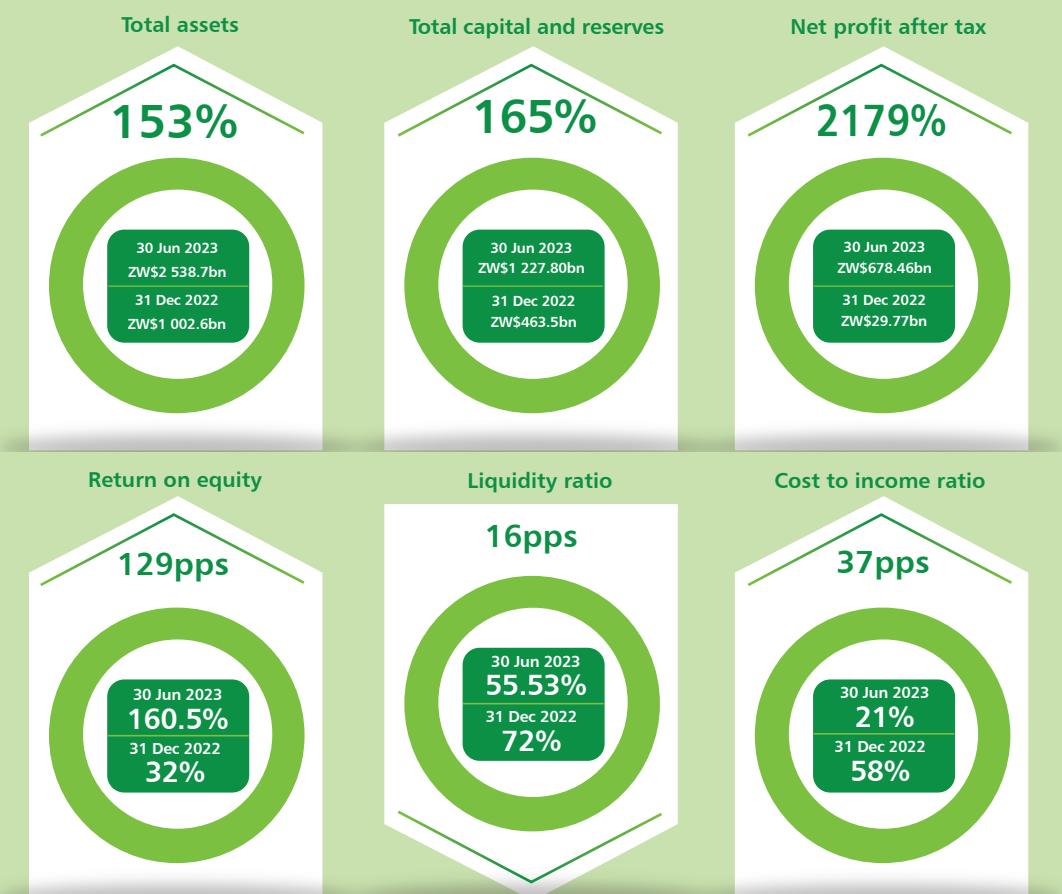




Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

REVIEWED INFLATION ADJUSTED FINANCIAL HIGHLIGHTS



pps - percentage points

ACTING CHAIRMAN'S STATEMENT

Operating Environment:

During the half year to June 2023, the domestic economy recorded mixed fortunes, especially when performance is considered on a quarter-on-quarter basis: Q1 2023 witnessed significant power shortages and load-shedding, with the power situation improving noticeably in Q2 2023 following increased power generation capacity from Hwange Power Station units 7 and 8.

The Zimbabwean Dollar (ZW\$) depreciated by 38.5% during Q1 2023, opening at 1:671.4466 to the US Dollar on 3 January 2023, to end at 1:929.8618 at 31 March 2023. In Q2 2023, the ZWL depreciated by a much wider margin of 515.5%, opening the quarter at 1:932.4874 on 3 April 2023, and ending the quarter at 1:5739.7961 on June 2023. On a year to date basis, the ZWL depreciated by 754.8% up to 30 June 2023.

Meanwhile, inflation was generally high at the beginning of the first quarter, with annual inflation recorded at 101.5% in January 2023. However, commencing February 2023 the authorities ceased publication of ZWL inflation and adopted "blended inflation" on the basis that a larger proportion of transactions (more than 70%) were now being conducted in USD. Annual inflation eased to 92.3% in February 2023 and ended the quarter at 87.6% in March 2023. As the exchange rate depreciated, inflation worsened in Q2 2023, with year-on-year blended inflation opening the quarter at 75.2% in April 2023 and ending at 175.7% in June 2023. In fact, in June 2023 officially recorded inflation reached hyperinflationary levels at 74.5% month-on-month movement.

During the half year to June 2023, the monetary authorities maintained a tight monetary policy stance, characterised by tight liquidity management, ostensibly to support exchange rate and price stability. In as much as this remains a very noble stance, its downside is the curtailing of credit creation, resultantly skewing banks' performance towards non-funded income as interest income falls.

Group Performance:

The Group's operations continued to be sustainably profitable, posting a profit after tax (PAT) of ZW\$678.459bn, 2179% improvement from same period last year. The Group's profit performance is discussed in greater detail in the Group Chief Executive's report.

Capital Requirements:

As at 30 June 2023, all Group companies, with the exception of ZB Building Society, which is currently under consolidation process with ZB Bank and Intermarket Banking Corporation were in compliance with prescribed minimum capital requirements.

Dividends:

The Board has declared an interim dividend of ZW488.47 cents and USD0.00001 cents per share for the half year ended 30 June 2023. A separate dividend notice will be published to this effect.

Sustainability and Environmental, Social, and Governance (ESG) Reporting

The Group's strategy and operations are underpinned by sustainability principles. The Group is one of 14 financial institutions in Zimbabwe which are seeking sustainability certification through the Reserve Bank of Zimbabwe (RBZ)-led Sustainability Standards Certification Initiative (SSCI). SSCI certification will be awarded by the European Organisation for Sustainable Development (EOSD). This is discussed in greater detail in the GCEO's Statement.

Tied to the Group's sustainability drive, the Group has made progress towards adopting Environmental, Social and Governance (ESG) Reporting. External consultants, Institute of Sustainability Africa (INSAF) have been engaged to assist the Group implement ESG Reporting, with a target of fully incorporating ESG Reporting by FY2023.

Directorate:

Mrs. Pamela Chiromo (Former Chairman) and Mr. Jacob Mutevedzi retired from the ZBFH Board with effect from 30 June 2023. I would like to extend my gratitude and appreciation to them for their distinguished service to the Group and wish them success in their future endeavours.

Mr. Luxon Zembe was appointed as the ZBFH Acting Board Chairman with effect from 30 June 2023.

Outlook:

The Group will continue to develop strategic business partnerships with real sectors of the economy, enhance sustainable revenue streams, especially foreign currency revenues, and take advantage of investment opportunities in order to preserve its capital position against possible loss of value from currency depreciation.

The Group will also continue to consolidate on one stop shop Service Centres, as a market differentiator in delivering distinctive quality service to customers. In the short term, prudent investment and cost containment measures will continue to be a priority in order to boost profitability. In the medium to long term, the Group continues with its digitalization journey with more focus on implementing robust and state of the art core banking and Life Assurance systems in order to enhance efficient products offerings that provide value and convenience to our customers.

Conclusion:

I would like to express my continued appreciation to our valued customers, shareholders and other key stakeholders, without whom the Group would not have been able to sustain its operations. My gratitude also goes to Board colleagues, Management and Staff, whose collective contributions culminated in the commendable performance for the half year period to 30 June 2023.

Luxon Zembe
Acting Chairman

31 August, 2023

GROUP CHIEF EXECUTIVE'S REPORT

Introduction:

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

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

Performance Outturn:

For the half year to 30 June 2023, the Group recorded a 796% rise in total income from ZW\$102.407bn for the comparable period in 2022, to ZW\$917.284bn. The income performance was mainly on the back of a 3022% rise in fair value adjustments, from ZW\$14.773bn at HY2022 to ZW\$461.205bn at HY2023, a 522% improvement in Other Operating Income, from ZW\$54.684bn in 2022 to ZW\$340.255bn, as well as 257% increase in Commissions and Fees from ZW\$19.057bn in 2022 to ZW\$68.101bn.

Net interest income rose by 115%, from ZW\$20.143bn in 2022 to ZW\$43.406bn in 2023. Loan impairment charges fell by 1%, from ZW\$11.232bn in 2022 to ZW\$11.132bn in 2023. Resultantly, net income from lending activities improved by 262%, from ZW\$8.910bn in 2022 to ZW\$32.274bn in 2023.

Net insurance related earnings rose by 210%, from ZW\$4.982bn in 2022, to ZW\$15.450bn in 2023, underpinned by a 223% increase in gross premiums from ZW\$14.386bn in 2022 to ZW\$46.495bn in 2023, which was partially off-set by a more than proportionate 230% rise in insurance related expenses from ZW\$9.404bn in 2022 to ZW\$31.045bn in 2023.

Meanwhile, operating costs increased by 315% from ZW\$46.170bn in 2022 to ZW\$191.725bn in 2023, largely reflecting the effects of inflation.

Profit from ordinary activities rose by 1190%, from ZW\$56.237bn in 2022 to ZW\$725.559bn in 2023.

The Group's performance was also enhanced by a 726% rise in share of associate companies' profit net of tax, from ZW\$2.409bn in 2022 to ZW\$19.883bn in 2023. During the review period, the Group continued to increase its shareholding in an associate. In addition, whereas the Group recorded a net monetary loss of ZW\$19.117bn in 2022, it recorded a net monetary gain of ZW\$4.745bn in 2023.

Profit After Tax (PAT) improved by 2179%, from ZW\$29.771bn achieved in 2022 to ZW\$678.458bn in 2023.

Meanwhile, the Group's total assets increased by 153% in real terms, from ZW\$1.003trn as at 31 December 2022 to ZW\$2.539trn as at 30 June 2023. The growth rate outperformed average inflation over the same period (110%).

Deposits and other related funding account balances grew by 152%, from ZW\$341.145bn as at 31 December 2022 to ZW\$858.623bn as at 30 June 2023.

Earning assets increased by 186% from ZW\$606.732bn as at 31 December 2022 to ZW\$1.732trn as at 30 June 2023 whilst constituting 68% of total assets (69% at 30 June 2023).

The Group maintained a comfortable liquidity margin of safety, with the ratio of liquid assets to customer deposits being above 55% throughout the year against a prescribed ratio of 30%.

The Group's total equity increased by 165%, from ZW\$463.470bn as at 31 December 2022 to ZW\$1 227.776bn as at 30 June 2023, underpinned by the positive performance outturn for the period.

Operations Review:

Banking Operations:

ZB Bank Limited posted a profit after tax of ZW\$373.986bn in 2023, as compared to ZW\$25.251bn in 2022. Its total assets stood at ZW\$1.679trn as at 30 June 2023, from ZW\$625.874bn as at 31 December 2022.

ZB Building Society posted a profit after tax of ZW\$64.752bn in 2023, as compared to ZW\$5.089bn in 2022. The Society's total assets stood at ZW\$132.002bn as at 30 June 2023, from ZW\$55.421bn as at 31 December 2022.

Insurance Operations:

ZB Reinsurance posted a profit after tax of ZW\$43.549bn in 2023 compared to ZW\$4.860bn in 2022. Its total assets increased in real terms from ZW\$85.609bn as at 30 June 2023 to close the year 2022 at ZW\$31.066bn.

ZB Life Assurance posted a profit of ZW\$66.609bn in 2023, compared to ZW\$6.302bn in 2022. Its total assets increased in real terms from ZW\$203.955bn as at 30 June 2023 to ZW\$87.759bn as at 31 December 2022.

Other Strategic Operations:

As the Group progresses its expansion strategy into the African region, reinsurance operations launched in Botswana in November 2022 contributed 15% to ZB Reinsurance Gross Written Premiums (GWP).

Internal Processes:

The Group continued with its organisational transformation program. A new customer-centric business model and organisational design has been adopted, underpinned by digital capacity building. In 2022, 25 bank branches were re-purposed into Group-wide customer service centres serving not just banking, but the whole bouquet of banking, insurance and investments services under the #OneZB concept. As at 30 June 2023, a further 10 customer service centres had been launched, with the remaining 10 being on course for finalisation in the second half of 2023. Dedicated Premium Service Centres have been established in Harare and Bulawayo, whilst all the other Service Centres across the country also have functionality to offer Premium Service at a limited scale.

In its medium-term plan for 2021-2025, the Group embedded long term sustainability of operations as a key theme underpinning its strategy. This entails striking a balance between the welfare of the People it serves, preservation and promotion of the Environment (Planet) in which it operates for current and future generations, and the quest for Profit and sustained growth. The Group is one of 14 financial institutions in Zimbabwe working on attaining certification under the Sustainability Standards Certification Initiative (SSCI) by the European Organisation for Sustainable Development (EOSD), under guidance from the RBZ.

The Group's Purpose Statement to "improve lives through service", and its 3 High Impact Goals "Promote financial inclusion", "Foster investments in Sustainable Infrastructure" and "Stimulate the Real Economy" were structured with a view to ensuring that ZBFH avails resources towards supporting Government priorities, including the National Development Strategy 1 (NDS1), as well as Sustainable Development Goals (SDGs) being prioritised by Government in the country's Vision 2030 towards attaining upper middle income status.

During the half year to 30 June 2023, the Group entered into a Memorandum of Agreement with the Women Owned Business Trust (WOBT), a trust whose primary purpose is advancing women owned businesses through capacity building and providing access to markets. Under the Agreement, ZBFH is listed as one of the WOBT Supplier Diversity Inclusion Partners (SDI) with the target of ensuring that qualifying WOBT members are onboarded as part of the Group's suppliers' listing.

People & Culture:

Aligned to the organisational transformation, new business model and organisational design, the Group adopted a new Structure supportive of its Strategy going forward. As at 30 June 2023, the Group had finalised job evaluation and deployment of staff. As the new Group Structure settled, the Group adopted a Voluntary Disengagement Scheme (VDS) which was taken up by 58 staff members, mostly those who were nearing retirement.

The Group staff complement as at 30 June 2023 stood at 990.

Industrial relations remained cordial during the period under review.

Appreciation:

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

My deep appreciation goes to the Group's Staff and Management team for their hard work and dedication which produced these set of financial results for the half year to June 2023.

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

S. T. Fungura
Group Chief Executive

31 August, 2023



Financial Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

AUDITOR'S STATEMENT

These consolidated inflation adjusted interim financial results of ZB Financial Holdings Limited and its subsidiaries, incorporating the following inflation adjusted interim financial results for ZB Bank Limited, ZB Building Society, ZB Life Assurance Limited and ZB Reinsurance Limited for the half year financial period ended 30 June 2023, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). Adverse conclusions have been expressed for ZB Financial Holdings Limited, and ZB Life Assurance Limited because of the effect of non-adoption of IFRS 17-*Insurance contracts* and non-compliance with IAS 21- *The effects of Changes in Foreign Exchange rates*, and an adverse conclusion has also been expressed for ZB Reinsurance Limited because of the effect of non-adoption of IFRS 17-*Insurance contracts*. An unmodified conclusion has been expressed for ZB Bank Limited and ZB Building Society. A copy of the auditor's conclusion is available for inspection at the ZB Financial Holdings' registered office. The engagement partner for this review is Michael de Beer (PAAB Practicing Certificate Number 0369).

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
ASSETS				
Cash and cash equivalents	370 944 534 487	192 783 271 346	370 944 534 487	61 715 351 709
Treasury bills	105 818 678 421	52 363 403 140	105 818 678 421	16 762 999 294
Mortgages and other advances	807 572 677 049	202 636 678 640	807 572 677 049	64 869 704 742
Financial assets at fair value through profit or loss	127 801 877 409	49 961 324 286	127 801 877 409	15 994 026 238
Financial assets held at amortised cost	10 996 091 474	3 458 047 749	10 996 091 474	1 107 018 423
Trade and other receivables	118 770 791 449	35 315 054 742	118 770 791 449	11 183 791 416
Investments in associates	23 966 901 503	4 083 786 357	7 261 203 503	905 091 617
Inventories	6 077 282 953	958 202 709	1 994 997 261	299 332 399
Investment properties	682 669 879 352	294 228 321 683	682 669 879 352	94 190 767 843
Right of use assets	7 024 741 106	4 991 732 832	912 162 612	372 877 689
Property and equipment	271 616 850 265	154 122 804 737	217 701 953 244	49 166 748 392
Intangible assets	4 898 936 240	4 581 079 752	841 202 960	703 404 671
Deferred tax assets	493 423 385	3 126 469 274	3 592 690 256	972 458 574
Total assets	2 538 652 665 093	1 002 610 177 247	2 456 878 739 477	318 243 573 007
LIABILITIES				
Deposits and other accounts	858 623 084 803	341 145 454 913	858 623 084 803	109 210 262 835
Trade and other payables	192 261 076 815	94 045 695 377	192 261 076 815	29 981 905 063
Current tax liabilities	2 843 817 736	1 883 894 581	2 843 817 736	603 087 684
Long term borrowings	18 239 931	55 587 286	18 239 931	17 795 055
Offshore borrowings	114 795 922 000	20 974 306 797	114 795 922 000	6 714 466 000
Life assurance funds	91 430 812 237	47 247 167 892	91 430 812 237	15 125 148 377
Lease liabilities	5 365 024 511	2 568 141 146	5 365 024 511	822 134 270
Deferred tax liabilities	45 538 548 656	31 219 916 825	47 412 106 434	9 767 230 215
Total liabilities	1 310 876 526 689	539 140 164 817	1 312 750 084 467	172 242 029 499
EQUITY				
Share capital	1 255 010 164	1 255 010 164	1 751 906	1 751 906
Share premium	19 400 467 247	19 400 467 247	128 373 801	27 081 696
Other components of equity	226 398 815 019	129 370 310 640	162 377 370 155	36 140 121 639
Retained income	620 699 720 934	142 498 084 037	606 058 221 859	54 932 296 831
Functional currency translation reserve	-	-	101 292 105	101 292 105
Attributable to equity holders of parent	867 754 013 364	292 523 872 088	768 565 717 721	91 202 544 177
Non-controlling interests	360 022 125 040	170 946 140 342	375 562 937 289	54 798 999 331
Total equity	1 227 776 138 404	463 470 012 430	1 144 128 655 010	146 001 543 508
Total equity and liabilities	2 538 652 665 093	1 002 610 177 247	2 456 878 739 477	318 243 573 007

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

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Reviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unreviewed 30 Jun 2022 ZW\$
Interest income				
Interest income	63 978 558 213	26 573 232 299	29 024 018 544	3 208 865 054
Interest expense	(20 573 048 341)	(6 430 487 051)	(11 665 604 600)	(840 419 568)
Net interest income	43 405 509 872	20 142 745 248	17 358 413 944	2 368 445 486
Loan impairment charges, net recoveries	(11 131 764 536)	(11 232 466 153)	(8 437 742 314)	(1 761 022 549)
Net income from lending activities	32 273 745 336	8 910 279 095	8 920 671 630	607 422 937
Gross insurance premium income	46 494 906 823	14 385 972 003	23 738 722 180	2 074 850 965
Total insurance expenses	(31 045 179 460)	(9 403 954 741)	(21 833 977 240)	(1 466 627 967)
Net insurance income	15 449 727 363	4 982 017 262	1 904 744 940	608 222 998
Commissions and fees	68 100 895 736	19 056 864 552	39 416 743 334	2 602 603 435
Operating income	340 254 519 546	54 684 385 981	334 390 386 739	10 912 584 099
Fair value adjustments	461 205 156 933	14 773 290 615	707 543 934 293	10 993 811 216
Total income	917 284 044 914	102 406 837 505	1 092 176 480 936	25 724 644 685
Operating expenses	(191 724 795 608)	(46 169 636 818)	(104 452 661 151)	(6 374 190 645)
Profit from ordinary activities	725 559 249 306	56 237 200 687	987 723 819 785	19 350 454 040
Movement in life assurance funds	(44 183 644 345)	(307 152 004)	(76 305 663 860)	(3 823 162 823)
Share of associate companies profit net of tax	19 883 115 140	2 408 579 647	6 356 111 885	7 001 510 453
Effects of inflation adjustments	4 744 766 121	(19 116 831 779)	-	-
Profit before taxation	706 003 486 222	39 221 796 551	917 774 267 810	22 528 801 670
Income tax expense	(27 544 633 391)	(9 450 826 384)	(38 874 772 875)	(2 159 270 462)
Net profit for the period	678 458 852 831	29 770 970 167	878 899 494 935	20 369 531 208
Profit attributable to:				
Owners of the parent	470 633 366 693	21 867 744 184	540 025 028 205	15 848 461 733
Non-controlling interests	207 825 486 138	7 903 225 983	338 874 466 730	4 521 069 475
Profit for the period	678 458 852 831	29 770 970 167	878 899 494 935	20 369 531 208
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation				
Fair value gains on financial assets at FVTOCI				
Income tax relating to components of other comprehensive income				
Other comprehensive income for the period net of tax	94 400 754 995	15 892 429 041	127 511 124 094	6 971 410 476
Total comprehensive income for the period	772 859 607 826	45 663 399 208	1 006 410 619 029	27 340 941 684
Earnings per share	298 771	13 882	342 823	10 061
Basic and fully diluted earnings per share (ZW cents)				

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

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2023

	Reviewed Inflation adjusted									
Share capital ZW\$	Share premium ZW\$	General reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVTOCI ZW\$	Retained income ZW\$	Attributable to equity holders of parent ZW\$	Non controlling interests ZW\$	Total ZW\$		

<tbl_r cells="2" ix="1" maxcspan="10" maxrspan="2" usedcols="1



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

1.2 Statement of compliance (continued)

The Group's financial statements for the half year ended 30 June 2023 did not comply with International Financial Reporting Standards (IFRSs) 17: "Insurance Contracts". The Group did not apply IFRS 17 as the Group was not able to accurately compile IFRS 17 information. The Group applied the previously effective standard, IFRS 4. The non compliance with IFRS 17 is considered material misstatement and pervasive as at the reporting date.

