NMBZ HOLDINGS LIMITED

NMB BANK LIMITED

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A subsidiary of NMBZ Holdings

PROPERTIES

AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

ENQUIRIES:
NMBZ HOLDINGS LIMITED

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FINANCIAL SUMMARY

	Inflation Adjusted		Historical Cost	
	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000
Operating profit before impairment charge and loss on net monetary position	396 553 900	110 175 693	450 015 864	30 169 029
Total comprehensive income	327 597 809	60 258 826	467 959 674	31 302 191
Basic earnings per share (cents)	67 073	14 484	93 824	6 396
Diluted earnings per share (cents)	66 393	14 125	92 872	6 237
Deposits from customers	528 530 915	255 718 976	528 530 915	53 215 217
Total gross loans and advances	494 536 518	222 417 933	494 536 518	46 285 257
Total shareholders' funds and shareholders' liabilities	538 627 404	209 462 226	512 648 441	39 155 092

CHAIRMAN'S STATEMENT

INTRODUCTION

The year 2023 saw the country hold its harmonized elections in August. There was also a number of significant policy changes as the authorities pushed to stabilise the local currency. The multi-currency regime was extended by another five years to 2030. During the period under review, the economy recorded positive growth with export earnings increasing by 10% to USD 7.2 billion. Month-on-month blended inflation closed the year at 4.7% compared to 0.1% in January 2023. On the commodities market, prices of selected minerals notably the platinum group of metals (PGMs) and diamonds plummeted resulting in export receipts declining by 9% as of Q3 2023 on account of global uncertainty and reduced aggregate demand. The Group however continued to pursue its growth strategy despite the challenges within the operating environment.

Local Operating Environment

The year 2023 commenced with the review of the interest rates by the monetary authorities aimed at aligning positive inflation developments to consolidate and sustain price stability and resilience of the domestic economy. The bank policy rate was reduced from 200% to 130% to align with the inflation outlook. Lending to the productive sectors including individuals was also reviewed from 100% to 70% per annum. However, in June 2023, month-on-month blended inflation peaked to a high of 74.5% compared to 0.1% in January largely on account of a huge preference for United States dollars, an increase in money supply growth and market indiscipline. In response to the adverse movements in the exchange rate and inflation, the authorities announced a cocktail of measures namely scrapping of import duty on basic commodities, removal of the 15% foreign currency surrender requirement on domestic sales, interest review to curb speculative borrowing and the foreign auction market fine-tuning. Despite the signs of resilience and recovery, the economy remained vulnerable to exchange rate pressures due to the softening of commodity prices.

Global Economic Developments

The global economy is forecasted to further recover from the impact of the COVID-19 pandemic, uncertainty, and low aggregate demand.

However, the tightening of financial conditions in response to high levels of inflation and high debt overhang in many economies is likely to slow down global growth prospects to 2.7% in 2024.

Economic Outlook

The operating environment is likely to remain challenging on account of exchange rate volatility, high inflation and the El Nino-induced effects as well as softening commodity prices. Notwithstanding these challenges, the economy is expected to record growth in accommodation services, diaspora remittances and construction sectors.

Group Results

Financial Performance

Operating income increased from ZWL 201.5 billion to ZWL 613.3 billion for the year ended 31 December 2023. This was largely driven by a significant increase in fees and commission income which increased from ZWL 73.7 billion in 2022 to ZWL 228.9 billion in 2023.

The Group achieved profit after tax amounting to ZWL 275.6 billion compared to ZWL 57.7 billion for the previous year representing a growth of 378%. Basic earnings per share amounted to ZWL 67 073 cents (Dec 2022 – ZWL 14 484 cents).

The macro economic challenges led to a significant increase in operating costs from ZWL 91.3 billion to ZWL 216.8 billion which was largely in response to the deteriorating exchange rate and inflation pressures. The Group continues to exploit its strength in the digitization and automation area to find ways of providing service in a cost effective manner.

Financial Position

The impact of inflation and exchange rate deterioration on the foreign exchange based assets saw a significant increase in assets in ZWL terms, closing the year at ZWL 1.50 trillion when compared to ZWL 650.1 billion for the previous period. The banking subsidiary accessed a line of credit from Trade and Development Bank (TDB) in 2023 which contributed to the increase in borrowings from ZWL 102 billion to ZWL 263.3 billion.

Loans and advances stood at ZWL 494.5 billion as at 31 December 2023, growing by 122.3% on the back of credit line drawdowns. The NPL ratio stood at 1.11% reflecting the banking subsidiary's prudent lending processes.

The Bank maintained a sound liquidity position throughout the year and was consistently above the statutory minimum of 30%.

Capital and leverage

The capital adequacy ratio of the banking subsidiary remained strong at 35% compared to a regulatory minimum of 12%. The banking subsidiary was adequately capitalised to cover all risks and was compliant with the minimum capital requirement of USD 30 million.

Subsequent to year end, the Group received approval for a USD 15 million guarantee facility from the African Development Bank. This facility will assist our clients who need international trade financing.

SUSTAINABILITY

NMBZ Holdings considers sustainability as a core element of its business strategy. In the year under review, we consolidated our sustainability practices and strengthened our reporting capabilities. The Board undertook deliberate actions to provide guidance on the emerging sustainability issues.

We embarked on a company-wide Environmental, Social and Governance (ESG) training and capacity building programme aimed at equipping all employees on the implementation of ESG in line with International Finance Corporation Performance Standards (IFC PS). A total of 338 members of staff were trained on ESG. The Board and Executive management also participated in the training. Further, our Board and Executive Management received training under the Oxford Leading Sustainable Corporations (OLSC) initiative.

Our people remain a priority in all activities that we undertake. In the year 2023, we continued to provide fair remuneration, medical support through a medical aid scheme and other measures aimed at motivating our staff. Our renewed focus on wellness transcends beyond the mere absence of injury and disease, but is inclusive of all elements of human well-being including the facet of mental health.

Looking ahead, the Board is committed to mainstreaming ESG in all aspects of the Group's operations and continually improving sustainability practices. We shall continue to prioritise compliance and meeting regulatory requirements in addition to stakeholder requirements. We will continue to uphold ethics and governance at all levels of the organisation.

DIVIDEND

An interim dividend of ZWL 556 cents a share was declared as at 30 June 2023 and paid out subsequent to that date. As at the end of the year, the Group declared a final dividend of ZWL 4 101 cents per share on 20 March 2024. In light of the current macroeconomic environment this dividend will be paid in United States Dollars as USD 0.21 cents per share. A separate detailed notice to shareholders will be issued in this regard.

DIRECTORATE

Mr. Ben Chikwanha retired as at 31 December 2023 and I took over from him as Chairman while Mrs. Emilia Chisango was appointed deputy Chairperson of the Board. We thank Mr. Chikwanha for his sterling leadership of the Board since 2013 and wish him well in his future endeavours. I look forward to a fruitful and successful tenure as Board Chairman for NMBZ Holdings Limited.

OUTLOOK

The Group will focus on disciplined execution of its strategy which is anchored on broadening the Group structure and diversifying sources of income. The Group will leverage on technology to deliver robust digital platforms and effectively deliver convenient financial solutions to its customers. Raising of credit lines remains a key focus area as we continue to fund export oriented productive sectors of the economy as part of our drive to support the growth of the Zimbabwean economy. The Group is considering the acquisition of a complementary business and processes are underway. Stakeholders will be updated on the progress of this strategic initiative which if concluded, may have a material effect on the company's securities.

APPRECIATION

On behalf of the Board, I wish to thank our valued clients, funding partners, shareholders, regulatory authorities and other key stakeholders for their continued support. My gratitude also goes to my fellow board members, management and staff for their continued diligence, dedication and resilience in the face of a challenging operating environment.

MR. P. GOWERO
CHAIRMAN
20 March 2024

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CHIEF EXECUTIVE OFFICER'S STATEMENT

INTRODUCTION

In 2023, the Group's diversification thrust gathered momentum as we setup new verticals and strengthened the banking business. The Group established two new subsidiaries, namely NMB Properties Limited, a property company and XPlug Solutions Limited, a technology company during the year under review. The Banking subsidiary, on the other side diversified its revenue by setting up a MicroFinance Division. We intensified our focus on the core banking business and support for the productive sectors of the economy. We accessed two additional lines of credit to complement our support to the productive sector of the economy. Riding on our robust digital platforms, we managed to offer seamless transacting capabilities to our customers which is further supported by our Agency Network. Over 91% of accounts are now being opened via our Digital Platforms with no human intervention.

The other strategic focus areas in 2023 included digitalisation, partnerships, sustainability, value chain, customer experience and shareholder value.

On the macro-economic front, the year started off well with stable interest rates until about April when some turbulence started to set in. Towards the end of the half year period, the exchange rate deteriorated rapidly, breaching the ZWL 7,000 mark to the USD. However, timely interventions by the authorities including tightening money supply saw the exchange rate retreating to levels below ZWL 5,000 and remaining relatively stable until the end of the year. According to the World Bank, economic growth is projected to slow down to 2.7% in 2024, a decrease from 4.5% in 2023 due to depressed global growth and low agricultural output as a result of the predicted erratic and below-average rainfall caused by the El Niño weather pattern.

PERFORMANCE REVIEW

The Group achieved total comprehensive income of ZWL 327.6 billion, which was a 444% increase compared to ZWL 60.3 billion for the previous year. Fees and commission income grew by 210% and was largely earned through our various digital platforms. Cost to income ratio was 35%, down from 45% the previous period. The deterioration in the exchange rate as well as inflationary pressures continue to push the cost of doing business upwards and we continue to mitigate this through continued focus on digitalisation, automation of processes and improved efficiencies.

Given the macroeconomic environment, the Group continued to forge ahead with value preservation strategies and focus on hard currency income streams.

BUSINESS REVIEW

NMB BANK LIMITED

The banking subsidiary continued to make inroads into new markets and cementing relationships with existing clients through the following main business units:

Digital Banking

The Bank continues to pursue a digital bank model with digitalisation of both front-end and back-end processes. The digital banking platforms now account for the bulk of the bank's non-funded income. We progressed well in building the foundation for a strong digital ecosystem, an activity which will remain a focus area for the foreseeable future. In the year 2023, ZWL 1.3 trillion worth of transactions were realised on our mobile banking platform compared to ZWL 19.9 billion in the previous year. Internet banking and card transactions achieved similar growth in values. We on-boarded and integrated 7 new billers in 2023, bringing the total number of billers to 14. These are for service providers from Telecommunications, Councils, Universities, Financial Brokers to Medical Aid sectors.

Consumer Banking

The Bank continues to make strides in providing unparalleled convenience to customers through our virtual banking platform. In 2023 we expanded the platform to include DSTV payments. Through the Consumer Banking and Value-Added Services (CBVAS) department, the Bank continues to focus on delighting and serving customers by providing simple, convenient and affordable banking, insurance, remittances and payments services. CBVAS also utilises the digital banking services offered through the use of our USSD (*241#) and NMBConnect platform. CBVAS contributed income amounting to ZWL 137.5 billion for the year ended 31 December 2023.

Geographical Representation

During the year under review, we increased our geographical representation through partnerships under Agency Banking. The Agency Banking services ride on our digital banking platforms and we offer the same customer experiences through 136 agents across the country. Through these partnerships, we have physical touch points in all the 10 provinces of the country, bringing us close to our customers. In November 2023, we re-established presence in the resort town of Victoria Falls, as we reopened our branch. This brought the total number of branches to 14 and these also act as hubs in support of our agency network.

Business Banking

Despite the highs and lows in the macroeconomic environment, our Business Banking division remained a reliable partner to businesses. The Bank focused on enhancing its financial intermediation role as we secured medium to long-term funding for key sectors of the economy through offshore lines of credit. The Bank partnered with Rabobank, one of the world's leading Food & Agriculture Bank on a three-year Food and Agriculture support program. This should assist NMB Bank grow the Agribusiness Unit as we contribute significantly to this key economic sector.

Further, NMB Bank partnered with the Government of Zimbabwe through the National Enhanced Agriculture Productivity Scheme (NEAPS) and financed 7,100 hectares of maize and soya beans in the 2023 summer cropping season through primary producers, agro-dealers and seed houses. Loan book quality remains strong on the back of proactive monitoring and maintaining of close relationships with all customers.

