 953 541
Reinsurance contract Liabilities	2 325 424	775 141	775 141	-	-	-	3 875 706
Other liabilities	26 559 462	89 701 628	16 169 008	127 660 192	537 708	-	260 627 998
Current tax payable	4 286 714	-	-	-	-	-	4 286 714
Investment contract liabilities	1 770 773	-	-	-	-	-	1 770 773
Lease liabilities	261 431	428 001	480 069	353 560	922 982	-	2 446 043
Capital commitments	16 598 337	-	-	-	-	-	16 598 337
Total liabilities	4 260 409 589	133 484 501	53 692 505	339 930 374	87 527 631	-	4 875 044 600
Liquidity gap	(1 982 470 702)	1 128 000 939	465 591 245	364 140 851	1 034 297 504	28 227 954	1 037 787 791
Cumulative liquidity gap	(1 982 470 702)	(854 469 763)	(388 878 518)	(24 737 667)	1 009 559 837	1 037 787 791	1 037 787 791

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2022

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Restated							
Assets							
Balances with banks and cash	821 715 334	108 984	-	-	-	-	821 824 318
Money market assets	46 181 568	2 597 947	33 672 430	34 630 529	-	-	117 082 474
Financial securities	100 002 183	60 492 174	681	10 436	972 656	2 882 229	164 360 359
Loans and advances to customers	49 574 857	140 206 035	169 670 993	434 201 310	236 870 405	39 695 517	1 070 399 117
Insurance contract assets	1 473 821	491 274	491 274	-	-	-	2 456 369
Reinsurance contract assets	2 374 107	791 369	791 369	-	-	-	3 956 845
Financial guarantees	66 183	271 067	2 039	282 175	1 325 915	-	1 947 379
Current tax receivable	1 210	324 870	86 442	109 291	-	-	521 813
Other liquid assets	18 551 409	254 946 177	352 892 944	47 751 083	150 190 624	-	824 332 237
Total assets	1 040 120 672	460 229 897	557 608 172	516 984 824	389 359 600	42 577 746	3 006 880 911
Liabilities							
Deposits	1 875 230 124	199 602 037	25 500 440	15 110 040	33 157 898	-	2 148 600 539
Insurance contract liabilities	3 230 988	1 076 996	1 076 996	-	-	-	5 384 980
Reinsurance contract liabilities	1 040 079	346 693	346 693	-	-	-	1 733 465
Other liabilities	33 973 652	103 824 047	24 973 091	774 842	1 561 874	-	165 107 506
Current tax payable	-	4 203 084	44 135	79 853	-	-	4 327 072
Lease liability	35 876	90 887	108 152	182 171	499 274	10 112	926 472
Financial guarantees	66 183	271 067	2 039	282 175	1 325 915	-	1 947 379
Loan commitments	18 506 596	-	-	-	-	-	18 506 596
Total liabilities	1 932 083 498	309 414 811	52 051 546	16 429 081	36 544 961	10 112	2 346 534 009
Liquidity gap	(891 962 826)	150 815 086	505 556 626	500 555 743	352 814 639	42 567 634	660 346 902
Cumulative liquidity gap	(891 962 826)	(741 147 740)	(235 591 114)	264 964 629	617 779 268	660 346 902	660 346 902

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2023

UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	1 781 504 208	-	-	-	-	-	1 781 504 208
Money market assets	181 331 488	590 391	82 850 814	149 403 330	41 784 772	-	455 960 795
Financial securities	17 282 466	38 589 876	-	25 991	722 809	907 071	57 528 213
Loans and advances to customers	206 768 068	282 106 318	362 425 603	435 783 150	845 203 735	27 320 496	2 159 607 370
Insurance contract assets	4 727 381	990 013	330 004	-	-	-	6 047 398
Reinsurance contract assets	4 760 221	2 380 110	793 370	-	-	-	7 933 701
Financial guarantees	461 597	2 984 962	606 960	2 960 230	21 237	-	7 034 986
Current tax receivable	34 987	11 174 118	27 672	-	-	387	11 237 164
Other liquid assets	81 068 471	922 669 652	72 249 327	115 898 524	234 092 582	-	1 425 978 556
Total assets	2 277 938 887	1 261 485 440	519 283 750	704 071 225	1 121 825 135	28 227 954	5 912 832 391
Liabilities							
Deposits	4 195 734 245	36 938 318	34 775 843	208 956 392	86 045 704	-	4 562 450 502
Insurance contract liabilities	12 411 606	2 656 451	885 484	-	-	-	15 953 541
Reinsurance contract liabilities	2 325 424	775 141	775 141	-	-	-	3 875 706
Other liabilities	26 559 462	89 701 628	16 169 008	127 660 192	537 708	-	260 627 998
Current tax payable	4 286 714	-	-	-	-	-	4 286 714
Investment contract liabilities	1 770 773	-	-	-	-	-	1 770 773
Lease liability	261 431	428 001	480 069	353 560	922 982	-	2 446 043
Financial guarantees	461 597	2 984 962	606 960	2 960 230	21 237	-	7 034 986
Capital commitments	16 598 337	-	-	-	-	-	16 598 337
Total liabilities	4 260 409 589	133 484 501	53 692 505	339 930 374	87 527 631	-	4 875 044 600
Liquidity gap	(1 982 470 702)	1 128 000 939	465 591 245	364 140 851	1 034 297 504	28 227 954	1 037 787 791
Cumulative liquidity gap	(1 982 470 702)	(854 469 763)	(388 878 518)	(24 737 667)	1 009 559 837	1 037 787 791	1 037 787 791



REVIEWED INTERIM CONSOLIDATED FINANCIAL RESULTS

For the half year ended 30 June 2023

Partners for Success



35.5 INTEREST RATE RISK

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

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

At 30 June 2023 if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant post tax profit would have been ZWL\$ 1 759 615 847 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

35.5.1 INTEREST RATE REPRICING

REVIEWED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2023								
Assets								
Balances with banks and cash	146 381 880	-	-	-	-	-	1 635 122 328	1 781 504 208
Money market assets	154 030 128	13 401 058	82 850 814	149 403 330	41 784 772	-	-	441 470 102
Financial securities	17 083 385	38 589 876	-	-	25 991	907 071	-	57 329 132
Loans and advances to customers	160 122 458	285 755 781	238 755 959	382 538 994	662 806 557	15 874 044	-	1 745 853 793
Insurance assets	-	-	-	-	-	-	6 047 398	6 047 398
Reinsurance assets	-	-	-	-	-	-	7 933 702	7 933 702
Equity investments	-	-	-	-	-	-	136 221 202	136 221 202
Land inventory	-	-	-	-	-	-	62 667 234	62 667 234
Other assets	57 172 742	57 172 742	57 172 742	114 345 485	232 087 274	-	963 320 086	1 481 271 071
Current tax receivable	-	-	-	-	-	-	11 237 165	11 237 165
Intangible assets	-	-	-	-	-	-	2 184 645	2 184 645
Investment properties	-	-	-	-	-	-	271 351 556	271 351 556
Property and equipment	-	-	-	-	-	-	353 073 176	353 073 176
Deferred taxation	-	-	-	-	-	-	159 294 376	159 294 376
Total assets	534 790 593	394 919 457	378 779 515	646 313 800	937 401 412	16 781 115	3 608 452 868	6 517 438 760
Equity & Liabilities								
Deposits	123 923 033	32 869 396	31 377 513	196 417 414	73 844 657	-	4 069 045 284	4 527 477 297
Insurance liabilities	-	-	-	-	-	-	15 953 541	15 953 541
Reinsurance liabilities	-	-	-	-	-	-	3 875 707	3 875 707
Other liabilities	39 546 366	49 299 756	-	-	13 236 392	-	155 697 329	257 779 843
Current tax payable	-	-	-	-	-	-	4 286 714	4 286 714
Investment contract liabilities (Long term Insurance)	-	-	-	-	-	-	1 770 773	1 770 773
Deferred taxation	-	-	-	-	-	-	403 522 805	403 522 805
Lease liability	801 056	463 660	337 723	206 546	507 918	-	2 316 903	3 366 146
Equity	-	-	-	-	-	-	1 300 455 177	1 300 455 177
Total liabilities and equity	164 270 455	82 632 812	31 715 236	196 623 960	87 588 967	-	5 954 607 330	6 517 438 760
Interest rate repricing gap	370 520 138	312 286 645	347 064 279	449 689 840	849 812 445	16 781 115	(2 346 154 462)	-
Cumulative gap	370 520 138	682 806 783	1 029 871 062	1 479 560 902	2 329 373 347	2 346 154 462	-	-

AUDITED INFLATION ADJUSTED								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
Restated								
31 DEC 2022								
Assets								
Balances with banks and cash	105 229 533	-	-	-	-	-	716 558 674	821 788 207
Money market assets	43 335 838	2 340 671	32 432 660	32 653 171	-	-	110 762 340	110 762 340
Financial securities	102 882 466	49 365 572	-	-	466 634	2 328 184	-	155 042 856
Loans and advances to customers	243 788 114	245 310 895	14 001 760	46 409 542	953 187	-	-	550 463 498
Insurance assets	-	-	-	-	-	-	2 593 946	2 593 946
Reinsurance assets	-	-	-	-	-	-	3 956 845	3 956 845
Equity investments	-	-	-	-	-	-	54 150 233	54 150 233
Land inventory	-	-	-	-	-	-	64 978 242	64 978 242
Other assets	5 124 882	250 569 477	21 769 262	42 241 113	150 190 624	-	415 783 262	885 678 620
Current tax receivable	-	-	-	-	-	-	521 814	521 814
Intangible assets	-	-	-	-	-	-	2 893 044	2 893 044
Investment properties	-	-	-	-	-	-	89 314 133	89 314 133
Property and equipment	-	-	-	-	-	-	142 235 671	142 235 671
Deferred taxation	-	-	-	-	-	-	99 492 805	99 492 805
Total assets	500 360 833	547 586 615	68 203 682	121 303 826	151 610 445	2 328 184	1 592 478 669	2 983 872 254
Equity & Liabilities								
Deposits	267 532 533	190 906 905	23 983 692	10 319 696	27 599 491	-	1 605 054 706	2 125 397 023
Insurance liabilities	-	-	-	-	-	-	8 695 704	8 695 704
Reinsurance liabilities	-	-	-	-	-	-	1 733 465	1 733 465
Other liabilities	5 469 472	46 325 517	-	-	1 561 874	-	126 097 168	179 454 031
Current tax payable	-	-	-	-	25 991	-	4 327 073	4 327 073
Investment contract liabilities	-	-	-	-	-	-	1 153 431	1 153 431
Deferred taxation	-	-	-	-	-	-	136 156 484	136 156 484
Lease Liability	56 485	71 405	110 564	111 855	467 351	-	-	817 660
Equity	-	-	-	-	-	-	526 137 383	526 137 383
Total liabilities and equity	273 058 490	237 303 827	24 094 256	10 431 551	29 628 716	-	2 409 355 414	2 983 872 254
Interest rate repricing gap	227 302 343	310 282 788	44 109 426	110 872 275	121 981 729	2 328 184	(816 876 745)	-
Cumulative gap	227 302 343	537 585 131	581 694 557	692 566 832	814 548 561	816 876 745	-	-

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2023								
Assets								
Balances with banks and cash	146 381 880	-	-	-	-	-	1 635 122 328	1 781 504 208
Money market assets	154 030 128	13 401 058	82 850 814	149 403 330	41 784 772	-	-	441 470 102
Financial securities	17 083 385	38 589 876	-	-	25 991	907 071	-	57 329 132
Loans and advances to customers	160 122 458	285 755 781	238 755 959	382 538 994	662 806 557	15 874 044	-	1 745 853 793
Insurance assets	-	-	-	-	-	-	6 047 398	6 047 398
Reinsurance assets	-	-	-	-	-	-	7 933 702	7 933 702
Equity investments	-	-	-	-	-	-	136 221 202	136 221 202
Land inventory	-	-	-	-	-	-	2 034 875	2 034 875
Other assets	57 172 742	57 172 742	57 172 742	114 345 485	232 087 274	-	946 528 288	1 464 479 273
Current tax receivable	-	-	-	-	-	-	11 237 165	11 237 165
Intangible assets	-	-	-	-	-	-	557 802	557 802
Investment properties	-	-	-	-	-	-	271 351 556	271 351 556
Property and equipment	-	-	-	-	-	-	306 185 192	306 185 192
Deferred taxation	-	-	-	-	-	-	159 294 376	159 294 376
Total assets	534 790 593	394 919 457	378 779 515	646 313 800	937 401 412	16 781 115	3 482 513 884	6 391 499 776
Equity & Liabilities								
Deposits	123 923 033	32 869 396	31 377 513	196 417 414	73 844 657	-	4 069 045 284	4 527 477 297
Insurance liabilities	-	-	-	-	-	-	15 953 541	15 953 541
Reinsurance liabilities	-	-	-	-	-	-	3 875 707	3 875 707
Other liabilities	39 546 366	49 299 756	-	-	13 236 392	-	152 263 307	254 345 821
Current tax payable	-	-	-	-	-	-	4 286 714	4 286 714
Investment contract liabilities	-	-	-	-	-	-	1 770 773	1 770 773
Deferred taxation	-	-	-	-	-	-	368 834 841	368 834 841
Lease liability	801 056	463 660	337 723	206 546	507 918	-	2 316 903	3 366 146
Equity	-	-	-	-	-	-	1 212 638 179	1 212 638 179
Total liabilities and equity	164 270 455	82 632 812	31 715 236	196 623 960	87 588 967	-	5 828 668 346	6 391 499 776
Interest rate repricing gap	370 520 138	312 286 645	347 064 279	449 689 840	849 812 445	16 781 115	(2 346 154 462)	-
Cumulative gap	370 520 138	682 806 783	1 029 871 062	1 479 560 902	2 329 373 347	2 346 154 462	-	-