The preparation of the consolidated financial results, in conformity with IAS 29 "Financial Reporting in Hyperinflationary Economies" is required by International Financial Reporting Standards (IFRS). The consolidated inflation adjusted financial results are to be the principal financial results of the Company and its subsidiaries. The consolidated historical cost financial results have been provided as supplementary information and as a result the auditors have not expressed an opinion on them.

1.3 Effects of inflation adjustments

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

The Zimbabwe consumer price index (CPI) has been used by the Group as the general price index to generate inflation-adjusted financial statements since IAS 29 was introduced on 1 October 2018. However, Statutory Instrument (SI) 17 of 2023 dropped the publication of pure ZW\$ annual and monthly inflation rates in February of 2023 and operationalized blended inflation. IAS 29 dictates that the general price index must be for specific currency not for multi-currencies, but it allows for the estimation of the consumer price index when a general consumer price index is not easily accessible. Due to this change, The Total Consumption Poverty Line (TCP) released by Zimbabwe Central Statistical Office (ZIMSTAT), was used to estimate and apply inflation rates for the period under review, in accordance with International Accounting Standard (IAS) - "Financial Reporting in Hyperinflationary Economies" in the preparation of its consolidated financial statements.

The conversion factors used to restate the consolidated and separate financial statements at 30 June 2023 are as follows:

	Index	Conversion factors
30 June 2023	42 710.73	1.0000
31 December 2022	13 672.91	3.1237
30 June 2022	8 707.35	4.9051

The main guidelines for the restatement are as follows:

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

1.4 Basis of reporting

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

1.5 Basis of consolidation

Subsidiaries

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

Business combinations

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests (NCI)

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

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

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

Transactions eliminated on consolidation

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

1.6 Key sources of judgement and estimation uncertainty

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

- The computation of expected credit losses (IFRS 9)
- Determination of the fair value of financial assets (IFRS 13)
- Valuation of property (including investment properties) and equipment (IAS 16 and IAS 40)
- Estimation of liabilities under insurance contracts including life funds valuation (IFRS 4)
- Ascertaining of the degree of control or significant influence in investee companies (IAS 27 and IAS 28)
- Determination of carrying amounts of right of use assets and lease liabilities (IFRS 16)
- Estimation of CPI used to generate inflation adjusted numbers (IAS 29) (note 1.3).

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

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

2. SEGMENT INFORMATION

	Reviewed Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
30 June 2023				
External revenue				
Net earnings from lending activities	37 100 050 653	(2 091 811 641)	(2 734 493 676)	32 273 745 336
Net fees and commission income	66 524 038 352	15 483 075 910	1 543 508 837	83 550 623 099
Corporate Banking	49 443 317 400	-	-	49 443 317 400
Retail Banking	17 080 720 952	-	-	17 080 720 952
Insurance	-	15 483 075 910	1 543 508 837	17 026 584 747
Other revenue	281 495 487 935	55 994 965 111	2 764 066 500	340 254 519 546
Fair value adjustments	178 100 251 964	54 275 236 523	227 952 180 355	460 327 668 842
Total segment revenue	563 219 828 904	124 538 953 993	229 525 262 017	917 284 044 914
Inter-segmental Revenue	8 201 682 257	-	529 297 351 301	537 499 033 558
Total segment operating expenses	(181 216 908 631)	(17 926 888 987)	7 419 002 010	(191 724 795 608)
Material non-cash items:				
Expected credit losses	(8 855 066 424)	(2 117 659 876)	(159 038 236)	(11 131 764 536)
Depreciation	(12 512 820 418)	(186 642 035)	(324 173 789)	(13 023 636 242)
Amortisation of intangible assets	(105 982 132)	(576 069)	-	(106 558 201)
Profit from associates net of tax before taxation	-	-	19 883 115 140	19 883 115 140
Income tax expense	393 118 288 530	114 427 249 513	198 457 948 179	706 003 486 222
Reportable segment assets as at 30 June 2023	7 311 976 252	4 272 555 908	15 960 101 231	27 544 633 391
Reportable segment liabilities as at 30 June 2023	1 902 918 473 532	291 057 009 121	344 677 182 440	2 538 652 665 093
Investment in associates as at 30 June 2023	-	-	23 966 901 503	23 966 901 503

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

30 June 2022

	Reviewed Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
External revenue				
Net earnings from lending activities	9 122 400 832	(290 615 533)	78 493 796	8 910 279 095
Net fees and commission income	18 703 878 551	5 000 437 311	334 565 952	24 038 881 814
Corporate Banking	13 901 468 202	-	-	13 901 468 202
Retail Banking	4 802 410 349	-	-	4 802 410 349
Insurance	-	5 000 437 311	-	5 000 437 311
Other commissions	-	-	334 565 952	334 565 952
Other revenue	46 388 709 976	12 196 888 832	(3 901 212 827)	54 684 385 981
Fair value adjustments	185 594 305	5 523 864 309	9 063 832 001	14 773 290 615
Total segment revenue	74 400 583 664	22 430 574 919	5 575 678 922	102 406 837 505
Inter-segmental Revenue	4 206 518 117	-	60 283 192 487	64 489 710 604
Total segment operating expenses	(43 274 311 696)	(5 095 068 540)	2 199 743 418	(46 169 636 818)
Material non-cash items:				
Expected credit losses	(9 770 480 896)	(1 268 225 628)	(193 759 629)	(11 232 466 153)
Depreciation	(5 514 486 711)	(141 471 769)	(44 017 890)	(5 699 976 370)
Amortisation of intangible assets	(430 155 625)	(60 565 177)	(383 337)	(491 104 139)
Profit from associates net of tax before taxation	-	2 099 863 150	308 716 497	2 408 579 647
Income tax expense	25 384 046 942	14 098 406 238	(260 656 629)	39 221 796 551
Reportable segment assets as at 31 December 2022	7 351 856 960	2 941 459 626	(842 490 202)	9 450 826 384
Reportable segment liabilities as at 31 December 2022	720 592 130 030	119 343 380 145	162 674 667 072	1 002 610 177 247
Reportable segment assets as at 31 December 2022	460 443 563 669	68 038 296 136	10 658 305 012	539 140 164 817
Reportable segment liabilities as at 31 December 2022	-	57 632 741 217	(53 548 954 860)	4 083 786 357
	Unreviewed Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
30 June 2023				
External revenue				
Net earnings from lending activities	11 852 079 681	(1 889 226 504)	(1 042 181 547)	8 920 671 630
Net fees and commission income	38 488 048 621	1 916 487 262	916 952 390	41 321 488 273
Corporate Banking	28 605 852 128	-	-	28 605 852 128
Retail Banking	9 882 196 493	-	-	9 882 196 493
Insurance	-	1 916 487 262	-	1 916 487 262
Other commissions				



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

3. TREASURY BILLS (continued)

- The Group invested in treasury bills issued by the RBZ over a period ranging from 90 days to 9 months which were at rates ranging from 8% to 76% (December 2022: 8% to 92%).
- The Group purchased treasury bills from the secondary market. These treasury bills have coupon rates ranging from 0% to 5% (December 2022: 0% to 5%), with a maturity period of 14 months to 10 years (December 2022: 2 years to 10 years).
- The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2022: 5%), and maturity periods ranging from 4 years to 9 years (December 2022: 4 years to 10 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to ZWL242m and US\$46.885 million were used as security for the Group to access fixed deposits (December 2022: \$665 078 million).

3.2 Determination of fair value of treasury bills

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

Treasury bills purchased from the secondary market value were fair valued using TBs average yield market rate of 72%.

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

3.3 Impairment assessment of treasury bills

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

4. MORTGAGES AND OTHER ADVANCES

	Inflation adjusted		Historical cost				
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS			
4.1 Gross loan book							
Mortgage advances	45 131 849 345	6 837 759 811	45 131 849 345	2 188 959 388			
Other advances:							
Loans, overdraft and other accounts	742 245 554 106	193 839 491 031	742 245 554 106	62 053 477 361			
Finance leases	13 951 431 010	8 481 089 050	13 951 431 010	2 715 035 335			
Bills discounted	206 066 778	431 943 527	206 066 778	138 277 281			
Insurance advances	23 719 950 727	6 617 849 652	23 719 950 727	2 118 559 956			
Total other advances	780 123 002 621	209 370 373 260	780 123 002 621	67 025 349 933			
Gross advances	825 254 851 966	216 208 133 071	825 254 851 966	69 214 309 321			
Off balance sheet exposures							
In respect of Guarantees	27 222 040 587	9 789 130 200	27 222 040 587	3 133 776 126			
In respect of Loan commitments	3 180 577 479	21 441 882 144	3 180 577 479	6 864 150 030			
Gross credit exposure							
Gross advances	855 657 470 032	247 439 145 415	855 657 470 032	79 212 235 477			
Less: Allowance for loan impairments	(17 682 174 917)	(13 571 454 431)	(17 682 174 917)	(4 344 604 579)			
Net advances	807 572 677 049	202 636 678 640	807 572 677 049	64 869 704 742			
4.2 Maturity analysis							
On demand	3 488 431 955	10 355 041 745	3 488 431 955	3 314 940 341			
Within 1 month	53 240 496 324	5 086 921 918	53 240 496 324	1 628 466 895			
Between 1 and 6 months	212 835 322 225	44 490 510 806	212 835 322 225	14 242 664 848			
Between 6 and 12 months	156 093 536 124	69 818 830 455	156 093 536 124	22 350 972 921			
After 12 months	429 999 683 404	117 687 840 491	429 999 683 404	37 675 190 472			
	855 657 470 032	247 439 145 415	855 657 470 032	79 212 235 477			
4.3 Non-performing loans							
Included in the above are the following:	3 216 877 454	718 999 859	3 216 877 454	230 172 094			
Non-performing loans							
Less: Allowance for loan impairments	(64 477 313)	(234 369 731)	(64 477 313)	(75 028 348)			
Value to be received from security held	3 152 400 141	484 630 128	3 152 400 141	155 143 746			
For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally, no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZWL\$41 422 130 875 as at 30 June 2023 (2022: ZWL\$51 966 321).							
Inflation adjusted							
30 Jun 2023	As a % of Total	31 Dec 2022	As a % of Total	30 Jun 2023	As a % of Total	31 Dec 2022	As a % of Total

4.4 Sectorial analysis

	Inflation adjusted		Unaudited Historical cost	
	30 Jun 2023 ZWS	As a % of Total	31 Dec 2022 ZWS	As a % of Total
Gross advances:				
Private	226 074 909 142	26%	62 323 038 523	25%
Agriculture	47 969 733 982	6%	9 703 180 511	4%
Mining	202 019 333 322	24%	35 281 288 164	14%
Manufacturing	54 819 731 942	4%	7 114 263 904	3%
Distribution	54 158 001 202	6%	19 680 180 176	8%
Construction	19 812 495 122	2%	799 388 000	0%
Transport	32 120 162 817	4%	11 613 926 762	5%
Services	171 673 702 052	20%	50 461 921 691	20%
Financial	33 215 280 133	4%	18 726 384 883	8%
Communication	3 346 472 242	0%	3 346 472 242	0%
Total gross advances	825 254 851 966	96%	216 208 133 071	87%
Guarantees:				
Agriculture	3 700 757 763	0%	3 700 757 763	0%
Mining	136 715 756	0%	136 715 756	0%
Manufacturing	9 637 475 619	1%	9 514 777 484	4%
Distribution	1 808 188 539	0%	128 137 636	0%
Construction	3 751 146 318	0%	1 982 288	0%
Transport	8 181 425	0%	146 215 080	0%
Services	8 021 985 162	1%	8 021 985 162	1%
Financial Services	126 977 717	0%	126 977 717	0%
Total guarantees	27 222 040 587	3%	9 789 130 200	4%
Loan commitments:				
Private		0.0%		0.0%
Agriculture	63 632 635	0.0%	3 700 757 764	1.5%
Mining	48 169 833	0.0%	136 715 757	0.1%
Manufacturing	664 026 363	0.1%	3 857 317 181	1.6%
Distribution	250 892 807	0.0%	1 808 188 539	0.7%
Construction	1 518 931	0.0%	19 982 288	0.0%
Transport	78 545 442	0.0%	3 751 146 317	1.5%
Services	2 032 280 679	0.2%	8 021 985 163	3.2%
Financial Services	737 037	0.0%	18 811 419	0.0%
Total loan commitments	3 180 577 479	0.4%	21 441 882 144	8.7%
Total credit exposure	855 657 470 032	100%	247 439 145 415	100%

4.5 Finance lease receivables

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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
Gross investment in finance leases:				
Maturing within 1 year	7 004 707 474	4 476 535 496	7 004 707 474	1 433 065 020
Maturing after 1 year	46 869 229 912	30 175 924 430	46 869 229 912	9 660 162 816
Gross investment in finance leases				
Unearned finance charges	53 873 937 386	34 652 459 926	53 873 937 386	11 093 227 836
	(39 922 506 376)	(26 171 370 876)	(39 922 506 376)	(8 378 192 501)
Net investment in finance leases				
	13 951 431 010	8 481 089 050	13 951 431 010	2 715 035 335
Maturing within 1 year	1 684 835 736	1 335 551 981	1 684 835 736	427 547 783
Maturing after 1 year	12 266 595 274	7 145 537 069	12 266 595	



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

8. INTANGIBLE ASSETS

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
Computer software				
Carrying amount at beginning of year	4 581 079 752	2 173 992 904	703 404 671	22 206 622
Additions at cost	424 414 689	3 395 933 626	153 475 577	691 561 685
Reversal of cancelled projects	-	(321 129 753)	-	-
Amortisation	(106 558 201)	(667 717 025)	(15 677 288)	(8 171 322)
Impairment	-	-	-	(2 192 314)
Balance at end of period	4 898 936 240	4 581 079 752	841 202 960	703 404 671

9 DEPOSITS AND OTHER ACCOUNTS

9.1 Summary of deposits by type

Balances of banks	136 324 253 987	12 251 514 504	136 324 253 987	3 922 054 654
Current accounts	34 678 644 995	49 534 696 213	34 678 644 995	15 857 450 583
Savings and call accounts	680 958 359 985	251 278 148 608	680 958 359 985	80 441 208 461
Fixed deposits	6 661 825 836	28 081 095 588	6 661 825 836	8 989 549 137

9.2 Maturity analysis

On demand	130 654 775 496	305 990 244 307	130 654 775 496	97 956 090 355
Within 1 month	585 735 434 724	9 540 923 676	585 735 434 724	3 054 318 231
Between 1 and 6 months	133 942 799 005	25 092 248 766	133 942 799 005	8 032 735 138
Between 6 and 12 months	8 278 324 138	469 028 018	8 278 324 138	150 149 071
After 12 months	11 751 441	53 010 146	11 751 441	16 970 040

	Inflation adjusted		Unaudited Historical cost	
	30 Jun 2023 ZWS	% Contribution	31 Dec 2022 ZWS	% Contribution
9.3 Deposit concentration	121 234 550 851	14%	58 285 992 635	17%

Private individuals	121 234 550 851	14%	58 285 992 635	17%
Agriculture	13 198 369 991	2%	8 368 073 649	5%
Mining	43 169 183 300	5%	7 655 760 719	2%
Manufacturing	23 892 157 501	3%	18 466 366 399	5%
Distribution	17 935 148 783	2%	12 264 581 712	4%
Construction	48 846 799 337	6%	4 013 893 596	1%
Transport	4 415 663 754	1%	1 827 664 224	1%
Services	352 509 735 548	41%	151 311 563 644	44%
Financial	203 801 028 705	24%	47 100 096 394	12%
Communication	29 620 447 033	3%	27 251 461 941	8%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
9.4 Secured and unsecured deposits analysis	858 623 084 803	341 145 454 913	858 623 084 803	109 210 262 835

10 OFFSHORE BORROWINGS

Balance at beginning of year	20 974 306 797	7 064 779 814	6 714 466 000	657 911 243
Additions	132 943 231 087	86 386 103 679	51 009 912 000	20 316 275 173
Interest expense	3 226 629 509	1 335 278 010	1 206 850 118	329 280 095
Repayments	(171 207 386 020)	(82 600 495 013)	(71 187 642 118)	(20 619 642 880)
Exchange rates movement	127 052 336 000	18 838 213 378	127 052 336 000	6 030 642 369
Effects of inflation adjustments	1 806 804 627	(10 049 573 071)	-	-
Balance at end of period	114 795 922 000	20 974 306 797	114 795 922 000	6 714 466 000
Within 1 year	70 546 598 891	21 061 907 710	70 546 598 891	6 742 509 518
Over 1 year	44 249 323 109	(87 600 913)	44 249 323 109	(28 043 518)
	114 795 922 000	20 974 306 797	114 795 922 000	6 714 466 000

11 LONG TERM BORROWINGS

Comprising of:				
Face value of loan	20 000 000	62 474 981	20 000 000	20 000 000
Valuation discount	(1 760 069)	(6 887 695)	(1 760 069)	(2 204 945)

Balance at end of period	18 239 931	55 587 286	18 239 931	17 795 055
Valuation discount:				

Balance at beginning of the year	6 887 695	32 776 505	2 204 945	3 052 329
Amortisation during the year	(961 958)	(3 953 429)	(444 876)	(847 384)
Effects of inflation adjustment	(4 165 668)	(21 935 381)	-	-

Balance at end of period	1 760 069	6 887 695	1 760 069	2 204 945
--------------------------	-----------	-----------	-----------	-----------

Balance at the beginning of year	2 568 141 146	1 285 228 253	822 134 270	119 687 540
Add finance cost posted to profit or loss	1 253 015 635	1 279 843 681	499 382 954	309 586 388
Exchange gains	(4 416 727 088)	(6 681 031 857)	4 746 064 236	690 680 746
Less lease liability payments during the year	(1 576 063 051)	(1 794 137 613)	(72	