XPLUG SOLUTIONS LIMITED

The subsidiary was officially launched in July 2023. It was established from the Bank's ICT department under which a number of digital banking solutions and operational efficiency systems were developed for NMB Bank Limited. The company now has a full product suite encompassing transacting platforms, (mobile and internet banking solutions) as well as operational efficiency systems (Robotic Process Automation and Workflow Solutions). XPlug Solution is positioning itself to be a preferred partner on the current digitalisation drive within Africa as companies embrace technology to improve efficiencies and reallocate resources towards increased productivity. The technology company has received a number of mandates from local and regional institutions in banking as well as insurance sectors. The company is set to increase its contribution to group performance in 2024.

NMB PROPERTIES LIMITED

Established in May 2023, NMB Properties Limited has been mainly focused on projects within the investment property portfolio of NMB Bank Limited. This is over and above the 26 cluster housing project at Reoville Homes which the company completed in 2023. NMB Properties, working with a number of partners has a project pipeline for 2024 that includes cluster housing developments, residential stands and a shopping centre. The establishment of NMB Properties has positioned the Group for sustained growth in the real estate sector.

STRATEGIC PRIORITIES

The Group is pursuing a growth strategy and group diversification remains a focus area as we pursue new markets. The Group is set to leverage on technology to drive business growth and offer unique customer experience across all its subsidiaries. The Bank made a strategic decision to change its Core Banking System (CBS) in 2023. This is in line with our focus on providing seamless services to our clients in a cost effective and efficient manner. We expect to go live on the new CBS at the beginning of the second quarter of 2024. The environment which the Group is operating in necessitates that it prioritises value preservation. NMB Properties Limited will be a key anchor in this strategic priority. The banking division is also pursuing foreign currency revenue generation opportunities in line with the market dynamics. XPlug Solutions Limited on the other side is establishing a regional clientele base and will be a key foreign currency contributor to the Group.

CORPORATE SOCIAL INVESTMENTS AND SUSTAINABILITY

Our Corporate Social Investment (CSI) continued to soar high as we played our part for the betterment of our society. We assisted a number of stakeholders such as Kuchengetana Trust, Society for the Destitute Aged (SODA), Horticultural Development Council (HDC) Investment Forum and Friends of Dzikwa Trust. The Bank supported societal causes such as cleft lip surgery, breast cancer awareness, blood donations and National Tree Planting Day. With our business growth, we are taking up more responsibility and contributing to different societal groups.

OUTLOOK

The operating environment is expected to remain challenging but also with some pockets of growth opportunities. Running an efficient and cost effective business will be key in this environment and agility to move and close in on the opportunities remains key. The Group has capabilities to take advantage of the opportunities presented by the environment and manage the related risks. The Bank was successful in raising lines of credit in the previous year and we are looking forward to accessing more funding. The Group diversification drive will gather momentum in the coming year as we fully operationalize the new subsidiaries.

APPRECIATION

I thank the NMBZ Holdings team, board and shareholders for their immense support during 2023. I am sincerely grateful to our valued clients, funding partners, shareholders, stakeholders and regulatory authorities for their various contributions in our pursuit of delivering on our vision.

MR. G. GORE
CHIEF EXECUTIVE OFFICER
20 March 2024

DIRECTORS REPORT EXTRACT

1. RESPONSIBILITY

The Directors of the Group are mandated by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe to maintain adequate accounting records and to prepare consolidated and separate financial statements that present a true and fair view of the state of affairs of the Group and Company at the end of each financial year. The information contained in these consolidated and separate financial statements has been prepared on a going concern basis and is in accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, the Banking Act (Chapter 24:20) of Zimbabwe and International Financial Reporting Standards (IFRSs).

2. INTERNAL FINANCIAL CONTROLS

The board is responsible for ensuring that effective internal control systems are implemented within the Group. The Group maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of its records, safeguard the assets of the Group and prevent and detect fraud and errors. The Audit Committee in conjunction with the external and internal auditors of the Group reviews and assesses the internal control systems of the Group in key risk areas.

3. GOING CONCERN

The Directors have assessed the ability of the Group and its subsidiaries to continue operating as a going concern and believe that the preparation of these financial statements on a going concern is still appropriate.

4. STATEMENT OF COMPLIANCE

Compliance with local legislation

The condensed consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and the Banking Act (Chapter 24:20) of Zimbabwe and Zimbabwe Stock Exchange (ZSE) Listing Rules of 2019. In addition, the Group's Banking subsidiary is generally compliant with the following statutes:

- RBZ Banking Regulations, Statutory Instrument 205 of 2000;
- Bank Use Promotion and Suppression of Money Laundering (Chapter 24:24);
- Exchange Control Act (Chapter 22:05);
- Deposit Protection Act (Chapter 24.29);
- National Payments Systems Act (Chapter 24:23);
- Capital Adequacy and prudential lending guidelines.

Compliance with IFRS

The condensed consolidated financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and have been able to achieve this with the exception of IAS 21 - The Effects of Changes in Foreign Exchange Rates, IFRS 9 – Financial Instruments, IFRS 13 - Fair Value Measurement, IAS 8 – Accounting Policies, Changes in accounting estimates and errors and the consequential impact on IAS 29 – Financial Reporting in Hyperinflationary Economies as indicated in the Independent Auditor's Report.

The consolidated and separate Bank's financial statements were approved by the Board of Directors on 20 March 2024.

MRS. V. T. MUTANDWA
COMPANY SECRETARY
20 March 2024

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AUDITOR'S STATEMENT

The Group's consolidated inflation adjusted financial statements from which these abridged financial statements have been extracted, have been audited by the Group's external auditors Ernst & Young Chartered Accountants (Zimbabwe) ,who have issued a qualified audit opinion as a result of the following matters: non-compliance with International Accounting Standard (IAS) 21, "The Effects of Changes in Foreign Exchange Rates", International Accounting Standard (IAS) 8, "Accounting Policies, Changes in Accounting Estimates and Errors", IFRS 13, "Fair value measurement" ,IFRS 9, "Financial instruments" and the consequential impact of applying IAS29 "Financial Reporting in Hyperinflationary Economies" on the use of an incorrect base due to inappropriate valuation of investment property, freehold land and buildings in prior year and the inappropriate accounting of blocked funds and treasury bills. The audit report also includes key audit matters in respect of expected credit loss allowances on loans and advances, suspense accounts and presumed risk on revenue recognition. The auditor's opinion on the Group's consolidated inflation adjusted financial results is available for inspection at the Holding Company's registered office. The Audit Partner for this engagement is Mr Walter Mupanguri (PAAB Practicing Number 0367).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation Adjusted		Historical Cost*	
	Note	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
Interest revenue calculated using the effective interest method	3	127 941 940	101 251 280	72 076 896	15 800 168
Interest expense calculated using the effective interest method	4	(29 724 126)	(30 645 349)	(14 651 080)	(4 591 382)
Net interest income		**98 217 814**	**70 605 931**	**57 425 816**	**11 208 786**
Fee and commissions income	5.1	228 862 632	73 731 203	137 756 521	10 705 516
Revenue		**327 080 446**	**144 337 134**	**195 182 337**	**21 914 302**
Net foreign exchange gains	5.2	128 137 119	18 351 775	136 315 649	4 048 384
Other income	5.3	158 115 100	38 803 578	249 250 716	17 940 335
Operating income		**613 332 665**	**201 492 487**	**580 748 702**	**43 903 021**
Operating expenditure	6	(216 778 764)	(91 316 794)	(130 732 838)	(13 733 992)
Operating income before impairment charge and loss on net monetary position		**396 553 900**	**110 175 693**	**450 015 864**	**30 169 029**
Impairment losses on financial assets measured at amortised cost	16.3	(8 394 325)	(1 596 336)	(14 961 385)	(1 191 393)
Loss on net monetary position		**(65 818 337)**	**(31 352 720)**	-	-
Profit before tax		**322 341 238**	**77 226 637**	**435 054 479**	**28 977 636**
Taxation	7.1	(46 710 860)	(19 550 861)	(49 494 612)	(3 509 130)
Profit for the period		**275 630 378**	**57 675 776**	**385 559 867**	**25 468 506**
Other comprehensive income:					
Revaluation gains on land and buildings, net of tax**	5.4	51 967 431	2 583 050	82 399 807	5 833 685
Total comprehensive income for the period		327 597 809	60 258 826	467 959 674	31 302 191
Earnings per share (ZWL cents)					
- Basic	8.3	67 073	14 484	93 824	6 396
- Diluted	8.3	66 393	14 125	92 872	6 237
- Headline	8.3	39 203	6 996	49 422	2 952

** The Historical Cost information has been shown as supplementary information for the benefit of users. The Auditors have not expressed an opinion on the Historical Cost information.*
*** The revaluation gains on land and buildings will not be recycled into profit or loss in the subsequent reporting period. They will however be recycled through equity.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation Adjusted		Historical Cost*	
	NOTE	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
SHAREHOLDERS' FUNDS					
Share capital	9.2.1	95 172	95 149	124	115
Share Premium		26 793 275	20 906 488	3 174 723	172 496
Treasury shares reserve		(2 045)	(2 046)	(394)	(394)
Functional currency translation reserve		7 634 508	7 634 508	11 620	11 620
Revaluation reserve		78 520 998	26 553 568	90 149 489	7 749 682
Share Option Reserve		1 541 282	1 236 145	359 242	129 569
Retained earnings		416 856 086	148 587 085	411 765 509	30 165 681
Total equity		**531 439 276**	**205 010 897**	**505 460 313**	**38 228 769**
Subordinated term loan	10	7 188 128	4 451 329	7 188 128	926 323
			-		
Total shareholders' funds and shareholders' liabilities		**538 627 404**	**209 462 226**	**512 648 441**	**39 155 092**
LIABILITIES					
Deposits	11.1	528 530 915	255 718 976	528 530 915	53 215 217
Other liabilities		99 339 523	56 665 849	97 909 351	11 792 185
Borrowings	12	263 289 317	102 240 322	263 289 317	21 276 250
Current tax liabilities	7.3	4 107 692	-	4 107 692	-
Deferred tax liabilities	15	68 350 958	26 049 115	58 121 957	3 964 776
Total liabilities		**963 618 406**	**440 674 262**	**951 959 232**	**90 248 428**
Total shareholders' funds and liabilities		**1 502 245 810**	**650 136 488**	**1 464 607 673**	**129 403 520**
ASSETS					
Cash and cash equivalents	15	352 383 289	103 502 091	352 383 289	21 538 825
RBZ Digital Gold Tokens		19 567 202	-	19 567 202	-
Investment securities	13	148 655 609	80 510 025	148 655 609	16 754 166
Loans and advances	16	494 536 518	222 417 933	494 536 518	46 285 257
Other assets	17	54 416 952	42 492 142	51 698 829	8 504 329
Assets held for sale	18	-	1 829 062	-	380 629
Trade and other investments	19	2 566 889	1 225 641	2 566 889	255 057
Current tax assets	7.3	-	211 665	-	44 048
Investment properties	21	268 101 729	108 688 700	268 101 729	22 618 160
Intangible assets	22	3 374 834	4 760 955	17 052	23 147
Property and equipment	23	158 642 788	84 498 274	127 080 556	12 999 902
Total assets		**1 502 245 810**	**650 136 488**	**1 464 607 673**	**129 403 520**

** The Historical Cost information has been shown as supplementary information for the benefit of users.*

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NMBZ Holdings
2023 Audited Financial Results