UNAUDITED HISTORICAL								
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022								
Assets								
Balances with banks and cash	33 686 942	-	-	-	-	-	229 390 642	263 077 584
Money market assets	13 873 024	749 315	10 382 609	10 453 201	-	-	-	35 458 149
Financial securities	32 935 579	15 803 312	-	-	149 383	745 317	-	49 633 591
Loans and advances to customers	78 043 452	78 530 937	4 482 358	14 857 003	305 142	-	-	176 218 892
Insurance assets	-	-	-	-	-	-	830 395	830 395
Reinsurance assets	-	-	-	-	-	-	1 266 697	1 266 697
Equity investments	-	-	-	-	-	-	17 335 017	17 335 017
Land inventory	-	-	-	-	-	-	1 657 513	1 657 513
Other liquid assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	128 354 051	278 780 809
Current tax receivable	-	-	-	-	-	-	167 047	167 047
Intangible assets	-	-	-	-	-	-	257 276	257 276
Investment properties	-	-	-	-	-	-	28 591 973	28 591 973
Property and equipment	-	-	-	-	-	-	37 593 673	37 593 673
Deferred taxation	-	-	-	-	-	-	32 404 493	32 404 493
Total assets	160 179 616	175 297 921	21 833 922	38 832 776	48 534 780	745 317	4 777 848 777	923 273 109
Equity & Liabilities								
Deposits	85 644 710	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	680 399 535
Insurance liabilities	-	-	-	-	-	-	2 783 740	2 783 740
Reinsurance liabilities	-	-	-	-	-	-	554 931	554 931
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	40 037 221	57 118 257
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Investment contract liabilities	-	-	-	-	-	-	369 246	369 246
Deferred taxation	-	-	-	-	-	-	37 035 502	37 035 502
Lease Liability	18 082	22 859	35 395	35 808	149 612	-	-	261 756
Equity	-	-	-	-	-	-	143 364 924	143 364 924
Total liabilities and equity	87 413 724	75 967 648	7 713 251	3 339 434	9 484 987	-	739 354 065	923 273 109
Interest rate repricing gap	72 765 892	99 330 273	14 120 671	35 493 342	39 049 793	745 317	(261 505 288)	-
Cumulative gap	72 765 892	172 096 165	186 216 836	221 710 178	260 759 971	261 505 288	-	-



FOREIGN CURRENCY POSITION AS AT 30 JUNE 2023

	UNDERLYING CURRENCY				
	USD \$ 000	ZAR \$ 000	GBP \$ 000	EUR \$ 000	Other foreign currencies [USD] \$ 000
Assets					
Balances with banks and cash	251 751	343 344	213	3 091	-
Money market assets	70 195	-	-	-	-
Financial securities	81	-	-	-	-
Loans and advances to customers	279 095	907	-	312	-
Insurance assets	388	-	-	-	-
Reinsurance assets	933	-	-	-	-
Equity investments	7 079	-	-	-	-
Other assets	235 244	5 221	20	35	-
Total assets	844 766	349 472	233	3 438	-
Liabilities					
Deposits	655 070	683 757	108	1 545	-
Insurance liabilities	1 042	-	-	-	-
Reinsurance liabilities	443	-	-	-	-
Other liabilities	20 942	2 770	27	114	-
Current tax payable	46	-	-	-	-
Lease liability	257	-	-	-	-
Total liabilities	677 800	686 527	135	1 659	-
Net position	166 966	(337 055)	98	1 779	-

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2022

	UNDERLYING CURRENCY				
	USD \$ 000	ZAR \$ 000	GBP \$ 000	EUR \$ 000	Other foreign currencies [USD] \$ 000
Assets					
Balances with banks and cash	224 116	422 067	145	5 042	196
Money market assets	34 943	-	-	-	-
Financial securities	44 990	-	-	-	-
Loans and advances to customers	201 510	886	-	-	-
Insurance assets	1 711	-	-	-	-
Reinsurance assets	73	-	-	-	-
Equity investments	63	-	-	431	-
Current tax receivable	373 021	5 831	24	108	-
Total assets	880 427	428 784	169	5 581	196
Liabilities					
Deposits	684 993	636 484	104	3 441	2 893
Insurance liabilities	1 734	-	-	-	-
Reinsurance liabilities	51	-	-	-	-
Other liabilities	30 751	1 718	27	69	-
Lease liabilities	238	-	-	-	-
Total liabilities	717 767	638 202	131	3 510	2 893
Net position	162 660	(209 418)	38	2 071	(2 697)

35.7 Operational risk

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

35.7.1 Operational risk management framework

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

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

35.8 Strategic risk

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

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

35.9 Regulatory risk

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

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

35.10 Reputation risk

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

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

35.11 Money-laundering risk

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

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

35.12 Insurance risk

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

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

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

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

35.13 Risk and Credit Ratings

CBZ Bank Limited

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

CBZ Life Private Limited

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

CBZ Insurance Private Limited

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

CBZ Asset Management Private Limited

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

37.13.2 Reserve Bank Ratings

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

Key

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

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

KEY

Level of Inherent Risk

Low -

reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.

Moderate -

could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.

High -

reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak -

risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.

Acceptable -

management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.

Strong -

management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk

Low Risk -

would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate Risk -

risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

High -

Risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Bank's overall condition.

Direction of Overall Composite Risk Rating

Increasing -

based on the current information composite risk is expected to increase in the next twelve months.

Decreasing -

based on current information composite risk is expected to decrease in the next twelve months.

Stable -

based on the current information composite risk is expected to be stable in the next twelve months.

36. EVENTS AFTER THE REPORTING PERIOD

In October 2021, CBZ Holdings Ltd and NSSA executed a Share Purchase and Sale Agreement ("the Agreement") in terms of which NSSA sold to CBZHL 31.22% of its shareholding in First Mutual Holdings Limited ("FMHL") ("the Transaction"). The Transaction was approved by CBZHL Shareholders at an Extraordinary General Meeting held on 31 January 2022.

After the reporting period ended 30 June 2023, CBZ Holdings obtained all the required statutory approvals and administrative aspects of the Agreement were met. As such, CBZ Holdings Limited has become a significant shareholder of First Mutual Holdings Limited.

37. GOING CONCERN

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

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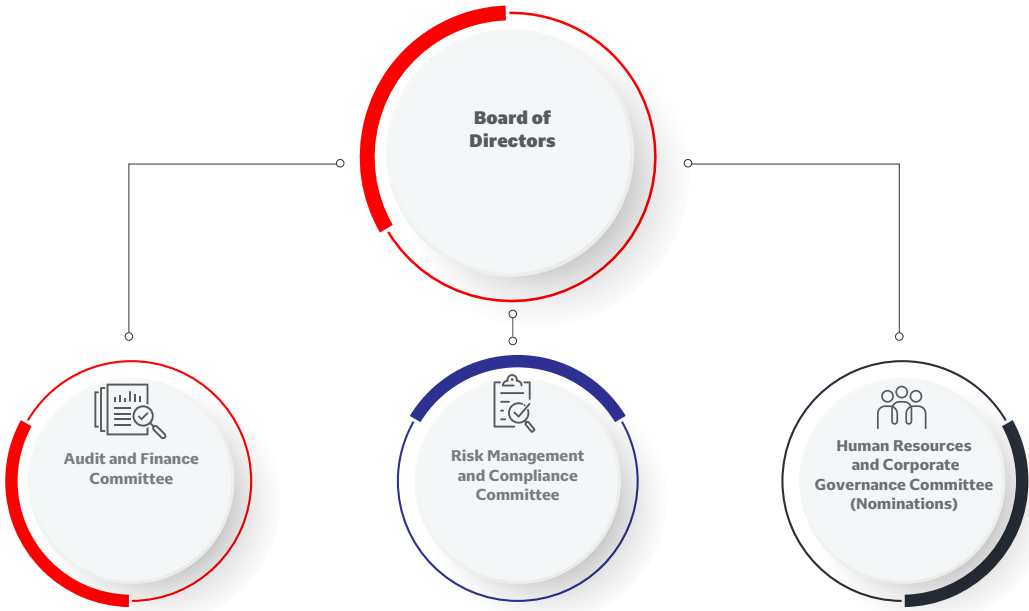
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CORPORATE GOVERNANCE

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

GOVERNANCE STRUCTURE



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

THE BOARD OF DIRECTORS

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

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

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

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

BOARD COMMITTEES

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

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

The Boards of Directors of the various units as at 30 June 2023 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman ML*	Dr. Marufu MPA*	Mhlanga N*	Tshuma H*	Matika ATK*	Magorimbo L*	Sinyoro M*	Jinnah J*	Parham WD*	Bhamre P*
Galante EE	Shangwa ET	Mukanganga CF	Narotam MB	Chitiga WR	DR Ndlovu N	Dr Eng Makwiranzou C	Masunda V	Mazike PS	Dr Mudavanhu B
Gaskin Gain R	Dr Beddies CH	Moyo MTV	Khalfan KM	Dr Mudavanhu B	Marandu N	Dr Mudavanhu B	Mariwo T	Dr Mudavanhu B	Gumbo TL
Mashingaidze EU	Shah JG	Joshi HJ	Dr B Mudavanhu	Gumbo TL	Dr Mudavanhu B	Gumbo TL	Ntini WL	Gumbo TL	
Gerken LC	Dr Mudavanhu B	Dr Mudavanhu B	Gumbo TL	Mharadze J ***	Gumbo TL	Smith JF	Dr Mudavanhu B	Chigodora W**	
Dr Mudavanhu B**	Gumbo TL	Gumbo TL	Mutizwa J ***		Chinyani T***	Snow RJ**	Gumbo TL	Mhungu S**	
Gumbo TL **	Nyazema L**	Smith JF			Bvumburai H**	Ali D**			
		Muzadzi T**							

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

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER
(January to June 2023)

	Audit & Finance	Hr & Corporate Governance	Risk Management & Compliance	Main Board	Special Main Board	Total Committees	Total Boards
Meetings Held	2	2	2	2	1	6	3
Holtzman M L	*	2	*	2	1	2	3
Gerken L C	2	*	2	2	*	4	2
Gaskin Gain R L	*	2	2	2	*	4	2
Mashingaidze E U	2	2	*	2	1	4	3
Galante E E	2	*	*	2	*	2	2
Dr. Mudavanhu B **	2	2	2	2	1	6	3
Gumbo T L**	2	*	2	2	*	4	2

Key
* Not a member
** Executive
*** did not attend

CBZ Bank Limited Board and Committees Attendance Register
(January to June 2023)

Name	Audit & Finance	Special Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Main Board	Special Main Board	Total Committees	Total Main Board
Meetings Held	2	1	2	2	2	2	2	3	11	5
Dr MPA Marufu	*	*	*	2	2	*	2	3	4	5
ET Shangwa	2	***	*	2	*	*	2	3	4	5
Dr CH Beddies	2	1	2	2	2	*	2	3	9	5
J G Shah	2	1	2	*	*	2	2	3	7	5
Dr B Mudavanhu	2	***	*	2	2	2	2	2	8	4
T L Gumbo	2	1	2	*	*	2	2	3	7	5
L Nyazema**	2	1	2	2	2	2	2	3	11	5

Key
* Not a member
** Executive
*** did not attend

CBZ Asset Management (Private) Limited Board and Committees Attendance Register
(January to June 2023)

Name	Audit & Compliance	Investments & Risk	Main Board	Total Committees	Total Boards
Meetings held	2	2	2	4	2
Mhlanga N	*	2	2	2	2
Moyo MTV	2	*	2	2	2
Mukanganga CF	2	2	2	4	2
Joshi H J	2	2	2	4	2
Dr Mudavanhu B	2	2	2	4	2
Gumbo TL	2	2	2	4	2
Smith JF	2	2	2	4	2
Muzadzi T**	2	2	2	4	2

Key
* Not a member
** Executive
*** did not attend

CBZ Life Limited Board and Committees Attendance Register
(January to June 2023)

Name	Investments & Risk	Hr & Remuneration	Audit & Finance	Main Board	Total Committees	Total Boards
Meetings held	2	2	2	2	6	2
Tshuma H	2	2	2	2	6	2
Narotam M B	2	2	2	2	6	2
Khalfan K M	2	2	2	***	6	2
Dr Mudavanhu, B	1	1	1	2	3	2
Gumbo T L	2	2	2	2	6	2
Mutizwa J****	2	2	2	2	6	2

Key
* Not a member
** Executive
*** did not attend
**** Ex-Officio member

CBZ Insurance Board and Committees Attendance Register
(January to June 2023)

Name	Hr & Remuneration	Investments & Risk	Audit & Finance	Main Board	Total Committees	Total Boards
Meetings Held	2	2	2	2	6	2
Matika A K T	2	2	2	2	6	2
Chitiga W	2	2	2	2	6	2
Dr Mudavanhu B	2	2	2	2	6	2
Gumbo T L	1	1	1	1	3	1
Mharadze J****	2	2	2	2	6	2

Key
* Not a member
** Executive
*** did not attend
**** Ex-Officio member

Red Sphere Finance Board and Committees Attendance Register
(January to June 2023)

Name	Audit & Risk Committee	Board Credit	Board	Total Committees	Total Board
Meetings Held	2	2	2	4	2
Jinnah J	*	2	2	2	2
Ntini W J	2	*	2	2	2
Mariwo T	2	2	2	4	2
Masunda V	2	2	2	4	2
Dr Mudavanhu B	2	2	2	4	2
Gumbo T L	2	2	2	4	2
Ali D**	2	2	2	4	2

Key
* Not a member
** Executive
*** did not attend

STATEMENT OF COMPLIANCE

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

By order of the Board

Rumbidzayi Angeline Jakanani
GROUP CHIEF GOVERNANCE OFFICER

15 September 2023

CBZ Risk Advisory Services Board and Committees Attendance Register
(January to June 2023)