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

20 RISK MANAGEMENT

20.2 Financial risk management

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

20.2.1 Classification and measurement of financial assets and liabilities

30 June 2023	Reviewed Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
Financial assets measured at fair value:								
Listed equity securities	21 079 329 345	-	-	21 079 329 345	21 079 329 345	-	-	21 079 329 345
Unlisted equity investments	106 587 394 225	-	-	106 587 394 225	-	106 587 394 225	106 587 394 225	106 587 394 225
Treasury bills	10 336 943 982	-	95 442 770 441	105 779 714 423	-	10 336 943 982	95 442 770 441	105 779 714 423
Financial assets not measured at fair value:								
Trade and other receivables	- 118 770 791 449	-	- 118 770 791 449					
Cash and cash equivalents	- 370 944 534 487	-	- 370 944 534 487					
Treasury bills	- 38 963 998	-	- 38 963 998					
Advances and other accounts	- 807 572 677 049	-	- 807 572 677 049					
Total	138 003 667 552	1 297 326 966 983	95 442 770 441	1 530 773 404 976				
Financial liabilities								
Deposit and other accounts	- (858 623 084 803)	-	- (858 623 084 803)					
Trade and other payables	- (192 261 076 815)	-	- (192 261 076 815)					
Offshore borrowings	- (114 795 922 000)	-	- (114 795 922 000)					
Long term borrowings	- (18 239 931)	-	- (18 239 931)					
Total	- (1 165 698 323 549)	-	- (1 165 698 323 549)					

31 December 2022	Audited Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
Financial assets measured at fair value:								
Listed equity securities	5 512 154 943	-	-	5 512 154 943	5 512 154 943	-	-	5 512 154 943
Government public utility stock	-	-	-	-	-	-	-	-
Unit trusts	-	-	-	-	-	-	-	-
Unlisted equity investments	44 406 985 364	-	-	44 406 985 364	-	-	-	44 406 985 364
Treasury bills	21 004 740 784	-	31 232 770 240	52 237 511 024	-	21 004 740 784	31 232 770 240	52 237 511 024
Financial assets not measured at fair value:								
Trade and other receivables	- 35 315 054 742	-	- 35 315 054 742					
Cash and cash equivalents	- 192 783 271 346	-	- 192 783 271 346					
Treasury bills	- 125 892 116	-	- 125 892 116					
Advances and other accounts	- 202 636 678 640	-	- 202 636 678 640					
Total	70 923 881 091	430 860 896 844	31 232 770 240	533 017 548 175				
Financial liabilities								
Deposit and other accounts	- (341 145 454 913)	-	- (341 145 454 913)					
Trade and other payables	- (94 045 695 377)	-	- (94 045 695 377)					
Offshore borrowings	- (20 974 306 797)	-	- (20 974 306 797)					
Long term borrowings	- (55 587 286)	-	- (55 587 286)					
Total	- (456 165 457 087)	-	- (456 165 457 087)					

30 June 2023	Unreviewed Historical cost							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
Financial assets measured at fair value:								
Listed equity securities	21 079 329 345	-	-	21 079 329 345	21 079 329 345	-	-	21 079 329 345
Unlisted equity investments	106 587 394 225	-	-	106 587 394 225	-	106 587 394 225	106 587 394 225	106 587 394 225
Treasury bills	10 336 943 982	-	95 442 770 441	105 779 714 423	-	10 336 943 982	95 442 770 441	105 779 714 423
Financial assets not measured at fair value:								
Trade and other receivables	- 118 770 791 449	-	- 118 770 791 449					
Cash and cash equivalents	- 370 944 534 487	-	- 370 944 534 487					
Treasury bills	- 38 963 998	-	- 38 963 998					
Advances and other accounts	- 807 572 677 049	-	- 807 572 677 049					
Total	138 003 667 552	1 297 326 966 983	95 442 770 441	1 530 773 404 976				
Financial liabilities								
Deposit and other accounts	- (858 623 084 803)	-	- (858 623 084 803)					
Trade and other payables	- (192 261 076 815)	-	- (192 261 076 815)					
Offshore borrowings	- (114 795 922 000)	-	- (114 795 922 000)					
Long term borrowings	- (18 239 931)	-	- (18 239 931)					
Total	- (1 165 698 323 549)	-	- (1 165 698 323 549)					

31 December 2022	Unaudited Historical cost							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
Financial assets measured at fair value:								
Listed equity securities	1 764 595 956	-	-	1 764 595 956	1 764 595 956	-	-	1 764 595 956
Unlisted equity investments	14 215 926 003	-	-	14 215 926 003	-	14 215 926 003	14 215 926 003	14 215 926 003
Treasury bills	6 724 208 776	-	9 998 488 908	16 722 697 684	-	6 724 208 776	9 998 488 908	16 722 697 684
Financial assets not measured at fair value:								
Trade and other receivables	- 11 183 791 416	-	- 11 183 791 416					
Cash and cash equivalents	- 61 715 351 709	-	- 61 715 351 709					
Treasury bills</								



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

20.2.2 Liquidity risk (continued)

Liquidity gap analysis as at 30 June 2023

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

	Unreviewed Historical cost					
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	Carrying amount ZWS
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	271 924 794 718	37 460 301 305	61 559 438 464	-	370 944 534 487	370 944 534 487
Trade and other receivables	89 078 093 587	29 692 697 862	-	118 770 791 449	118 770 791 449	
Treasury bills	-	10 935 738 503	-	95 490 279 691	106 426 018 194	105 818 678 421
Mortgages and other advances	204 899 572 311	89 741 372 733	449 151 811 542	786 030 114 269	1 529 822 870 855	807 572 677 049
Financial assets held at fair value through profit or loss	-	-	-	127 801 877 409	127 801 877 409	
Financial assets held at amortised cost	-	-	-	10 996 091 474	10 996 091 474	
Loan commitments	-	-	-	3 180 577 479	3 180 577 479	
	3 180 577 479	-	-	10 996 091 474	10 996 091 474	
	569 083 038 095	167 830 110 403	510 711 250 006	1 020 318 362 843	2 267 942 761 347	1 545 085 227 768
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(157 370 391 324)	(8 279 041 590)	(166 573)	(851 078 482 376)	(1 016 728 081 863)	(858 623 084 803)
Trade and other payables	(160 481 013 976)	(20 501 899 312)	(11 278 163 527)	-	(192 261 076 815)	(192 261 076 815)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(18 239 931)
Offshore borrowings	-	(117 577 664 818)	-	-	(117 577 664 818)	(114 795 922 000)
Short term borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
	(89 417 075)	(447 085 376)	(536 502 451)	(5 545 035 244)	(6 618 040 146)	(5 365 024 511)
	(317 940 822 375)	(146 805 691 096)	(11 814 832 551)	(856 643 517 620)	(1 333 204 863 642)	(1 171 063 348 060)
Period gap	251 142 215 720	21 024 419 307	498 896 417 455	163 674 845 223	934 737 897 705	374 021 879 708
Cumulative gap	251 142 215 720	272 166 635 027	771 063 052 482	934 737 897 705	-	-

Liquidity gap analysis as at 31 December 2022

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

	Unaudited Historical cost					
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	Carrying amount ZWS
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	48 104 372 434	870 891 791	12 740 087 484	-	61 715 351 709	61 715 351 709
Trade and other receivables	8 479 007 315	2 704 784 101	-	-	11 183 791 415	11 183 791 416
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 294
Mortgages and other advances	10 369 789 270	14 536 989 278	38 817 520 492	67 544 485 777	131 268 784 817	64 869 704 742
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	
Financial assets held at amortised cost	-	-	-	1 107 018 423	1 107 018 423	
Loan commitments	-	-	-	-	6 864 150 030	6 864 150 030
	6 864 150 030	-	-	-	6 864 150 030	6 864 150 030
	73 817 319 049	25 266 948 996	51 557 607 976	94 693 709 016	245 335 585 036	178 497 041 852
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(6 979 444 115)	(193 255 173)	(153 950)	(108 015 476 544)	(115 188 329 782)	(109 210 262 835)
Trade and other payables	(23 284 164 813)	(6 792 509 518)	94 769 268	-	(29 981 905 063)	(29 981 905 063)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(17 795 055)
Offshore borrowings	-	(6 742 509 518)	-	-	(6 742 509 518)	(6 714 466 000)
Lease liabilities	(13 702 238)	(68 511 189)	(82 213 427)	(1 067 421 404)	(1 231 848 258)	(822 134 270)
	(30 277 311 166)	(13 796 785 398)	12 401 891	(109 102 897 948)	(153 164 592 621)	(146 746 563 223)
Period gap	43 540 007 883	11 470 163 598	51 570 009 867	(14 409 188 932)	92 170 992 416	31 750 478 629
Cumulative gap	43 540 007 883	55 010 171 481	106 580 181 348	92 170 992 416	-	-

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
Liquidity ratios				
Total liquid assets	476 763 212 908	245 146 674 486	476 763 212 908	78 478 351 003
Total liabilities to the public	858 623 084 803	341 145 454 913	858 623 084 803	109 210 262 835
Liquidity ratio	56%	72%	56%	72%
Average for the year	59%	87%	59%	87%
Maximum for the year	51%	89%	51%	89%
Minimum for the year	69%	71%	69%	71%
Minimum statutory liquidity ratio	30%	30%	30%	30%

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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
ZB Bank Limited	63%	63%	63%	63%
ZB Building Society	34%	129%	34%	129%

20.2.3 Market risk

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

20.2.3.1 Interest rate gap analysis

Interest rate gap analysis as at 30 June 2023

	Reviewed Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	370 944 534 487	-	-	-	370 944 534 487
Treasury bills	-	10 336 943 982	-	-	10 336 943 982



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

20.2.4 Internal rating grade

	Reviewed Inflation adjusted June 2023				Audited Inflation adjusted December 2022			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances	790 026 555 390	9 791 186 769	1 717 159 080	801 534 901 239	203 423 584 752	5 433 412 586	733 286 080	209 590 283 419
Guarantees	27 222 040 587	-	-	27 222 040 587	9 789 130 200	-	-	9 789 130 200
Loan commitments	3 180 577 479	-	-	3 180 577 479	21 441 882 144	-	-	21 441 882 144
Treasury bills	105 818 678 421	-	-	105 818 678 421	52 363 403 140	-	-	52 363 403 140
Insurance debtors	21 705 977 614	-	2 013 973 113	23 719 950 727	6 120 475 636	-	497 374 017	6 617 849 653
Other financial assets	-	-	-	689 403 185	-	-	-	689 403 184
Total financial assets	947 953 829 491	9 791 186 769	3 731 132 193	961 476 148 453	293 827 879 057	5 433 412 586	1 230 660 097	300 491 951 740
Total loans and advances	789 936 897 096	34 639 802	33 636 942	790 005 173 840	203 381 483 809	85 262 830	13 070 273	203 479 816 912
Good (AAA to -BBB-)	89 658 294	9 756 546 967	3 812 779	9 850 018 040	42 100 943	5 348 149 756	1 215 948	5 391 466 647
Special Mention (BB+ to CCC-)	-	-	1 679 709 359	1 679 709 359	-	-	718 999 860	718 999 860
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total loans and advances	790 026 555 390	9 791 186 769	1 717 159 080	801 534 901 239	203 423 584 752	5 433 412 586	733 286 081	209 590 283 419
Corporate Lending	547 468 307 402	-	-	547 468 307 402	134 535 814 434	-	-	134 535 814 434
Good (AAA to -BBB-)	-	4 068 556 312	-	4 068 556 312	-	4 211 685 213	-	4 211 685 213
Special Mention (BB+ to CCC-)	-	-	337 677 480	337 677 480	-	-	90 265 096	90 265 096
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total corporate lending	547 468 307 402	4 068 556 312	337 677 480	551 874 541 194	134 535 814 434	4 211 685 213	90 265 096	138 837 764 743
Small business Lending	23 380 117 752	69	201 232	23 380 319 053	9 039 013 308	490 369	97 790	9 039 601 467
Good (AAA to -BBB-)	-	3 005 592 667	-	3 005 592 667	-	59 987 255	7 694	59 994 949
Special Mention (BB+ to CCC-)	-	-	32 037 696	32 037 696	-	-	252 301 600	252 301 600
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total small business Lending	23 380 117 752	3 005 592 736	32 238 928	26 417 949 416	9 039 013 308	60 477 624	252 407 084	9 351 898 016
Consumer Lending	176 746 117 087	34 639 733	33 434 740	176 814 191 560	53 287 154 483	84 772 461	12 970 390	53 384 897 334
Good (AAA to -BBB-)	89 658 294	657 170 461	3 812 779	750 641 534	42 100 943	790 166 111	1 208 254	833 475 308
Special Mention (BB+ to CCC-)	-	-	545 728 190	545 728 190	-	-	344 488 207	344 488 207
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total consumer lending	176 835 775 381	691 810 194	582 975 709	178 110 561 284	53 329 255 426	874 938 572	358 666 851	54 562 860 849
Mortgage Lending	42 342 354 855	-	970	42 342 355 825	6 519 501 584	-	2 093	6 519 503 677
Good (AAA to -BBB-)	-	2 025 227 527	-	2 025 227 527	-	286 311 177	-	286 311 177
Special Mention (BB+ to CCC-)	-	-	764 265 993	764 265 993	-	-	31 944 957	31 944 957
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total Mortgage Lending	42 342 354 855	2 025 227 527	764 266 963	45 131 849 345	6 519 501 584	286 311 177	31 947 050	6 837 759 811
Guarantees	27 222 040 587	-	-	27 222 040 587	9 789 130 200	-	-	9 789 130 200
Good (AAA to -BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total guarantees	27 222 040 587	-	-	27 222 040 587	9 789 130 200	-	-	9 789 130 200
Loan commitments	3 180 577 479	-	-	3 180 577 479	21 441 882 144	-	-	21 441 882 144
Good (AAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total loan commitments	3 180 577 479	-	-	3 180 577 479	21 441 882 144	-	-	21 441 882 144
Letters of Credit	Good(AAA to -BBB-)	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
Total letters of credit	-	-	-	-	-	-	-	-
Other financial assets	Bonds	Good (AAA to BBB)	-	-	-	-	-	-
Good (AAA to BBB)	-	-	-	-	689 403 185	-	-	689 403 185
Total other financial assets	-	-	-	-	689 403 185	-	-	689 403 185

	Unreviewed Historical cost June 2023				Unaudited Historical cost December 2022			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances	790 026 555 390	9 791 186 769	1 717 159 080	801 534 901 239	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365
Guarantees	27 222 040 587	-	-	27 222 040 587	3 133 776 126	-	-	3 133 776 126
Loan commitments	3 180 577 479	-	-	3 180 577 479	6 864 150 030	-	-	6 864 150 030
Treasury bills	105 818 678 421	-	-	105 818 678 421	16 762 999 294	-	-	16 762 999 294
Insurance debtors	21 705 977 614	-	2 013 973 113	23 719 950 727	1 959 336 533	-	159 223 423	2 118 949 556
Other financial assets	-	-	-	-	220 697 365	-	-	220 697 365
Total financial assets	947 953 829 491	9 791 186 769	3 731 132 193	961 476 148 453	94 062 574 887	1 739 388 311	393 968 938	96 195 932 136
Total loans and advances	789 936 897 096	34 639 802	33 636 942	790 005 173 840	65 108 137 842	27 295 032	4 184 162	65 139 617 036
Good (AA to -BBB-)	89 658 294	9 756 546 967	3 812 779	9 850 018 040	13 477 697	1 712 093		



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

21. COMPLIANCE WITH REGULATIONS

21.1 Regulatory capital requirements

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW\$ equivalent of USD30 million and USD20 million respectively, using the spot rate as at the reporting date. ZB Bank Limited met this requirement as at 30 June 2023, whilst ZB Building Society was not in compliant with this minimum regulatory capital requirement as at 30 June 2023. The Directors are confident that the Society will meet the regulatory minimum capital requirements either through the proposed consolidation of the Society's operations with the rest of ZB Financial Holdings Limited's banking operations or through organic growth and capital injection as required and committed to in a letter of support provided by ZB Financial Holdings Limited to the Society.

21.2 Insurance operations

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

ZB Life Assurance Limited did not comply with these ratios as at 30 June 2023, closing the half year with ratio at 5.94% (Dec 2022: 6.01%). As further required by paragraph 11B sub-section 4, ZB Life Assurance has collaborated with the Insurance and Pensions Commissions (IPC) on the non-compliance as required by the Regulations, and provided a roadmap to remedy the non-compliance which is being tracked on a monthly basis. Compliance has been affected by the shortage of qualifying assets on the market. Furthermore, the ratio have been impacted on by an inflationary growth in the value of assets. The non-compliance persisted up to the date of release of these financial statements. No penalties have been levied on ZB Life Assurance Limited for the non-compliance.

ZB Reinsurance complied with this requirement as at 30 June 2023 with a ratio of 10% (2022: 10%).

21.3 Other compliance issues

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

22. SUBSEQUENT EVENTS

After the reporting date, in an attempt to stabilize the economy particularly the exchange rates and price volatility, the government through Reserve Bank of Zimbabwe introduced various monetary policies and measures. The ZW\$ has gained greatly versus the USD as a result of these initiatives. This ZW\$ appreciation against the USD might result in reversal of unrealized foreign exchange gains recorded in the statement of profit or loss at the reporting date.

23. GOING CONCERN

The Board undertakes regular assessment of whether the Company and its subsidiaries is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The country's macroeconomic conditions have persisted in having a detrimental impact on the group operating environment. The negative factors, such as liquidity challenges, and price volatility will continue to affect how well the business performs. The Group have put in place strategies to avert the current economical challenges.

The Board has reviewed budgets for 2023 and beyond and the cash flow projections for the Group. The Board does not have any reason to conclude that the Group will not be a going concern for the foreseeable future. The going concern assumption has therefore been applied in the preparation of the inflation adjusted financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

24. BOARD ATTENDANCE DURING THE PERIOD

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
TOTAL MEETINGS	5	2	2	2	2
P CHIROMO (MRS)	3	X	X	X	X
J MUTEVEDZI	3	X	X	X	X
T SIBANDA (MS)	5	X	X	X	X
A MAKAMURE (MRS)	5	X	X	X	X
S FUNGURA	5	2	X	2	X
E MUNGONI (MRS)	5	X	X	X	X
L ZEMBE	5	X	X	X	X
P M V WOOD	5	X	X	X	X
S DIMAIRHO	5	X	X	X	X
S A SIBANDA	X	2	X	X	X
P M MATUPIRE	X	2	X	X	X
C MANDIZVIDZA	X	2	X	X	X
G N MAHLANGU (MS)	X	2	X	X	X
F NYAMBIRI	X	2	X	X	X
P MURENA (MRS)	X	2	X	X	X
E CHIBVURI	X	2	X	X	X
E MASINIRE	X	2	X	X	X
O MANDIMIKA	X	X	2	X	X
S K CHIGANZE	X	X	2	X	X
T KAPUMHA	X	X	2	X	X
J KATSIDZIRA	X	X	2	X	X
F B CHIRIMUUTA	X	X	X	2	X
B SHUMBA	X	X	X	2	X
P MURAMBINDA (MRS)	X	X	X	2	X
A NYAKONDA	X	X	X	2	X
M SHONIWA (MRS)	X	X	X	2	X
C MASIMBE (MRS)	X	X	X	2	X
E T Z CHIDZONGA	X	X	X	X	2
L MAWIRE (MRS)	X	X	X	X	2
C MAKONI	X	X	X	X	2
A MANGORO	X	X	X	X	2
R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	2
O PAZVAKAVAMBWA	X	X	X	X	2
*S F MANANGAZIRA	X	X	X	X	1
**E MASVAVIKE	X	X	X	X	1

*S F Manangazira was appointed on Board with effect from 17 March 2023.

**E Masavike was appointed on Board with effect from 17 March 2023.

***L Zembe was appointed as Acting Chairman with effect from 30 June 2023.

****P Chiromo retired from the Board with effect from 30 June 2023.

*****J Mutevedzi retired from the Board with effect from 30 June 2023.

KEY

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

Banking | Insurance | Investments

for you



Easy, just for you

MyZB App

Your new favourite App
where you can **Bank, Insure**
and **Invest** in one place!