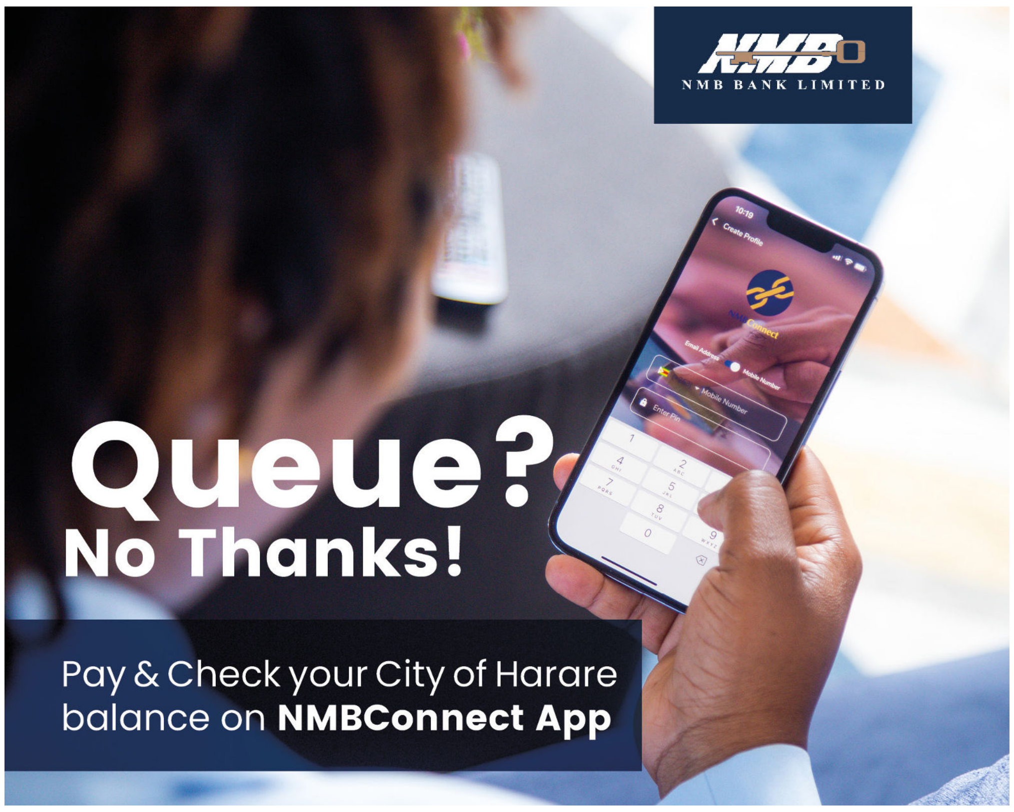
NMBZ HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation Adjusted							
	Share Capital	Share Premium	Treasury Shares	Functional Currency Translation Reserve	Share Option Reserve	Revaluation Reserve	Retained Earnings	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022	94 916	20 087 263	(139)	7 634 508	545 919	23 970 518	92 836 793	145 169 785
Profit for the year	-	-	-	-	-	-	57 675 776	57 675 776
Revaluation of land and buildings, net of tax	-	-	-	-	-	2 583 050	-	2 583 050
Share options exercised	1	43 212	-	-	(11 287)	-	-	31 925
Share buy back	-	-	(1 906)	-	-	-	(1 013 566)	(1 015 472)
Scrip dividends paid	11	668 061	-	-	-	-	(668 075)	-
Dividend paid	-	-	-	-	-	-	(243 844)	(243 844)
Redeemable ordinary shares	221	107 953	-	-	-	-	-	108 174
Employee share schemes – value of employee services	-	-	-	-	701 513	-	-	701 513
Balance at 31 December 2022	**95 149**	**20 906 488**	**(2 045)**	**7 634 508**	**1 236 145**	**26 553 568**	**148 587 085**	**205 010 897**
Profit for the year	-	-	-	-	-	-	275 630 378	275 630 378
Revaluation of land and buildings, net of tax	-	-	-	-	-	51 967 431	-	51 967 431
Share options exercised	23	-	-	-	(23)	-	-	-
Share buy back	(0)	(3 949)	-	-	-	-	(453 491)	(457 440)
Scrip dividends paid	-	5 890 736	-	-	-	-	(5 890 736)	-
Dividend paid	-	-	-	-	-	-	(1 017 151)	(1 017 151)
Employee share schemes – value of employee services	-	-	-	-	305 160	-	-	305 160
Balance at 31 December 2023	**95 172**	**26 793 275**	**(2 045)**	**7 634 508**	**1 541 282**	**78 520 998**	**416 856 086**	**531 439 276**

	Historical Cost*							
	Share Capital	Share Premium	Treasury shares	Functional Currency Translation Reserve	Share Option Reserve	Revaluation Reserve	Retained Earnings	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022	84	19 122	(7)	11 620	27 768	1 915 997	5 085 121	7 059 705
Profit for the year	-	-	-	-	-	-	25 468 506	25 468 506
Revaluation of land and buildings, net of tax	-	-	-	-	-	5 833 685	-	5 833 685
Share options exercised	0	5 727	-	-	(1 496)	-	-	4 231
Share buy back	-	-	(387)	-	-	-	(205 933)	(206 320)
Scrip dividends paid	2	133 341	-	-	-	-	(133 343)	-
Dividend paid	-	-	-	-	-	-	(48 670)	(48 670)
Redeemable ordinary shares	29	14 306	-	-	-	-	-	14 335
Employee share schemes – value of employee services	-	-	-	-	103 297	-	-	103 297
Balance at 31 December 2022	115	172 496	(394)	11 620	129 569	7 749 682	30 165 681	38 228 769
Profit for the year	-	-	-	-	-	-	385 559 867	385 559 867
Revaluation of land and buildings, net of tax	-	-	-	-	-	82 399 807	-	82 399 807
Share options exercised	9	-	-	-	(9)	-	-	-
Share buy back	(0)	(3 949)	-	-	-	-	(453 491)	(457 440)
Scrip dividends paid	-	3 006 177	-	-	-	-	(3 006 177)	-
Dividend paid	-	-	-	-	-	-	(500 372)	(500 372)
Employee share schemes – value of employee services	-	-	-	-	229 682	-	-	229 682
Balance at 31 December 2023	**124**	**3 174 723**	**(394)**	**11 620**	**359 242**	**90 149 489**	**411 765 509**	**505 460 313**

** The Historical Cost information has been shown as supplementary information for the benefit of users.*



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation Adjusted		Historical Cost*	
	Note	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000	31 Dec 2023 ZWL'000	31 Dec 2022 ZWL'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		322 341 238	77 226 628	435 054 479	28 977 636
Non-cash items:					
- Net monetary Loss		65 818 337	31 352 720	-	-
- Depreciation (excluding right of use assets)	6	5 473 365	2 926 114	1 559 712	222 437
- Depreciation –Right of use assets	6	2 856 869	1 259 745	458 700	71 926
- Amortisation of intangible assets	6	1 386 125	1 392 072	6 094	4 395
			-		
- Impairment losses on financial assets measured at amortised costs	17.3	8 394 325	1 596 336	14 961 385	1 191 393
- Sundry income - non -cash		-	(5 716 912)	-	(1 189 691)
- Investment properties fair value gains	22	(143 695 504)	(32 823 582)	(236 921 078)	(16 380 731)
			-		
- Trade and other investments fair value gains adjustment	20	(6 063 858)	(283 695)	(2 311 833)	(218 556)
- Profit on disposal of property and equipment	5.3	(263 762)	(6 800)	(126 465)	(1 803)
- Loss/(profit) on disposal of investment properties	5.3	81 046	164 113	(254 724)	(26 722)
- Profit in disposal of non-current assets held for sale		(3 322 605)	-	(3 322 605)	-
- Unrealised foreign exchange gain		(158 229 037)	(22 532 677)	(158 229 037)	(4 689 059)
- Non-cash employee benefits expense –					
share-based payments		305 160	701 513	229 682	103 297
Operating cash flows before changes in operating assets and liabilities		95 081 698	55 255 575	51 104 310	8 064 522
Changes in operating assets and liabilities					
Increase in customer deposits		272 811 939	83 493 295	475 315 699	42 789 270
Increase in other liabilities		42 673 674	11 223 592	86 117 166	9 041 268
Increase in loans and advances		(265 590 748)	(91 199 645)	(448 101 647)	(42 196 512)
Increase in other assets		(11 924 810)	(7 158 362)	(43 194 500)	(7 793 984)
Net cash generated from operations		133 051 754	51 614 456	121 241 028	9 904 564
Corporate tax paid		(20 287 014)	(14 251 002)	(15 566 380)	(2 472 504)
Net cash inflow from operations		112 764 740	37 363 454	105 674 648	7 432 060
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of intangible assets	23	-	(75 513)	-	(14 133)
Acquisition of investment securities	13	(346 421 331)	(79 500 160)	(132 072 378)	(6 143 914)
Net acqusitions of RBZ digital gold tokens		(4 319 410)	-	(4 319 410)	-
Proceeds on disposal of property and equipment		263 762	9 690	126 465	1 515
Acquisition of property and equipment	24	(8 927 055)	(12 071 479)	(4 197 432)	(2 162 776)
Proceeds on disposal of investment properties		3 881 320	748 884	2 611 986	134 369
Acquisition of investment properties	22	(19 598 846)	(18 493 384)	(11 345 113)	(2 764 347)
Net cash used in investing activities		(375 121 560)	(109 381 962)	(149 195 884)	(10 949 286)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities	12	(3 694 925)	(318 454)	(2 140 382)	(70 173)
Cash dividend paid		(1 017 151)	(243 844)	(500 372)	(48 670)
Issue of shares		-	31 925	-	4 231
Borrowings repaid	13	(28 795 014)	(1 589 812)	(16 684 703)	(322 394)
Borrowings raised	13	270 808 081	11 844 318	258 697 770	16 873 751
Share buyback		(457 440)	(1 015 612)	(457 440)	(206 320)
Net cash inflow from financing activities		236 843 551	8 708 521	238 914 873	16 230 425
Net (decrease)/increase in cash and cash equivalents		(25 513 267)	(63 309 987)	195 393 638	12 713 198
Net foreign exchange and monetary adjustments on cash and cash equivalents		274 394 465	86 327 430	135 450 825	3 953 365
Cash and cash equivalents at beginning of the year		103 502 091	80 484 648	21 538 825	4 872 262
Cash and cash equivalents at the end of the year	16	352 383 289	103 502 091	352 383 288	21 538 825
ADDITIONAL INFORMATION ON OPERATING CASH FLOWS FROM INTEREST					
Interest received		123 831 988	101 251 280	64 815 311	15 395 364
Interest paid (including interest on lease liabilities)		(24 597 903)	(30 645 349)	(9 524 856)	(4 591 382)

Continued from Page 4

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The NMBZ Holdings Limited Group (the Group) comprises the company (NMBZ Holdings Limited) and wholly owned subsidiaries, NMB Bank Limited (the Bank), NMB Properties Limited and Xplug Solutions Limited.

NMB Bank Limited was established in 1993 as a merchant bank incorporated under the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and is now registered as a commercial bank in terms of the Banking Act (Chapter 24:20) of Zimbabwe. It operates through a branch and agency network in Harare, Bulawayo, Masvingo, Kwekwe, Mutare, Gweru, Bindura, Chinhoyi and Victoria Falls.

NMB Properties Limited is a property development and services company established in 2023. It was set up to broaden the NMBZ Holdings product offering suite and optimize a significant portfolio of properties and real estate opportunities within and beyond the Group.

Xplug Solutions Limited services is a subsidiary of the NMBZ Holding Group whose main thrust is to use technology to transform any size of business into achieving business growth, agility and composability.

The Holding Company is incorporated and domiciled in Zimbabwe and is an investment holding company. Its registered office address is 19207 Liberation Legacy Way, Borrowdale, Harare. The Bank is exposed to the following risks in its operations: liquidity risk, credit risk, market risk, operational risk, foreign currency exchange rate risk and interest rate risk.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

Compliance with local legislation

The condensed consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe and the Banking Act (Chapter 24:20) of Zimbabwe and Zimbabwe Stock Exchange (ZSE) Listing Rules of 2019. In addition, the Group's Banking subsidiary is generally compliant with the following statutes:

- RBZ Banking Regulations, Statutory Instrument 205 of 2000;
- Bank Use Promotion and Suppression of Money Laundering (Chapter 24:24);
- Exchange Control Act (Chapter 22:05);
- Deposit Protection Act (Chapter 24.29);
- National Payments Systems Act (Chapter 24:23);
- Capital Adequacy and prudential lending guidelines.