Name	Audit & Risk	Main Board	Total Committees	Total Boards
Meetings Held	2	2	2	2
Magorimbo L	*	2	*	2
Ndlovu N	2	2	2	2
Marandu N	2	2	2	2
Dr B Mudavanhu	2	2	2	2
Gumbo T L	2	2	2	2
Smith J F	2	2	2	2
Chinyani T****	2	2	2	2

Key
* Not a member
** Executive
*** did not attend
**** Ex-Officio member

CBZ Properties Board and Committees Attendance Register
(January – June 2023)

Name	Main Board	Total Boards
Meetings held	2	2
Sinyoro M	2	2
Dr Eng. Makwiranzou C	2	2
Dr Mudavanhu B	2	2
Gumbo T L	2	2
Smith J F	2	2
Snow R J **	2	2
Bvumburai H**	2	2

Key
* Not a member
** Executive
*** did not attend

CBZ Agro Yield Board Attendance Register
(January to June 2023)

Name	Main Board	Total Boards
Meetings Held	2	2
W D Parham	2	2
P S Mazike	2	2
Dr B Mudavanhu	2	2
T L Gumbo	1	1
W Chigodora**	2	2
S Mhungu**	2	2

Key
* Not a member
** Executive
*** did not attend



REVIEWED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000
Interest income	2.1	245 832 845	122 682 790	110 279 791	16 564 103
Interest expense	2.2	(40 827 315)	(8 131 788)	(17 646 151)	(1 102 210)
Net interest income		205 005 530	114 551 002	92 633 640	15 461 893
Non-interest income	3	643 206 018	177 289 075	611 886 592	33 453 572
Total income		848 211 548	291 840 077	704 520 232	48 915 465
Operating expenditure	4	(192 751 853)	(75 833 228)	(94 971 653)	(11 174 857)
Operating income		655 459 695	216 006 849	609 548 579	37 740 608
Credit loss expense on financial assets	12.1	(142 726 114)	(24 876 319)	(142 726 114)	(5 071 486)
Monetary Loss		(156 413 211)	(125 057 219)	-	-
Profit before taxation		356 320 370	66 073 311	466 822 465	32 669 122
Taxation	5	(114 794 203)	(27 209 853)	(103 025 399)	(8 289 591)
Profit after tax for the period		241 526 167	38 863 458	363 797 066	24 379 531
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		175 094 817	18 582 756	230 432 691	7 722 029
Gains/(losses) on equity instruments at FVOCI		23 763 876	(2 132 549)	39 240 703	413 957
Deferred income tax relating to components of other comprehensive income	5.3	(39 527 436)	(4 487 031)	(59 220 574)	(1 929 583)
		159 331 257	11 963 176	210 452 820	6 206 403
Total comprehensive income for the period		400 857 424	50 826 634	574 249 886	30 585 934
Earnings per share (cents)					
Basic	6.1	47 189.85	7 593.22	71 079.38	4 763.32
Fully Diluted	6.1	47 189.85	7 593.22	71 079.38	4 763.32

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
ASSETS					
Cash and cash equivalents	8	1 761 039 536	813 295 495	1 761 039 536	260 358 827
Money market assets	9	440 541 439	109 984 053	440 541 439	35 208 997
Financial securities	10	56 848 642	154 880 685	56 848 642	49 581 676
Loans and advances to customers	11	1 824 259 100	934 010 567	1 824 259 100	299 003 127
Equity investments	15	46 707 607	22 813 186	46 707 607	7 303 144
Land inventory	14	64 713 259	67 252 230	4 068 021	3 983 355
Other assets	13	910 536 329	359 938 524	893 735 209	114 891 217
Current tax receivable		11 121 727	-	11 121 727	-
Intangible assets	20	927 149	1 548 993	314 970	86 000
Investment properties	19	132 350 384	42 263 096	132 350 384	13 529 609
Property and equipment	18	312 215 864	124 182 831	271 508 649	33 349 503
TOTAL ASSETS		5 561 261 036	2 630 169 660	5 442 495 284	817 295 455
LIABILITIES					
Deposits	22	4 548 083 895	2 132 552 209	4 548 083 895	682 690 111
Other liabilities	23	100 000 515	78 137 443	97 754 822	24 715 925
Current tax payable		-	4 203 084	-	1 345 526
Deferred tax liability	21	168 226 479	37 198 514	144 734 036	5 781 736
Lease liability		732 515	148 383	732 515	47 502
		4 817 043 404	2 252 239 633	4 791 305 268	714 580 800
EQUITY					
Share capital	25.1	2 461 528	2 461 528	5 118	5 118
Share premium	25.2	8 042 110	8 042 110	16 722	16 722
Revaluation reserve	25.3	179 524 493	40 393 700	190 906 136	14 997 418
Retained Earnings	25.4	517 077 136	310 120 788	419 928 067	81 905 526
Fair value reserve	25.5	37 112 365	16 911 901	40 333 973	5 789 871
TOTAL EQUITY		744 217 632	377 930 027	651 190 016	102 714 655
TOTAL LIABILITIES AND EQUITY		5 561 261 036	2 630 169 660	5 442 495 284	817 295 455

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

REVIEWED INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
Restated 30 June 2022						
Opening balance	2 461 528	8 042 110	27 966 684	6 287 804	248 643 250	293 401 376
Profit for the period	-	-	-	-	38 863 458	38 863 458
Total comprehensive income for the period	-	-	13 989 099	(2 025 923)	-	11 963 176
Dividend paid	-	-	-	-	(9 616 396)	(9 616 396)
Closing balance	2 461 528	8 042 110	41 955 783	4 261 881	277 890 312	334 611 614
30 June 2023						
Opening balance	2 461 528	8 042 110	40 393 700	16 911 901	310 120 788	377 930 027
Profit for the period	-	-	-	-	241 526 167	241 526 167
Other comprehensive income for the period	-	-	139 130 793	20 200 464	-	159 331 257
Dividend paid	-	-	-	-	(34 569 819)	(34 569 819)
Closing balance	2 461 528	8 042 110	179 524 493	37 112 365	517 077 136	744 217 632
UNAUDITED HISTORICAL						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	reserve ZWL\$ 000	Fair value earnings ZWL\$ 000	Retained Total ZWL\$ 000
30 June 2022						
Opening balance	5 118	16 722	2 615 114	648 987	19 004 826	22 290 767
Profit for the period	-	-	-	-	24 379 531	24 379 531
Other comprehensive income for the period	-	-	5 813 144	393 259	-	6 206 403
Dividend paid	-	-	-	-	(1 500 000)	(1 500 000)
Closing balance	5 118	16 722	8 428 258	1 042 246	41 884 357	51 376 701
30 June 2023						
Opening balance	5 118	16 722	14 997 418	5 789 871	81 905 526	102 714 655
Profit for the period	-	-	-	-	363 797 066	363 797 066
Other comprehensive income for the period	-	-	175 908 718	34 544 102	-	210 452 820
Dividend paid	-	-	-	-	(25 774 525)	(25 774 525)
Closing balance	5 118	16 722	190 906 136	40 333 973	419 928 067	651 190 016

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

		REVIEWED	UNAUDITED
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		356 320 370	66 073 311
Non cash items:			
Depreciation		7 698 012	2 000 556
Amortisation of intangible assets		1 032 662	249 961
Monetary Loss		156 413 211	125 057 219
Write off of property and equipment		1 582 549	6 874
Fair value adjustments on investment properties		(90 087 288)	(4 663 223)
Write off of right of use asset and lease liability		-	36 686
Fair value adjustments on financial instruments		(130 545)	142 893
Expected credit loss expense on financial assets		142 726 114	24 876 319
Unrealised foreign exchange gains		(405 139 834)	(114 910 861)
Accrued interest		(8 208 333)	(40 789 724)
Accrued interest on deposits		4 780 773	5 674 234
Profit on sale of property and equipment		(61 465)	(9 522)
Interest on lease liability		12 622	5 371
Operating cash flows before changes in operating assets and liabilities		166 938 848	63 750 094
Changes in operating assets and liabilities			
Deposits		3 781 689 350	88 247 519
Loans and advances to customers		(1 269 047 763)	(140 313 144)
Financial securities		(19 478 241)	564 549
Money market assets		(261 855 308)	146 940 244
Land inventory		2 538 972	(1 137 977)
Other assets		(419 591 404)	(140 631 263)
Other Liabilities		138 392 112	23 713 956
		1 952 647 718	22 616 116
TAXATION			
Corporate tax paid		(77 348 611)	(13 198 489)
Net cash inflow from operating activities		2 042 237 955	27 935 489
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property and equipment		61 714	10 515
Purchase of property and equipment		(21 909 295)	(6 138 571)
Purchase of intangible assets		(410 818)	(2 137)
Net cash outflow from investing activities		(22 258 399)	(6 130 193)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(33 706 693)	(9 616 396)
Lease liability payment		(130 160)	(72 923)
Interest on lease liability		(12 622)	(5 371)
Net cash outflow from financing activities		(33 849 475)	(9 694 690)
Net increase in cash and cash equivalents		1 986 130 081	12 110 606
Cash and cash equivalents at beginning of year		813 295 495	400 289 685
Exchange gains on foreign cash balances		415 884 636	270 576 074
Inflation effects on cash		(1 454 270 676)	(196 949 859)
Cash and cash equivalents at end of year		1 761 039 536	486 026 506

NOTES TO THE INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023

1. INCORPORATION ACTIVITIES

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

1.1 Basis of preparation

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

2. NET INTEREST INCOME

2.1

Interest income

Bankers acceptances
Overdrafts
Loans
Mortgage loans
Staff loans
Securities investments
Other investments

2.2

Interest expense

Call deposits
Savings deposits
Money market deposits
Other offshore deposits
Lease liability

3

NET NON-INTEREST INCOME

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

4

OPERATING EXPENDITURE

Staff costs
NSSA
Pension costs
Administration expenses
Licence fees
Insurance
Audit fees
Depreciation
Amortisation of intangible assets
Property cost of sales
Property management fees
Write off of Intangible assets
Write off of property and equipment

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

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

Short term employment benefits
Post employment benefits



REVIEWED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023

Partners for Success



		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000
5.	TAXATION				
5.1	Analysis of tax charge in respect of the profit or loss The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
	Analysis of tax charge in respect of the profit for the period				
	Current income tax charge	23 293 674	19 992 473	23 293 674	4 075 825
	Deferred income tax	91 500 529	7 217 380	79 731 725	4 213 766
	Income tax expense	114 794 203	27 209 853	103 025 399	8 289 591
5.2	Income tax rate reconciliations				
	Notional tax	%	%	%	%
	Aids levy	24.00	24	24.00	24.00
	Non deductible expenses	0.72	0.72	0.72	0.72
	Exempt income	13.73	17	0.73	0.66
	Effect of special tax rate	(3.22)	(0)	(0.97)	(0.10)
	Tax credit	(3.00)	-	(2.41)	-
	Effective tax rate	(0.00)	(0)	(0.00)	(0.01)
		32.22	41.18	22.07	25.27
Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess management fees excess pension costs and disallowable donations.					
5.3	Analysis of tax effects in respect of other comprehensive income The following constitutes the major components of deferred tax expense recognised in the statement of other comprehensive income.				
	Deferred tax expense on revaluation gains/(loss)	35 964 024	4 593 658	54 523 973	1 908 885
	Deferred tax expense on fair value adjustment on financial assets	3 563 412	(106 627)	4 696 601	20 698
	Total taxation relating to components of other comprehensive income	39 527 436	4 487 031	59 220 574	1 929 583

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the period after adjusting for treasury shares.

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

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000
6.1.	Earnings per share (cents)				
	Basic	47 189.85	7 593.22	71 079.39	4 789.51
	Fully Diluted	47 189.85	7 593.22	71 079.39	4 789.51
6.2	Earnings				
	Basic (earnings attributable to holders of parent)	241 526 167	38 863 458	363 797 066	24 379 531
	Fully Diluted	241 526 167	38 863 458	363 797 066	24 379 531
7.	DIVIDENDS				
	Final dividend	34 569 819	9 616 396	25 774 525	1 500 000
		34 569 819	9 616 396	25 774 525	1 500 000

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
8.	CASH AND CASH EQUIVALENTS				
	Interbank placements	68 116 127	10 734 709	68 116 127	3 436 483
	Cash & bank	448 961 444	111 023 262	448 961 444	35 541 677
	Nostro accounts	78 265 753	105 229 534	78 265 753	33 686 942
	Balances with the Reserve Bank of Zimbabwe	984 825 062	520 645 563	984 825 062	166 673 330
	RBZ Statutory reserve	182 196 510	66 720 932	182 196 510	21 359 252
	Gross cash and cash equivalents	1 762 364 896	814 353 999	1 762 364 896	260 697 684
	ECL	(1 325 360)	(1 058 504)	(1 325 360)	(338 857)
	Net cash and cash equivalents	1 761 039 536	813 295 495	1 761 039 536	260 358 827

The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 15% for demand deposits and 5% for term deposits denominated in ZWL and 10% for demand deposits and 5% for term deposits denominated in foreign currency

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

RBZ Statutory reserve	182 196 510	66 720 932	182 196 510	21 359 252
Amounts secured as guarantees or collateral	8 393 722	13 995 215	8 393 722	4 480 263
	190 590 232	80 716 147	190 590 232	25 839 515

9. MONEY MARKET ASSETS

Money market assets are non-credit financial assets securities with an original maturity of one year or less.