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023



REVIEWED CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS for the half year ended 30 June 2023

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
ASSETS				
Cash and cash equivalents	315 592 544 366	159 149 161 071	315 592 544 366	50 948 126 262
Treasury bills	105 818 678 422	52 363 403 140	105 818 678 422	16 762 999 295
Advances and other accounts	774 384 015 546	198 790 414 177	774 384 015 546	63 638 407 221
Inventories	5 920 422 526	887 345 176	1 933 702 258	277 343 553
Trade and other receivables	111 982 030 509	35 639 033 276	111 982 030 509	11 409 057 738
Financial assets at fair value through profit or loss	78 143 105 889	25 667 743 933	78 143 105 889	8 216 967 339
Financial assets held at amortised cost	3 691 986 086	2 038 525 132	3 691 986 086	652 589 276
Investment in subsidiary company	184 504 773 425	65 838 154 769	175 762 609 232	21 076 562 656
Right of use assets	15 047 911 417	6 821 002 056	9 936 844 305	1 108 645 780
Intangible assets	4 218 718 244	4 314 922 592	616 099 074	628 356 561
Property and equipment	79 341 430 444	74 364 404 584	29 937 628 972	23 806 139 153
Deferred tax asset	-	-	11 705 527 826	-
Total assets	1 678 645 616 874	625 874 109 906	1 619 504 772 485	198 525 194 834
LIABILITIES				
Deposits from customers	848 836 269 075	335 763 591 817	848 836 269 075	107 487 376 967
Offshore borrowings	114 795 922 000	20 974 306 797	114 795 922 000	6 714 466 000
Trade and other payables	155 579 375 546	67 660 945 627	155 579 375 546	21 660 173 247
Lease liabilities	17 023 120 156	18 473 987 684	17 023 120 156	5 914 043 472
Current tax liabilities	1 539 486 678	1 328 444 099	1 539 486 678	425 272 351
Deferred tax liabilities	2 561 684 809	5 745 744 680	-	1 704 172 100
Total liabilities	1 140 335 858 264	449 947 020 704	1 137 774 173 455	143 905 504 136
EQUITY AND RESERVES				
Share capital	1 296 914 283	1 296 914 283	1 810 402	1 810 402
Share premium	23 610 088 055	23 610 088 055	78 396 005	32 958 032
Functional currency translation reserve	-	-	45 437 973	-
Property revaluation reserves	77 603 650 985	74 200 619 952	22 577 008 327	17 806 687 631
Investment reserves	(12 871 826 874)	(5 262 240 445)	(12 871 826 874)	(1 684 591 291)
Retained income	448 670 932 161	82 081 707 357	471 945 211 170	38 417 387 951
Total equity	538 309 758 610	175 927 089 202	481 730 599 030	54 619 690 698
Total equity and liabilities	1 678 645 616 874	625 874 109 906	1 619 504 772 485	198 525 194 834

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unreviewed 30 Jun 2022 ZWS
	Notes	Notes	Notes	Notes
Interest received	56 345 663 808	24 997 377 382	25 514 510 957	3 007 544 422
Interest paid	(20 862 941 551)	(6 434 365 337)	(11 926 216 209)	(848 684 396)
Net interest and related income received	35 482 722 257	18 563 012 045	13 588 294 748	2 158 860 026
Loan impairment charges, net of recoveries	(8 842 307 328)	(10 907 849 549)	(6 465 757 642)	(1 696 160 653)
Net income from lending activities	26 640 414 929	7 655 162 496	7 122 537 106	462 699 373
Commission and fee income	61 771 916 844	17 855 116 267	36 508 256 161	2 443 725 091
Operating income	259 640 433 470	38 428 121 753	253 964 853 243	7 626 015 310
Fair value adjustments	159 483 729 512	4 414 879 562	215 511 698 480	7 328 819 334
Total income	507 536 494 755	68 353 280 078	513 107 344 990	17 861 259 108
Operating expenses	(147 173 454 757)	(33 700 025 147)	(80 282 637 578)	(4 122 537 642)
Operating profit before taxation	360 363 039 998	34 653 254 931	432 824 707 412	13 738 721 466
Income tax credit / (expense)	(6 328 351 714)	(5 754 687 496)	3 942 376 742	(765 320 232)
Net monetary loss	19 951 168 967	(3 647 288 486)	-	-
Profit for the period	373 985 857 251	25 251 278 949	436 767 084 154	12 973 401 234
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gain on revaluation-property, plant and equipment	3 582 137 930	442 815 117	4 994 516 000	273 920 000
Items that may be reclassified to profit or loss	(14 860 833 666)	822 548 374	(14 860 833 666)	167 691 271
Fair value gains on FVTOCI financial assets	3 494 491 186	(312 797 855)	3 449 402 782	(51 112 268)
Related tax	(7 784 204 550)	952 565 636	(6 416 914 884)	390 499 003
Other comprehensive income net of tax	366 201 652 701	26 203 844 585	430 350 169 270	13 363 900 237
Earnings per share (ZW cents)	2 065.76	139.48	2 412.54	71.66

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2023

Notes	Reviewed Inflation adjusted					
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI reserve ZWS	Retained income ZWS	Total ZWS
	Notes	Notes	Notes	Notes	Notes	Notes
Balance at 1 January 2023	1 296 914 283	23 610 088 055	74 200 619 952	(5 262 240 445)	82 081 707 357	175 927 089 202
Changes in equity for 2023						
Profit or loss	-	-	-	373 985 857 251	373 985 857 251	
Other comprehensive income, net of tax	-	-	3 403 031 033	-	3 403 031 033	
Revaluation of property	-	-	-	(11 187 235 584)	-	(11 187 235 584)
Fair value gains on financial assets at FVTOCI	-	-	-	-	(7 396 632 447)	(7 396 632 447)
Distributions	-	-	-	-	(7 396 632 447)	(7 396 632 447)
Dividend to shareholders	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Effects of inflation adjustments	-	-	3 577 649 155	-	3 577 649 155	
Balance 30 June 2023	1 296 914 283	23 610 088 055	77 603 650 985	(12 871 826 874)	448 670 932 161	538 309 758 610
Changes in equity for 2022						
Balance at 1 January 2022	1 296 914 283	23 610 088 055	58 561 408 505	(18 810 250)	40 089 030 120	123 538 630 713
Profit or loss	-	-	-	-	25 251 278 949	25 251 278 949
Other comprehensive income, net of tax	-	-	333 351 220	-	333 351 220	
Revaluation of property	-	-	-	619 2		



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

2. TREASURY BILLS (continued)

- The Bank invested in treasury bills issued by the RBZ over a period ranging from 90 days to 9 months which were at rates ranging from 8% to 76% (December 2022: 8% to 92%).
- The Bank purchased treasury bills from the secondary market. These treasury bills have coupon rates ranging from 0% to 5% (December 2022: 0% to 5%), with a maturity period of 14 months to 10 years (December 2022: 2 years to 10 years).
- The Bank received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2022: 5%), and maturity periods ranging from 4 years to 9 years (December 2022: 4 years to 10 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to ZWL242m and US\$46.885 million were used as security for the Bank to access fixed deposits (December 2022: \$665 078 million).

2.2 Determination of fair value of treasury bills

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

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

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

2.3 Impairment assessment of treasury bills

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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$

3. ADVANCES AND OTHER ACCOUNTS

3.1 Loans, overdrafts and other accounts at amortised cost

Mortgage loans	736 886 470 596	195 834 177 389	736 886 470 596	62 692 032 611
*Finance leases	38 788 617 436	6 797 423 504	38 788 617 436	2 176 046 601
Bills discounted	13 951 431 010	8 481 089 050	13 951 431 010	2 715 035 335
Gross advances	789 832 585 820	211 544 633 473	789 832 585 820	67 721 391 829

Off balance sheet exposures

In respect of guarantees	27 222 040 587	9 789 130 200	27 222 040 587	3 133 776 126
In respect of loan commitments	3 180 577 476	21 441 882 147	3 180 577 476	6 684 150 031

Gross credit exposure	30 402 618 063	31 231 012 347	30 402 618 063	9 997 926 157
------------------------------	-----------------------	-----------------------	-----------------------	----------------------

Gross advances	789 832 585 820	211 544 633 473	789 832 585 820	67 721 391 829
Less: Allowance for loan Impairment	(15 448 570 274)	(12 754 219 296)	(15 448 570 274)	(4 082 984 608)

Net advances	774 384 015 546	198 790 414 177	774 384 015 546	63 638 407 221
---------------------	------------------------	------------------------	------------------------	-----------------------

3.2 Maturity analysis

- On demand	418 204 985	9 199 301 826	418 204 985	2 944 955 461
- Within 1 month	50 207 694 922	3 645 010 190	50 207 694 922	1 166 870 363
- Between 1 and 6 months	203 783 418 216	39 787 039 583	203 783 418 216	12 736 951 314
- Between 6 and 12 months	111 447 303 907	57 289 064 216	111 447 303 907	18 339 842 054
- After 12 months	454 378 581 853	132 855 230 005	454 378 581 853	42 530 698 794
	820 235 203 883	242 775 645 820	820 235 203 883	77 719 317 986

3.3 Loans and advances by business line:

Corporate lending	582 277 159 257	177 182 561 609	582 277 159 257	56 721 125 386
Small business lending	36 892 164 032	8 561 096 543	36 892 164 032	2 740 647 985
Consumer lending	162 277 263 158	50 234 564 163	162 277 263 158	16 081 498 014
Mortgage lending	38 788 617 436	6 797 423 505	38 788 617 436	2 176 046 601

3.4 Mortgage loans	820 235 203 883	242 775 645 820	820 235 203 883	77 719 317 986
---------------------------	------------------------	------------------------	------------------------	-----------------------

Mortgage advances were spread as follows:

Type of property:	3 878 861 703	350 090 672	3 878 861 703	112 073 879
High density	6 206 178 797	353 197 819	6 206 178 797	113 068 564
Medium density	18 230 650 216	3 958 226 478	18 230 650 216	1 267 139 714
Low density	10 472 926 720	2 135 908 535	10 472 926 720	683 764 444
Commercial	38 788 617 436	6 797 423 504	38 788 617 436	2 176 046 601

3.5 Finance lease receivables

Gross investment in finance leases: Maturing within 1 year	7 004 707 474	4 476 535 496	7 004 707 474	1 433 065 020
Maturing after 1 year	46 869 229 912	30 175 924 430	46 869 229 912	9 660 162 816

Gross investment in finance leases: Uncalled finance charges	53 873 937 386	34 652 459 926	53 873 937 386	11 093 227 836
	(39 922 506 376)	(26 171 370 876)	(39 922 506 376)	(8 378 192 501)

Net investment in finance leases	13 951 431 010	8 481 089 050	13 951 431 010	2 715 035 335
----------------------------------	----------------	---------------	----------------	---------------

Maturing within 1 year	1 684 835 736	1 335 551 981	1 684 835 736	427 547 783

<tbl_r cells="5" ix="2" maxcspan="1" maxrspan="1"



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

3.12 Impairment allowance for loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION			2023				
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2023 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2022 TOTAL ZWS
3.12.1 Total loans and advances								
Good (AAA to A-)	15 182 479 296	-	-	15 182 479 296	11 309 349 226	-	-	11 309 349 226
Special Mention (BBB+ to B-)	-	201 613 665	-	201 613 665	1 210 500 339	-	-	1 210 500 339
Non performing (CC TO D)	-	-	64 477 313	64 477 313	-	234 369 728	234 369 728	
TOTAL	15 182 479 296	201 613 665	64 477 313	15 448 570 274	11 309 349 226	1 210 500 339	234 369 728	12 754 219 293
Corporate Lending								
Good (AAA to A-)	13 135 239 516	-	-	13 135 239 516	8 902 170 225	-	-	8 902 170 225
Special Mention (BBB+ to B-)	-	76 055 353	-	76 055 353	926 638 563	-	-	926 638 563
Non performing (CC TO D)	-	-	32 999 205	32 999 205	-	27 911 849	27 911 849	
TOTAL	13 135 239 516	76 055 353	32 999 205	13 244 294 074	8 902 170 225	926 638 563	27 911 849	9 856 720 637
Small business Lending								
Good (AAA to A-)	579 513 502	-	-	579 513 502	487 805 321	-	-	487 805 321
Special Mention (BBB+ to B-)	-	119 789 050	-	119 789 050	-	2 428 958	-	2 428 958
Non performing (CC TO D)	-	-	693 107	693 107	-	92 009 314	92 009 314	
TOTAL	579 513 502	119 789 050	693 107	699 995 659	487 805 321	2 428 958	92 009 314	582 243 593
Consumer Lending								
Good (AAA to A-)	1 358 059 559	-	-	1 358 059 559	1 746 413 074	-	-	1 746 413 074
Special Mention (BBB+ to B-)	-	5 769 262	-	5 769 262	-	195 842 532	-	195 842 532
Non performing (CC TO D)	-	-	30 785 001	30 785 001	-	111 010 668	111 010 668	
TOTAL	1 358 059 559	5 769 262	30 785 001	1 394 613 822	1 746 413 074	195 842 532	111 010 668	2 053 266 274
Mortgage Lending								
Good (AAA to A-)	109 666 719	-	-	109 666 719	172 960 606	-	-	172 960 606
Special Mention (BBB+ to CCC-)	-	-	-	-	-	85 590 286	-	85 590 286
Non performing (CC TO D)	-	-	-	-	-	3 437 897	3 437 897	
TOTAL	109 666 719	-	-	109 666 719	172 960 606	85 590 286	3 437 897	261 988 789
Inflation adjusted								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2023 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS
	3.12.2 Financial guarantees and loan commitments							
Guarantees	1 028 813 078	-	-	1 028 813 078	984 425 226	-	-	984 425 226
Good (AAA to A-)	1 028 813 078	-	-	1 028 813 078	984 425 226	-	-	984 425 226
TOTAL	1 028 813 078	-	-	1 028 813 078	984 425 226	-	-	984 425 226
Loan commitments								
Good (AAA to A-)	585 035 374	-	-	585 035 374	81 638 814	-	-	81 638 814
TOTAL	585 035 374	-	-	585 035 374	81 638 814	-	-	81 638 814
Unaudited Historical cost								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2023 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2022 TOTAL ZWS
	Guarantees	1 028 813 078	-	-	1 028 813 078	315 142 225	-	-
Total	1 028 813 078	-	-	1 028 813 078	315 142 225	-	-	315 142 225
Loan commitments								
Good (AAA to A-)	3 180 577 476	-	-	3 180 577 476	26 134 882	-	-	26 134 882
TOTAL	3 180 577 476	-	-	3 180 577 476	26 134 882	-	-	26 134 882
Inflation adjusted								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2023 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2022 TOTAL ZWS
	3.12.3 Other financial assets							
Bonds	Good (AAA+ - A-)	-	-	-	20 590 025	-	-	20 590 025
TOTAL	-	-	-	-	20 590 025	-	-	20 590 025
Unaudited Historical cost								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2022 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS
	Bonds	Good (AAA+ - A-)	-	-	-	6 591 447	-	-
TOTAL	-	-	-	-	6 591 447	-	-	6 591 447
Inflation adjusted								
	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS	Computer software ZWS	Capital work in progress ZWS	Total ZWS	
	4. INVENTORIES							
Point of sale machines	923 838 900	26 120 959	301 740 181	8 164 218				
Stationery	4 892 401 790	826 836 499	1 597 934 992	258 431 306				
Fuel	95 668 125	30 880 985	31 246 701	9 651 985				
PPE materials	8 268 107	3 251 124	2 700 493	1 016 153				
ATM spares	226 148	236 322	73 863	73 863				
Computer consumables	18 456	19 287	6 028	6 028				
Current	5 920 422 526	887 345 176	1 933 702 258	277 343 553				
5. TRADE AND OTHER RECEIVABLES								
Accrued interest	1 733 244 580	5 219 656	1 733 244 580	1 670 959				
Remittances in transit	5 816 895 297	-	5 816 895 297	-				
Advance payments and sundry assets	102 504 431 028	32 875 082 320	102 504 431 028	10 524 239 236				
Amounts clearing from other Banks	1 927 459 604	2 758 731 300	1 927 459 604	883 147 543				
	111 982 030 509	35 639 033 276	111 982 030 509	11 409 057 738				

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted				Historical cost		
Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS

<tbl_r



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Unreviewed Historical cost					
	Computer software ZWS		Capital work in progress ZWS		Total ZWS	
10. INTANGIBLE ASSETS (Continued)						
Unreviewed June 2023						
Cost or valuation						
Balance at 1 January 2023	173 062 734	483 965 397	657 028 131			
Additions	3 193 577	-	3 193 577			
Balance at 30 June 2023	176 256 311	483 965 397	660 221 708			
Accumulated amortisation						
Balance at 1 January 2023	28 671 570	-	28 671 570			
Charge to income statement (Note 22)	15 451 064	-	15 451 064			
Balance at 30 June 2023	44 122 634	-	44 122 634			
Carrying value at 30 June 2023	132 133 677	483 965 397	616 099 074			
2022						
Cost or valuation						
Balance at 1 January 2022	23 077 903	17 202 845	40 280 748			
Additions	149 984 831	466 762 552	616 747 383			
Balance at 31 December 2022	173 062 734	483 965 397	657 028 131			
Accumulated amortisation						
Balance at 1 January 2022	21 583 672	-	21 583 672			
Charge to income statement (Note 22)	7 087 898	-	7 087 898			
Balance at 31 December 2022	28 671 570	-	28 671 570			
Carrying value at 31 December 2022	144 391 164	483 965 397	628 356 561			
Inflation adjusted						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment, furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS
	Total ZWS					
11. PROPERTY AND EQUIPMENT						
Reviewed June 2023						
Cost or valuation						
Balance at 1 January 2023	2 254 730 247	25 262 258 223	34 438 715 937	63 755 200 066	10 851 378 440	1 519 680 278
Additions	-	-	1 321 394 723	1 437 071 263	2 404 452 866	3 976 105 936
Gains on revaluation	3 582 137 930	-	-	-	-	9 139 024 788
Disposals	-	(276 718 242)	(858 600)	-	-	3 582 137 930
Balance at 30 June 2023	5 836 868 177	25 262 258 223	35 483 392 418	65 191 412 729	13 255 831 306	5 495 786 214
Accumulated depreciation						
Balance at 1 January 2023	177 312 177	20 166 605 692	22 241 085 642	14 993 945 316	5 201 348 575	937 261 205
Charge to statement of profit or loss (Note 22)	-	185 097 815	828 291 880	5 403 647 376	1 109 140 083	-
Disposals	-	-	(160 988)	(59 456 150)	-	(56 617 139)
Balance at 30 June 2023	177 312 177	20 351 703 507	23 069 377 522	20 397 431 704	6 251 032 507	937 261 205
Net book value at 30 June 2023	5 659 556 001	4 910 554 716	12 414 014 895	44 793 981 025	7 004 798 799	4 558 525 009
Audited December 2022						
Cost or valuation						
Balance at 1 January 2022	1 835 611 770	20 182 386 490	31 707 396 431	42 437 997 731	7 690 107 903	623 592 313
Additions	-	49 365 383	2 291 854 487	1 809 866 564	2 340 786 427	6 752 737 616
Gains on revaluation	419 118 477	-	-	19 525 055 860	839 102 810	13 244 610 477
Disposals	-	-	(90 530 442)	(17 720 089)	(18 618 700)	(126 869 231)
Other movements	-	5 030 506 350	529 995 461	-	(5 560 501 811)	-
Balance at 31 December 2022	2 254 730 247	25 262 258 223	34 438 715 937	63 755 200 066	10 851 378 440	1 519 680 278
Accumulated depreciation						
Balance at 1 January 2022	177 312 177	18 958 296 431	9 185 060 460	10 697 809 802	4 747 034 819	580 916 475
Charge to statement of profit or loss (Note 22)	-	198 121 939	917 834 222	4 300 122 203	458 153 863	-
Disposals	-	-	(6 682 719)	(3 986 689)	(3 840 107)	(14 509 515)
Impairment	-	1 010 187 322	12 144 873 679	-	356 344 730	13 511 405 731
Balance at 31 December 2022	177 312 177	20 166 605 692	22 241 085 642	14 993 945 316	5 201 348 575	937 261 205
Net book value at 31 December 2022	2 077 418 070	5 095 652 531	12 197 630 295	48 761 254 750	5 650 029 865	582 419 073
Historical cost						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment, furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS
	Total ZWS					
Unreviewed June 2023						
Cost or valuation						
Balance at 1 January 2023	665 040 000	1 705 280 487	4 142 701 228	16 798 297 908	1 961 267 087	186 448 739
Additions	-	-	892 543 342	596 045 287	1 530 625 489	1 836 049 233
Gains on revaluation	4 994 516 000	-	-	-	-	4 855 263 351
Disposals	-	-	(858 600)	(236 805 300)	-	(237 663 900)
Balance at 30 June 2023	5 659 556 000	1 705 280 487	5 035 244 570	17 393 484 595	3 255 087 276	2 022 497 972
Accumulated depreciation						
Balance at 1 January 2023	-	74 018 680	237 896 424	1 188 447 707	152 533 485	-
Charge to statement of profit or loss (Note 22)	-	85 602 051	383 059 538	2 499 181 830	560 425 469	3 528 268 888
Disposals	-	-	(160 988)	(48 482 268)	-	(47 643 256)
Balance at 30 June 2023	-	159 620 731	620 955 962	3 687 468 549	665 476 686	-
Net book value at 30 June 2023	5 659 556 000	1 545 659 756	4 414 288 608	13 706 016 046	2 589 610 590	2 022 497 972
Unaudited December 2022						
Cost or valuation						
Balance at 1 January 2022	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522
Additions	-	-	892 543 342	596 045 287	1 530 625 489	1 836 049 233
Gains on revaluation	510 610 000	-	-	-	-	4 855 263 351
Disposals	-	-	(28 280 656)	(4 899 644)	(5 960 370)	(39 140 670)
Balance at 31 December 2022	665 040 000	1 705 280 487	4 142 701 228	16 798 297 908	1 961 267 087	186 448 739
Accumulated depreciation						
Balance at 1 January 2022	-	29 760 038	38 564 543	261 552 773	52 619 298	-
Charge to statement of profit or loss (Note 27)	-	44 258 642	201 423 091	928 108 733	101 143 513	1 274 933 979
Disposals	-	-	(2 091 210)	(1 213 799)	(1 229 326)	(4 534 335)
Balance at 31 December 2022	-	74 018 680	237 896 424	1 188 447 707	152 533 485	-
Net book value at 31 December 2022	665 040 000	1 631 261 807	3 904 804 804	15 609 850 201	1 808 733 602	186 448 739