Compliance with IFRS

The condensed consolidated financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) and have been able to achieve this with the exception of IAS 21 - The Effects of Changes in Foreign Exchange Rates, IFRS 9 – Financial Instruments, IFRS 13 - Fair Value Measurement, IAS 8 – Accounting Policies, Changes in accounting estimates and errors and the consequential impact on IAS 29 – Financial Reporting in Hyperinflationary Economies as indicated in the Independent Auditor's Report.

The consolidated financial statements including comparatives, have been prepared under the inflation adjusted accounting basis to account for changes in the general purchasing power of the ZWL. The restatement is based on the Consumer Price Index at the statement of financial position date. The indices are derived from the monthly inflation rates which are issued by the Zimbabwe National Statistics Agency (ZIMSTAT) until 31 January 2023.

On the 3rd of March 2023, the Government issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTAT stopped reporting ZWL inflation and CPI figures and only released blended CPI figures. There were further changes that introduced a geometric method of calculating inflation in September 2023. These changes have created a challenge for the Group, as it had been using the ZWL CPI for reporting hyperinflated historical figures.

The use of indices issued by ZIMSTAT made comparability possible for business in Zimbabwe. While it is preferable for all companies using the ZWL functional currency to use the same index, the standard provides that each business may determine an index for the purpose of compliance with IFRS.

The determination of the indices is a significant area of judgement. The timing of the resolution of the uncertainty regarding the CPI is unknown. Refer to the table below for the CPI sensitivity analysis

ZIMSTAT publishes monthly statistics on the Total Consumption Poverty Line (TCPL) in ZWL , which measures the amount required to purchase both non-food and food items. By analysing the correlation between the movement in TCPL and the officially published CPI from January 2019 to January 2022, a very strong relationship with a coefficient correlation of 0.99 was observed and management consequently determined that from February 2023 going forward CPI can be estimated by adjusting the last published CPI based on the monthly movement of the TCPL.

The conversion factors used to restate the financial statements as at 31 December 2023 are as follows:

Dates	Indices	Conversion factor
31 Dec 18	88.81	739.8202
31 Dec 19	551.63	119.1078
31 Dec 20	2474.52	26.5520
31 Dec 21	3977.46	16.5189
31 Dec 22	13672.91	4.8054
31 Dec 23	65703.44	1.0000

The indices have been applied to the historical costs of transactions and balances as follows:

- All comparative figures from 31 December 2018 to date have been restated by applying the change in the index to 31 December 2023;
- Income statement transactions have been restated by applying the change in the index from the approximate date of the transactions to 31 December 2023;
- Gains and losses arising from the monetary assets or liability positions have been included in the income statement;
- Non-monetary assets and liabilities have been restated by applying the change in the index from the date of the transaction to 31 December 2023;
- Property and equipment and accumulated depreciation have been restated by applying the change in the index from the date of their purchase or re-assessment to 31 December 2023;
- Equity has been restated by applying the change in index from the date of issue to 31 December 2023;

The net impact of applying the procedures above is shown in the statement of comprehensive income as the gain or loss on net monetary position.

2.1.1. CPI SENSITIVITY

The Group considered various methodologies in determining the ZWL inflation indices to use for the purposes of preparation of consolidated inflation adjusted financial statements. The methodologies applied were consistent with those required by International Accounting Standard (IAS 29) – Financial Reporting in Hyperinflationary Economies. In determining the indices, the group settled on the movement in TCPL as the best estimate based on the analysis above.

The analysis below seeks to demonstrate the sensitivity of the indices used in preparing hyperinflation accounts.

If the CPI as determined by TCPL for the year increased by 10% and 20%, the effect of the movement on key financial metrics will be as follows

	Scenario 1: Increase by 10% ZWL '000	Scenario 2: Increase by 20% ZWL '000
Operating income decrease	(5 346 196)	(10 692 393)
Profit for the year decrease	(10 913 131)	(21 826 262)
Total assets increase	3 763 814	7 527 627
Total equity and reserves increase	2 677 714	5 355 428
Total liabilities increase	1 086 100	2 172 199

IAS 29 discourages the publication of historical results as a supplement to the inflation adjusted results. However, historical results have been published as additional information for the users of the Group's financial statements. The Auditors have not expressed an opinion on the historical results.

Functional and presentation currency

For the purposes of the consolidated financial statements, the results and financial position of the Group are expressed in Zimbabwe dollars which is the functional currency of the Group, and the presentation currency for the consolidated financial statements. The consolidated financial statements are rounded to the nearest dollar.

Comparative financial information

The Group financial statements comprise the consolidated and separate statements of financial position, comprehensive income, changes in equity and cash flows. The comparative information covers a period of twelve months.

2.2. BASIS OF CONSOLIDATION

The consolidated and separate financial statements comprise of the financial statements of the Group and company. All companies in the Group have a December year end. Inter-group transactions, balances, income and expenses are eliminated on consolidation.

2.2.1. BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Subsidiaries

Subsidiaries are those investees controlled by the Group. The Group controls an investee if it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements, using the acquisition method, from the date that control effectively commences until the date that control effectively ceases.

In the holding company's separate financial statements, investment in subsidiaries are accounted for at cost.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into Zimbabwe Dollars (ZWL), which is the respective functional currency of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted . for effective interest and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss.

2.4. TAXATION

Income tax

Income tax expenses comprise current, capital gains and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using rates enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income and any adjustment to tax payable in respect of previous years. Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognised. These amounts are generally recognised in profit or loss because they generally relate to income arising from transactions that were originally recognised in profit or loss.

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2.5. FINANCIAL INSTRUMENTS

Measurement Methods

Amortised cost and effective interest rates

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, an adjustment for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition - the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss; transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial asset or financial liability respectively, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial Assets

(i) Classification and subsequent measurement

From 1 January 2018, the Group has applied IFRS 9 and classifies its financial assets in the measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in interest and similar income using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principle and interest and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net Investment Income'. Interest income from these financial assets is included in 'Interest Income' using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net Trading Income" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net Investment Income'. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows taking. These securities are classified in the 'other' business model and measured at FVPL. from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether financial instruments' cash flows represent solely payments of principal and interest (the "SPPI" test). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Other Income' line in the statement of profit or loss.

(ii) Impairment

The Bank recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are not measured at Fair Value through Profit or Loss (FVTPL):

- loans and advances to banks;
- loans and advances to customers;
- debt investment securities;
- lease receivables;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

With the exception of POCI financial assets (which are considered separately below), ECLs are measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

Other Financial Assets

The Bank holds other financial assets that are neither cash, debt nor equity instruments, namely ZiG Gold-Backed Digital Tokens (ZiG). These are a form of digital currency that was introduced by the Reserve Bank of Zimbabwe (RBZ) in October 2023 as a means to increase fungibility of the gold coins introduced in 2022 by the RBZ. The Bank holds both its own ZiG and on behalf of its customers as part of its custodial services. In relation to the ZiG held on behalf of customers, the Bank has made a determination that it does not hold control over the Zig in accordance with the guidance from the Conceptual Framework as it cannot obtain economic benefits flowing from holding the ZiG and has no right to deploy the ZiG held on behalf of customers in its activities. This therefore means that the ZiG held on behalf of customers does not qualify as either an asset or a liability in the Bank's financial statements and it is not disclosed in the Bank's financial statements.

i. Recognition of ZiG purchased by the Bank

In relation to the ZiG purchased by the Bank, as there is no specific IFRS that directly applies to its classification, recognition and measurement, according to *IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, management has elected to recognise it as a financial asset according to IAS 32: Financial Instruments - Presentation*. This is because the Bank has a contractual right to receive cash from the RBZ after a 180 day redemption period.

ii. Classification and measurement

The ZiG purchased by the bank is classified and measured at Fair Value Through Profit or Loss (FVTPL) as the ZiG does not have an interest component.

Expected Credit Losses

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's Effective Interest Rate (EIR).

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down; and

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.

The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

e) the disappearance of an active market for that financial asset because of financial difficulties; or

f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Purchased or originated credit-impaired (POCI) financial assets

For POCI the Bank only recognises the cumulative changes in lifetime expected credit losses since initial recognition. At each reporting date, the Bank recognises in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss. The Bank recognises favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For loan commitments and financial guarantee contracts, the loss allowance is recognised in other liabilities. The Bank keeps track of the changes in the loss allowance for financial assets separately from those for loan commitments and financial guarantee contracts. However, if a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Bank does not separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment is recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses is recognised in other liabilities.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

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The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank or;
- The borrower is unlikely to pay its credit obligations to the Bank in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Bank monitors all financial assets, undrawn loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. The Bank's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets, undrawn loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's lenders operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For the retail portfolio, forward looking information includes the same economic forecasts as the corporate portfolio with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Bank uses the same methodologies and data used to measure the loss allowance for ECL.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Bank still considers separately additional qualitative factors to assess if credit risk has increased significantly. For corporate lending there is particular focus on assets that are included on the Bank's 'watch list' and for the retail portfolio the Bank considers the expectation of forbearance and payment holidays, credit scores and any other changes in the borrower's circumstances which are likely to adversely affect one's ability to meet contractual obligations.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

The Bank assumes that when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

(iii) Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty. Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates the new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- the Bank transfers substantially all the risks and rewards of ownership, or
- the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

ii) Is prohibited from selling or pledging the assets; and

iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Bank retains a subordinated residual interest.

Financial Liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit or loss: this classification is applied to financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Bank recognises any expense incurred on the financial liability.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised in other liabilities. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised in other liabilities.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Bank's accounting policies.

Note 2.20 provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Bank evaluates ECLs for 7 portfolios of audited corporates with overdraft limits, audited corporates without overdraft limits, unaudited corporates with overdraft limits, unaudited corporates without overdraft limits, SMEs with limits, SMEs without limits and Retail loans.

The guiding principle of the Expected Credit Loss evaluation is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments and allocate commensurate loss provisions. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1 ECLs) that is evaluated for all financial instruments with no significant deterioration in credit quality since initial recognition.
- Lifetime ECLs (Stages 2 and 3 ECLs) that is evaluated for financial instruments for which significant increase in credit risk or default has occurred on an individual or collective basis.

Probability of Default (PD)

The Bank defines Probability of Default as the likelihood that a borrower will fail to meet their contractual obligations in the future. The Bank's PD models have been built using historical credit default experience, present credit information as well as forward looking factors which affect the capacity of borrowers to meet their contractual obligations. The Bank used the logistic regression approach to construct PD models for Corporate, SME, Retail and Treasury Bills portfolios while the Merton model was adopted for Interbank Placements. The PD models are used at entity level to evaluate 12 - month PDs for Day 1 losses and for financial instruments with no significant deterioration in credit risk since initial recognition, whilst lifetime PD is used for financial instruments for which significant increase in credit risk or default has occurred. 12 - month PDs are derived using borrower present risk characteristics while lifetime PDs are derived using a combination of 12 - month PDs, present borrower behaviour and forward looking macroeconomic factors.

Exposure at Default (EAD)

The Bank defines Exposure at Default as an estimation of the extent to which the Bank will be exposed to a counterparty in the event of a default. The Bank's EAD models have been built using historical experience of debt instruments that defaulted. The Bank used the linear regression approach to construct EAD models for Corporate, SME and Retail portfolios. For TBs and Interbank Placements, the Bank took a conservative approach of considering the full outstanding balance as the EAD at any given point in the lifetime of an instrument. The Bank's EAD models that use Credit Conversion Factors (CCFs) are applied on fully drawn down instruments while models that use Loan Equivalents (LEQs) are applied on partly drawn instruments. The EAD models are used at entity level to evaluate the proportion of the exposure that will be outstanding at the point of default.

Loss Given Default (LGD)

The Bank defines Loss Given Default as an estimate of the ultimate credit loss in the event of a default. The Bank's LGD models were built using historical experience of defaulted debt instruments and observed recoveries. The Bank used the linear regression approach to construct LGD models for Corporate, SME and Retail portfolios. For Treasury Bills and Interbank Placements, the Bank took a conservative approach of taking a fixed 100% as the LGD at any given point in the lifetime of an instrument. The LGD models are used at portfolio level to evaluate 12 - month LGDs for financial instruments with no significant increase in credit risk since initial recognition and lifetime is applied LGDs for financial instruments for which significant increase in credit risk has occurred. 12-month LGDs were derived as historical loss rates while lifetime LGDs were derived using a combination of 12 - month LGDs and forward looking macroeconomic factors such as GDP and Inflation.