Interbank Placements	455 730 986	110 882 214	455 730 986	35 496 523
Accrued interest	11 167 845	955 219	11 167 845	305 793
Total gross money market	466 898 831	111 837 433	466 898 831	35 802 316
Expected credit loss	(26 357 392)	(1 853 380)	(26 357 392)	(593 319)
Total net money market	440 541 439	109 984 053	440 541 439	35 208 997
9.1				
Maturity analysis				
The maturity analysis of money market assets is shown below.				
Between 0 and 3 months	194 739 906	46 751 604	194 739 906	14 966 507
Between 3 and 6 months	80 970 823	32 432 660	80 970 823	10 382 609
Between 6 and 12 months	149 403 330	32 653 169	149 403 330	10 453 200
Above 12 months	41 784 772	-	41 784 772	-
	466 898 831	111 837 433	466 898 831	35 802 316

10. FINANCIAL SECURITIES

Financial securities are non credit financial assets with an original maturity of more than 1 year.

Treasury bills	50 890 622	151 284 722	50 890 622	48 430 507
Accrued interest	6 157 101	3 833 664	6 157 101	1 227 264
Total gross financial securities	57 047 723	155 118 386	57 047 723	49 657 771
Expected credit loss	(199 081)	(237 701)	(199 081)	(76 095)
Total net financial securities	56 848 642	154 880 685	56 848 642	49 581 676

10.1 Maturity analysis

The maturity analysis of financial securities is shown below:

Between 0 and 3 months	55 872 342	152 323 568	55 872 342	48 763 070
Between 3 and 6 months	25 991	-	25 991	-
Between 6 and 12 months	177 383	466 634	177 383	149 384
Between 1 and 5 years	972 007	2 328 184	972 007	745 317
Above 5 years	-	-	-	-
	57 047 723	155 118 386	57 047 723	49 657 771

Maturity analysis is based on the remaining period from 30 June 2023 to contractual maturity.

11. LOANS AND ADVANCES TO CUSTOMERS

Overdrafts	238 790 869	116 175 410	238 790 869	37 191 025
Commercial loans	1 518 230 230	807 643 712	1 518 230 230	258 549 533
Staff loans	21 653 223	22 934 851	21 653 223	7 342 093
Mortgage advances	81 350 953	25 020 998	81 350 953	8 009 927
Interest accrued	49 182 023	53 509 753	49 182 023	17 129 981
Total gross loans and advances to customers	1 909 207 298	1 025 284 724	1 909 207 298	328 222 559
Allowance for Expected Credit Loss (ECL)	(84 948 198)	(91 274 157)	(84 948 198)	(29 219 432)
Total net loans and advances to customers	1 824 259 100	934 010 567	1 824 259 100	299 003 127

11.1 Maturity analysis

Less than 1 month
Between 1 and 3 months
Between 3 and 6 months
Between 6 months and 1 year
Between 1 and 5 years
More than 5 years

Less than 1 month	405 285 860	174 784 441	405 285 860	55 953 429
Between 1 and 3 months	238 550 959	312 346 098	238 550 959	99 990 797
Between 3 and 6 months	215 187 214	119 232 964	215 187 214	38 169 835
Between 6 months and 1 year	354 926 930	212 292 718	354 926 930	67 960 887
Between 1 and 5 years	678 643 102	186 271 323	678 643 102	59 630 704
More than 5 years	16 613 233	20 357 180	16 613 233	6 516 907
	1 909 207 298	1 025 284 724	1 909 207 298	328 222 559

Maturity analysis is based on the remaining period from 30 June 2023 to contractual maturity.

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2022 ZWL\$ 000	%
11.2	Sectoral Analysis				
	Private	191 453 309	10%	72 067 738	7%
	Agriculture	385 224 653	20%	493 890 226	48%
	Mining	427 642 375	22%	77 784 355	8%
	Manufacturing	344 283 389	18%	99 817 190	10%
	Distribution	323 876 670	17%	132 803 972	13%
	Construction	37 051 703	2%	9 928 101	1%
	Transport	51 905	0%	2 041 865	0%
	Communication	79 466 660	4%	20 332 787	2%
	Services	106 976 613	6%	75 847 407	7%
	Financial organisations	13 180 021	1%	40 771 083	4%
		1 909 207 298	100%	1 025 284 724	100%
				1 909 207 298	100%
				328 222 559	100%

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
11.3	Loans to directors and key management personnel				
	Opening balance	6 538 818	5 646 538	2 093 260	525 837
	Advances made during the period	10 234 241	10 275 383	4 019 010	1 980 834
	Monetary adjustment	(10 163 774)	(7 807 494)	-	-
	Repayment during the period	(818 404)	(632 481)	(321 389)	(111 489)
	Day one loss adjustment	(281 773)	(943 128)	(281 773)	(301 922)
	Balance at end of the year	5 509 108	6 538 818	5 509 108	2 093 260
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	16 396 033	10 289 296	5 248 833	958 196
	Advances made during the period	32 790 089	25 988 769	12 876 743	5 361 324
	Monetary Adjustment	(29 222 659)	(15 459 547)	-	-
	Repayments during the period	(3 026 336)	(2 398 761)	(1 188 449)	(422 836)
	Day one loss adjustment	(793 012)	(2 023 724)	(793 012)	(647 851)
	Balance at end of the year	16 144 115	16 396 033	16 144 115	5 248 833
11.4	Allowance for Expected Credit Loss (ECL)				
	Opening balance	91 274 157	24 859 030	29 219 432	2 315 010
	Acquisition through merger	-	2 335 672	-	695 229
	Credit loss expense on loans and advances	124 836 010	101 495 462	124 836 010	32 491 559
	Foreign exchange loss	177 535 114	-	177 535 114	-
	Monetary Adjustment	(62 054 725)	(17 791 475)	-	-
	Amounts written off during the period	(246 642 358)	(19 624 532)	(246 642 358)	(6 282 366)
	Closing balance	84 948 198	91 274 157	84 948 198	29 219 432

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

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

AUDITED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
Money market assets	17 632 288	1 982 376	-	-	-	-	17 632 288	1 982 376
Financial securities	122 986	(2 845)	-	-	-	-	122 986	(2 845)
Loans and advances to customers	5 605 836	8 131 961	(2 306 766)	8 138 795	121 235 007	5 097 303	124 534 077	21 368 059
Staff loans	257 699	204 063	10 976	-	33 258	-	301 933	204 063
Financial guarantees	(238 808)	819	-	-	-	-	(238 808)	819
Cash equivalents	986 503	23 265	-	-	-	-	986 503	23 265
Other receivables	(595 577)	1 256 583	-	-	-	-	(595 577)	1 256 583
Lease receivables	-	-	(21 622)	8 417	4 334	35 582	(17 288)	43 999
Expected credit loss expense	23 770 927	11 596 222	(2 317 412)	8 147 212	121 272 599	5 132 885	142 726 114	24 876 319

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
Money market assets	17 632 288	404 143	-	-	-	-	17 632 288	404 143
Financial securities	122 986	(580)	-	-	-	-	122 986	(580)
Loans and advances to customers	5 605 836	1 657 847	(2 306 766)	1 659 240	121 235 007	1 039 177	124 534 077	4 356 264
Staff loans	257 699	41 602	10 976	-	33 258	-	301 933	41 602
Financial guarantees	(238 808)	167	-	-	-	-	(238 808)	167
Cash equivalents	986 503	4 743	-	-	-	-	986 503	4 743
Other receivables	(595 577)	256 177	-	-	-	-	(595 577)	25



REVIEWED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023

Partners for Success



UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000
Equity investments	179 400	15 640	-	-	46 528 207	7 287 504	46 707 607	7 303 144
Land and Buildings	-	-	255 919 149	27 102 138	-	-	255 919 149	27 102 138
Investment properties	-	-	132 350 384	13 529 609	-	-	132 350 384	13 529 609
Total assets at fair value	179 400	15 640	388 269 533	40 631 747	46 528 207	7 287 504	434 977 140	47 934 891

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

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

The level 3 equity investments that amounts to ZWL\$ 46.5 billion (2022: ZWL\$22.8 billion) consists of Swift and Zimswitch unquoted equity investments. The Bank used Earnings multiple valuation multiples in arriving at the valuation for these positions. The valuation took into account certain assumptions about the model inputs, including but not limited to jurisdiction/country and market discounts. A range of probabilities was also applied to these inputs and the fair values derived there from were deemed to be within acceptable fair values ranges of the equities. If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$1 128 784 122(2022: ZWL\$ 101 296 099) and the Statement of Financial Position would be ZWL\$1 188 193 813(2022: ZWL\$106 627 473) higher or lower than the reported position

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

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

18. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED										
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000	
30 June 2023										
COST										
Opening balance	12 592 534	74 275 090	393 102	3 215 986	27 869 620	7 245 130	4 613 604	14 688 754	144 893 820	
Right of use assets	-	309 731	-	-	-	-	-	-	309 731	
Additions	-	-	-	119 895	575 640	486 063	342 769	20 384 928	21 905 295	
Revaluation gain	25 461 711	145 929 001	-	-	-	-	-	-	171 390 712	
Disposals	-	-	-	-	(884)	(520)	(248)	-	(1 652)	
Write offs	-	-	-	-	(370)	(450)	(184)	(1 582 435)	(1 583 439)	
Closing balance	38 054 245	220 513 822	393 102	3 335 881	28 444 006	7 730 223	4 955 941	33 491 247	336 918 467	
Accumulated depreciation										
Opening balance	-	2 125 007	298 439	2 579 219	9 582 543	4 245 540	1 880 241	-	20 710 989	
Right of use assets	-	125 739	-	-	-	-	-	-	125 739	
Charge for the period	-	3 704 105	17 250	271 708	2 899 087	530 723	149 400	-	7 572 273	
Disposals	-	-	-	-	(761)	(468)	(174)	-	(1 403)	
Write offs	-	-	-	-	(333)	(405)	(152)	-	(690)	
Revaluation	-	(3 704 105)	-	-	-	-	-	-	(3 704 105)	
Closing balance	-	2 250 746	315 689	2 850 927	12 480 536	4 775 390	2 029 315	-	24 702 603	
Net Book Value	38 054 245	218 263 076	77 413	484 954	15 963 470	2 954 833	2 926 626	33 491 247	312 215 864	
Restated 31 December 2022										
COST										
Opening balance	-	39 140 684	392 973	2 481 670	19 922 759	5 774 355	3 303 282	6 881 732	77 897 455	
Right of use assets	-	47 024	-	-	-	-	-	-	47 024	
Acquisition through merger	10 511 614	17 348 415	129	157	35 401	11 005	15 701	-	27 922 422	
Additions	-	2 460	-	734 159	7 957 575	1 586 108	1 302 006	7 807 022	19 389 330	
Revaluation gain	2 080 920	17 736 507	-	-	-	-	-	-	19 817 427	
Disposals	-	-	-	-	(16 175)	(2 807)	(1 358)	-	(20 340)	
Write offs	-	-	-	-	(29 940)	(123 531)	(6 027)	-	(159 498)	
Closing balance	12 592 534	74 275 090	393 102	3 215 986	27 869 620	7 245 130	4 613 604	14 688 754	144 893 820	
Accumulated depreciation & impairment										
Opening balance	-	1 359 125	264 201	2 116 257	8 681 880	4 088 101	1 793 388	-	18 302 952	
Right of use assets	-	765 882	-	-	-	-	-	-	765 882	
Charge for the year	-	3 555 793	34 238	463 534	935 315	280 753	87 888	-	5 357 521	
Disposals	-	-	-	-	(12 908)	(2 527)	(950)	-	(16 385)	
Write offs	-	-	-	(572)	(21 744)	(120 787)	(85)	-	(143 188)	
Revaluation	-	(3 555 793)	-	-	-	-	-	-	(3 555 793)	
Closing balance	-	2 125 007	298 439	2 579 219	9 582 543	4 245 540	1 880 241	-	20 710 989	
Net Book Value	12 592 534	72 150 083	94 663	636 767	18 287 077	2 999 590	2 733 363	14 688 754	124 182 831	

UNAUDITED HISTORICAL										
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000	
30 June 2023										
Opening balance	4 031 226	23 070 912	3 150	222 248	2 964 413	518 841	416 945	2 416 365	33 644 100	
Right of use asset	-	100 218	-	-	-	-	-	-	100 218	
Additions	-	-	-	39 160	237 235	206 111	156 437	9 508 433	10 147 376	
Revaluation gain	34 023 019	194 836 193	-	-	-	-	-	-	228 859 212	
Disposals	-	-	-	-	(283)	(167)	(79)	-	(529)	
Write offs	-	-	-	-	(118)	(144)	(59)	(506 582)	(506 903)	
Closing balance	38 054 245	218 007 323	3 150	261 408	3 201 247	724 641	573 244	11 418 216	272 243 474	
Accumulated depreciation										
Opening balance	-	33 590	1 027	36 882	177 844	32 033	13 221	-	294 597	
Right of use asset	-	26 221	-	-	-	-	-	-	26 221	
Charge for the period	-	1 573 479	138	21 292	326 280	49 751	17 281	-	1 988 221	
Disposals	-	-	-	-	(244)	(150)	(56)	-	(450)	
Write offs	-	-	-	-	(106)	(130)	(49)	-	(285)	
Revaluation	-	(1 573 479)	-	-	-	-	-	-	(1 573 479)	
Closing balance	-	59 811	1 165	58 174	503 774	81 504	30 397	-	734 825	
Net Book Value	38 054 245	217 947 512	1 985	203 234	2 697 473	643 137	542 847	11 418 216	271 508 649	
31 December 2022										
COST										
Opening balance	-	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437	
Right of use Asset	-	14 086	-	-	-	-	-	-	14 086	
Acquisition through merger	3 128 850	5 163 868	39	47	10 538	3 276	4 674	1	8 311 293	
Additions	-	788	-	213 660	2 455 140	475 387	391 183	2 349 127	5 885 285	
Revaluation gain	902 376	14 432 518	-	-	-	-	-	-	15 334 894	
Disposals	-	-	-	-	(1 507)	(262)	(127)	-	(1 896)	
Write offs	-	-	-	-	(60)	(2 789)	(562)	(19 042)	(61 999)	
Closing balance	4 031 226	23 070 912	3 150	222 248	2 964 413	518 841	416 945	2 416 365	33 644 100	
Accumulated depreciation & impairment										
Opening balance	-	16 171	752	5 454	81 393	23 689	5 400	-	132 859	
Right of use asset	-	17 419	-	-	-	-	-	-	17 419	
Charge for the year	-	805 679	275	31 482	99 364	20 144	7 918	-	964 862	
Disposals	-	-	-	-	(1 203)	(236)	(89)	-	(1 528)	
Transfers / Acquisitions	-	-	-	(54)	(1 710)	(11 564)	(8)	-	(13 336)	
Revaluation	-	(805 679)	-	-	-	-	-	-	(805 679)	
Closing balance	-	33 590	1 027	36 882	177 844	32 033	13 221	-	294 597	
Net Book Value	4 031 226	23 037 322	2 123	185 366	2 786 569	486 808	403 724	2 416 365	33 349 503	

Properties were revalued on an open market basis by professional valuer, as at 30 June 2023 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

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

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

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

- Adjustments were made to the following aspects:
- Age of property - state of repair and maintenance
 - Aesthetic quality - quality of fixtures and fittings
 - Structural condition - location
 - Accommodation offered - size of land.