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted				Historical cost	
Reviewed 30 Jun 2023 ZWS		Audited 31 Dec 2022 ZWS		Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS	
Reviewed	30 Jun 2023	Audited	31 Dec 2022	ZWS	ZWS	

<tbl_r cells="6" ix="3



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unreviewed 30 Jun 2022 ZWS
17. NET INTEREST AND RELATED INCOME				
17.1 Interest received				
Interest received comprises interest on:				
-Advances	37 812 866 264	13 441 514 217	15 451 246 596	2 191 292 695
-Overdrafts	4 705 200 113	2 039 297 163	2 120 682 869	268 892 764
Establishment fees	4 645 376 933	7 027 395 818	3 051 246 941	180 975 564
Placements with other banks	2 025 914 151	314 919 570	1 334 085 191	45 741 096
Financial assets at amortised cost	56 780 052	302 633 677	18 400 114	46 395 416
Treasury bills at FVTPL	1 244 132 489	1 784 791 302	1 183 692 402	220 780 360
Treasury bills at FVTOCI	5 694 551 858	38 710 555	2 236 263 108	23 374 472
Other interest receivable categories	160 841 948	48 115 080	118 893 736	30 092 055
Total interest received	56 345 663 808	24 997 377 382	25 514 510 957	3 007 544 422
17.2 Interest paid				
Interest paid comprise interest on:				
Customer deposits	9 580 712 896	4 622 000 100	4 206 471 033	603 832 557
Placements from other banks	3 586 741 257	405 746 308	1 871 618 859	49 072 425
Other interest expense categories	7 695 487 398	1 406 618 929	5 848 126 317	195 779 414
Total interest paid	20 862 941 551	6 434 365 337	11 926 216 209	848 684 396
Net interest received	35 482 722 257	18 563 012 045	13 588 294 748	2 158 860 026
18. ANALYSIS OF LOAN IMPAIRMENT CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS				
Impairment charges on loans and overdrafts (Note 3.10)	14 963 218 080	10 436 518 996	11 365 585 666	1 617 184 304
Impairment charges on other financial assets (Note 7.3)	(20 152 959)	193 759 629	(6 591 448)	35 418 790
Impairment charges on guarantees (Note 24.2)	913 075 181	159 942 786	642 190 063	75 922 356
Impairment charges on undrawn facilities (Note 24.3)	589 370 475	171 552 683	558 900 492	34 455 077
Recoveries during the period	(7 603 203 449)	(53 924 545)	(6 094 327 130)	(66 819 874)
	8 842 307 328	10 907 849 549	6 465 757 642	1 696 160 653
19. COMMISSION AND FEE INCOME COMPRISING INCOME FROM:				
Digital channels	13 856 208 535	5 491 454 682	6 408 070 606	735 347 821
Management and service fees	36 032 532 212	10 311 531 505	24 604 581 814	1 380 793 007
Other commissions	11 883 176 097	2 052 130 080	5 495 603 741	327 584 263
	61 771 916 844	17 855 116 267	36 508 256 161	2 443 725 091
20. OPERATING INCOME				
Exchange income	257 487 422 996	37 207 502 435	252 585 211 305	7 461 568 037
Dividends from other investments	752 014 336	403 053 980	271 666 723	48 564 935
Rentals and recoveries	206 987 838	691 067 873	85 035 388	106 070 686
Profit on sale of equipment	819 606 463	8 354 685	798 232 816	1 972 999
Sundry	374 401 837	118 142 780	224 707 011	7 838 653
	259 640 433 470	38 428 121 753	253 964 853 243	7 626 015 310
21. FAIR VALUE ADJUSTMENTS				
Arising from fair value through profit or loss instruments				
Investment securities at fair value through profit or loss (Note 6.2)	38 058 959 720	(10 124 121 510)	55 509 736 313	89 520 347
Investment in subsidiary company (Note 8.1)	118 666 618 656	15 353 060 035	154 686 046 576	7 405 259 539
Treasury bills at fair value through profit or loss	125 766 260	(814 058 963)	125 766 261	(165 960 552)
Virtual Gold tokens purchased	2 632 384 876	-	5 190 149 330	-
	159 483 729 512	4 414 879 562	215 511 698 480	7 328 819 334
22. OPERATING EXPENSES				
Staff expenses	77 444 740 665	15 059 318 023	52 603 199 611	2 101 472 643
Communication expenses	1 294 661 330	687 440 158	873 689 493	93 391 766
Computer and information technology	17 854 416 090	3 368 855 133	8 811 450 358	458 287 233
Occupation expenses	8 521 985 108	1 142 581 326	1 603 547 347	99 252 864
Transport expenses	1 155 612 484	344 883 678	602 484 070	46 664 904
Travelling expenses	1 239 707 423	264 501 681	849 284 200	39 270 675
Administration expenses	39 662 331 657	12 832 445 148	14 938 982 499	1 284 197 557
	147 173 454 757	33 700 025 147	80 282 637 578	4 122 537 642
Included in administration expenses are the following:				
Depreciation charges on property and equipment (Note 11)	7 526 177 154	5 874 232 227	3 528 268 888	594 356 596
Amortisation of intangible assets (Note 10)	105 982 132	656 674 532	15 451 064	319 496
Depreciation charges on right of use Asset (Note 9)	1 321 739 292	1 366 611 916	720 450 128	229 986 169
Auditor's remuneration	865 615 694	33 713 911	287 460 156	71 759 071
23. INCOME TAX EXPENSE				
Current income tax expense	6 017 920 401	5 534 674 231	6 017 920 401	1 128 342 825
Deferred taxation (credit) / charge	310 431 313	220 013 265	(9 960 297 143)	(363 022 593)
	6 328 351 714	5 754 687 496	(3 942 376 742)	765 320 232
Inflation adjusted			Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
24. CONTINGENT LIABILITIES				
24.1 In respect of guarantees				
In respect of undrawn loan commitments	27 222 040 587	9 789 130 200	27 222 040 587	3 133 776 126
	3 180 577 476	21 441 882 147	3 180 577 476	6 864 150 031
	30 402 618 063	31 231 012 347	30 402 618 063	9 997 926 157
24.2 Impairment movement on guarantees				
Opening balance	984 425 230	411 037 059	315 142 225	38 278 037
Charge to profit or loss (note 18)	913 075 181	820 587 163	642 190 063	276 864 188
Effects of inflation adjustment	(940 168 124)	(247 198 992)	-	-
	957 332 287	984 425 230	957 332 288	315 142 224
24.3 Impairment movement on undrawn commitments				
Opening balance	81 638 814	17 051 600	26 134 882	1 587 939
Charge to profit or loss (note 18)	589 370 475	150 094 201	558 900 492	24 546 943
Effects of inflation adjustment	(85 973 915)	(85 506 987)	-	-
	585 035 374	81 638 814	585 035 374	26 134 883

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

25. RISK MANAGEMENT

25.1 Fair values and risk management - accounting classification and fair values

Notes	Inflation adjusted					Fair value				
	Designated as "FVTPL" ZWS	Classified as "AMCO" ZWS	Designated as "FVTOCI" ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS		
30 June 2023										
Financial assets measured at fair value										
Equity securities	6	70 943 856 872	-	70 943 856 872	6 564 625 865	-	6 379 231 007	70 943 856 872		
Treasury bills	2	10 336 943 982	-	10 336 943 982	10 336 943 982	-	9 442 770 441	10 336 943 982		
Virtual Gold Tokens Purchased		7 199 249 017	-	7 199 249 017	7 199 249 017	-	7 199 249 017	7 199 249 017		
Investment in subsidiary	8									



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

26.2 Liquidity risk (continued)

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

Liquidity gap analysis	Unaudited Historical Cost						
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	Carrying amount ZWS	
As at 30 June 2023							
Financial Assets by type							
Cash and cash equivalents	271 924 794 718	37 460 301 305	6 207 448 343	-	315 592 544 366	315 592 544 366	
Treasury bills	-	10 935 738 503	-	95 490 279 691	106 426 018 194	105 818 678 422	
Advances and other accounts	50 763 057 848	204 502 338 885	85 150 294 289	438 503 300 221	778 918 991 243	774 384 015 546	
Financial assets at fair value through profit or loss	-	-	7 199 249 017	-	70 943 856 872	78 143 105 889	
Financial assets held at amortised cost	-	-	-	3 691 986 086	3 691 986 086	3 691 986 086	
Gross loan commitments	142 510 958	379 316 037	848 676 844	1 810 073 637	3 180 577 476	3 180 577 476	
Total	322 830 363 524	260 476 943 747	92 206 419 476	610 439 496 507	1 285 953 223 254	1 280 810 907 785	
Financial liabilities by type							
Deposits and other accounts	704 018 968 450	138 768 913 458	8 278 163 527	-	851 066 045 435	848 836 269 075	
Offshore borrowing	-	117 577 664 818	-	117 577 664 818	114 795 922 000	114 795 922 000	
Trade and other payables	70 251 719 971	20 501 899 312	32 225 515 430	27 588 721 654	150 567 856 367	155 579 375 546	
Lease Liability	-	-	-	7 092 966 732	9 930 153 424	17 023 120 156	
Total	774 270 688 421	276 884 477 588	47 596 645 689	37 518 875 078	1 136 234 686 776	1 136 234 686 777	
Period gap	(451 440 324 897)	(16 371 533 841)	44 609 773 787	572 920 621 429	149 718 536 478	144 576 221 008	
Cumulative gap	(451 440 324 897)	(467 811 858 738)	(423 202 084 951)	149 718 536 478	-	-	
As at 31 December 2022							
Financial asset by type							
Cash and cash equivalents	48 104 372 434	870 891 791	1 972 862 037	-	50 948 126 262	50 948 126 262	
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 295	
Advances and other accounts	4 058 324 360	10 275 262 426	14 393 795 825	37 867 692 787	66 595 075 398	63 638 407 221	
Financial assets at fair value through profit or loss	-	-	-	8 216 967 339	8 216 967 339	8 216 967 339	
Financial assets held at amortised cost	-	167 788 875	52 908 490	431 891 911	652 589 276	652 589 276	
Gross loan commitments	53 721 098	2 474 417 639	823 202 539	3 512 808 755	6 864 150 031	6 864 150 031	
Total	52 216 417 892	20 942 644 557	17 242 768 891	60 077 539 370	150 479 370 710	147 083 239 424	
Financial liabilities by type							
Deposits from customers	104 077 558 915	3 727 335 366	192 622 304	-	107 997 516 585	107 487 376 967	
Offshore borrowing	-	6 742 509 518	-	6 742 466 000	6 714 466 000	6 714 466 000	
Trade and other payables	9 419 355 801	9 077 558 665	1 747 136	2 605 860 685	21 104 522 287	21 660 173 247	
Lease liability	-	-	2 464 184 780	3 449 858 692	5 914 043 472	5 914 043 472	
Total	113 496 914 716	19 547 403 549	2 658 554 220	6 055 719 377	141 758 591 862	141 776 059 686	
Period gap	(61 280 496 824)	1 395 241 008	14 584 214 671	54 021 819 993	8 720 778 848	5 307 179 738	
Cumulative gap	(61 280 496 824)	(59 885 255 816)	(45 301 041 145)	8 720 778 848	-	-	
Inflation adjusted							
Reviewed 30 Jun 2023 ZWS		Audited 31 Dec 2022 ZWS		Unreviewed 30 Jun 2023 ZWS		Unaudited 31 Dec 2022 ZWS	
Liquidity ratios							
Cash and short term funds	315 592 544 366	159 149 161 071	315 592 544 366	50 948 126 262	50 948 126 262	50 948 126 262	
Treasury Bills	105 818 678 422	52 363 403 140	105 818 678 422	16 762 999 295	16 762 999 295	16 762 999 295	
Parastatal Bond	-	411 157 428	-	167 788 875	167 788 875	167 788 875	
Corporate Bond	-	16 997 084	-	52 908 490	52 908 490	52 908 490	
Total liquid assets	421 411 222 788	211 940 718 723	421 411 222 788	67 931 822 922	67 931 822 922	67 931 822 922	
Total liabilities to the public	848 836 269 075	335 763 591 817	848 836 269 075	107 487 376 967	107 487 376 967	107 487 376 967	
At 30 June	50%	63%	50%	63%	63%	63%	
Average for the period	50%	63%	50%	63%	63%	63%	
Maximum for the period	57%	85%	57%	85%	85%	85%	
Minimum for the period	46%	47%	46%	47%	47%	47%	
Minimum statutory liquidity ratio	30%	30%	30%	30%	30%	30%	

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

26.3 Interest rate risk

Interest rate gap analysis	Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
As at 30 June 2023					
Assets					
Cash and short term funds	55 269 711 685	-	-	-	55 269 711 685
Treasury bills	-	10 336 943 982	-	95 481 734 440	105 818 678 422
Advances and other accounts	50 625 899 907	203 783 418 215	84 225 263 321	435 749 434 103	774 384 015 546
Financial assets at fair value through profit or loss	-	7 199 249 017	-	70 943 856 872	78 143 105 889
Financial assets held at amortised cost	-	-	-	3 691 986 086	3 691 986 086
Total	105 895 611 592	221 319 611 214	84 225 263 321	605 867 011 506	1 017 307 497 628
Liabilities					
Deposits from customers	703 544 322 145	137 013 783 402	8 278 163 528	-	848 836 269 075
Offshore borrowings	-	114 795 922 000	-	-	114 795 922 000
Lease liability	-	-	7 092 966 732	9 930 153 424	17 023 120 156
Total	703 544 322 145	251 809 705 402	15 371 130 260	9 930 153 424	980 655 311 231
Period gap	(597 648 710 553)	(30 490 094 188)	68 854 133 061	595 936 858 077	36 652 186 397
Cumulative gap	(597 648 710 553)	(628 138 804 741)	(559 284 671 680)	36 652 186 397	-
As at 31 December 2022					
Financial asset by type					
Cash and short term funds	46 38				



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023



REVIEWED CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS for the half year ended 30 June 2023

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
ASSETS				
Cash and cash equivalents	12 345 697 144	7 047 981 757	12 345 697 144	2 256 257 350
Money market investments	1 500 000 000	5 935 123 197	1 500 000 000	1 900 000 000
Loans and other advances	18 692 818 216	4 925 421 988	18 692 818 216	1 576 766 221
Trade and other receivables	3 787 912 622	1 492 026 114	3 787 912 622	477 639 557
Inventories	53 560 318	54 858 198	17 146 166	17 146 166
Financial assets at FVTPL	7 799 475 473	2 850 076 703	7 799 475 473	912 389 778
Right of use assets	116 715 901	326 181 857	116 715 901	104 419 994
Property and equipment	839 762 803	905 349 381	259 105 740	289 827 821
Investment properties	55 274 555 000	20 695 946 395	55 274 555 000	6 625 355 000
Investments in subsidiaries	31 591 236 186	11 188 100 299	30 033 588 218	3 581 624 075
Total assets	132 001 733 663	55 421 065 889	129 827 014 481	17 741 425 962
LIABILITIES				
Deposits from customers	18 610 253 664	10 212 011 817	18 610 253 664	3 269 152 435
Trade and other payables	8 616 168 945	7 404 510 405	8 616 168 945	2 370 392 206
Lease liabilities	865 807 031	375 736 878	865 807 031	120 283 951
Deferred tax liabilities	2 763 727 750	1 034 797 320	2 763 727 750	331 267 750
Total liabilities	30 855 957 390	19 027 056 420	30 855 957 390	6 091 096 342
EQUITY				
Share capital	683 998 441	683 998 441	954 814	954 814
Share premium	6 373 494 682	6 373 494 682	26 958 516	8 896 953
Reserves	94 088 283 150	29 336 516 346	98 943 143 761	11 640 477 853
Total equity	101 145 776 273	36 394 009 469	98 971 057 091	11 650 329 620
Total equity and liabilities	132 001 733 663	55 421 065 889	129 827 014 481	17 741 425 962

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unreviewed 30 Jun 2022 ZWS
ASSETS				
Interest income	3 208 772 392	1 003 219 269	1 387 471 211	130 479 248
Interest expense	(52 007 352)	(18 005 365)	(35 345 213)	(2 390 949)
Net interest income	3 156 765 040	985 213 904	1 352 125 998	128 088 299
Net recoveries / (allowance for loan impairment)	(12 759 096)	9 525 138	(12 759 096)	1 941 871
Net income from lending activities	3 144 005 944	994 739 042	1 339 366 902	130 030 170
Commissions, fees and operating income	13 421 076 817	1 815 021 029	9 788 854 732	274 118 747
Fair value adjustments	59 931 143 262	5 166 223 768	81 988 249 838	3 419 172 681
Total income	76 496 226 023	7 975 983 839	93 116 471 472	3 823 321 598
Total operating expenses	(6 363 408 479)	(1 209 434 516)	(3 363 284 001)	(257 271 293)
Operating profit	70 132 817 544	6 766 549 323	89 753 187 471	3 566 050 305
Effects inflation adjustments	(3 652 120 310)	(1 462 775 503)	-	-
Profit before taxation	66 480 697 234	5 303 773 820	89 753 187 471	3 566 050 305
Income tax expense	(1 728 930 430)	(215 040 863)	(2 432 460 000)	(275 239 750)
Profit for the period	64 751 766 804	5 088 732 957	87 320 727 471	3 290 810 555
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	64 751 766 804	5 088 732 957	87 320 727 471	3 290 810 555
Earnings per share				
Basic and fully diluted earnings per share (ZW cents)	67 816	5 330	91 453	3 447

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2023

Notes	Inflation adjusted				
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Reviewed 30 June 2023					
Balance at 1 January 2023	683 998 441	6 373 494 682	575 914 199	28 760 602 147	36 394 009 469
Changes in equity for 2023					
Profit or loss	-	-	-	64 751 766 804	64 751 766 804
Profit for the period	-	-	-	-	-
Balance at 30 June 2023	683 998 441	6 373 494 682	575 914 199	93 512 368 951	101 145 776 273
Reviewed 30 June 2022					
Balance at 1 January 2022	683 998 441	6 373 494 682	1 799 011 432	89 840 903 669	98 697 408 224
Changes in equity for 2022					
Profit or loss	-	-	-	5 088 732 957	5 088 732 957
Profit for the period	-	-	-	-	-
Balance at 30 June 2022	683 998 441	6 373 494 682	1 799 011 432	94 929 636 626	103 786 141 181