The Bank's ECL model combines the output of the PD, EAD and LGD and computes an Expected Credit Loss that takes into account the time value of money using the Effective Interest Rates (EIR) and time to maturity of the debt instruments.

The final ECL is a probability-weighted amount that is determined by evaluating three (3) possible outcomes of Best Case ECL, Baseline Case ECL and Worst Case ECL. The Bank has modelled these three cases in such a way that the Best Case represents a scenario of lower than market average default rates, the Base Case represents scenarios of comparable market average default rates and the Worst Case represents scenarios of higher than market average default rates.

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Forward looking information

In its ECL models, NMB Bank relies on a broad range of forward looking information as macroeconomic inputs, such as:

Inflation Rate

This is the inflation of the country of Zimbabwe. The Bank approximates the impact of inflation on the future quality of the credit portfolio by measuring the variation between the inflation rate at reporting date and the highest forecasted inflation rate for the period 2020-2023. Current inflation data is collected from the Reserve Bank of Zimbabwe (RBZ) and Zimbabwe National Statistics Agency (ZIMSTAT) websites while inflation forecast data is collected from the World Bank websites.

Unemployment Rates

The Bank defines this as the unemployed proportion of the country's population. The Bank approximates the impact of unemployment on the future quality of the credit portfolio by assessing the direction of the rate. Increasing unemployment rate tends to indicate economic downsizing in the future while an improving unemployment rate ordinarily indicates economic growth.

Market Non-Performing Loans Rate

The Bank assesses the variance between its non-performing loans rate and the market average NPL rate as at reporting date. The variance approximates the performance of the Bank against the market with respect to the ability of the Bank to underwrite low credit loans.

Producer Price Index (PPI)

The Bank assesses this as the cost of production for companies. The Bank approximates the impact of PPI on the future quality of the credit portfolio by assessing the direction of the index. Increasing PPI tend to indicate economic downsizing in the future while decreasing PPI ordinarily promotes economic growth in the future. PPI data is collected from the RBZ and ZIMSTAT websites.

Renegotiated loans and advances

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been re-negotiated, any impairment is measured using the original effective interest rate (EIR) as calculated before the modification of terms and the loan is no longer considered past due. Management continuously renews re-negotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loans original EIR.

Collateral valuation

The Group seeks to use collateral, where possible, to mitigate its credit risk on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily. To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

Collateral repossessed

The Group's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold, are immediately transferred to assets held for sale at their value at the repossession date in line with the Group's policy.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the statement of financial position.

Non-performing loans

Interest on loans and advances is accrued as income until such time as reasonable doubt exists about its recoverability, thereafter and until all or part of the loan is written off, interest continues to accrue on customer's accounts but is not included in income. The suspended interest is recognised as a provision in the statement of financial position. Such suspended interest is deducted from loans and advances in the statement of financial position. This policy meets the requirements of the Banking Regulations, Statutory Instrument, 205 of 2000.

2.6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central bank and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.7. PROPERTY AND EQUIPMENT

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. The previous remaining carrying amount is derecognized. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Land and buildings are measured at revalued amount less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Revaluation of property is performed at the end of each reporting period, by a registered professional valuer.

Any revaluation surplus is recognised in other comprehensive income and accumulated in the revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve, the decrease in other comprehensive income reduces the amount accumulated in equity as the asset revaluation reserve, the decrease in other comprehensive income reduces the amount accumulated in equity as the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property and plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Residual values and the useful life of assets are reviewed at least at each financial year end. Where the residual value of an asset increases to an amount that is equal to or exceeds its carrying amount, then the depreciation of the asset ceases. Depreciation will resume only when the residual value decreases to an amount below the asset's carrying amount.

Owned assets

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of attributable overheads which are directly attributable to the assets.

Depreciation

Depreciable amount is the cost of an asset or other amount substituted for cost less its residual value. Depreciation is provided to write off the depreciable amount of property and equipment over their estimated useful lives to their estimated residual values at the following rates per annum, on a straight-line basis.

Computers	20%
Motor Vehicles	25%
Furniture and Equipment	20%
Buildings	2%

Land and capital work-in-progress are not depreciated.

2.8. NON-CURRENT ASSETS HELD FOR SALE

The bank receives collateral from counter-parties in form of immovable property and other approved qualifying collateral as security against loan advances in the normal course of the business. It is not the intention of the bank to recover loans advanced through collateral disposal, as the bank will always consider all the options available to recover loans advanced to customers, by considering the borrowers' changed circumstances and cash flows and to find out whether restructuring options will result in the customers settling their outstanding obligations to the bank.

However, in the unlikely event that the bank is left with no option, except to dispose the loan collateral security, and all the formalities have been completed by the borrower to have the collateral transferred to the bank, such collateral will not become part of the bank's asset portfolio. The Bank will initiate the process of disposal of the recovered collateral in order to clear the customer's outstanding obligations with the bank.

Such immovable properties and the other approved qualifying collateral will be accounted for under Non-current assets held for sale, given the timing differences between the dates the immovable asset is recovered by the bank and the time it will be finally disposed off.

Initial measurement is the fair value less cost to sell of which the fair values are through a professional valuer. Subsequently the bank will measure the carrying amount subject to changes in fair value less cost to sale of these assets.

2.9. INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Subsequently the assets are measured at cost less accumulated amortisation and any impairment loss.

Amortisation of intangible assets

The depreciable amount of an intangible asset with a finite useful life is allocated on a straight line basis over its useful life. The amortisation rate is as follows:

Computer Software	20%

2.10. LEASES

The determination of whether an arrangement is a lease, or it contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

As lessee

In terms of IFRS 16, the Group recognises lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

The Group has neither enjoyed nor extended any lease payment holidays in its capacity as either lessee or lessor respectively due to COVID-19. As such, there are no COVID-19 induced lease modifications applicable during the period under review.

Measurement of right-of-use assets

The associated right-of-use assets for property leases are measured on a prospective basis. The right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In circumstances where the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group revalues its land and buildings that are presented within property and equipment and it has elected not to do so for the right-of-use buildings held by the Group.

2.11. IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets other than consumables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the functions of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist, or may have decreased. If such an indication exists the bank estimates the assets or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

2.12. INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise. Revaluation is done at the end of each year by a registered independent professional valuer.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property

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becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

2.13. FINANCIAL GUARANTEES

In the ordinary course of business, the banking subsidiary give financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less, where appropriate, cumulative amortisation recognised in profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recognised in the profit or loss. The premium received is recognised in profit or loss on a straight line basis over the life of the guarantee, or in full, depending on the conditions attached to the guarantee.

2.14. WRITE-OFFS

Financial assets are written off where the recovery efforts have been pursued actively over one year without success or when it is uneconomical and inefficient to keep carrying the debt in the books as the chances of recovery become slim. Such accounts become subjects of write-backs in the event of recovery.

Partial write-offs may be possible in cases where collateral security held is inadequate to expunge the debt in full.

2.15. FEES AND COMMISSION INCOME

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the EIR.

Other fees and commission – including retail banking customer fees, corporate banking and credit related fees, fees from financial guarantee contracts, commission from international banking activities and fees from corporate finance – are recognised as the related services are performed. If a loan commitment is not expected to be drawn down of a loan, then the related commitment fees are recognised on a straight line basis over the commitment period.

Other fees and commitment expense relate mainly to transaction and service fees, which are expensed as the services are received.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

2.16. INTEREST INCOME

For all financial instruments measured at amortised cost and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income includes income arising out of the banking activities of lending and investing.

2.17. INTEREST EXPENSE

Interest expense arises from deposit taking and borrowings. The expense is recognised in profit or loss as it accrues, taking into account the effective interest cost of the liability.

2.18. EMPLOYEE BENEFITS

Retirement benefits are provided for the Group's employees through a defined contribution plan and the National Social Security Authority Scheme.

Defined Contribution Plan

Obligations for contribution to the defined contribution pension plan are recognised as an expense in profit or loss as they are incurred.

The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994 is determined by the systematic recognition of legislated contributions.

Short term employee benefits/and share based payments

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Group issues share options to certain employees in terms of the Employee Share Option Scheme which is an equity settled share-based payment scheme. Share options are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the options is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and other behavioural considerations.

2.19. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursements.

2.20. SHAREHOLDERS' FUNDS AND SHAREHOLDERS' LIABILITIES

Shareholders' funds and shareholders' liabilities refers to the total investment made by the shareholders in the Group and it consists of share capital, share premium, share options reserve, functional currency translation reserve, retained earnings, redeemable ordinary shares and subordinated loans. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

2.21. USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In preparation of the consolidated and separate financial statements, Directors have made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2023 is included in the following notes.

Land and buildings

The properties were valued by an independent professional valuer. The determined fair value of land and buildings is most sensitive to significant unobservable inputs. The property market is currently not stable due to liquidity constraints. Refer to Note 27 for more information on the nature and carrying amounts of the Land and Buildings as well as the inputs used.

Investment properties

Investment properties were valued by an independent professional valuer. The properties market is currently not stable due to liquidity constraints. Refer to Note 25 for more information on the nature and carrying amounts of the Investment Property as well as the inputs used.

Impairment losses on loans and advances

The Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in profit or loss. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. Refer to Note 2 for more information on the nature and carrying amounts of the impairment losses on loans and advances as well as the inputs used.

Going concern

The Directors have assessed the ability of the Group and Company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

Determination of the functional currency

In October 2018, the Monetary Authorities instructed financial institutions to separate bond notes and USD accounts and indicated that corporates and individuals could proceed to open Nostro Foreign Currency Accounts (FCA), for foreign currency holdings, which were now being exclusively distinguished from the existing RTGS based accounts. However, it should be noted that at the time of this policy pronouncement, the Monetary Authorities did not state that they had introduced a new currency for Zimbabwe, which actually meant that the USD remained as the currency of reference. By 31 December 2018, there had been no pronouncement by the Monetary Authorities to the effect that there had been a new currency introduced, which could be considered as the country's functional currency

On 22 February 2019, the Reserve Bank of Zimbabwe (RBZ) issued an Exchange Control Directive, RU 28 of 2019 which established an interbank foreign exchange market to formalise the buying and selling of foreign currency through the Banks and Bureaux de change. In order to establish an exchange rate between the current monetary balances and foreign currency, the Monetary Authorities denominated the existing RTGS balances in circulation as RTGS Dollars. Initial trades on 22 February 2019 were at USD1: RTGS$2.5. On the same date, Statutory Instrument 33 of 2019 was also issued and it specified that for accounting and other purposes, all assets and liabilities that were in USD immediately before the 22nd of February 2019 were deemed to have been valued in RTGS Dollars at a rate of 1:1 with the USD. On 24 June 2019, the Monetary Authorities announced that the multi-currency regime, which the country was operating in since February 2009 had been discontinued and the country had adopted a mono-currency regime meaning that the sole legal tender would be the Zimbabwe Dollar (ZWL). On 26 March 2020, the Reserve Bank of Zimbabwe in a press statement announced various interventions in response to the financial vulnerabilities caused by the COVID-19 pandemic. One of the measures announced therein was the authorization of the use of free-funds in paying for goods and services, in terms of Statutory Instrument (SI) 85 of 2020. On 24 July 2020, the Government of Zimbabwe issued Statutory Instrument (SI) 185 of 2020, which granted permission to display, quote or offer prices for all goods and services in both Zimbabwe dollars and foreign currency at the interbank exchange rate. On 23 June 2020, the Reserve Bank of Zimbabwe introduced the Foreign Exchange Auction System, effectively abandoning the fixed foreign currency exchange rate regime, which had been prevailing for the greater part of 2020. Significant trades have been recorded on the platform and significant movements in the exchange rate have been resultantly recorded.

In light of the developments summarised above, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL) following its change from USD with effect from 22 February 2019.

Lease arrangements

The Directors have exercised significant judgement on determining whether the various contractual relationships which the Group is party to, contain lease arrangements which fall into the scope of IFRS 16. Significant judgement was also exercised in determining whether the Group is reasonably certain that it will exercise extension options present in lease contracts as well.