- The maximum useful lives of property and equipment are as follows:
- Motor vehicles 3 - 5 years
 - Computer equipment 5 years
 - Leasehold improvements 10 years
 - Furniture and fittings 10 years
 - Buildings 40 years

The carrying amount of buildings would have been ZWL\$24 739 820 134(2022:ZWL\$25 374 174 496) had they been carried at cost.

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

REVIEWED				UNAUDITED			
INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000		RESTATED 31 DEC 2022 ZWL\$ 000		HISTORICAL 30 JUNE 2023 ZWL\$ 000		HISTORICAL 31 DEC 2022 ZWL\$ 000	
18.1a	Right of Use Assets						
	Opening balance	214 180	933 038	8 611	11 943		
	Additions	309 731	47 024	100 218	14 086		
	Depreciation	(125 739)	(765 882)	(26 221)	(17 419)		
		398 172	214 180	82 608	8 610		
At cost		2 648 918	2 339 187	142 419	43 778		
Accumulated depreciation		(2 250 746)	(2 125 007)	(59 811)	(35 168)		
		398 172	214 180	82 608	8 610		

- 18.1b Lease liability
- Opening Balance
- Additions
- Interest
- Exchange loss
- Repayment
- Monetary adjustment

- 18.1c Lease liability maturity analysis
- Less than one month
- One to three months
- Three to six months
- Six to twelve months
- One to five years

- 18.1d Amounts recognised in statement of profit or loss
- Interest on lease liabilities
- Right of use asset depreciation

- 18.1e Amounts recognised in statement of cash flow
- Total cashoutflow for leases

19. INVESTMENT PROPERTIES

Opening balance	42 263 096	10 990 950	13 529 609	1 023 538
Additions	-	13 758	-	4 404
Acquisition through merger	-	23 268 604	-	6 926 050
Fair valuation gain	90 087 288	7 989 784	118 820 775	5 575 617
Closing balance	132 350 384	42 263 096	132 350 384	13 529 609

Investment property pertains to commercial and residential properties leased to third parties. The carrying amount of investment properties is the fair value of the properties as at 30 June 2023 as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar property.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter	ZWL\$ 14 875 - ZWL\$ 119 000
		Capitalisation rate	6.74%- 13.93%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 118 673- ZWL\$ 786 712

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 30 June 2023. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

The rental income derived from investments properties amounted to ZWL\$90 087 287 731 (2022: ZWL\$4 663 222 864) with direct operating expenses amounting to ZWL\$278 162 013 (2022: ZWL \$29 330 020)

If the fair value adjustment had been 5% up or down the Bank's profit would have been ZWL\$3 603 491 509 higher or lower the reported

20. INTANGIBLE ASSETS



REVIEWED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023

Partners for Success



		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
23.	OTHER LIABILITIES				
	Revenue received in advance	3 319 844	1 198 009	1 074 151	85 442
	Sundry creditors	61 037 862	25 726 236	61 037 862	8 235 694
	Accruals	5 356 073	3 018 028	5 356 073	966 156
	Suspense	8 084 738	18 338 815	8 084 738	5 870 772
	Provisions	22 201 998	29 856 355	22 201 998	9 557 861
		100 000 515	78 137 443	97 754 822	24 715 925
24.	CATEGORIES OF FINANCIAL LIABILITIES				
	The Bank's financial liabilities are carried at amortised cost are as follows:				
	Deposits	4 548 083 895	2 132 552 209	4 548 083 895	682690111
	Other liabilities*	96 680 671	76 939 434	96 680 671	24 630 483
	Lease liability	732 515	148 383	732 515	47 502
		4 645 497 081	2 209 640 026	4 645 497 081	707 368 096
25.	EQUITY				
25.1	Share capital				
	Authorised 600 000 000 ordinary shares of ZWL\$ 0.01 each	6 000	6 000	6 000	6 000
	Issued and fully paid 511 817 951 ordinary shares at ZWL\$ 0.01 each	2 461 528	2 461 528	5 118	5 118
25.2	Share premium				
	Opening balance	8 042 110	8 042 110	16 722	16 722
	Closing balance	8 042 110	8 042 110	16 722	16 722
25.3	Revaluation reserve				
	Opening balance	40 393 700	27 966 684	14 997 418	2 615 114
	Net revaluation gain	139 130 793	12 427 016	175 908 718	12 382 304
	Closing balance	179 524 493	40 393 700	190 906 136	14 997 418
25.4	Retained earnings				
	Opening balance	310 120 788	248 643 253	81 905 526	19 004 826
	Profit for the period	241 526 167	79 604 369	363 797 066	66 747 617
	Gain on bargain purchase	-	3 528 461	-	1 050 268
	Dividend paid	(34 569 819)	(21 655 295)	(25 774 525)	(4 897 185)
		517 077 136	310 120 788	419 928 067	81 905 526
25.5	Fair value reserve				
	Opening balance	16 911 901	6 287 804	5 789 871	648 987
	Other comprehensive income	20 200 464	10 624 097	34 544 102	5 140 884
		37 112 365	16 911 901	40 333 973	5 789 871

26. RELATED PARTY DISCLOSURES

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

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

Loans and advances to Directors' companies

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

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
(a)	Deposits from directors and key management personnel				
	Closing balance	170 045	286 076	170 045	91 581
	(b) Balances with group company				
	Amounts due from group companies	9 148 931	22 900 063	9 148 931	7 330 956
	Deposits held for group Companies	35 749 770	2 340 372	35 749 770	749 219
	(c) Balances with fellow subsidiaries				
	Amounts due from fellow subsidiaries	228 519 366	451 991 410	228 519 366	144 695 199
	Deposits held for fellow subsidiaries	8 621 104	4 814 812	8 621 104	1 541 357
	(d) Transactions with group companies				
	Interest income on amounts due from group companies	76 721 604	160 385 715	30 930 632	10 881 618
	Interest expense on amounts due to group companies	473 809	279 847	381 396	15 693
	Non – interest income from group companies	3 139 533	1 523 177	733 219	70 386
	Costs charged by group companies	22 776 700	22 910 127	9 235 736	955 829

27. RISK MANAGEMENT

27.1 Risk overview

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

27.2 Bank risk management framework

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

27.3 Credit risk

27.3.1 Credit risk exposure

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

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
	Bank Balances with foreign banks	78 265 753	104 138 231	78 265 753	33 337 585
	Interbank placements	68 116 127	10 589 504	68 116 127	3 389 999
	Balances with RBZ	1 167 021 572	586 485 994	1 167 021 572	187 750 709
	Money market assets	440 541 439	109 984 051	440 541 439	35 208 997
	Financial securities	56 848 642	154 880 686	56 848 642	49 591 676
	Loans and advances to customers	1 824 259 099	934 010 567	1 824 259 099	299 003 127
	Other assets	885 700 351	349 423 984	885 700 351	111 860 473
	Total	4 520 752 983	2 249 513 017	4 520 752 983	720 132 566
	Financial guarantees	7 034 986	1 947 379	7 034 986	623 411
	Capital Commitments	16 598 337	5 807 751	16 598 337	5 924 484
	Total	23 633 323	7 755 130	23 633 323	6 547 895

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

The Bank held cash and cash equivalents of ZWL\$1 312 078 092 373(2022: ZWL\$702 272 231 733) (excluding notes and coins) as at 30 June 2023 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

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

	INFLATION ADJUSTED		RESTATED		HISTORICAL		
	30 JUN 2023 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	31 DEC 2022 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	30 JUN 2023 ZWL\$ 000	31 DEC 2022 ZWL\$ 000
		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)	Net maximum exposure (not covered by mortgage security)
	Gross exposure		Gross exposure		Gross exposure		Gross exposure
Private	191 453 309	149 547 217	72 067 738	52 257 575	191 453 309	149 547 217	23 070 915
Agriculture	385 224 653	175 183 067	493 890 226	146 171 124	385 224 653	175 183 067	158 108 192
Mining	427 642 375	369 416 199	77 784 355	-	427 642 375	369 416 199	24 900 966
Manufacturing	344 283 389	188 741 085	99 817 190	5 456 376	344 283 389	188 741 085	1 746 740
Distribution	323 876 670	262 322 214	132 803 972	-	323 876 670	262 322 214	42 514 297
Construction	37 051 703	-	9 928 101	2 532 643	37 051 703	-	3 178 265
Transport	51 905	51 905	2 041 865	-	51 905	51 905	653 659
Communication	79 466 660	79 441 010	20 332 787	20 501 695	79 466 660	79 441 010	6 509 099
Services	106 976 613	-	75 847 407	41 316 800	106 976 613	-	13 226 673
Financial organisations	13 180 021	7 793 839	40 771 083	61 425 760	13 180 021	7 793 839	13 051 974
Gross value	1 909 207 298	1 232 496 536	1 025 284 724	329 661 973	1 909 207 298	1 232 496 536	328 222 559

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
Collateral analysis					
Cash cover	-	3 138 244	-	-	1 004 641
Government guarantee	862 494 196	387 844 598	862 494 196	124 159 995	
Registered Marketable commodities	190 635 948	142 856 006	190 635 948	45 732 237	
Mortgage bonds	663 577 102	180 412 454	663 577 102	57 755 115	
Notarial general covering bonds	377 732 866	307 721 122	377 732 866	98 510 211	
	2 094 440 112	1 021 972 424	2 094 440 112	327 162 199	

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

28. Credit quality per class of financial assets

a. Loans and advances to customers

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

REVIEWED INFLATION ADJUSTED								
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023
Internal rating grade								
Performing	"1 - 3c"	428 028 328	112 882 375	1 015 824	1 656 608	-	-	429 044 152
Special mention	"4a - 7c"	900 207 248	329 635 794	528 631 609	474 222 323	-	-	1 428 838 857
Non-performing	"8 - 10"	-	-	-	-	51 324 289	106 887 624	51 324 289
Total		1 328 235 576	442 518 169	529 647 433	475 878 931	51 324 289	106 887 624	1 909 207 298

UNAUDITED HISTORICAL								
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023
Internal rating grade								
Performing	"1 - 3c"	428 028 328	36 136 832	1 015 824	530 329	-	-	429 044 152
Special mention	"4a - 7c"	900 207 248	105 525 716	528 631 609	151 811 941	-	-	1 428 838 857
Non-performing	"8 - 10"	-	-	-	-	51 324 289	34 217 741	51 324 289
Total		1 328 235 576	141 662 548	529 647 433	152 342 270	51 324 289	34 217 741	1 909 207 298

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

REVIEWED INFLATION ADJUSTED								
GROSS CARRYING AMOUNT	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	442 518 169	211 853 825	475 878 931	488 923 972	106 887 624	6 736 839	1 025 284 724	707 514 636
New assets originated or purchased (excluding write offs)	1 856 421 926	653 377 289	690 930 646	1 003 487 083	1 592 540	8 053 454	2 548 945 112	1 664 917 826
Transfers from Stage 1	(644 267 367)	(71 825 631)	634 794 805	40 839 740	9 472 562	30 985 891	-	-
Transfers from Stage 2	60 160 682	175 802 084	(70 790 083)	(368 928 596)	10 629 401	193 126 512	-	-
Transfers from Stage 3	5 894 476	2 167 773	2 169 161	484 464	(8 063 637)	(2 652 237)	-	-
Foreign exchange movement	725 752 208	-	65 087 946	-	263 341 802	-	1 054 181 956	-
Amounts paid off	(104 748 702)	(134 970 070)	(462 056 393)	(265 346 089)	(12 594 201)	(14 597 223)	(579 399 296)	(414 913 382)
Amounts written off	-	-	-	-	(246 642 358)	(19 624 532)	(246 642 358)	(19 624 532)
Monetary adjustment	(1 013 495 816)	(393 887 101)	(806 367 580)	(423 581 643)	(73 299 444)	(95 141 080)	(1 893 162 840)	(912 609 824)
Gross loans and advances to customers	1 328 235 576	442 518 169	529 647 433	475 878 931	51 324 289	106 887 624	1 909 207 298	1 025 284 724
Expected credit loss allowance	(30 421 818)	(15 357 773)	(21 780 507)	(24 481 360)	(32 745 873)	(51 435 024)	(1 893 162 840)	(91 274 157)
Net loans and advances to customers	1 297 813 758	427 160 396	507 866 926	451 397 571	18 578 416	55 452 600	1 824 259 100	934 010 567

UNAUDITED HISTORICAL			
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REVIEWED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023