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

For the half year ended 30 June 2023

	Historical cost					
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Unreviewed 30 June 2023						
Balance at 1 January 2023	954 814	8 896 953	18 061 563	151 755 926	11 470 660 364	11 650 329 620
Transfer to share premium	-	18 061 563	(18 061 563)	-	-	-
Changes in equity for 2023						
Profit or loss	-	-	-	-	87 320 727 471	87 320 727 471
Profit for the period	-	-	-	-	-	-
Balance at 30 June 2023	954 814	26 958 516	-	151 755 926	98 791 387 835	98 971 057 091
Unreviewed 30 June 2022						
Balance at 1 January 2022	954 814	8 896 953	18 061 563	13 867 705	142 985 649	184 766 684
Changes in equity for 2022						
Profit or loss	-	-	-	-	3 290 810 555	3 290 810 555
Profit for the period	-	-	-	-	-	-
Balance at 30 June 2022	954 814	8 896 953	18 061 563	13 867 705	3 433 796 204	3 475 577 239

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS

For the half year ended 30 June 2023



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

3.6 Sectoral analysis	Inflation adjusted							
	30 Jun 2023 ZW\$		Percentage Contribution		31 Dec 2022 ZW\$		Percentage Contribution	
Private Manufacturing	15 842 939 590	84%	4 368 632 993	85%				
Distribution	2 219 672 295	12%	773 203 408	15%				
Construction	2 040 502	0%	1 417 078	0%				
Services	1 377 981	0%	-	0%				
	714 460 926	4%	16 180 987	0%				
	18 780 491 294	100%	5 159 434 466	100%				

3.6 Sectoral analysis	Historical cost							
	30 Jun 2023 ZW\$		Percentage Contribution		31 Dec 2022 ZW\$		Percentage Contribution	
Private Manufacturing	15 842 939 590	84%	1 398 522 393	85%				
Distribution	2 219 672 295	12%	247 524 175	15%				
Construction	2 040 502	0%	453 646	0%				
Services	1 377 981	0%	-	0%				
	714 460 926	4%	5 179 989	0%				
	18 780 491 294	100%	1 651 680 203	100%				

3.7 Internal rating scale of advances and other accounts

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

	Inflation adjusted 30 Jun 2023				Inflation adjusted 31 Dec 2022			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances								
Good (AAA to BBB-)	16 363 109 257	34 639 802	33 636 942	16 431 386 001	4 994 994 365	85 262 830	13 070 272	5 093 327 467
Special mention (BB+ to CCC-)	89 658 294	2 219 370 999	3 812 779	2 312 842 072	42 100 943	1 535 648	1 215 948	44 852 539
Non-performing (CC+ to D)			36 263 221	36 263 221			21 254 460	21 254 460
Total	16 452 767 551	2 254 010 801	73 712 942	18 780 491 294	5 037 095 308	86 798 478	35 540 680	5 159 434 466
Mortgage lending								
Good (AAA to BBB-)	9 640 343	-	970	9 641 313	40 310 766	-	2 093	40 312 859
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	23 447	23 447
Total	9 640 343	-	1 120	9 641 463	40 310 766	-	25 540	40 336 306
Consumer lending								
Good (AAA to BBB-)	15 636 675 463	34 639 733	33 434 740	15 704 749 936	4 165 971 400	84 772 461	12 970 390	4 263 714 251
Special mention (BB+ to CCC-)	89 658 294	17 868	3 812 779	93 488 941	42 100 943	1 503 726	1 208 254	44 812 923
Non-performing (CC+ to D)			35 059 250	35 059 250			19 769 514	19 769 514
Total	15 726 333 757	34 657 601	72 306 769	15 833 298 127	4 208 072 343	86 276 187	33 948 158	4 328 296 688
Small business lending								
Good (AAA to BBB-)	716 793 451	69	201 232	716 994 752	788 712 199	490 369	97 793	789 300 357
Special mention (BB+ to CCC-)	-	2 219 353 131	-	2 219 353 131	-	31 922	7 694	39 616
Non-performing (CC+ to D)	-	-	1 203 821	1 203 821	-	-	1 461 499	1 461 499
Total	716 793 451	2 219 353 200	1 405 053	2 937 551 704	788 712 199	522 291	1 566 982	790 801 472
	Historical cost 30 Jun 2023				Historical cost 31 Dec 2022			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances								
Good (AAA to BBB-)	16 363 109 257	34 639 802	33 636 942	16 431 386 001	1 599 038 298	27 295 032	4 184 162	1 630 517 492
Special mention (BB+ to CCC-)	89 658 294	2 219 370 999	3 812 779	2 312 842 072	13 477 697	491 604	389 259	14 354 560
Non-performing (CC+ to D)			36 263 221	36 263 221			6 804 151	6 804 151
Total	16 452 767 551	2 254 010 801	73 712 942	18 780 491 294	1 612 515 995	27 786 636	11 377 572	1 651 680 203
Mortgage lending								
Good (AAA to BBB-)	9 640 343	-	970	9 641 313	12 904 611	-	670	12 905 281
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	7 506	7 506
Total	9 640 343	-	1 120	9 641 463	12 904 611	-	8 176	12 912 787
Consumer lending								
Good (AAA to BBB-)	15 636 675 463	34 639 733	33 434 740	15 704 749 936	1 333 644 711	27 138 051	4 152 187	1 364 934 949
Special mention (BB+ to CCC-)	89 658 294	17 868	3 812 779	93 488 941	13 477 697	481 385	386 796	14 345 878
Non-performing (CC+ to D)			35 059 250	35 059 250			6 328 778	6 328 778
Total	15 726 333 757	34 657 601	72 306 769	15 833 298 127	1 347 122 408	27 619 436	10 867 761	1 385 609 605
Small business lending								
Good (AAA to BBB-)	716 793 451	69	201 232	716 994 752	252 488 976	156 981	31 305	252 677 262
Special mention (BB+ to CCC-)	-	2 219 353 131	-	2 219 353 131	-	10 219	2 463	12 682
Non-performing (CC+ to D)	-	-	1 203 821	1 203 821	-	-	467 867	467 867
Total	716 793 451	2 219 353 200	1 405 053	2 937 551 704	252 488 976	167 200	501 635	253 157 811

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

	Inflation adjusted 30 Jun 2023				Inflation adjusted 31 Dec 2022
--	--------------------------------	--	--	--	--------------------------------



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
10 INVESTMENT IN SUBSIDIARIES				
10.1 Assets at fair value through profit or loss				
Balance at beginning of period	11 188 100 299	6 726 823 137	3 581 624 075	626 434 674
Fair value gain	20 403 135 887	4 461 277 162	26 451 964 143	2 955 189 401
Balance at end of period	31 591 236 186	11 188 100 299	30 033 588 218	3 581 624 075
Non-current	31 591 236 186	11 188 100 299	30 033 588 218	3 581 624 075
10.2 Measurement of fair value				
The fair value of investment in subsidiaries has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used and the significant amount of judgement applied. The reconciliation of carrying amount shown above reconciles the opening balance and the closing balances for level 3 fair values.				

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$

11 DEPOSITS FROM CUSTOMERS				
11.1 Deposit by type				
Demand accounts	18 590 682 979	10 154 360 535	18 590 682 979	3 250 696 637
Savings accounts	3 389 520	3 498 828	3 389 520	1 120 073
Fixed deposits	16 181 165	54 152 454	16 181 165	17 335 725
	18 610 253 664	10 212 011 817	18 610 253 664	3 269 152 435
11.2 Maturity analysis				
On demand	18 596 749 022	10 154 790 126	18 596 749 022	3 250 834 161
Within 1 month	725 220	1 795 007	725 220	574 632
1 month to 6 months	867 370	1 952 849	867 370	625 162
6 months to 12 months	160 611	463 689	160 611	148 440
More than 1 year	11 751 441	53 010 146	11 751 441	16 970 040
	18 610 253 664	10 212 011 817	18 610 253 664	3 269 152 435

	Inflation adjusted		Historical cost	
	30 Jun 2023 ZW\$	% Contribution	31 Dec 2022 ZW\$	% Contribution
11.3 Sectorial analysis				
Private individuals	15 096 993 549	82%	6 909 274 484	68%
Financial institutions	61 291 012	0%	2 336 064	0%
Communication	196 124 074	1%	7 106 969	0%
Manufacturing	74 231 321	0%	104 268 316	1%
Distribution	698 120 123	4%	322 390 038	3%
Construction	1 939 745 613	10%	2 254 026 586	22%
Agriculture	324 185 624	2%	312 938 160	3%
Services	219 562 348	1%	299 671 200	3%
	18 610 253 664	100%	10 212 011 817	100%
	18 610 253 664	100%	18 610 253 664	100%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
12 TRADE AND OTHER PAYABLES				
Leave pay accrual	10 178 029	31 838 942	10 178 029	10 192 541
Creditors and other accounts	7 081 957 551	5 708 117 582	7 081 957 551	1 827 329 113
Deferred income	369 893 254	99 533 753	369 893 254	31 863 556
Intercompany balances	1 154 140 111	1 565 020 128	1 154 140 111	501 006 996
	8 616 168 945	7 404 510 405	8 616 168 945	2 370 392 206
Current	8 246 275 691	7 404 510 405	8 246 275 691	2 370 392 206

13 LEASE LIABILITIES				
Balance at beginning of year	375 736 878	7 842 611	120 283 951	730 347
Lease reassessments	28 969 607	345 768 122	28 969 607	110 690 109
Accrued interest expense posted to profit or loss	18 812 653	23 315 067	18 812 653	4 109 812
Lease commitments paid during the period	(245 301 237)	(12 252 589)	(52 830 975)	(2 638 863)
Gain on lease modification	(14 684 066)	(339 028 673)	(14 684 066)	(108 532 621)
Exchange loss on lease modification	765 255 861	362 121 131	765 255 861	115 925 167
Effects of inflation adjustment	(62 982 665)	(12 028 791)	-	-
Balance at end of year	865 807 031	375 736 878	865 807 031	120 283 951

14 DEFERRED TAX LIABILITIES				
	Inflation adjusted		Historical cost	
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Balance at 31 December ZW\$	Balance at 31 December ZW\$
2023	1 034 797 320	1 728 930 430	2 763 727 750	
2022	601 639 640	433 157 680	1 034 797 320	

2023				
Investment properties	331 267 750	2 432 460 000	2 763 727 750	
2022	56 028 000	275 239 750	331 267 750	

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
15 EQUITY AND RESERVES				



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

22. RISK MANAGEMENT

22.1 Financial assets and financial liabilities classification and fair value

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

	Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL	Amortised cost	Designated at FVOCI	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2023								
Financial assets measured at fair value								
Financial assets at FVTPL	7 799 475 473	-	-	7 799 475 473	-	-	-	7 799 475 473
Investments in subsidiaries	31 591 236 186	-	-	31 591 236 186	-	-	-	31 591 236 186
	39 390 711 659	-	-	39 390 711 659	-	-	-	39 390 711 659
Financial assets not measured at fair value								
Trade and other receivables	-	3 787 754 158	-	3 787 754 158	-	-	-	-
Loans and advances	-	18 692 818 216	-	18 692 818 216	-	-	-	-
Money market investments	-	1 500 000 000	-	1 500 000 000	-	-	-	-
Cash and cash equivalents	-	12 345 697 144	-	12 345 697 144	-	-	-	-
	36 326 269 518	-	-	36 326 269 518	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	(8 616 168 945)	-	(8 616 168 945)	-	-	-	-
Deposits from customers	-	(18 610 253 664)	-	(18 610 253 664)	-	-	-	-
	(27 226 422 609)	-	-	(27 226 422 609)	-	-	-	-
As at 31 December 2022								
Financial assets measured at fair value								
Financial assets at FVTPL	2 850 076 703	-	-	2 850 076 703	-	-	-	2 850 076 703
Investments in subsidiaries	11 188 100 299	-	-	11 188 100 299	-	-	-	11 188 100 299
	14 038 177 002	-	-	14 038 177 002	-	-	-	14 038 177 002
Financial assets not measured at fair value								
Trade and other receivables	-	1 491 531 112	-	1 491 531 112	-	-	-	-
Loans and advances	-	4 925 421 988	-	4 925 421 988	-	-	-	-
Money market investments	-	5 935 123 197	-	5 935 123 197	-	-	-	-
Cash and cash equivalents	-	7 047 981 757	-	7 047 981 757	-	-	-	-
	19 400 058 054	-	-	19 400 058 054	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	(7 404 510 405)	-	(7 404 510 405)	-	-	-	-
Deposits from customers	-	(10 212 011 817)	-	(10 212 011 817)	-	-	-	-
	(17 616 522 222)	-	-	(17 616 522 222)	-	-	-	-
Historical cost								
	Historical cost							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL	Amortised cost	Designated at FVOCI	Total	Level 1	Level 2	Level 3	Total
	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS	ZWS
As at 30 June 2023								
Financial assets measured at fair value								
Financial assets at FVTPL	7 799 475 473	-	-	7 799 475 473	-	-	-	7 799 475 473
Investments in subsidiaries	30 033 588 218	-	-	30 033 588 218	-	-	-	30 033 588 218
	37 833 063 691	-	-	37 833 063 691	-	-	-	37 833 063 691
Financial assets not measured at fair value								
Trade and other receivables	-	3 787 754 158	-	3 787 754 158	-	-	-	-
Loans and advances	-	18 692 818 216	-	18 692 818 216	-	-	-	-
Money market investments	-	1 500 000 000	-	1 500 000 000	-	-	-	-
Cash and cash equivalents	-	12 345 697 144	-	12 345 697 144	-	-	-	-
	36 326 269 518	-	-	36 326 269 518	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	(8 738 079 967)	-	(8 738 079 967)	-	-	-	-
Deposits from customers	-	(8 616 168 945)	-	(8 616 168 945)	-	-	-	-
	(27 226 422 609)	-	-	(27 226 422 609)	-	-	-	-
As at 31 December 2022								
Financial assets measured at fair value								
Financial assets at FVTPL	912 389 778	-	-	912 389 778	-	-	-	912 389 778
Investments in subsidiaries	3 581 624 075	-	-	3 581 624 075	-	-	-	3 581 624 075
	4 494 013 853	-	-	4 494 013 853	-	-	-	4 494 013 853
Financial assets not measured at fair value								
Trade and other receivables	-	477 481 093	-	477 481 093	-	-	-	-
Loans and advances	-	1 576 766 221	-	1 576 766 221	-	-	-	-
Money market investments	-	1 900 000 000	-	1 900 000 000	-	-	-	-
Cash and cash equivalents	-	2 256 257 350	-	2 256 257 350	-	-	-	-
	6 210 504 664	-	-	6 210 504 664	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	(2 370 392 206)	-	(2 370 392 206)	-	-	-	-
Deposits from customers	-	(3 269 152 435)	-	(3 269 152 435)	-	-	-	-
	(5 639 544 641)	-	-	(5 639 544 641)	-	-	-	-

22.2 Interest rate risk

22.2.1 Interest rate gap analysis

	Inflation adjusted				
	Up to 1 month	2 to 6 months	7 to 12 months	Above 12 months	Carrying amount
	ZWS	ZWS	ZWS	ZWS	ZWS
As at 30 June 2023					
Financial assets by type					
Local bank accounts	10 023 663 342	-	-	-	10 023 663 342
Money market investments	1 500 000 000	-	-	-	1 500 000 000
Loans and other advances	1 880 907 703	3 794 279 706	8 248 265 934	4 769 364 873	18 692 818 216
	13 404 571 045	3 794 279 706	8 248 265 934	4 769 364 873	30 216 481 558
Financial liability by type					
Deposits from customers	18 597 474 242	867 370	160 611	11 751 441	18 610 253 664
Sensitivity gap	(5 192 903 197)	3 793 412 336	8 248 105 323	4 757 613 432	11 606 227 894
Cumulative gap	(5 192 903 197)	(1 399 490 861)	6 848 614 462	11 606 227 894	-
As at 31 December 2022					
Financial assets by type					
Local bank accounts	5 459 443 247	-	-	-	5 459 443 247
Money market investments	5 935 123 197	-	-	-	5 935 123 197
Loans and other advances	268 434 668	369 669 764	2 298 236 555	1 989 081 001	4 925 421 988
	11 663 001 112	369 669 764	2 298 236 555	1 989 081 001	16 319 988 432



Financial Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023



REVIEWED CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS for the half year ended 30 June 2023

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2023

Notes	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2023 ZW\$		Audited 31 Dec 2022 ZW\$		Unreviewed 30 Jun 2023 ZW\$		Unaudited 31 Dec 2022 ZW\$	
	ASSETS	LIABILITIES	EQUITY	TOTAL EQUITY AND LIABILITIES	ASSETS	LIABILITIES	EQUITY	TOTAL EQUITY AND LIABILITIES
Cash and cash equivalents	1 004 855 825	37 663 951	1 004 855 825	12 057 291				
Funds on deposit	612 959 894	599 161 286	612 959 894	191 808 393				
Reinsurance claim receivable	10 000	31 236	10 000	10 000				
Inventories, Trade and other receivables	226 036 473	348 125 779	226 036 473	111 421 140				
Investment securities	40 820 020 192	15 773 617 732	40 820 020 192	5 049 579 038				
Treasury bills and bonds	11 424 463 739	2 677 060 596	11 424 463 739	857 002 452				
Investment properties	22 591 782 488	8 227 742 096	22 591 782 488	2 633 931 843				
Right of use asset	810 980 103	478 814 555	430 526 712	65 470 840				
Equity accounted investments	124 496 960 514	58 029 501 916	123 205 566 371	18 560 335 503				
Intangible assets	674 137 723	260 076 892	224 870 079	74 814 300				
Equipment	1 292 748 052	1 327 208 126	411 494 882	424 876 680				
TOTAL ASSETS	203 954 955 003	87 759 004 165	200 952 586 655	27 981 307 480				
Liabilities	91 430 812 237	47 247 167 892	91 430 812 237	15 125 148 376				
Life assurance funds	438 658 706	477 396 429	438 658 706	152 828 035				
Operating Lease Liability	11 349 153 594	5 639 371 570	11 349 153 594	1 805 321 579				
Deferred tax liability								
Trade and other payables	1 967 829 381	3 021 168 097	1 967 829 381	967 160 949				
Provisions	257 694 424	206 728 285	257 694 424	66 179 548				
Reinsurance premium payable	85 895 432	19 394 917	85 895 432	6 208 855				
Taxation	2 958 080	149 949 491	2 958 080	48 003 053				
Total Liabilities	105 533 001 854	56 761 176 681	105 533 001 854	18 170 850 395				
Share capital	166 300 876	166 300 876	231 907	231 908				
Share premium	3 177 666 577	3 177 666 577	4 431 623	4 431 623				
Investment reserve	13 277 959 538	13 277 959 538	117 351 328	827 451 668				
Revaluation reserve	2 965 975 975	2 151 045 806	1 639 791 052	557 839 942				
Foreign currency translation reserve	-	-	28 051 287	28 051 287				
Retained earnings	78 834 050 183	12 224 854 687	93 629 727 604	8 392 450 657				
Total equity	98 421 953 149	30 997 827 484	95 419 584 801	9 810 457 085				
TOTAL EQUITY AND LIABILITIES	203 954 955 003	87 759 004 165	200 952 586 655	27 981 307 480				