2.22. STANDARDS ISSUED AND EFFECTIVE

a) New standards and amendments – applicable 1 January 2023

The following International Financial Reporting Standards and amendments are effective for the first time for the December 2023 year-end reporting period

Standard	Effective Date	Executive Summary
IFRS 17 Insurance Contracts	1 January 2023 (deferred from 1 January 2021)	IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: - discounted probability-weighted cash flows - an explicit risk adjustment, and "- a contractual service margin (CSM) representing the unearned profit of the contract which is" recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023. Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis. The group has not applied these amendments as they are not applicable
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice " Statement 2"	1 January 2023	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. No significant impact has resulted from these amendments.
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. No significant impact has resulted from these amendments.

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Standard	Effective Date	Executive Summary
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: - right-of-use assets and lease liabilities, and - decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. No significant impact has resulted from these amendments.
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	N/A	The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. No significant impact has resulted from these amendments.

b) Forthcoming requirements

The following standards and interpretations had been issued but were not mandatory for the 2023 financial year-end reporting period

Standard	Effective Date	Executive Summary
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024 (deferred from 1 January 2023 having been deferred again from 01 January 2022)	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Since issuing these amendments, the IASB issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024. The Group plans to adopt the amendments when they become effective. No significant impact has resulted from these amendments in the current year.
Non-current liabilities with covenants – Amendments to IAS 1	01 Jan 24	Amendments made to IAS 1 Presentation of Financial Statements in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarified what IAS 1 means when it refers to the 'settlement' of a liability. The amendments were due to be applied from 1 January 2022. However, the effective date was subsequently deferred to 1 January 2023 and then further to 1 January 2024. In October 2022, the IASB made further amendments to IAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current. The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: • the carrying amount of the liability • information about the covenants, and • facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or noncurrent The Group plans to adopt the amendments when they become effective. No significant impact has resulted from these amendments in the current year.
Lease liability in sale and leaseback – amendments to IFRS 16	01 Jan 24	In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate. The Group plans to adopt the amendments when they become effective. No significant impact has resulted from these amendments in the current year.
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	N/A	The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. *** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. The Group plans to adopt the amendments when they become effective. No significant impact has resulted from these amendments in the current year.

For management purposes, the Group is organised into six operating segments based on products and services as follows:

Retail banking	Individual customers deposits and consumer loans, overdrafts, credit card facilities and funds transfer facilities.
Corporate banking	Loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
Treasury	Money market investment, securities trading, accepting and discounting of instruments and foreign currency trading.
Microfinance	Handles the group's microlending business
Real Estate	Development of investment properties for sale & rental purposes
Digital Banking	Handles the Bank's Digital Banking products including Card and POS services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a Group basis and are not allocated to operating segments.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2022 or 2023.

3. INTEREST REVENUE CALCULATED USING THE EFFECTIVE INTEREST METHOD

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Loans and advances to banks	6 996 811	4 961 860	4 269 319	959 558
Loans and advances to customers	113 263 276	83 882 979	63 917 891	13 085 358
Investment securities	7 681 853	12 406 441	3 889 686	1 755 252
	127 941 940	**101 251 280**	**72 076 896**	**15 800 168**

4. INTEREST EXPENSE CALCULATED USING THE EFFECTIVE INTEREST METHOD

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Due to banks	12 411 109	22 761 602	5 086 846	3 578 448
Due to customers	4 716 906	6 364 664	2 761 455	742 178
Other borrowed funds	11 388 705	591 987	6 170 785	157 325
	28 516 720	29 718 253	14 019 086	4 477 951
Lease liability finance costs*	1 207 406	927 096	631 994	113 431
	29 724 126	**30 645 349**	**14 651 080**	**4 591 382**

* Finance costs related to the lease liability do not represent the cost of funding the loan book.

5. NON-INTEREST INCOME AND OTHER COMPREHENSIVE INCOME

5.1. Fees and commission income

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Retail banking customer fees	139 334 717	25 659 780	86 521 475	4 053 093
Corporate banking credit related fees	4 611 651	2 914 968	2 359 782	420 603
Financial guarantee fees	14 212 709	5 291 278	8 156 489	828 010
International banking commissions	3 832 761	3 252 814	2 136 901	370 984
Digital banking fees	66 870 794	36 612 363	38 581 874	5 032 826
	228 862 632	**73 731 203**	**137 756 521**	**10 705 516**
Timing of revenue recognition:				
- At a point in time	224 250 981	70 816 235	135 396 739	10 284 913
- Over time	4 611 651	2 914 968	2 359 782	420 603
	228 862 632	73 731 203	137 756 521	10 705 516

5.2. Net Foreign Exchange Gains

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Foreign exchange gains relating to revaluation of gold tokens	15 280 530	-	15 194 985	-
Net exchange gains on foreign currency denominated assets and liablities	112 856 589	18 351 775	121 120 664	4 048 384
	128 137 119	18 351 775	136 315 649	4 048 384

5.3. Other Income

	Inflation Adjusted		Historical Cost	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Fair value gains on investment properties	143 695 504	32 823 582	236 921 078	16 380 730
Profit on disposal of property and equipment	263 762	6 800	126 465	1 803
(Loss)/ profit on disposal of investment properties	(81 046)	(164 113)	254 724	26 722
Rental income	1 823 407	444 636	1 104 392	95 645
Recoveries	16 363	40 759	8 148	5 894
Auction proceeds	11 032 948	-	8 230 318	-
Other operating income	1 364 162	5 651 914	2 605 591	1 429 541
	158 115 100	38 803 578	249 250 716	17 940 335

5.4. Other comprehensive income

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Revaluations of land and buildings	71 020 585	3 431 256	110 945 505	7 749 051
Tax effect	(19 053 154)	(848 206)	(28 545 698)	(1 915 366)
	51 967 431	2 583 050	82 399 807	5 833 685

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6. OPERATING EXPENDITURE

The net operating income is after charging the following:

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Administration costs	102 318 273	32 493 180	67 124 614	4 826 405
Audit fees:				
- Current year	1 686 863	764 669	893 858	114 704
Amortisation of intangible assets	1 386 125	1 392 072	6 094	4 395
Depreciation (excluding right of use assets)	5 473 365	2 926 114	1 559 712	222 437
Depreciation – right of use assets	2 856 869	1 259 745	458 700	71 926
Directors' remuneration	2 764 568	845 344	1 622 313	129 973
- Fees for services as directors	2 579 870	793 174	1 524 283	122 188
- Expenses	184 698	52 170	98 030	7 785
Staff costs – salaries, allowances and related costs*	100 292 702	51 635 670	59 067 547	8 364 152
	216 778 764	**91 316 794**	**130 732 838**	**13 733 992**

*** Included in Staff costs - salaries, allowances and related costs are employee benefit costs relating share based payments amounting to ZWL 229 681 525 (2022: ZWL1 222 247 843).*

7. TAXATION

7.1.

	Inflation Adjusted		Historical Cost*	
Income Tax Charge	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Current tax	23 892 993	10 694 724	23 892 994	2 225 576
Deferred tax	22 817 867	8 856 137	25 601 618	1 283 554
	46 710 860	**19 550 861**	**49 494 612**	**3 509 130**

7.2. Reconciliation of income tax charge/(credit)

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Based on results for the period at a rate of 24.72% (2022:24.72%)	79 682 754	19 090 423	107 545 467	7 163 272
Tax effect of:				
- Income not subject to tax*	(375 334 477)	(10 317 853)	(115 736 184)	(979 237)
- Non-deductible expenses**	272 580 554	41 457 641	51 778 167	3 709 480
- Effect of exchange rate movements	69 782 028		5 907 162	
- Change in tax bases***	-	(30 679 350)	-	(6 384 384)
	46 710 860	**19 550 861**	**49 494 612**	**3 509 130**

* Income not subject to tax includes coupon interest from Treasury Bills and income from mortgages for the Group as well as non-deductible income attributable to the unwinding of share based payments for the company.

** Non-deductible expenses include provisions, disallowable pension deductions and depreciation.

***The change in tax bases arose from the legislative pronouncement in the Finance (No.2) Act of 2020 which resulted in the rebasing of unredeemed foreign currency capital balances on assets ranking for capital allowances using the USD /ZWL official exchange rate prevailing on 1 January 2020.

7.3. Current tax liabilities / (assets)

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
At 1 January	(211 665)	3 899 273	(44 049)	236 049
Monetary adjustment	9 962 658	(1 390 901)	-	-
Effect of exchange rate movement	(9 249 281)	836 241	(4 174 873)	(33 170)
Charge for the year	23 892 994	10 694 724	23 892 994	2 225 576
Payments during the year	(20 287 014)	(14 251 002)	(15 566 380)	(2 472 504)
	4 107 692	(211 665)	4 107 692	(44 049)

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of NMBZ Holdings Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of NMBZ Holdings Limited adjusted for the after tax effect of:

a) any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of the parent entity;

b) any interest recognised in the period related to dilutive potential ordinary shares; and

c) any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares; by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

8.1. Earnings

	Inflation Adjusted		Historical Cost*	
	2023 ZWL'000	2022 ZWL'000	2023 ZWL'000	2022 ZWL'000
Profit for the year	275 630 378	57 675 776	385 559 867	25 468 506
Headline earnings for the period	162 753 982	28 567 352	205 178 373	12 055 490

8.2. Number of shares

8.2.1. Basic earnings per share

	Inflation Adjusted		Historical Cost*	
	2023	2022	2023	2022
Weighted average number of ordinary shares for basic earnings per share				
Number of shares at beginning of period	398 195 181	404 157 689	398 195 181	404 157 689
Share options exercised	3 643	176 402	3 643	176 402
Shares issued - scrip dividend	13 529 471	1 999 625	13 529 471	1 999 625
Share buy back	(787 748)	(8 138 535)	(787 748)	(8 138 535)
	410 940 547	**398 195 181**	**410 940 547**	**398 195 181**

8.2.2. Diluted earnings per share

	Inflation Adjusted		Historical Cost*	
	2023	2022	2023	2022
Number of shares for basic earnings	410 940 547	398 195 181	410 940 547	398 195 181
Effect of dilution:				
Share options approved but not granted (ESOS)	4 211 471	10 141 568	4 211 471	10 141 568
	415 152 018	**408 336 749**	**415 152 018**	**408 336 749**

8.2.3. Headline earnings

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Profit for the period	275 630 378	57 675 776	385 559 867	25 468 506
Add/(deduct) non-recurring items				
Trade and other investments fair value gains	(6 063 858)	(283 695)	(2 311 833)	(218 556)
Fair value gains on investment property	(143 695 504)	(32 823 582)	(236 921 078)	(16 380 730)
Profit on disposal of property and equipment	(263 762)	(6 800)	(126 465)	(1 803)
Non - recurring sundry income	-	(5 716 912)	-	(1 189 691)
Loss/(profit) on disposal of investment properties	81 046	164 113	(254 724)	(26 722)
Tax effect thereon	37 065 681	9 558 452	59 232 606	4 404 487
	162 753 982	**28 567 352**	**205 178 373**	**12 055 490**

Headline earnings is a non-IFRS performance measure and the Group has determined it in accordance with ZSE Listing Requirements

8.3. Earnings per share (ZWL cents)

	Inflation Adjusted		Historical Cost*	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Basic	67 073	14 484	93 824	6 396
Diluted	66 393	14 125	92 872	6 237
Headline	39 203	6 996	49 422	2 952

9. SHARE CAPITAL

9.1. Authorised

	Inflation Adjusted		Historical Cost*	
	31-Dec 2023 Shares million	31-Dec 2022 Shares million	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000
Ordinary shares of ZWL 0.00028 each	600	600	168	168

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9.2. Issues and fully paid

9.2.1. Ordinary shares

	Inflation Adjusted			
	31-Dec 2023 Shares million	31-Dec 2022 Shares million	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000
Balance at 01 January	404	300	95 149	94 916
Share options exercised	0	0	23	1
Shares issued – scrip dividend	32	8	-	-
Redeemable ordinary shares	-	104	-	221
Share buy back	(1)	(8)	(0)	11
Balance at 31 December	**435**	**404**	**95 172**	**95 149**

	Historical Cost*			
	31-Dec 2023 Shares million	31-Dec 2022 Shares million	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000
Balance at 01 January	404	300	115	84
Share options exercised	0	0	9	0
Shares issued – scrip dividend	32	8	-	-
	-	104	-	29
Share buy back	(1)	(8)	(0)	2
Balance at 31 December	**435**	**404**	**124**	**115**

Of the unissued ordinary shares of 165 million shares (2022 - 196 million), options which may be granted in terms of the 2024 ESOS amount to 13 684 418 (2022 – 10 141 568).