Partners for Success



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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Gross carrying amount	155 118 386	10 511 902					155 118 386	10 511 902
New assets originated or purchased (excluding write offs)	127 322 916	153 882 822					127 322 916	153 882 822
Maturities during the year	(108 504 712)	(200 496)					(108 504 712)	(200 496)
Monetary adjustment	(116 888 867)	(9 075 842)					(116 888 867)	(9 075 842)
Gross financial securities	57 047 723	155 118 386	-	-	-	-	57 047 723	155 118 386
ECL allowance	(199 081)	(237 701)					(199 081)	(237 701)
Net financial securities	56 848 642	154 880 685	-	-	-	-	56 848 642	154 880 685

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Gross carrying amount	49 657 771	978 926					49 657 771	978 926
New assets originated or purchased (excluding write offs)	50 000 000	48 714 186					50 000 000	48 714 186
Maturities during the year	(42 610 048)	(35 341)					(42 610 048)	(35 341)
Gross financial securities	57 047 723	49 657 771	-	-	-	-	57 047 723	49 657 771
ECL allowance	(199 081)	(76 095)					(199 081)	(76 095)
Net financial securities	56 848 642	49 581 676	-	-	-	-	56 848 642	49 581 676

c. Money market

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

REVIEWED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	466 898 831	111 837 433					466 898 831	111 837 433
Total		466 898 831	111 837 433	-	-	-	-	466 898 831	111 837 433

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	466 898 831	35 802 316					466 898 831	35 802 316
Total		466 898 831	35 802 316	-	-	-	-	466 898 831	35 802 316

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	111 837 433	261 916 174	-	-	-	-	111 837 433	261 916 174
New assets originated or purchased (excluding write offs)	747 260 050	144 947 687	-	-	-	-	747 260 050	144 947 687
Maturities	(217 219 724)	(76 191 606)	-	-	-	-	(217 219 724)	(76 191 606)
Foreign exchange movement	222 948 468	-	-	-	-	-	222 948 468	-
Monetary Adjustment	(397 927 396)	(218 834 822)	-	-	-	-	(397 927 396)	(218 834 822)
Gross money market assets	466 898 831	111 837 433	-	-	-	-	466 898 831	111 837 433
Expected credit loss allowance	(26 357 392)	(1 853 380)	-	-	-	-	(26 357 392)	(1 853 380)
Net Money market assets	440 541 439	109 984 053	-	-	-	-	440 541 439	109 984 053

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Opening balance	35 802 317	24 391 083	-	-	-	-	35 802 317	24 391 083
New assets originated or purchased (excluding write offs)	293 450 728	35 802 315	-	-	-	-	293 450 728	35 802 315
Foreign exchange movement	222 948 468	-	-	-	-	-	222 948 468	-
Maturities	(85 302 682)	(24 391 082)	-	-	-	-	(85 302 682)	(24 391 082)
Gross money market assets	466 898 831	35 802 316	-	-	-	-	466 898 831	35 802 316
Expected credit loss allowance	(26 357 392)	(593 319)	-	-	-	-	(26 357 392)	(593 319)
Net Money Market assets	440 541 439	35 208 997	-	-	-	-	440 541 439	35 208 997

d. Financial guarantees

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

REVIEWED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	7 034 986	1 947 379					7 034 986	1 947 379
Total		7 034 986	1 947 379	-	-	-	-	7 034 986	1 947 379

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	7 034 986	623 411					7 034 986	623 411
Total		7 034 986	623 411	-	-	-	-	7 034 986	623 411

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Gross carrying opening balance	1 947 379	7 328 746					1 947 379	7 328 746
New assets originated or purchased (excluding write offs)	17 293 080	1 947 379					17 293 080	1 947 379
Guarantees Expired	(966 271)	(522 849)					(966 271)	(522 849)
Monetary adjustment	(11 239 202)	(6 805 897)					(11 239 202)	(6 805 897)
Gross financial guarantees	7 034 986	1 947 379	-	-	-	-	7 034 986	1 947 379
Expected credit loss allowance	(65 416)	(3 183)					(65 416)	(3 183)
Net financial guarantees	6 969 570	1 944 196	-	-	-	-	6 969 570	1 944 196

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022	30 JUNE 2023	31 DEC 2022
Gross carrying opening balance	623 411	167 379					623 411	167 379
New assets originated or purchased (excluding write offs)	6 791 032	623 411					6 791 032	623 411
Guarantees Expired	(379 457)	(167 379)					(379 457)	(167 379)
Gross financial guarantees	7 034 986	623 411	-	-	-	-	7 034 986	623 411
Expected credit loss allowance	(65 416)	(1 019)					(65 416)	(1 019)
Net financial guarantees	6 969 570	622 392	-	-	-	-	6 969 570	622 392

28.2 Market risk

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

28.2.1 Bank market risks management framework

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

29. LIQUIDITY RISK

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

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

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

29.1 CONTRACTUAL LIQUIDITY GAP ANALYSIS

REVIEWED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000	
30 JUNE 2023								
Assets								
Balances with banks and cash	1 761 039 536	-	-	-	-	-	1 761 039 536	
Money market assets	194 739 906	-	80 970 823	149 403 330	41 784 772	-	466 898 831	
Financial securities	17 282 466	38 589 876	-	25 991	242 319	907 071	57 047 723	
Loans and advances to customers	427 848 038	273 454 740	257 542 902	416 434 504	806 125 029	27 320 496	2 208 725 709	
Financial guarantees	461 597	2 984 962	606 960	2 960 230	21 237	-	7 034 986	
Current tax receivable	-	11 121 727	-	-	-	-	11 121 727	
Other liquid assets	22 487 951	859 408 830	-	-	-	-	881 896 781	
Total assets	2 423 859 494	1 185 560 135	339 120 685	568 824 055	848 173 357	28 227 567	5 393 765 293	
Liabilities								
Deposits	4 216 340 837	36 938 318	34 775 843	208 956 392	86 045 704	-	4 583 057 094	
Other liabilities	-	75 211 188	-	-	-	-	75 211 188	
Lease Liabilities	49 617	87 926	103 384	56 470	435 118	-	732 515	
Financial guarantees	461 597	2 984 962	606 960	2 960 230	21 237	-	7 034 986	
Capital Commitments	16 598 337	-	-	-	1 325 915	-	16 598 337	
Total liabilities	4 233 450 388	115 222 394	35 486 187	211 973 092	86 502 059	-	4 682 634 120	
Liquidity gap	(1 809 590 894)	1 070 337 741	303 634 498	356 850 963	761 671 298	28 227 567	711 131 173	
Cumulative liquidity gap	(1 809 590 894)	(739 253 153)	(435 618 655)	(78 767 692)	682 903 606	711 131 173	711 131 173	

REVIEWED INFLATION ADJUSTED							
RESTATED 31 DEC 2022	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	813 295 495	-	-	-	-	-	813 295 495
Money market assets	46 181 568	1 928 646	33 672 430	34 630 529	-	-	116 413 173
Financial securities	99 840 012	60 492 174	681	10 436	972 656	2 882 229	164 198 188
Loans and advances to customers	225 548 998	402 548 545	145 684 063	245 053 715	235 974 893	39 695 517	1 294 505 731
Financial guarantees	66 183	271 067	2 039	282 175	1 325 915	-	1 947 379
Other liquid assets	17 754 342	-	330 120 226	-	-	-	347 874 568
Total assets	1 202 686 598	465 240 432	509 479 439	279 976 855	238 273 464	42 577 746	2 738 234 534
Liabilities							
Deposits	1 882 385 307	199 602 037	25 500 440	15 110 040	33 157 898	-	2 155 755 722
Other liabilities	-	77 206 333	-	-	-	-	77 206 333
Current tax payable	-	4 203 084	-	-	-	-	4 203 084
Lease liabilities	14 171	28 341	42 512	65 376	2 320	-	152 720
Financial guarantees	66 183	271 067	2 039	282 175	1 325 915	-	1 947 379
Capital Commitments	18 506 596	-	-	-	-	-	18 506 596
Total liabilities	1 900 972 257	281 310 862	25 544 991	15 457 591	34 486 133	-	2 257 771 834
Liquidity gap	(698 285 659)	183 929 570	483 934 448	264 519 264	203 787 331	42 577 746	480 462 700
Cumulative liquidity gap	(698 285 659)	(514 356 089)	(30 421 641)	234 097 623	437 884 954	480 462 700	480 462 700



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30. INTEREST RATE RISK

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

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

At 30 June 2023, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL\$30 132 997 953 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

REVIEWED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2023								
Assets								
Balances with banks and cash	146 381 880	-	-	-	-	-	1 614 657 656	1 761 039 536
Money market assets	168 382 514	-	80 970 823	149 403 330	41 784 772	-	440 541 439	-
Financial securities	17 083 385	38 589 876	-	25 991	242 319	907 071	-	56 848 642
Loans and advances to customers	387 253 085	227 936 883	205 612 682	339 134 824	648 447 581	15 874 045	-	1 824 259 100
Equity investments	-	-	-	-	-	-	46 707 607	46 707 607
Land inventory	-	-	-	-	-	-	64 713 259	64 713 259
Other assets	-	-	-	-	-	-	910 536 329	910 536 329
Current tax receivable	-	-	-	-	-	-	11 121 727	11 121 727
Intangible assets	-	-	-	-	-	-	927 149	927 149
Investment properties	-	-	-	-	-	-	132 350 384	132 350 384
Property and equipment	-	-	-	-	-	-	312 215 864	312 215 864
Total assets	719 100 864	266 526 759	286 583 505	488 564 145	690 474 672	16 781 116	3 093 229 975	5 561 261 036
Equity & Liabilities								
Deposits	123 923 039	32 869 396	31 377 513	196 417 414	73 844 657	-	4 089 651 876	4 548 083 895
Other liabilities	-	-	-	-	-	-	100 000 515	100 000 515
Deferred taxation	-	-	-	-	-	-	168 226 479	168 226 479
Lease liability	49 617	87 926	103 384	56 470	435 118	-	-	732 515
Equity	-	-	-	-	-	-	744 217 632	744 217 632
Total liabilities and equity	123 972 656	32 957 322	31 480 897	196 473 884	74 279 775	-	5 102 096 502	5 561 261 036
Interest rate repricing gap	595 128 208	233 569 437	255 102 608	292 090 261	616 194 897	16 781 116 (2 008 866 527)		-
Cumulative gap	595 128 208	828 697 645	1 083 800 253	1 375 890 514	1 992 085 411	2 008 866 527	-	-

REVIEWED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022								
Assets								
Balances with banks and cash	813 295 495	-	-	-	-	-	-	813 295 495
Money market assets	43 335 838	1 562 385	32 432 660	32 653 170	-	-	-	109 984 053
Financial securities	102 720 294	49 365 572	-	-	466 634	2 328 185	-	154 880 685
Loans and advances to customers	421 100 580	512 909 987	-	-	-	-	-	934 010 567
Equity investments	-	-	-	-	-	-	22 813 186	22 813 186
Land inventory	-	-	-	-	-	-	67 252 230	67 252 230
Other assets	-	-	-	-	-	-	359 938 524	359 938 524
Intangible assets	-	-	-	-	-	-	1 548 993	1 548 993
Investment properties	-	-	-	-	-	-	42 263 096	42 263 096
Property and equipment	-	-	-	-	-	-	124 182 831	124 182 831
Total assets	1 380 452 207	563 837 944	32 432 660	32 653 170	466 634	2 328 185	617 998 860	2 630 169 660
Equity & Liabilities								
Deposits	274 687 717	190 906 905	23 983 692	10 319 696	27 599 491	-	1 605 054 708	2 132 552 209
Other liabilities	-	-	-	-	-	-	78 137 443	78 137 443
Current tax payable	-	-	-	-	-	-	4 203 084	4 203 084
Deferred taxation	-	-	-	-	-	-	37 198 514	37 198 514
Lease Liability	13 512	29 267	41 267	62 202	2 135	-	-	148 383
Equity	-	-	-	-	-	-	377 930 027	377 930 027
Total liabilities and equity	274 701 229	190 936 172	24 024 959	10 381 898	27 601 626	-	2 102 523 776	2 630 169 660
Interest rate repricing gap	1 105 750 978	372 901 772	8 407 701	22 271 272	(27 134 992)	2 328 185 (1 484 524 916)		-
Cumulative gap	1 105 750 978	1 478 652 750	1 487 060 451	1 509 331 723	1 482 196 731	1 484 524 916	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2023								
Assets								
Balances with banks and cash	146 381 880	-	-	-	-	-	1 614 657 656	1 761 039 536
Money market assets	168 382 514	-	80 970 823	149 403 330	41 784 772	-	440 541 439	-
Financial securities	17 083 385	38 589 876	-	25 991	242 319	907 071	-	56 848 642
Loans and advances to customers	387 253 085	227 936 883	205 612 682	339 134 824	648 447 581	15 874 045	-	1 824 259 100
Equity investments	-	-	-	-	-	-	46 707 607	46 707 607
Land inventory	-	-	-	-	-	-	4 068 021	4 068 021
Other assets	-	-	-	-	-	-	893 735 209	893 735 209
Current tax receivable	-	-	-	-	-	-	11 121 727	11 121 727
Intangible assets	-	-	-	-	-	-	314 970	314 970
Investment properties	-	-	-	-	-	-	132 350 384	132 350 384
Property and equipment	-	-	-	-	-	-	271 508 649	271 508 649
Total assets	719 100 864	266 526 759	286 583 505	488 564 145	690 474 672	16 781 116	2 974 464 223	5 442 495 284
Equity & Liabilities								
Deposits	123 923 033	32 869 396	31 377 513	196 417 414	73 844 657	-	4 089 651 882	4 548 083 895
Other liabilities	-	97 754 822	-	-	-	-	-	97 754 822
Deferred taxation	-	-	-	-	-	-	144 734 036	144 734 036
Lease liability	49 617	87 926	103 384	56 470	435 118	-	-	732 515
Equity	-	-	-	-	-	-	651 190 016	651 190 016
Total liabilities and equity	123 972 650	130 712 144	31 480 897	196 473 884	74 279 775	-	4 885 575 934	5 442 495 284
Interest rate repricing gap	595 128 214	135 814 615	255 102 608	292 090 261	616 194 897	16 781 116 (1 911 111 711)		-
Cumulative gap	595 128 214	730 942 829	986 045 437	1 278 135 698	1 894 330 595	1 911 111 711	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2022								
Assets								
Balances with banks and cash	37 123 425	-	-	-	-	-	223 235 402	260 358 827
Money market assets	13 873 024	500 164	10 382 609	10 453 200	-	-	-	35 208 997
Financial securities	32 883 664	15 803 312	-	-	149 383	745 317	-	49 581 676
Loans and advances to customers	134 806 173	164 196 954	-	-	-	-	-	299 003 127
Equity investments	-	-	-	-	-	-	7 303 144	7 303 144
Land inventory	-	-	-	-	-	-	3 983 355	3 983 355
Other assets	-	-	-	-	-	-	114 891 217	114 891 217
Intangible assets	X -	-	-	-	-	-	86 000	86 000
Investment properties	-	-	-	-	-	-	13 529 609	13 529 609
Property and equipment	-	-	-	-	-	-	33 349 503	33 349 503
Total assets	218 686 286	180 500 430	10 382 609	10 453 200	149 383	745 317	396 378 230	817 295 455
Equity & Liabilities								
Deposits	87 935 286	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	682 690 111
Other liabilities	-	-	-	-	-	-	24 715 925	24 715 925
Current tax payable	-	-	-	-	-	-	1 345 526	1 345 526
Deferred taxation	-	-	-	-	-	-	5 781 736	5 781 736
Lease Liability	4 326	9 369	13 211	19 913	683	-	-	47 502
Equity	-	-	-	-	-	-	102 714 655	102 714 655
Total liabilities and equity	87 939 612	61 124 054	7 691 067	3 323 539	8 836 058	-	648 381 125	817 295 455
Interest rate repricing gap	130 746 674	119 376 376	2 691 542	7 129 661	(8 686 675)	745 317 (252 002 895)		-
Cumulative gap	130 746 674	250 123 050	252 814 592	259 944 253	251 257 578	252 002 895	-	-