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2023

Notes	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2023 ZW\$		Reviewed 30 Jun 2022 ZW\$		Reviewed 30 Jun 2023 ZW\$		Unreviewed 30 Jun 2022 ZW\$	
	INCOME	EXPENSES AND POLICYHOLDER BENEFITS	OPERATING PROFIT BEFORE TAXATION	PROFIT FOR THE PERIOD	INCOME	EXPENSES AND POLICYHOLDER BENEFITS	OPERATING PROFIT BEFORE TAXATION	PROFIT FOR THE PERIOD
Gross premium income	14 633 748 177	4 149 786 531	5 746 705 273	569 514 340				
Premiums ceded to reinsurers	(511 449 262)	(131 835 108)	(311 196 983)	(15 914 099)				
Net premiums	14 122 298 915	4 017 951 423	5 435 508 290	553 600 241				
Fair value gains on fair value through profit or loss financial instruments	24 964 414 989	1 839 579 103	35 823 047 747	1 724 736 481				
Fair value gain on investment properties	14 364 040 393	1 754 180 070	19 957 850 645	896 687 500				
Investment income	847 205 653	298 042 374	421 595 945	43 288 733				
Profit on disposal of listed equity investments	187 532 017	(92 167 331)	85 426 611	(11 645 309)				
Other income	12 368 593 528	931 368 365	11 428 222 958	185 839 121				
Total income	66 854 085 495	8 748 954 004	73 151 652 199	3 392 506 767				
Expenses and Policyholder Benefits	(881 856 114)	(885 575 701)	(403 991 306)	(121 625 687)				
Policyholders' benefits	(44 183 644 345)	(307 152 003)	(76 305 663 860)	(3 823 162 823)				
Changes to policyholder liabilities	(7 176 185 697)	(2 970 016 260)	(3 440 906 796)	(383 783 000)				
Operating expenses	(2 956 615 743)	(737 113 464)	(1 981 941 399)	(101 121 556)				
Commissions	(268 293 965)	(155 210 529)	(268 293 965)	(23 202 906)				
Profit share under bancassurance agreements	(55 466 595 864)	(5 055 067 957)	(82 400 797 326)	(4 452 895 972)				
Total expenses and policyholder benefits	11 387 489 632	3 693 886 047	(9 249 145 127)	(1 060 389 205)				
Operating profit before taxation	Share of profit of equity accounted investee net of tax	65 652 528 427	2 092 718 437	103 563 279 758	5 132 856 247			
Operating lease finance charge	(175 263 035)	(120 888 062)	(840 243 056)	(175 263 035)	(15 188 949)			
Effects of inflation adjustments	-	-	-	-	-			
Profit before taxation	72 328 900 519	6 505 959 478	94 138 871 596	4 057 278 093				
Income tax expense	(5 719 704 598)	(203 753 468)	(9 611 694 988)	(486 745 094)				
Profit for the period	66 609 195 921	6 302 206 010	84 527 176 608	3 570 532 999				
Other comprehensive income	Share of other comprehensive income of equity accounted investee net of tax	814 930 170	64 678 709	1 081 951 110	41 911 494			
Other comprehensive income for the period	814 930 170	64 678 709	1 081 951 110	41 911 494				
Total comprehensive income for the period	67 424 126 091	6 366 884 719	85 609 127 718	3 612 444 493				

SEPARATE INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2023

Notes	Inflation adjusted						Historical cost			
Share capital ZW\$		Share premium ZW\$		Revaluation reserve ZW\$		Investment reserve ZW\$		Retained earnings ZW\$		Total ZW\$
Balance at 1 January 2022	Profit for the period	Revaluation of property	Dividend paid	Balance at 30 June 2022	Balance at 1 January 2023	Profit for the period	Revaluation of Property	Balance at 30 June 2023	Balance at 1 January 2022	ZW\$

<tbl_r cells="6"



Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

4.1 Reconciliation of carrying amount

	Inflation adjusted			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold Coins ZW\$	Total ZW\$
2023				
Balance at the beginning of the period	2 417 027 484	13 215 834 292	140 755 526	15 773 617 302
Additions	348 070 405	-	-	348 070 405
Disposals	(266 082 504)	-	-	(266 082 504)
Fair value gains	3 581 579 995	21 120 167 803	262 667 191	24 964 414 989
Closing balance	6 080 595 380	34 336 002 095	403 422 717	40 820 020 192
2022				
Balance at the beginning of the period	4 167 509 507	8 163 086 066	-	12 330 595 573
Additions	745 262 574	-	134 471 708	879 734 283
Disposals	(700 014 616)	-	-	(700 014 616)
Fair value gains	(1 795 729 981)	5 052 748 226	6 283 818	3 263 302 063
Closing balance	2 417 027 484	13 215 834 292	140 755 526	15 773 617 302
	Historical cost			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold Coin ZW\$	Total ZW\$
2023				
Balance at the beginning of the period	773 758 533	4 230 760 562	45 059 942	5 049 579 037
Additions	114 127 784	-	-	114 127 784
Disposals	(166 734 377)	-	-	(166 734 377)
Fair Value gains	5 359 443 440	30 105 241 532	358 362 775	35 823 047 747
Closing balance	6 080 595 380	34 336 002 094	403 422 717	40 820 020 192
2022				
Balance at the beginning of the period	388 101 458	760 191 578	-	1 148 293 036
Additions	129 126 958	-	39 907 152	169 034 110
Disposals	(152 769 224)	-	-	(152 769 224)
Fair value gains	409 299 341	3 470 568 984	5 152 790	3 885 021 115
Closing balance	773 758 533	4 230 760 562	45 059 942	5 049 579 037
	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
5 INVESTMENT PROPERTIES				
Reconciliation of carrying amount				
Opening balance as at 1 January	8 227 742 096	4 867 747 692	2 633 931 843	453 311 500
Fair value adjustment	14 364 040 392	3 321 141 985	19 957 850 645	2 170 675 143
Additions	-	38 852 419	-	9 945 200
Balance at end of period	22 591 782 488	8 227 742 096	22 591 782 488	2 633 931 843
Non current	22 591 782 488	8 227 742 096	22 591 782 488	2 633 931 843
Total	22 591 782 488	8 227 742 096	22 591 782 488	2 633 931 843
6 RIGHT OF USE ASSET				
Cost				
Balance at 1 January	1 107 383 450	967 241 901	94 127 170	49 263 918
Remeasurement of lease asset	390 068 469	140 141 541	390 068 469	44 863 252
Balance at end of period	1 497 451 919	1 107 383 442	484 195 639	94 127 170
Amortisation and impairment losses				
Balance as at 1 January	628 568 895	574 386 401	28 656 330	17 650 095
Amortisation	57 902 922	54 182 486	25 012 597	11 006 235
Balance at end of period	686 471 817	628 568 887	53 668 927	28 656 330
Net book value at end of period	810 980 103	478 814 555	430 526 712	65 470 840
Current	810 980 103	478 814 555	430 526 712	65 470 840
Non current	810 980 103	478 814 555	430 526 712	65 470 840
Total	810 980 103	478 814 555	430 526 712	65 470 840
7 EQUITY ACCOUNTED INVESTMENTS				
	Inflation adjusted			
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$	
2023				
Balance at 1 January 2023	57 632 741 217	396 760 699	58 029 501 916	
Share of profit/(loss) for the period	65 656 438 956	(3 910 529)	65 652 528 427	
Share of other comprehensive income	-	814 930 171	814 930 171	
Balance at 30 June 2023	123 289 180 173	1 207 780 341	124 496 960 514	
Non current	123 289 180 173	1 207 780 341	124 496 960 514	
Total	123 289 180 173	1 207 780 341	124 496 960 514	
2022				
Balance at 1 January 2022	42 807 125 650	266 455 776	43 073 581 425	
Share of profit/(loss) for the year	15 023 465 098	(24 265 754)	14 999 199 345	
Share of other comprehensive income	-	154 570 677	154 570 677	
Dividends received	(197 849 531)	-	(197 849 531)	
Balance at 31 December 2022	57 632 741 217	396 760 699	58 029 501 916	
Non current	57 632 741 217	396 760 699	58 029 501 916	
Total	57 632 741 217	396 760 699	58 029 501 916	
	Historical cost			
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$	
2023				
Balance at 1 January 2023	18 432 124 531	128 210 972	18 560 335 503	
Share of profit/(loss) for the period	103 567 060 581	(3 780 823)	103 563 279 758	
Share of other comprehensive income	-	1 081 951 110	1 081 951 110	
Balance at 30 June 2023	121 999 185 112	1 206 381 259	123 205 566 371	
Non current	121 999 185 112	1 206 381 259	123 205 566 371	
Total	121 999 185 112	1 206 381 259	123 205 566 371	
2022				
Balance at 1 January 2022	3 983 413 612	24 507 035	4 007 920 647	
Share of profit/(loss) for the year	14 502 315 286	(1 682 823)	14 500 632 463	
Share of other comprehensive income	-	105 386 760	105 386 760	
Dividend received	(53 604 367)	-	(53 604 367)	
Balance at 31 December 2022	18 432 124 531	128 210 972	18 560 335 503	
Non current	18 432 124 531	128 210 972	18 560 335 503	
Total	18 432 124 531	128 210 972	18 560 335 503	

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
8 INTANGIBLE ASSETS				
Cost				
Balance at 1 January	865 728 643	605 651 754	78 886 332	4 072 032
Additions	414 636 905	260 076 889	150 282 000	74 814 300
Decommissioning of e Life	-	-	-	-
Balance at end of period	1 280 365 548	865 728 643	229 168 332	78 886 332
Amortisation and impairment losses				
Balance as at 1 January	605 651 755	273 898 895	4 072 029	890 434
Amortisation	576 070	10 623 102	226 224	989 282
Decommissioning of e Life	-	321 129 752	-	2 192 316
Balance at				



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
11 OPERATING LEASE LIABILITY				
Balance at the beginning of the period	477 396 429	336 593 185	152 828 035	31 345 413
Remeasurement	120 369 986	282 373 957	120 369 986	124 971 873
Finance charge	378 972 285	257 815 660	175 263 035	82 534 050
Exchange gain/(loss)	(158 495 796)	-	165 743 676	-
Lease payments	(379 584 198)	(399 386 373)	(175 546 026)	(86 023 301)
Balance at end of period	438 658 706	477 427 429	438 658 706	152 828 035
Current				
Non current				
Total	438 658 706	477 427 429	438 658 706	152 828 035
12 TRADE AND OTHER PAYABLES				
Policyholders claims intimated but not paid	(70 845 313)	45 542 424	(70 845 313)	14 579 411
Other liabilities	312 933 982	534 206 729	312 933 982	171 014 611
Related parties	1 471 839 271	1 454 559 720	1 471 839 271	465 645 511
Unearned Premium	253 901 441	986 859 224	253 901 441	315 921 416
Total	1 967 829 381	3 021 168 097	1 967 829 381	967 160 949
Current				
Total	1 967 829 381	3 021 168 097	1 967 829 381	967 160 949
13 GROSS PREMIUM INCOME				
Individual life	2 419 768 610	3 254 183 897	950 248 485	446 602 344
Group business	12 213 979 567	895 602 634	4 796 456 788	122 911 996
Total	14 633 748 177	4 149 786 531	5 746 705 273	569 514 340
14 PREMIUMS CEDED TO REINSURERS				
Individual life	-	(3 772 010)	-	(455 327)
Group business	(511 449 262)	(128 063 098)	(311 196 983)	(15 458 772)
Total	(511 449 262)	(131 835 108)	(311 196 983)	(15 914 099)
15 INVESTMENT INCOME				
Interest income on held to maturity financial instruments	255 359 911	47 474 446	152 546 150	6 229 552
Rentals from investment properties	271 222 641	84 471 814	145 619 815	11 361 194
Dividends from financial assets designated at fair value through profit or loss	320 623 101	166 096 114	123 429 980	25 697 987
Total	847 205 653	298 042 374	421 595 945	43 288 733
16 OTHER INCOME				
Foreign Exchange gains	12 264 131 632	883 483 181	11 364 582 744	180 113 927
Sundry income	134 790	6 548 589	98 555	644 178
Reinsurance commission	70 978 559	22 916 544	51 799 340	2 660 014
Asset Management income	33 348 547	18 420 051	11 742 322	2 421 002
Total	12 368 593 528	931 368 365	11 428 222 961	185 839 121
17 POLICYHOLDERS' BENEFITS				
Claims during the year were as follows:-				
Death and disability benefits	350 424 780	474 437 263	142 255 762	62 175 993
Maturities	96 090 243	69 321 123	33 858 972	10 100 227
Annuities	158 815 119	94 580 145	84 407 369	14 792 250
Surrenders and pensions withdrawals	276 525 972	247 237 170	143 469 203	34 557 217
Total	881 856 114	885 575 701	403 991 306	121 625 687

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2023 ZW\$	Unreviewed 30 Jun 2023 ZW\$
18 OPERATING EXPENSES				
Staff expenses	3 683 308 514	737 113 464	2 024 571 381	239 775 253
Administration expenses	2 655 172 949	1 644 114 032	859 229 070	75 706 383
Depreciation of equipment	54 155 113	83 174 750	21 266 833	8 078 213
Depreciation of software	576 070	60 565 175	226 224	678 672
Depreciation of right of use asset	57 902 922	54 525 153	181 594 586	11 115 932
Directors Fees	643 977 250	83 964 966	324 627 203	11 558 391
Audit Fees	81 092 879	306 558 720	29 391 499	36 870 156
Total	7 176 185 697	2 970 016 260	3 440 906 796	383 783 000
19 INCOME TAX CHARGE				
Current taxation	9 922 574	156 845 091	67 862 973	31 975 691
Deferred taxation	5 709 782 024	46 908 377	9 543 832 015	454 769 403
Total	5 719 704 598	203 753 468	9 611 694 988	486 745 094
20. RISK MANAGEMENT				
Liquidity risk gap analysis as at 30 June 2023				
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
Assets				
Bank and cash	1 004 855 825	-	-	1 004 855 825
Funds on deposit	612 493 003	171 354	295 537	612 959 894
At Amortised cost	-	11 424 463 739	-	11 424 463 739
Investments-At Fair Value	-	40 557 260 699	262 759 492	40 820 020 191
Trade and other receivables	-	226 036 474	-	226 036 474
Reinsurance receivable	10 000	-	-	10 000
Total	1 617 358 828	52 207 932 266	263 055 029	54 088 346 123
Liabilities				
Trade and other payables	-	1 967 829 381	-	1 967 829 381
Reinsurance payable	85 895 432	-	-	85 895 432
Total	85 895 432	1 967 829 381	-	2 053 724 813
Period Gap	1 531 463 396	50 240 102 886	263 055 029	52 031 663 996
Cumulative Gap	1 531 463 396	51 771 566 282	52 034 621 311	-

21. BASIS OF PREPARATION

The accounting policies, methods of computation, significant assumptions and estimates adopted for the preparation of ZB Life Assurance Limited financial results as at the reporting date, are consistent with those applied by ZB Financial Holdings Limited as disclosed in note 1 of the ZB Financial Holdings Limited condensed consolidated inflation adjusted interim financial results.

22. COMPLIANCE WITH REGULATIONS

In terms of paragraph 3 of Statutory Instrument 206 of 2021, Amendment Regulations of 2021 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case of life assurance businesses. ZB Life Assurance Limited did not comply with this ratio as at 30 June 2023, closing the half year with ratio at 5.94% (Dec 2022: 3.5%).

23. SUBSEQUENT EVENTS

After the reporting date, in an attempt to stabilize the economy particularly the exchange rates and price volatility, the government through Reserve Bank of Zimbabwe introduced various monetary policies and measures. The ZW\$ has gained greatly versus the USD as a result of these initiatives. This ZW\$ appreciation against the USD might result in reversal of unrealized foreign exchange gains recorded in the statement of profit or loss at the reporting date.

24. GOING CONCERN

The Board has reviewed budgets for 2023 and beyond and the cash flow projections for the Company. The Board does not have any reason to conclude that the Company will not be a going concern for the foreseeable future. The going concern assumption has therefore been applied in the preparation of the inflation adjusted financial statements.

Banking | Insurance | Investments
for you

Send & receive cash,
from Harare to Bulawayo
and everywhere across Zimbabwe

Register for the ZB Local Money Transfer service to send and receive money reliably. Cash in and Cash out is available at **Service Centres** across the country!

- ✓ Easy
- ✓ Fast
- ✓ Convenient
- ✓ Secure
- ✓ Cash guarantee





Financial Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023



REVIEWED CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS for the half year ended 30 June 2023

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Notes	Inflation adjusted		Historical cost		
	Reviewed 30 Jun 2023	Audited 31 Dec 2022	Unreviewed 30 Jun 2023	Unaudited 31 Dec 2022	
	ZW\$	ZW\$	ZW\$	ZW\$	
ASSETS					
Non-current assets					
Investments	2	13 679 483 730	5 908 631 009	13 679 483 730	1 891 519 105
Investment properties	3	21 724 610 000	8 719 714 319	21 724 610 000	2 791 426 000
Right of use assets		439 653 622	106 608 629	384 173 121	34 128 423
Equipment		816 091 196	816 806 732	422 861 663	261 482 827
Total non-current assets		36 659 838 548	15 551 760 689	36 211 128 514	4 978 556 355
Current assets					
Other assets		428 237 191	73 708 390	428 237 191	23 596 130
Balances receivable from insurance companies	4	21 705 977 615	6 120 475 636	21 705 977 615	1 959 336 533
Cash and cash equivalent	5	26 814 634 059	9 319 742 013	26 814 634 059	2 983 511 755
Total current assets		48 948 848 865	15 513 926 039	48 948 848 865	4 966 444 418
Total assets		85 608 687 413	31 065 686 728	85 159 977 379	9 945 000 773
EQUITY AND LIABILITIES					
Non-current liabilities					
Deferred tax liability		999 312 190	2 446 460 881	305 303 539	783 180 992
Lease Liabilities		1 331 051 102	382 237 985	1 331 051 102	122 365 138
Current liabilities					
Unearned premium reserve	6	8 085 118 312	2 595 887 478	8 085 118 312	831 016 652
Incurred but not reported claims reserve (IBNR)	7	4 324 001 731	2 840 384 294	4 324 001 731	909 286 965
Outstanding claims reserve	8	1 222 576 569	241 558 671	1 222 576 569	77 329 730
Balances payable to insurance companies		4 196 679 062	535 827 802	4 196 679 061	171 533 565
Taxation		(93 017 631)	(84 219 750)	(93 017 631)	(26 961 113)
Other payables		1 950 856 342	2 064 799 548	1 950 856 342	661 000 455
Total liabilities		22 016 577 677	11 022 936 909	21 322 569 025	3 528 752 384
Equity					
Share capital		3 534 845	3 534 845	5 000	5 000
Share premium		1 763 887 479	1 763 887 479	12 144 178	2 495 000
Revaluation reserve		363 635 777	363 635 777	137 095 427	137 095 427
Foreign Currency Revaluation Reserve		-	-	-	9 649 178
Retained earnings		61 461 051 635	17 911 691 718	63 688 163 749	6 267 003 784
Total shareholders' equity		63 592 109 736	20 042 749 819	63 837 408 354	6 416 248 389
Total assets = Liabilities + Equity		85 608 687 413	31 065 686 728	85 159 977 379	9 945 000 773

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED INFLATION ADJUSTED

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Reviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unreviewed 30 Jun 2022 ZW\$
Gross premium	45 896 835 569	13 831 498 712	27 187 826 074	2 049 127 052
Retrocession premium	(14 035 676 924)	(3 595 313 240)	(9 195 809 167)	(543 790 427)
Net premium income	31 861 158 645	10 236 185 472	17 992 016 907	1 505 336 625
Unearned premium	(10 251 309 905)	(1 638 899 593)	(7 283 043 819)	(729 339 408)
Net earned premium	21 609 848 740	8 597 285 879	10 708 973 088	775 997 217
Net claims	(14 649 916 072)	(3 685 221 210)	(8 988 511 435)	(546 664 009)
Net commission	(4 750 648 106)	(3 062 423 131)	(4 847 233 697)	(448 325 257)
Operating expenses	9 (10 004 265 197)	(2 320 952 537)	(6 547 354 251)	(285 819 467)
Underwriting result	(7 794 980 635)	(471 310 998)	(9 674 126 295)	(504 811 516)
Investment income	10 42 901 738 912	12 004 646 767	42 854 820 495	1 886 605 815
Fair value adjustment	11 15 824 269 231	1 930 105 138	23 762 588 311	1 376 926 118
Operating profit	50 931 027 508	13 463 440 907	56 943 282 512	2 758 720 417
Effects of Inflation adjustment	(8 828 816 282)	(5 862 324 973)	-	-
Profit before tax	42 102 211 226	7 601 115 933	56 943 282 512	2 758 720 417
Income tax expense	1 447 148 691	(2 741 612 188)	477 877 453	(712 128 500)
Profit for the period	43 549 359 917	4 859 503 745	57 421 159 965	2 046 591 917
Other Comprehensive income for the period net of tax	-	-	-	-

total comprehensive income **45 545 555 517** **4 855 505 745**

CONSOLIDATED INFLATION ADJUSTED

	Reviewed Inflation adjusted					
	Share capital ZW\$	Share premium ZW\$	FCTR reserve ZW\$	Revaluation reserve ZW\$	Retained earnings ZW\$	Total equity ZW\$
June 2023						
Balance at 1 January 2023	3 534 845	1 763 887 479	-	363 635 777	17 911 691 718	20 042 749 819
Profit for the period	-	-	-	-	43 549 359 917	43 549 359 917
Balance at 30 June 2023	3 534 845	1 763 887 479	-	363 635 777	61 461 051 635	63 592 109 736
June 2022						
Balance at 1 January 2022	3 534 845	1 763 887 479	-	131 115 493	11 816 982 392	13 715 520 209
Profit for the period	-	-	-	-	7 016 587 748	7 016 587 748