Subject to the provisions of section 214 of the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, the unissued shares are under the control of the directors.

10. SUBORDINATED LOAN

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
At 1 January	4 451 329	3 685 623	926 323	223 115
Monetary adjustment	(3 525 006)	(5 371 200)	-	-
Exchange revaluation	6 261 805	6 136 907	6 261 805	703 208
	7 188 128	**4 451 329**	**7 188 128**	**926 323**

In 2013, the Bank received a subordinated term loan amounting to USD1.4 million from a Development Financial Institution which currently attracts interest rate based on the Secured Overnight Accommodation Rate (SOFR). The loan had a maturity date of June 2020.The Group defaulted on principal repayments with respect to this subordinated loan during the year ended 31 December 2019 as a result of the prevailing nostro funding challenges affecting the economy. Consequently, the Group registered it as a legacy debt together with other offshore lines of credit and transferred the ZWL equivalent of these debts at a rate of USD /ZWL1:1 to the RBZ in terms of the RBZ directive. The Reserve Bank of Zimbabwe issued Treasury Bills worth USD 1 400 000 in settlement of this loan, which are in the custody of the bank. The Treasury Bills have a 0% coupon rate and a three-year maturity profile.

The above liability would, in the event of the winding up of the issuer, be subordinated to the claims of depositors and all other creditors of the issuer.

There was a breach on the Aggregate Unhedged Open Foreign Currency Positions Ratio covenant which stood at 19.05% (instead of a maximum 10%) between the Group and the Development Financial Institution at the reporting date of 31 December 2023.

11. DEPOSITS

11.1. Deposits and current accounts from customers

	Inflation Adjusted			
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Current and deposit accounts from customers	528 530 915	255 718 976	528 530 915	53 215 217

11.2. Maturity analysis

	Inflation Adjusted		Historical Cost	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Less than 1 month	495 482 422	226 078 385	495 482 422	45 770 082
1 to 3 months	20 990 436	31 203 965	20 990 436	6 493 557
3 to 6 months	1 732 600	3 393	1 732 600	706
6 months to 1 year	1 892	4 454 999	1 892	927 087
1 to 5 years	10 323 565	114 291	10 323 565	23 784
Over 5 years	-	-	-	-
	528 530 915	261 855 033	528 530 915	53 215 216

The maturity analysis covers the Group's total deposits only and does not include other trade payables.

11.3. Sectoral analysis of deposits

	Inflation Adjusted			
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Agriculture	70 094 255	33 913 680	70 094 255	7 057 450
Banks and other financial institutions	44 069 266	26 436 401	44 069 266	5 501 425
Distribution	93 929 202	54 395 906	93 929 202	11 319 809
Individuals	43 055 920	20 831 735	43 055 920	4 335 092
Manufacturing	55 870 725	27 031 918	55 870 725	5 625 352
Mining companies	18 498 582	-	18 498 582	-
Municipalities and parastatals	70 733 934	29 108 801	70 733 934	6 057 553
Services	82 951 542	40 134 423	82 951 542	8 351 989
Transport and telecommunications	49 327 490	23 866 106	49 327 490	4 966 546
	528 530 915	255 718 970	528 530 915	53 215 217

12. BORROWINGS

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Banks and financial institutions	27 694 383	2 883 224	27 694 383	600 000
Offshore borrowings	235 594 934	91 668 598	235 594 934	19 076 270
Other institutions	-	7 688 500	-	1 599 980
	263 289 317	102 240 322	263 289 317	21 276 250
Opening balances of borrowings	102 240 322	97 702 728	21 276 250	5 914 585
Loans raised	270 808 081	75 408 345	258 697 770	15 684 059
Repayments made	(28 795 014)	(1 589 812)	(16 684 703)	(322 394)
Monetary effect of exchange rate	(80 964 072)	(69 280 939)	-	-
Closing balance	263 289 317	102 240 322	263 289 317	21 276 250

*Included in Offshore borrowings are loan balances of ZWL 42 328 291 405 (2022 ZWL27 110 714 075), ZWL7 188 127 720 (2022 ZWL4 603 871 704) and ZWL 22 513 148 622 (2022 ZWL15 178 274 427) due to Nederlandse Financierings-Maatschappij Voor Ontiwikkelingslanden (FMO), Norfund and Swedfund respectively. These loans, together with the subordinated debt referred to in note 10, form the Group's Blocked Funds which were registered with the Reserve Bank of Zimbabwe (RBZ) for an orderly expunging of the debts. In 2021, the Government of Zimbabwe assumed the obligation to settle these Blocked Funds in terms of Part XIII of the Finance Act No. 7 of 2021 under section 52. The Blocked funds are listed under Annex 1 of the Finance Act no 7 of 2021. The Bank holds, on behalf of the funders, USD11,640,413 (2022: USD11,640,413) worth of Treasury Bills with various tenors ranging from three years to twenty years. The Treasury bills have 0% coupon.

The line of credit balances have been translated at 31 December 2023 at the closing rate of USD/ZWL of 6104.7226

There was a breach on the Aggregate Unhedged Open Foreign Currency Positions Ratio covenant which stood at 19.05% (instead of a maximum 10%) between the Group and the Development Financial Institution at the reporting date of 31 December 2023.

13. INVESTMENT SECURITIES

	Inflation Adjusted			
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Amortised cost – Gross	80 510 025	66 248 154	16 754 166	4 010 434
Acquisitions	346 421 331	111 214 749	132 072 378	12 743 732
Monetary adjustment	(277 770 210)	(96 952 878)	-	-
Impairment allowance – Stage 1	(505 537)	-	(170 935)	-
	148 655 609	80 510 025	148 655 609	16 754 166

The Group holds Treasury Bills and Government Bonds amounting to ZWL 157 401 307(2022 - ZWL 80 510 027 000) with interest rates ranging from 0% to 18%. The Treasury Bills are measured at amortised cost in line with the Bank's business model to collect contractual cashflows and the contractual terms are such that the financial assets give rise to cashflows that are solely payments of principal and interest. Of this amount a total of ZWL 71 701 240 139 (2022: ZWL 31 714 585 779) are with respect to blocked funds.

Included in interest income is interest from Investment securities held by the Bank

	Inflation Adjusted			
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Interest income from investment securities	7 681 853	12 406 441	1 755 252	1 755 252

13.1. Fair values of financial instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

During the reporting periods ended 31 December 2023 and 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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Financial instruments measured at fair value – fair value hierarchy

	Inflation Adjusted			
	2023 ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
Trade and other investments	2 566 889	-	-	2 566 889

	Inflation Adjusted			
	2022 ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
Trade and other investments	1 225 641	-	-	1 225 641

	Historical Cost*			
	2023 ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
Trade and other investments	2 566 889	-	-	2 566 889

	Historical Cost*			
	2022 ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
Trade and other investments	255 056	-	-	255 056

Financial instruments not measured at fair value

Below is a list of the Group's financial investments not measured at fair value, but whose carrying amounts approximate fair value.

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Assets				
Cash and cash equivalents	352 383 289	103 502 091	352 383 289	21 538 825
RBZ digital tokens	19 567 202	-	19 567 202	-
Loans, advances and other accounts	494 536 518	222 417 933	494 536 518	46 285 257
Investment securities	148 655 609	80 510 025	148 655 609	16 754 166
Total	**1 015 142 618**	**406 430 049**	**1 015 142 618**	**84 578 248**
Liabilities				
Deposits and other liabilities	528 530 915	255 718 976	528 530 915	53 215 217
	528 530 915	255 718 976	528 530 915	53 215 217

Cash and cash equivalents

Cash and cash equivalents consists of balances with the Central Bank, other banks and cash on hand with original maturities of three months or less. These balances are subject to insignificant risk of change in their fair value. It is the Directors' assessment that the carrying amount of these balances approximates their fair value at any given time.

Loans, advances and other assets

The estimated fair value of loans, advances and other assets is estimated to approximate the carrying amount due to non-availability of benchmark interest rates to discount the expected future cash flows thereof. The Directors believe that current interest rates are market related and would re-issue the loans at the same interest rate if needed. It is from this assessment that Directors believe that the carrying amount of these balances reasonably approximate fair value as discounting the future cash flow using the current interest rates would not result in significant differences from the carrying amount.

Investment securities

These financial assets consist of open market treasury bills and Non negotiable certificate of deposits with the Government (government bonds). There is currently no observable active market for these instruments; or a reliable proxy to discount the expected future cash flows. Treasury bills are denominated in both USD and ZWL, whilst the Non-negotiable certificate of deposits (NNCDs) are in ZWL only. Directors believe that the carrying amount approximates fair value on these instruments. In performing this assessment, Directors have determined that interest rates are consistent with the latest transactions that the Group entered into and the average tenor of the portfolio was short-term in nature.

Trade and other investments

These are equity investments held by the Group in a third part entity. There is currently no observable active market for these equities or a reliable proxy to discount the expected future cash flows. In performing this assessment, Directors have determined that interest rates are consistent with the latest transactions that the Group entered into. The issuer advises the Group of the equities' value and this value is significantly unobservable as the equities are not traded on an active market. The fair value would therefore, increase or decrease depending on the movements in the issuer's net carrying assets value.

Deposits and other liabilities

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits approximates the carrying amount as interest rates quoted are market related. It is the view of Directors that the carrying amounts of these assets and liabilities reasonably approximate fair values.

14. DEFERRED TAX

The following table shows deferred tax (assets)/liabilities recorded in the statement of financial position and changes recorded in the statement of financial position and changes recorded in the income tax expense:

	Inflation Adjusted		Historical Cost	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Allowance for impairment losses on financial assets	(4 264 452)	(2 077 863)	(4 264 452)	(432 404)
Prepayments and other assets	699 917	(401 865)	-	-
Lease liabilities	(1 250 142)	(818 038)	(1 106 874)	(170 234)
Right of use assets	1 354 333	252 806	322 929	52 609
Intangible assets	869 020	-	4 391	-
Staff loans IFRS 9 adjustments	108 025	714 547	108 025	148 698
Quoted and other investments	128 344	61 282	128 344	12 753
Investment properties	37 374 629	11 626 959	36 576 452	2 419 575
Property and equipment	38 828 131	20 984 440	31 481 732	2 827 202
Deferred income	(573 967)	(72 773)	(205 698)	(15 159)
Staff loans IFRS 9 Fair value adjustment	(68 708)	(655 028)	(68 708)	(136 312)
Provisions	(4 854 172)	(3 517 956)	(4 854 186)	(732 088)
Closing deferred tax liabilities/(assets)	68 350 958	26 096 511	58 121 956	3 974 639
Opening balance at 1 January	26 049 115	16 392 168	3 974 639	775 720
Current year charge/(credit)	42 301 843	9 704 343	54 147 317	3 198 919
Relating to profit or loss	22 817 867	8 856 137	25 601 618	1 283 553
Relating to other comprehensive income (note 5.3)	19 053 154	848 206	28 545 698	1 915 366

15. CASH AND CASH EQUIVALENTS

	Inflation Adjusted		Historical Cost	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Balances with the Central Bank**	183 863 825	33 264 618	183 863 825	6 922 379
Current, nostro accounts* and cash	156 019 464	59 909 025	156 019 464	12 467 091
	-			
Interbank placements	12 500 000	10 328 448	12 500 000	2 149 354
	352 383 289	103 502 091	352 383 289	21 538 825

* Nostro accounts are foreign domiciled bank accounts operated by the Bank for the facilitation of offshore transactions on behalf of clients.

** Balances with the Central Bank, other banks and cash are used to facilitate customer and the Bank's transactions which include payments and cash withdrawals.