31. FOREIGN EXCHANGE RISK

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

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

At 30 June 2023, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the period would have been ZWL\$20 509 311 217 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Bank as at 30 June 2023 is as below:

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 30 JUNE 2023

REVIEWED INFLATION ADJUSTED							
	Total 000	ZWL\$ 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Balances with banks and cash	1 761 039 536	133 910 355	1 498 257 807	107 294 897	1 595 948	19 980 334	195
Money market assets	440 541 439	23 289 092	417 252 347	-	-	-	-
Financial securities	56 848 642	56 848 642	-	-	-	-	-
Loans and advances to customers	1 824 259 100	135 613 856	1 686 346 005	283 324	-	2 015 915	-
Equity investments	46 707 607	46 707 607	-	-	-	-	-
Land inventory	64 713 259	64 713 259	-	-	-	-	-
Other assets	910 536 329	41 659 161	866 865 498	1 631 491	151 576	228 603	-
Current tax receivable	11 121 727	11 121 727	-	-	-	-	-
Intangible assets	927 149	927 149	-	-	-	-	-
Investment properties	132 350 384	132 350 384	-	-	-	-	-
Property and equipment	312 215 864	312 215 864	-	-	-	-	-
	5 561 261 036	959 357 096	4 468 721 657	109 209 712	1 747 524	22 224 852	195
Equity & Liabilities							
Deposits	4 548 083 895	418 269 573	3 905 342 453	213 674 086	808 643	9 988 400	740
Other liabilities	100 000 515	38 097 124	60 101 349	865 757	199 641	736 644	-
Deferred taxation	168 226 479	168 226 479	-	-	-	-	-
Lease Liability	732 515	732 515	-	-	-	-	-



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32.1

Operational risk management framework

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

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

32.2

Strategic risk

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

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

32.3

Regulatory risk

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

Comprehensive and consistent compliance policies and procedures exist covering the Bank;

A proactive and complete summary statement of the Bank's position on ethics and compliance exists;

A reporting structure of the Bank Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and that

Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

32.4

Reputation risk

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

Continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders;

Ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that;

Stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.

32.5

Money laundering risk

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

Adherence to Know Your Customer Procedures;

Effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;

Development of early warning systems; and

Integration of compliance into individual performance measurement and reward structures.

32.6

Risk and Credit Ratings

32.6.1

External Credit Rating

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

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

32.6.2

Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank Limited	2	1	3	2	2	2	2
CBZ Bank Limited Risk Matrix Summary							
Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk			
Credit Risk	Moderate	Acceptable	Moderate	Stable			
Liquidity Risk	Moderate	Acceptable	Moderate	Stable			
Interest Rate Risk	Moderate	Acceptable	Moderate	Stable			
Foreign Exchange Risk	Low	Acceptable	Low	Stable			
Strategic Risk	Moderate	Acceptable	Moderate	Stable			
Operational Risk	Moderate	Acceptable	Moderate	Stable			
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable			
Reputation Risk	Moderate	Acceptable	Moderate	Stable			
Overall	Moderate	Acceptable	Moderate	Stable			

KEY	
Level of inherent risk	
Low –	reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate –	could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
High –	reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.
Adequacy of Risk Management Systems	
Weak –	risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
Acceptable –	management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
Strong –	management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.
Overall Composite Risk	
Low Risk –	would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
Moderate Risk –	risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.
High –	Risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Bank's overall condition.
Direction of Overall Composite Risk Rating	
Increasing–	based on the current information composite risk is expected to increase in the next twelve months.
Decreasing–	based on current information composite risk is expected to decrease in the next twelve months.
Stable –	based on the current information composite risk is expected to be stable in the next twelve months.

33.

CAPITAL MANAGEMENT

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

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

33.1

Capital Adequacy

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

	REVIEWED 30 JUNE 2023 ZWL\$ 000	UNAUDITED 31 DEC 2022 ZWL\$ 000
Risk Weighted Assets	2 638 930 486	439 115 478
Total Qualifying Capital	673 718 345	95 962 702
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	419 928 070	81 905 528
Exposure to insiders	(10 458 307)	(12 240 900)
	409 491 603	69 686 468
Less Tier 3	(65 747 078)	(16 210 762)
	343 744 525	53 475 706
Tier 2		
Revaluation reserves	190 906 137	14 997 419
Fair Value Reserve	40 333 974	5 789 872
General provisions	32 986 631	5 488 943
	264 226 742	26 276 234
Tier 3		
Capital allocated for market risk	54 708 181	5 171 866
Capital allocated to operations risk	11 038 896	11 038 896
	65 747 077	16 210 762
Capital Adequacy (%)		
Tier 1	13.03%	12.18%
Tier 2	10.01%	5.98%
Tier 3	2.49%	3.69%
Total	25.53%	21.85%

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

34.	CORPORATE GOVERNANCE STATEMENT The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.
35.	DISCLOSURE POLICY The Board is aware of the importance of balanced and understandable communication of the Bank's activities to stakeholders and strives to clearly present any matters material to a proper appreciation of the Bank's position. The interests and concerns of stakeholders are addressed by communicating information in a timely manner. The Directors foster a mutual understanding of objectives shared between the Bank and its institutional shareholders by meeting with and making presentations to them on a regular basis. The Board welcomes and encourages the attendance of private shareholders at general meetings and gives them the opportunity to have questions addressed. The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.
36.	GOING CONCERN For going concern assessment refer to CBZ Holdings note 36.

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Directors: Mr. M. L. Holtzman (Chairman) | Mrs. R. L Gaskin Gain | Mr. E. U Mashingaidze | Mr.L. C. Gerken | Mr. E. E. Galante | Dr. B. Mudavanhu * | Mr.T.L. Gumbo * | *Executive

20



UNAUDITED INFLATION ADJUSTED FINANCIAL RESULTS

For the half year ended 30 June 2023



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED HISTORICAL 30 JUNE 2022 ZWL\$ 000
Insurance revenue	3 595 668	312 621	1 825 008	39 342
Insurance service expenses	(11 630 255)	(7 855 016)	(5 903 024)	(988 510)
Net income/(expenses) from reinsurance contracts held	(538 857)	(232 610)	(273 501)	(29 273)
Insurance service result	(8 573 444)	(7 775 005)	(4 351 517)	(978 441)
Insurance service finance costs	(483 040)	(356 070)	(245 170)	(44 809)
Operating expenditure	(490 956)	(192 272)	(236 181)	(50 997)
Expected credit loss	(107 073)	(30 433)	(107 073)	(6 204)
Monetary gain	7 388 068	3 813 836	-	-
Operating profit	(2 266 445)	(4 539 944)	(4 939 941)	(1 080 451)
Investment and Other income	27 841 237	3 787 258	38 167 563	2 022 255
Interest from investments & Other balances	(336 453)	97 900	(98 586)	14 821
Profit before taxation	25 238 339	(654 886)	33 129 036	956 625
Taxation	(2 526)	(970)	(2 526)	(198)
Profit for the period	25 235 813	(655 856)	33 126 510	956 427
Other comprehensive income				
Gains on property revaluations	5 604 693	1 312 695	7 377 439	514 598
Gains on equity instruments at FVOCI	1 732 875	395 660	2 547 536	159 344
Other comprehensive income for the period net of tax	7 337 568	1 708 355	9 924 975	673 942
Total comprehensive income	32 573 381	1 052 499	43 051 485	1 630 369

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED HISTORICAL 30 JUNE 2022 ZWL\$ 000
ASSETS				
Current assets				
Cash and cash equivalents	1 762 910	1 608 438	1 762 910	514 906
Money market assets	943 968	-	943 968	-
Equity investments	9 643 894	3 833 896	9 643 894	1 227 338
Insurance assets	2 747 355	137 578	2 747 355	44 043
Other receivables	704 976	292 619	704 976	92 670
	15 803 103	5 872 531	15 803 103	1 878 957
Non-current assets				
Property and equipment	8 499 804	2 934 973	8 277 692	877 564
Investment properties	34 476 387	13 787 907	34 476 387	4 413 898
	42 976 191	16 722 880	42 754 079	5 291 462
TOTAL ASSETS	58 779 294	22 595 411	58 557 182	7 170 419
EQUITY AND LIABILITIES				
Liabilities				
Insurance liabilities	7 098 704	3 310 725	7 098 704	1 059 856
Investment contract liabilities	1 770 773	1 153 430	1 770 773	369 246
Current tax payable	-	44 135	-	14 129
Other payables	1 718 347	7 271 528	1 682 935	2 327 821
	10 587 824	11 779 818	10 552 412	3 771 052
Equity				
Share capital	1	1	-	-
Share premium	5 470 045	667 548	1 555 305	1 388
Revaluation reserve	7 890 987	2 286 294	8 263 688	886 249
Retained earnings	32 851 530	7 615 718	35 310 361	2 183 851
Fair value reserve	1 978 907	246 032	2 875 416	327 879
	48 191 470	10 815 593	48 004 770	3 399 367
TOTAL EQUITY AND LIABILITIES	58 779 294	22 595 411	58 557 182	7 170 419

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

UNAUDITED INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair Value reserve ZWL\$ 000	Retained Earnings ZWL\$ 000	Total ZWL\$ 000
Restated 30 June 2022						
Opening balance at 1 January 2022	1	667 548	1 903 702	(241 737)	6 501 994	8 831 508
Impact of IFRS 17 initial application	-	-	-	-	(3 100 778)	(3 100 778)
Restated opening balance	1	667 548	1 903 702	(241 737)	3 401 216	5 730 730
Total comprehensive income for the period	-	-	1 312 695	395 660	(655 856)	1 052 499
Closing balance at 30 June 2022	1	667 548	3 216 397	153 923	2 745 360	6 783 229
30 June 2023						
Opening balance at 1 January 2023	1	667 548	2 286 294	246 032	7 615 718	10 815 593
Total comprehensive income for the period	-	-	5 604 693	1 732 875	25 235 812	32 573 380
Issue of shares	-	4 802 497	-	-	-	4 802 497
Closing balance at 30 June 2023	1	5 470 045	7 890 987	1 978 907	32 851 530	48 191 470

UNAUDITED HISTORICAL

Restated 30 June 2022						
Opening balance at 1 January 2022	-	1 388	230 013	10 448	557 596	799 445
Impact of IFRS 17 initial application	-	-	-	-	(288 077)	(288 077)
Restated opening balance	-	1 388	230 013	10 448	269 519	511 368
Total comprehensive income for the period	-	-	514 598	159 344	956 427	1 630 369
Closing balance at 30 June 2022	-	1 388	744 610	169 792	1 225 946	2 141 737
30 June 2023						
Opening balance at 1 January 2023	-	1 388	886 249	327 880	2 183 851	3 399 368
Total comprehensive income for the period	-	-	7 377 439	2 547 536	33 126 510	43 051 485
Issue of shares	-	1 553 917	-	-	-	1 553 917
Closing balance at 30 June 2023	-	1 555 305	8 263 688	2 875 416	35 310 361	48 004 770