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)
For the half year ended 30 June 2023

For the half year ended 30 June 2023

	Unreviewed Historical cost					
	Share capital ZW\$	Share premium ZW\$	FCTR reserve ZW\$	Revaluation reserve ZW\$	Retained earnings ZW\$	Total equity ZW\$
June 2023						
Balance at 1 January 2023	5 000	2 495 000	9 649 178	137 095 427	6 267 003 784	6 416 248 389
Profit for the period	-	-	-	-	57 421 159 965	57 421 159 965
Other comprehensive income net of tax						
Transfer to share premium	-	9 649 178	(9 649 178)	-	-	-
Balance at 30 June 2023	5 000	12 144 178		137 095 427	63 688 163 749	63 837 408 354
June 2022						
Balance at 1 January 2022	5 000	2 495 000	9 649 178	20 112 341	1 245 003 334	1 277 264 853
Profit for the period	-	-	-	-	2 441 832 411	2 441 832 411
Balance at 30 June 2022	5 000	2 495 000	9 649 178	137 095 427	3 686 835 745	3 719 097 264

CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOW

CONSOLIDATED INFLATION ADJUSTED For the half year ended 30 June 2023

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Reviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unreviewed 30 Jun 2022 ZW\$
Cash generated / (used) from operating activities	(11 891 461 900)	(3 301 569 102)	(12 576 063 260)	98 532 340
Income taxes paid	(73 562 499)	(192 259 614)	(66 056 518)	(7 101 391)
Interest received	25 330 249	39 922 950	19 490 900	1 529 691
Net cash used from operating activities	(11 939 694 150)	(3 453 905 766)	(12 622 628 878)	92 960 640
Cash flows from investing activities				
Additions to equipment	(168 019 169)	(115 515 760)	(58 635 928)	(838 100)
Purchase of prescribed assets	(2 952 146 259)	(2 274 539 447)	(1 282 380 995)	(52 706 238)
Proceeds on disposal of listed securities	-	14 222 474	-	-
Proceeds disposal of equipment	29 129 590	-	29 129 590	-
Dividend received	224 845 599	79 142 578	206 014 746	1 186 565
Maturity of prescribed assets	(3 926 270 085)	1 648 593 343	945 065 116	40 893 300
Net cash used from investing activities	(6 792 460 324)	(648 096 812)	(160 807 471)	(11 464 473)
Cash flows from financing activities				
Lease liability paid	(135 684 127)	(85 502 777)	(62 749 739)	(3 056 376)
Net cash utilised in financing activities	(135 684 127)	(85 502 777)	(62 749 739)	(3 056 376)
Net decrease in cash and cash equivalent	(18 867 838 601)	(4 187 505 355)	(12 846 186 088)	78 439 791
Cash and cash equivalents at the beginning of the year	9 319 742 013	6 258 257 067	2 983 511 755	421 845 668
Effects in movement for exchange rates	36 362 730 647	7 248 990 301	36 677 308 392	-
Cash and cash equivalent at end of the period				

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial statements for the half year ended 30 June 2023 did not comply with International Financial Reporting Standards (IFRSs) 17: "Insurance Contracts". The Group did not apply IFRS 17 as the Group was not able to accurately compile IFRS 17 information. The Group applied the previously effective standard, IFRS 4. The non compliance with IFRS 17 is considered

Material Misstatement

	Reviewed Inflation adjusted			
	Level 1 ZW\$	Level 2 ZW\$	Total fair value ZW\$	Total carrying amount ZW\$
2023				
Quoted shares	5 637 929 499	-	5 637 929 499	5 637 929 499
Unquoted investment	-	137 855 001	137 855 001	137 855 001
Bonds & Bills	-	7 903 699 230	7 903 699 230	7 903 699 230
	5 637 929 499	8 041 554 231	13 679 483 730	13 679 483 729
2022				
Quoted shares	2 905 143 049	-	2 905 143 049	2 905 143 049
Unquoted investment	-	51 341 701	51 341 701	51 341 701
Bonds & Bills	-	2 952 146 259	2 952 146 259	2 952 146 259
	2 905 143 049	3 003 487 960	5 908 631 009	5 908 631 009
	Unreviewed Historical cost			
	Level 1 ZW\$	Level 2 ZW\$	Total fair value ZW\$	Total carrying amount ZW\$
2023				
Quoted shares	5 637 929 499	-	5 637 929 499	5 637 929 499
Unquoted investment	-	137 855 001	137 855 001	137 855 001
Bonds & Bills	-	7 903 699 230	7 903 699 230	7 903 699 230
	5 637 929 499	8 041 554 231	13 679 483 730	13 679 483 729
2022				
Quoted shares	930 018 065	-	930 018 065	930 018 065
Unquoted investment	-	16 435 924	16 435 924	16 435 924
Bonds & Bills	-	945 065 116	945 065 116	945 065 116

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZW\$	Audited 31 Dec 2022 ZW\$	Unreviewed 30 Jun 2023 ZW\$	Unaudited 31 Dec 2022 ZW\$
3. INVESTMENT PROPERTY				
Opening balances	8 719 714 319	5 598 369 172	2 791 426 000	521 351 000
Fair value adjustment	13 004 895 681	3 121 345 147	18 933 184 000	2 270 075 000
Additions				



Financial
Holdings Limited

Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2023

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Audited 31 Dec 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unaudited 31 Dec 2022 ZWS
4. BALANCES RECEIVABLE FROM INSURANCE COMPANIES				
CONSOLIDATED				
Balances receivable	23 719 950 727	6 617 849 652	23 719 950 727	2 118 559 956
Impairment allowance	(2 013 973 112)	(497 374 016)	(2 013 973 112)	(159 223 423)
	21 705 977 615	6 120 475 636	21 705 977 615	1 959 336 533
5. CASH AND CASH EQUIVALENTS				
CONSOLIDATED				
Local banks	2 926 089 650	701 680 246	2 926 089 650	224 627 598
Foreign banks	23 888 544 409	8 618 061 767	23 888 544 409	2 758 884 157
	26 814 634 059	9 319 742 013	26 814 634 059	2 983 511 755
6. UNEARNED PREMIUM RESERVE (UPR)				
CONSOLIDATED				
Opening balance	2 595 887 478	1 091 830 165	831 016 652	101 677 244
Charge to profit or loss	10 251 309 905	2 770 576 468	7 283 043 819	729 339 408
Exchange rate effects	(28 942 159)	-	(28 942 159)	-
Inflation adjustment	(4 733 136 912)	(1 266 519 155)	-	-
Closing balance	8 085 118 312	2 595 887 478	8 085 118 312	831 016 652
7. INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR)				
CONSOLIDATED				
Opening balance	2 840 384 294	1 213 870 554	909 286 965	113 042 318
Charge to profit or loss	4 092 843 701	2 052 064 497	3 414 714 766	796 244 647
Inflation adjustment	(2 609 226 264)	(425 550 757)	-	-
Closing balance	4 324 001 731	2 840 384 294	4 324 001 731	909 286 965
8. OUTSTANDING CLAIMS RESERVE				
CONSOLIDATED AND SEPARATE				
Opening balance	241 558 671	689 915 901	77 329 730	64 248 772
Charge to profit or loss	1 498 153 950	69 245 429	1 145 246 839	13 080 958
Effects of monetary movements	(517 136 052)	(517 602 659)	-	-
Closing balance	1 222 576 569	241 558 671	1 222 576 569	77 329 730
	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unreviewed 30 Jun 2022 ZWS
9. OPERATING EXPENSES				
CONSOLIDATED				
Staff expenses	2 424 026 832	833 328 621	1 201 687 255	118 781 243
Impairment on balances receivable from insurance companies	2 117 659 876	229 621 897	1 854 749 690	46 812 551
Administration expenses	4 698 999 216	1 000 787 745	3 047 959 275	78 973 446
Interest expense	79 579 231	27 511 817	31 250 940	3 847 249
Depreciation - equipment	132 138 621	42 495 908	57 109 879	5 060 609
Depreciation - right of use	31 625 548	31 021 838	14 625 844	9 930 964
Directors' remuneration	348 685 085	90 006 634	273 154 631	13 476 572
Current year audit fees	171 550 788	66 178 077	66 816 737	8 936 833
	10 004 265 197	2 320 952 537	6 547 354 251	285 819 467

NOTES TO THE CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2023 ZWS	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2023 ZWS	Unreviewed 30 Jun 2022 ZWS
10. INVESTMENT INCOME				
CONSOLIDATED				
Interest income	25 330 249	39 922 949	19 490 900	5 066 153
Dividend income	224 845 599	79 142 579	206 014 747	14 015 495
Exchange gain/loss	42 563 271 835	11 877 634 548	42 563 271 835	1 866 339 867
Rental Income	95 757 722	20 733 221	52 728 808	2 832 993
Loss on Disposal of Asset	(7 466 493)	(12 786 530)	13 314 205	(1 648 693)
	42 901 738 912	12 004 646 767	42 854 820 495	1 886 605 815
11. FAIR VALUE ADJUSTMENT				
CONSOLIDATED				
Increase in fair value of equity investments	2 819 373 550	(119 298 736)	4 829 404 311	339 141 118
Increase in fair value of investment property	13 004 895 681	2 049 403 874	18 933 184 000	1 037 785 000
	15 824 269 231	1 930 105 138	23 762 588 311	1 376 926 118
12. REGULATORY FRAMEWORK				
The Insurance and Pensions Commission (IPEC) requires reinsurers to maintain a minimum solvency level of 25%. The solvency ratio is calculated as shareholder's equity divided by net premium income. As at 30 June 2023 the company had a solvency margin of 200% (Inflation adjusted), 355% (Historical) (December 2022: 74%- Inflation adjusted and 99%-Historical). The solvency ratio is not significantly affected by the application of IPEC asset admissibility guidelines for the calculation of regulatory capital given the company's strong liquidity position. The company is also compliant with the IPEC prescribed minimum capital requirement of \$75,000,000.				
13. BASIS OF PREPARATION				
The accounting policies, methods of computation, significant assumptions and estimates adopted for the preparation of ZB Reinsurance Limited financial results as at the reporting date, are consistent with those applied by ZB Financial Holdings Limited as disclosed in note 1 of the ZB Financial Holdings Limited condensed consolidated inflation adjusted interim financial results.				
14. COMPLIANCE WITH REGULATIONS				
In terms of paragraph 3 of Statutory Instrument 206 of 2021, Amendment Regulations of 2021 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case life assurance businesses and 10% of the market value of total adjusted assets in the case of short-term re-insurance businesses. ZB Reinsurance Limited did comply with these ratios as at 30 June 2023, closing the half year.				
15. SUBSEQUENT EVENTS				
After the reporting date, in an attempt to stabilize the economy particularly the exchange rates and price volatility, the government through Reserve Bank of Zimbabwe introduced various monetary policies and measures. The ZWS has gained greatly versus the USD as a result of these initiatives. This ZWS appreciation against the USD might result in reversal of unrealized foreign exchange gains recorded in the statement of profit or loss at the reporting date.				
16. GOING CONCERN				
The Board has reviewed budgets for 2023 and beyond and the cash flow projections for the Group. The Board does not have any reason to conclude that the Group will not be a going concern for the foreseeable future. The going concern assumption has therefore been applied in the preparation of the inflation adjusted financial statements.				

Banking | Insurance | Investments

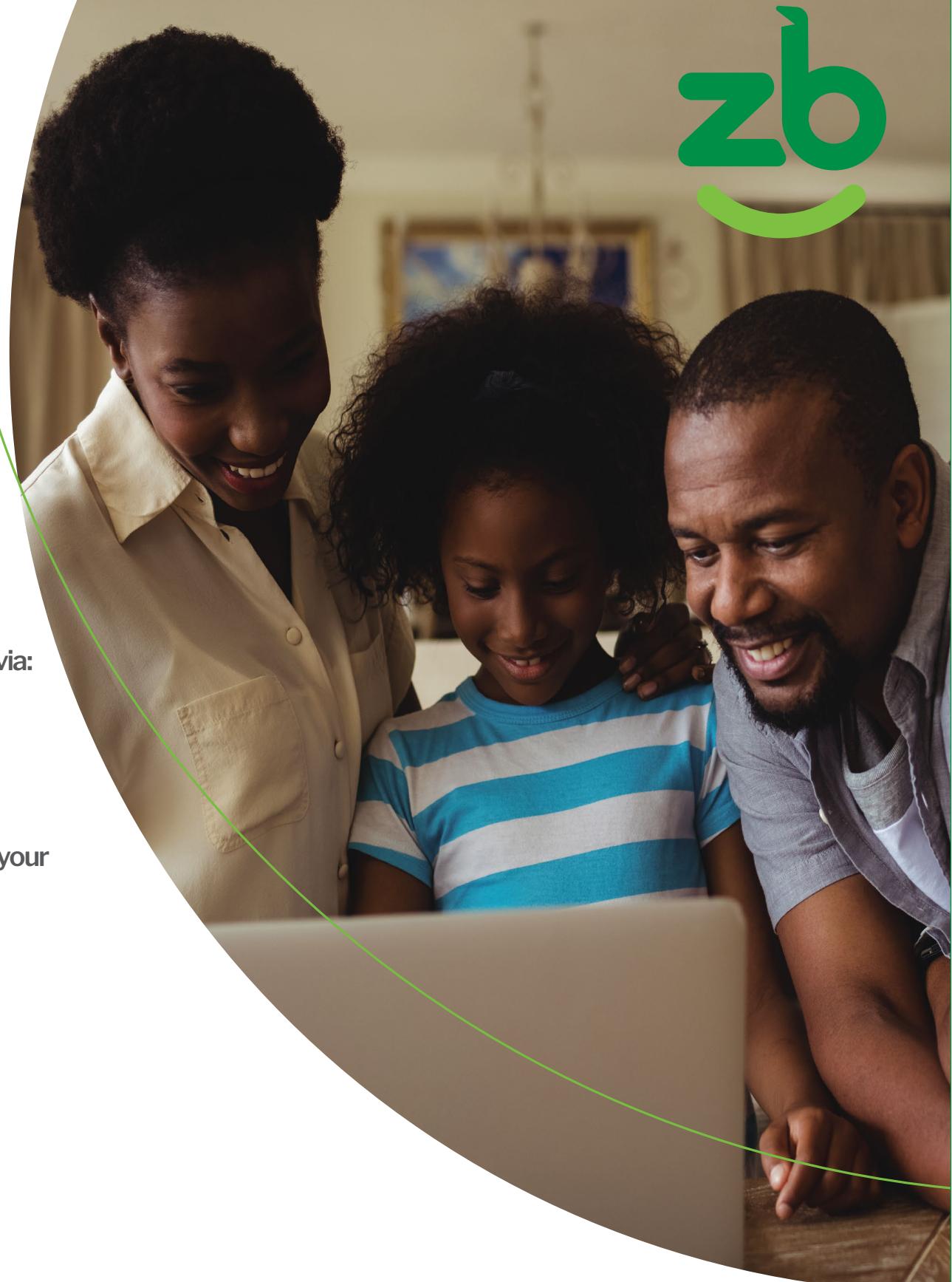
for you

Need to pay school fees? Well, look no further!

Pay school fees from the comfort of your own space via:

- ✓ Internet Banking
- ✓ MyZB App
- ✓ School fees portal
- ✓ ZB Agents nationwide

With ZB, you're spoilt for choice. Visit zb.co.zw make your choice! It's easy, just for you!





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

Independent auditor's Report on Review of condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023

To the shareholders of ZB Financial Holdings Limited

Introduction

We have reviewed the accompanying consolidated inflation adjusted interim statement of financial position of ZB Financial Holdings ("the Group") as at 30 June 2023, the consolidated inflation adjusted interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes, comprising significant accounting policies and other explanatory information ("the condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023"). The directors are responsible for the preparation and presentation of these condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023 in accordance with IAS 34, Interim Financial Reporting and the Zimbabwe Stock Exchange (ZSE) Listing Rules per SI 134 of 2019. Our responsibility is to express a conclusion on these condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023 based on our review.

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 condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023 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 Adverse Conclusion

Non-Compliance with International Accounting Standards 21-The effects of Changes in Foreign Exchange rates

During the interim period under review, there were sufficient indicators that the functional currency of Mashonaland Holdings Limited (a financially significant subsidiary) should have changed from Zimbabwean dollars (ZW\$) to United States dollars (USD). However, management prepared the subsidiary's interim financial statements in ZW\$ thereby resulting in a non compliance with the requirements of International Accounting Standards 21 - *The effects of Changes in Foreign Exchange rates*. Resultantly, the ZB financial Holdings Limited consolidated inflation adjusted interim financial results are materially misstated given the financial significance of Mashonaland Holdings Limited at group level.



Non-Compliance with International Financial Reporting Standard 17 (Insurance Contracts) and International Accounting Standard 8 (Accounting Policies, Changes in Accounting Estimates and Errors)

The International Financial Reporting Standard 17 - Insurance Contracts ("IFRS 17") became effective for periods commencing on or after 1 January 2023. The Group's condensed consolidated inflation adjusted interim financial results for the period ended and as at 30 June 2023 were required to comply with this new standard. Management has, however prepared the condensed consolidated inflation adjusted interim financial results using the provisions of International Financial Reporting Standard 4 (the predecessor standard to IFRS 17), thus, the financial results have not been prepared in accordance with IFRSs. Had management adopted the provisions of IFRS 17, different values for insurance revenue, claims expenses, actuarial liabilities, deferred tax and profit or loss movement of the insurance liability and insurance receivables would have been recognised in the condensed consolidated inflation adjusted interim financial results. The impact is material and pervasive to the financial statements.

Furthermore, the initial adoption of IFRS 17, with retrospective application, results in a change in accounting policy and a change in an accounting estimate. IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors requires that a retrospective adjustment be made to the comparative financial information to account for a change in an policy and a change in an accounting estimate. Therefore, the non adoption of IFRS 17 also constitutes a non compliance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Transitional provisions of IFRS 17 also requires retrospective application thus comparatives to be restated. Comparative information is thus also impacted and the impact is also both material and pervasive.

Had IAS 21 been applied in the preparation of the consolidated inflation adjusted interim financial statements, the effects would have been material and pervasive to the financial statements as Mashonaland Holdings Limited is consolidated by ZB Financial Holdings Group. Furthermore, had IFRS 17 been applied, many insurance related captions in the financial information would have been materially different.

Adverse Conclusion

Based on our review, because of the significance of the matters described in the *Basis for Adverse Conclusion* paragraph, the accompanying condensed consolidated inflation adjusted interim financial results for the half year ended 30 June 2023 comprising the financial position of ZB Financial Holdings limited as at 30 June 2023, and its financial performance and cash flows for the period then ended, as well as the comparative information presented, is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting and the Zimbabwe Stock Exchange (ZSE) Listing Rules per SI 134 of 2019.

Other Information

The Directors are responsible for the other information. The other information comprises the inflation adjusted financial highlights, acting Chairman's Statement, the Group Chief Executive's Report, and the financial information in the condensed consolidated inflation adjusted interim financial results titled "unreviewed historical cost" and "unaudited historical cost" but does not include the condensed consolidated inflation adjusted interim financial results and the review report thereon.

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

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



As described in the *Basis for Adverse Conclusion* section above, the Group's subsidiary, Mashonaland Holdings Limited, should have accounted for the change in functional currency from ZWL\$ to US\$ in terms of IAS 21 and applied IFRS 17 which became effective for periods commencing on or after 1 January 2023, with retrospective impact and application of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. We have therefore concluded that the other information is materially misstated for the same reason with respect to the financial information in the inflation adjusted financial highlights, acting Chairman's Statement, the Group Chief Executive's Report and inflation adjusted financial statements titled "Historical cost", affected by the failure to comply with the requirements of IAS 21, IFRS 17 and IAS 8.

KPMG

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

31 August 2023

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

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