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	RESTATED HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED HISTORICAL 30 JUNE 2022 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/Loss before taxation	25 238 339	(654 886)	33 129 036	956 625
Non cash items:				
Depreciation	167 314	164 655	18 938	4 228
Profit on sale of property and equipment	(5 556)	-	(1 802)	-
Monetary gain/loss	(7 388 068)	(3 813 836)	-	-
(Profit)/ Loss on disposal of investment properties	(507 301)	-	(507 301)	-
Fair value adjustment on investment properties	(20 191 019)	(3 660 576)	(29 638 160)	(1 578 894)
Fair value adjustment on financial instruments	(4 495 957)	889 280	(5 487 235)	(283 648)
Expected credit loss	107 073	30 433	(107 073)	6 204
Unrealised loss on foreign currency position	2 283 005	(367 046)	2 283 005	(74 829)
Operating profit before changes in operating assets and liabilities	(4 792 170)	(7 411 976)	(310 592)	(970 314)
Changes in operating assets and liabilities				
Other receivables	(600 740)	(168 198)	(493 667)	(33 052)
Insurance contract assets	(6 406 328)	(21 420 779)	(2 225 768)	(2 691 409)
Other payables	(5 177 542)	1 310 256	(5 118 754)	100 345
Money market assets	(186 866)	(91 811)	(186 866)	(2 087)
Life assurance investment contract liabilities	617 343	(18 803 081)	1 401 528	(2 247 496)
Insurance liabilities	15 377 672	47 678 430	6 038 847	5 990 545
	3 623 539	8 504 817	(584 680)	1 116 846
Corporate tax paid	(18 817)	-	(16 655)	-
Net cash inflow from operating activities	(1 187 448)	1 092 841	(911 927)	146 532
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments	-	-	-	-
Purchase of property and equipment	(127 595)	(14 468)	(41 673)	(2 811)
Proceeds on disposal of investment properties	627 301	-	627 301	-
Purchase of investment properties	(617 461)	(41 581)	(544 329)	(29 739)
Investment in equities during the period	(1 155 874)	(900 020)	(892 895)	(144 248)
Equity investments disposed during the period	1 574 708	88 236	511 111	15 392
Proceeds on disposal of property and equipment	5 700	-	1 848	-
Net cash outflow from investing activities	306 779	(867 833)	(338 637)	(161 406)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	-	-	-	-
Issue of shares	4 802 497	-	1 553 917	-
Net cash outflow from financing activities	4 802 497	-	1 553 917	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	3 921 828	225 008	303 353	(14 874)
Cash and cash equivalents at the beginning of the period	1 608 438	752 347	514 906	70 063
Unrealised exchange gains on foreign cash balances	944 650	189 072	944 651	38 546
Inflation effects on cash and cash equivalents	(4 712 006)	(706 644)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1 762 910	459 783	1 762 910	93 735

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED HISTORICAL 30 JUNE 2022 ZWL\$ 000
Insurance revenue	10 078 680	4 899 564	4 383 133	653 473
Insurance service expenses	(24 012 136)	(7 604 051)	(13 717 750)	(1 029 683)
Insurance result before reinsurance	(13 933 456)	(2 704 487)	(9 334 617)	(376 210)
Net income from reinsurance contracts	10 411 077	442 621	5 865 416	63 930
Net Insurance result	(3 522 379)	(2 261 866)	(3 469 201)	(312 280)
Other operating expenditure	(1 188 621)	(242 031)	(533 261)	(33 240)
Impairment loss on receivables	(344 652)	(293 756)	(344 652)	(59 887)
Other income	6 868 664	1 775 774	7 952 380	521 618
Monetary gain	1 044 410	658 107	-	-
Profit / (loss) before taxation	2 857 422	(363 772)	3 605 266	116 211
Taxation	(1 685 884)	(192 418)	(995 740)	(65 090)
Profit or (loss) for the period	1 171 538	(556 190)	2 609 526	51 121
Other comprehensive income				
Gains on property revaluations	5 547 520	120 236	7 377 440	514 590
Equity instruments fair value gains	1 391 602	268 788	1 944 231	107 281
Deferred tax relating to components of other comprehensive income	(1 440 927)	(43 162)	(1 996 902)	(132 571)
Other comprehensive income for the period net of tax	5 498 195	345 862	7 324 769	489 300
Total comprehensive income/ (loss) for the period	6 669 733	(210 328)	9 934 295	540 421

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	RESTATED HISTORICAL 31 DEC 2022 ZWL\$ 000
ASSETS				
Balances with banks and cash	1 010 040	(2 664 179)	1 010 040	(852 879)
Debtenture investments	480 490	162 171	480 490	51 916
Other receivables	425 551	197 252	342 936	37 101
Tax receivables	387	1 210	387	-
Insurance assets	3 300 043	2 456 368	3 300 043	786 353
Reinsurance assets	7 933 702	3 956 845	7 933 702	1 266 698
Listed investments at fair value	2 308 986	1 060 656	2 308 986	339 546
Investment property	4 919 892	1 887 812	4 919 892	604 342
Property and equipment	8 736 965	3 030 234	8 440 170	910 031
Intangible assets	23 822	47 644	1 901	2 527
Deferred Tax	1 279 874	1 385 471	1 279 874	453 490
TOTAL ASSETS	30 419 752	11 521 484	30 018 421	3 599 512
LIABILITIES				
Other payables	1 544 934	1 608 775	1 544 930	515 014
Deferred Tax	3 883 489	862 274	4 100 611	281 585
Insurance liabilities	8 854 837	5 384 979	8 854 837	1 723 884
Reinsurance liabilities	3 875 707	1 733 464	3 875 707	554 931
TOTAL LIABILITIES	18 158 967	9 589 492	18 376 085	3 075 414
EQUITY				
Share capital	37 573	37 573	78	78
Share premium	5 333 792	1 674 732	1 207 121	23 179
Revaluation reserve	6 216 008	2 039 835	6 146 318	668 569
Fair value reserve	1 477 570	155 548	2 062 378	215 358
Retained earnings	(804 158)	(1 975 696)	2 226 441	(383 086)
TOTAL EQUITY	12 260 785	1 931 992	11 642 336	524 098
TOTAL LIABILITIES AND EQUITY	30 419 752	11 521 484	30 018 421	3 599 512

STATEMENT OF CHANGES IN EQUITY



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000
Revenue	10 877 675	4 451 224	11 953 558	1 349 909
Operating expenditure	(5 873 036)	(1 957 311)	(3 065 846)	(275 452)
Operating income	5 004 639	2 493 913	8 887 712	1 074 457
Monetary gain	552 208	255 907	-	-
Profit before taxation	5 556 847	2 749 820	8 887 712	1 074 457
Taxation	(485 723)	(395 345)	(493 489)	(105 202)
Profit for period the after taxation	5 071 124	2 354 475	8 394 223	969 255
Other comprehensive income	407 922	46 335	521 531	20 136
Total comprehensive income	5 479 046	2 400 810	8 915 754	989 391

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
ASSETS				
Cash and cash equivalents	42 666	56 246	42 666	18 006
Money market assets	590 391	108 984	590 391	34 889
Equity investments	1 433 188	727 670	1 433 188	232 948
Other assets	986 081	409 417	895 570	122 214
Investment property	9 556 001	4 298 037	9 556 001	1 375 923
Intangible assets	9 705	10 990	478	698
Property and equipment	248 574	234 815	32 281	11 607
Current taxation	52 238	132 146	52 238	42 304
Deferred taxation	213 608	267 752	213 608	85 715
TOTAL ASSETS	13 132 452	6 246 057	12 816 421	1 924 304
LIABILITIES				
Current taxation				
Other liabilities	1 281 194	1 143 495	1 281 195	366 065
Lease liability	249 258	100 149	249 258	32 060
Deferred taxation	730 295	307 952	710 179	92 055
TOTAL LIABILITIES	2 260 747	1 551 596	2 240 632	490 180
EQUITY				
Share capital	30 327	30 302	71	63
Share premium	1 623 952	925 779	227 829	1 925
Revenue reserves	8 679 341	3 608 218	9 773 070	1 378 848
Fair value reserve	538 085	130 162	574 819	53 288
TOTAL EQUITY	10 871 705	4 694 461	10 575 789	1 434 124
TOTAL LIABILITIES AND EQUITY	13 132 452	6 246 057	12 816 421	1 924 304

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

UNAUDITED INFLATION ADJUSTED					
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
Restated 30 June 2022					
Opening balance	30 302	925 779	59 588	4 300 187	5 315 856
Profit for the period	-	-	-	2 354 475	2 354 475
Other comprehensive income	-	-	46 335	-	46 335
Dividend Paid	-	-	-	-	-
Closing balance	30 302	925 779	105 923	6 654 662	7 716 666
30 June 2023					
Opening balance	30 302	925 779	130 162	3 608 218	4 694 461
Profit for the period	-	-	-	5 071 124	5 071 124
Other comprehensive income	-	-	407 922	-	407 922
Shares issued during the period	25	698 173	-	-	698 198
Closing balance	30 327	1 623 952	538 084	8 679 342	10 871 705
UNAUDITED HISTORICAL					
30 June 2022					
Opening balance	63	1 925	8 783	426 803	437 574
Profit for the period	-	-	-	969 255	969 255
Other comprehensive income	-	-	20 136	-	20 136
Dividend Paid	-	-	-	-	-
Closing balance	63	1 925	28 919	1 396 058	1 426 965
30 June 2023					
Opening balance	63	1 925	53 288	1 378 848	1 434 124
Profit for the period	-	-	-	8 394 223	8 394 223
Other comprehensive income	-	-	521 531	-	521 531
Shares issued during the period	8	225 904	-	-	225 912
Closing balance	71	227 829	574 819	9 773 071	10 575 790

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2023 ZWL\$ 000	RESTATED 31 DEC 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2023 ZWL\$ 000	HISTORICAL 31 DEC 2022 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	5 556 847	2 749 820	8 887 712	1 074 457
Adjust for:				
Fair value adjustments on investment property	(6 431 357)	(2 037 547)	(8 606 549)	(915 475)
Fair value adjustments on financial instruments	(126 552)	(129 268)	(662 755)	(119 427)
Depreciation and amortisation	28 334	27 182	1 939	1 966
Monetary gain	(552 208)	(255 907)	-	-
Expected credit loss expense	45 699	30 111	45 699	6 139
Unrealised gain on foreign currency position	(674 975)	(409)	(674 975)	(83)
Profit on disposal of investment properties	(203 565)	18 283	(191 883)	(2 252)
Write off of right of use asset and lease liability	-	114	-	13
Interest on lease liability	6 786	9 868	3 572	1 380
Operating cash inflow/(outflow) before changes in operating assets and liabilities	(2 350 991)	412 247	(1 197 240)	46 718
Changes in operating assets and liabilities				
Money market assets	(365 221)	-	(562 598)	-
Equity investments	-	-	-	-
Other assets	(1 466 989)	(1 359 508)	(811 958)	191 414
Other liabilities	1 871 703	1 483 443	915 129	(158 685)
	39 493	123 935	(459 427)	32 729
Corporate tax paid	(44 449)	(227 764)	(40 641)	(39 259)
Cash generated/(utilised) from operating activities	(2 355 946)	308 418	(1 697 308)	40 188
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	1 376 958	228 469	618 355	-
Purchase of investment property	-	(3 028)	-	(297)
Equity investments disposed during the period	730 454	1 157 261	330 259	115 940
Investment in equities during the period	(880 028)	(1 813 901)	(318 765)	(195 417)
Purchase of equipment	(40 808)	-	(22 394)	-
Purchase of intangible assets	-	(711)	-	(118)
Net cash inflow from investing activities	1 186 576	(431 910)	607 455	(79 892)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares	698 198	-	225 912	-
Lease liability repayment	(7 175)	(10 001)	(3 097)	(1 339)
Interest on lease liability	(6 786)	(9 867)	(3 572)	(1 380)
Net cash inflow/(outflow) from financing activities	684 237	(19 868)	219 243	(2 719)
NET INCREASE IN BALANCES ON CASH AND CASH EQUIVALENTS	(485 133)	(143 360)	(870 610)	(42 423)
Balances on cash and cash equivalents at the beginning of the period	56 246	294 319	18 006	27 409
Exchange gains on foreign cash balances	895 270	213 427	895 270	43 511
Inflation effects on cash and cash equivalents	(423 717)	(69 947)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE PERIOD	42 666	294 439	42 666	28 497



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Independent auditors' report on review of interim inflation adjusted condensed consolidated financial results

To the shareholders of CBZ Holdings Limited

Introduction

We have reviewed the accompanying inflation adjusted consolidated statement of financial position of CBZ Holdings Limited and its subsidiaries (together "the Group") as at 30 June 2023, the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the half year then ended, group accounting policies and notes to the inflation adjusted consolidated financial results, (hereinafter collectively referred to as "the inflation adjusted interim condensed consolidated financial results").

Directors' Responsibility for the Inflation Adjusted Interim Condensed Consolidated Financial Results

The directors are responsible for the preparation and presentation of these inflation adjusted interim consolidated financial results in accordance with IAS 34, Interim Financial Reporting (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Securities Act (Chapter 24.25), Insurance Act (Chapter 24.07), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim inflation adjusted condensed consolidated financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

With effect from 1 January 2023, the Group has adopted IFRS 17, Insurance Contracts (IFRS 17) which requires a fully retrospective approach. The Group has restated comparative amounts for the six months ended 30 June 2022 and as at 31 December 2022.



As indicated in note 1.1 (c) to the inflation adjusted interim condensed consolidated financial results, the Group is still finalising the model used in their adoption of IFRS 17 and accordingly has not fully adopted IFRS 17 as at 30 June 2023 and for the six months then ended. Accordingly, we were unable to obtain sufficient appropriate evidence to support the amounts disclosed in the inflation adjusted interim consolidated financial results related to the adoption of IFRS 17 in respect of the initial application as at 1 January 2022, the comparative financial information in respect of the six months ended 30 June 2022 and as at 31 December 2022 and as at 30 June 2023 and for the six months then ended. Accordingly, we were not able to determine whether any adjustments might be necessary in respect of the inflation adjusted interim consolidated financial results related to the adoption of IFRS 17.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying inflation adjusted interim consolidated financial results as at 30 June 2023, is not prepared, in all material respects, in accordance IAS 34, Interim Financial Reporting (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Securities Act (Chapter 24.25), Insurance Act (Chapter 24.07), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

A handwritten signature of the auditor, appearing to read 'KPMG', in dark ink.

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

15 September 2023

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

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