16. TOTAL LOANS AND ADVANCES

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Fixed term loans – Corporate	354 661 582	175 275 689	354 661 582	36 474 938
Fixed term loans – Retail	137 700 082	44 533 867	137 700 082	9 267 515
Mortgages	2 023 457	2 554 699	2 023 457	531 634
Overdrafts	151 397	53 678	151 397	11 170
	494 536 518	222 417 933	494 536 518	46 285 257

16.1. Maturity analysis

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Less than 1 month	109 013 886	36 821 057	109 013 886	7 662 476
1 to 3 months	131 282 566	83 929 807	131 282 566	17 465 825
3 to 6 months	10 367 237	8 360 477	10 367 237	1 739 818
6 months to 1 year	61 752 699	62 535 977	61 752 699	13 013 761
1 to 5 years	182 120 129	209 644 128	182 120 129	43 627 023
Over 5 years	-	-	-	-
	494 536 518	401 291 446	494 536 518	83 508 903
Allowances for impairment losses on loans and advance	(22 150 186)	(7 705 906)	(16 564 987)	(1 603 602)
ECL at 1 January	(7 705 906)	(6 809 262)	(1 603 602)	(412 209)
Monetary adjustment	(6 288 896)	4 828 444	-	-
ECL charged through profit or loss	(8 394 325)	(7 321 424)	(15 111 136)	(1 523 591)
Bad debts written off	238 941	1 596 336	149 752	332 198
Suspended interest on credit impaired financial assets	-	-	-	-
	472 386 332	393 585 540	477 971 531	81 905 301
Other assets	54 416 950	42 492 142	51 698 826	8 504 329
	526 803 282	**436 077 682**	**529 670 358**	**90 409 630**

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The Bank is continuing recovery efforts in respect of loans written off in the year under review amounting to ZWL 238 941 264 (2022: ZWL 5 011 864 901).

16.2. Sectoral analysis of utilisations

	Inflated Adjusted			
	2023 ZWL '000	%	2022 ZWL '000	%
Agriculture	149 764 942	30%	58 842 011	26%
Conglomerates	12 728 012	3%	-	0%
Distribution	60 435 603	12%	45 975 312	21%
Food & Beverages	10 713 802	2%	-	0%
Individuals	79 239 480	16%	39 068 155	18%
Manufacturing	57 251 688	12%	8 166 016	4%
Mining	30 791 652	6%	4 772 187	2%
Services and other	93 611 339	19%	65 594 252	29%
	494 536 518	100%	222 417 933	100%

	Historical Cost*			
	2023 ZWL '000	%	2022 ZWL '000	%
Agriculture	149 764 942	30%	12 245 045	26%
Conglomerates	12 728 012	3%	-	0%
Distribution	60 435 603	12%	9 567 480	21%
Food & Beverages	10 713 802	2%	-	0%
Individuals	79 239 480	16%	8 130 098	18%
Manufacturing	57 251 688	12%	1 699 351	4%
Mining	30 791 652	6%	993 094	2%
Services and other	93 611 339	19%	13 650 189	29%
	494 536 518	100%	46 285 257	100%

The material concentration of loans and advances is with Agriculture at 30% (2022 - 26%).

16.3. Impairment analysis of financial assets measured at amortised cost

	Inflation Adjusted			
	Stage 1 ZWL '000	Stage 2 ZWL '000	Stage 3 ZWL '000	Total ZWL '000
Gross carrying amount at 1 January 2023	257 264 901	5 859 350	2 508 049	265 632 300
Monetary adjustment	(203 727 977)	(4 640 017)	(1 986 123)	(210 354 117)
Transfers	(1 745 461)	1 131 696	613 765	-
- to 12 months to ECL	113 039	(19 387)	(93 652)	-
- to lifetime ECL not credit impaired	(1 205 043)	1 205 333	(289)	1
- to lifetime ECL credit impaired	(653 457)	(54 250)	707 706	(1)
Net movement in financial assets	486 297 333	19 614 553	5 127 683	511 039 569
Balance as at 31 December 2023	**538 088 796**	**21 965 582**	**6 263 374**	**566 317 752**
	-	(1)	-	
Loss allowance analysis				
At 1 January 2022	4 474 160	2 239 701	1 691 733	8 405 594
- ECL – Loans, advances & guarantees	4 232 555	2 255 542	1 668 142	8 156 239
- Guarantees and facilities approved not drawn down	(51 593)	-	-	(51 593)
- ECL – Investment securities	469 127	3 332	75 310	547 769
- ECL – Interbank placements	(175 929)	(19 173)	(51 719)	(246 821)
Monetary adjustment	-	-	-	-
Transfers	(27 900)	135 916	(108 016)	0
- to 12 month ECL	185 942	(11 091)	(174 851)	-
- to lifetime ECL not credit impaired	(150 287)	150 474	(187)	0
- to lifetime ECL credit impaired	(63 556)	(3 466)	67 022	-
Net increase/(decrease) in ECL	5 270 612	4 560	3 119 153	8 394 325
Loans and advances	5 122 491	4 560	2 880 212	8 007 264
Guarantees and facilities approved not drawn down	130 420	-	-	130 420
Investment securities	17 700	-	-	17 700
Interbank placements	-	-	-	-
Bad debts written off	-	-	238 941	238 941
Revaluation exchange on loans and advances ECL		-	-	-
Balance as at 31 December 2023	9 716 871	2 380 178	4 463 929	16 560 978
Loans and advances	9 327 146	2 396 019	4 440 338	16 163 503
Guarantees and facilities approved not ...drawn down	78 827	-	-	78 827
Investment securities	486 827	3 332	75 310	565 469
Interbank placements	(175 929)	(19 173)	(51 719)	(246 821)
	9 716 871	**2 380 178**	**4 463 929**	**16 560 978**

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	Inflation Adjusted			
	Stage 1 ZWL '000	Stage 2 ZWL '000	Stage 3 ZWL '000	Total ZWL '000
Gross carrying amount at 1 January 2022	205 768 786	3 139 874	2 204 354	211 113 014
Monetary adjustment	(139 706 783)	(3 739)	(1 530 689)	(141 241 211)
Transfers	(2 611 211)	2 211 486	399 725	-
- to 12 months to ECL	673 084	(637 923)	(35 161)	-
- to lifetime ECL not credit impaired	(2 982 479)	2 990 975	(8 496)	-
- to lifetime ECL credit impaired	(301 816)	(141 566)	443 382	-
Net movement in financial assets	193 814 109	511 729	1 434 659	195 760 497
Balance as at 31 December 2022	**257 264 901**	**5 859 350**	**2 508 049**	**265 632 300**
Loss allowance analysis				
At 1 January 2021	5 614 479	300 547	894 232	6 809 258
- ECL – Loans, advances & guarantees	5 367 890	300 547	894 232	6 562 669
- Guarantees and facilities approved not drawn down	(124 747)	-	-	(124 747)
- ECL – Investment securities	247 035	-	-	247 035
- ECL – Interbank placements	124 301	-	-	124 301
Monetary adjustment	2 572 294	1 382 074	-	3 954 368
Transfers	(77 452)	85 791	(8 339)	-
- to 12 month ECL	74 642	(60 312)	(14 330)	-
- to lifetime ECL not credit impaired	(148 303)	153 503	(5 200)	-
- to lifetime ECL credit impaired	(3 791)	(7 400)	11 191	-
Net increase/(decrease) in ECL	319 207	471 289	805 840	1 596 336
Loans and advances	324 192	487 130	782 249	1 593 571
Guarantees and facilities approved not drawn down	73 152	-	-	73 152
Investment securities	222 093	3 332	75 310	300 735
Interbank placements	(300 230)	(19 173)	(51 719)	(371 122)
Bad debts written off	-	-	-	-
Revaluation exchange on loans and advances ECL	(3 954 368)	-	-	(3 954 368)
Balance as at 31 December 2022	4 474 160	2 239 701	1 691 733	8 405 594
Loans and advances	4 232 555	2 255 542	1 668 142	8 156 239
Guarantees and facilities approved not drawn down	(51 593)	-	-	(51 593)
Investment securities	469 127	3 332	75 310	547 769
Interbank placements	(175 929)	(19 173)	(51 719)	(246 821)
	4 474 160	**2 239 701**	**1 691 733**	**8 405 594**

16.4. Loans to officers and executive directors

	Inflation Adjusted		Historical Cost	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Included in advances and other accounts (note 20) are loans to officers:-				
At 1 January	845 016	1 284 274	175 848	77 745
Monetary adjustment	(828 386)	(1 295 404)	-	-
Net additions during the year	257 321	856 146	98 103	98 103
	273 951	845 016	273 951	175 848
Expected credit loss allowance on loans to officers	-	-	-	-
	273 951	**845 016**	**273 951**	**175 848**

16.5. The terms and conditions applicable to loans and advances are as follows:

Product	Tenure	Interest Rate
Overdraft	Payable on demand	Penalty interest rate of eleven percentage points above loan rate up to a maximum penalty rate of 72% per annum.
Loan	Loan payable over a maximum period of 120 months (includes mortgage loans)	From 120% per annum up to a maximum of 215% per annum. Loans to employees and executive Directors are at an interest rate that considers the relevant risk of staff which is usually lower than the other markets for individual customers.
Bankers Acceptances	Loan payable over a minimum period of 30 days up to 90 days.	From 50% pa to 205% per annum.

17. OTHER ASSETS

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Trade and other receivables	53 483 683	42 131 692	50 869 764	8 403 647
Consumable stocks	933 267	360 450	829 061	100 682
	54 416 950	42 492 142	51 698 825	8 504 329

17.1. OTHER ASSETS

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Services deposits*	16 305 622	11 369 531	16 305 622	2 366 005
Prepayments and stocks**	28 072 539	360 450	26 143 101	100 682
Collateral repossessions***	-	18 855 530	-	3 923 843
Other receivables****	10 038 789	11 906 629	9 250 102	2 113 799
	54 416 950	42 492 140	51 698 825	8 504 329

* Service deposits relate to amounts pledged as collateral for VISA and the RTGS accounts.

** Prepayments and stocks are in respect of services, utilities and consumables for the Group.

*** Collateral repossession assets are in relation to a commodity which the Group holds for sale as part of collateral exercise

**** Included in other receivables are RBZ auction funds receivable as well as miscellaneous suspense accounts.

18. NON-CURRENT ASSETS HELD FOR SALE

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Balance at 1 January	1 829 062	1 829 062	380 629	-
Additions during the year	-	-	-	380 629
Monetary adjustment	(1 448 433)	-	-	-
Disposals during the year	(380 629)	-	(380 629)	-
Balance at 31 December	-	1 829 062	-	380 629

The non-current assets held for sale comprised movable property and other qualifying assets which the bank used to hold as part of collateral for loans and advances and have now been recovered from customers for borrowings from the bank. The Bank disposed of these assets during the year

19. TRADE AND OTHER INVESTMENTS

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Balance at 1 January	1 225 641	602 935	255 056	36 500
Additions	-	-	-	-
Monetary adjustment	(4 722 610)	339 011	-	-
(Loss)/gain recognised in profit or loss	6 063 858	283 695	2 311 833	218 556
	2 566 889	1 225 641	2 566 889	255 056

The instruments are classified as financial assets at fair value through profit or loss as they are held in perpetuity and they represent equity holdings in another third party entity, Society for Worldwide Interbank Financial Telecommunication (SWIFT). The gain or losses relate to foreign exchange rate movements since the instruments are denominated in a foreign currency (Euro) and are recognised through profit or loss.

20. INTERCOMPANY TRANSACTIONS AND BALANCES

20.1. INTERCOMPANY TRANSACTIONS

	NMBZ Holdings Limited	NMB Bank Limited	NMB Properties Limited	Xplug Solutions Limited
	2023 ZWL '000	2023 ZWL '000	2023 ZWL '000	2023 ZWL '000
NMBZ Holdings Limited				
Revenue	-	-	-	-
Shared Services Charge	-	-	-	-
NMB Bank Limited				
Shared Services Charge	-	-	(18 919)	(3)
NMB Properties Limited				
Revenue	-	78 338	-	-
Xplug Solutions Limited				
Revenue	-	10 259	-	-

20.2. INTERCOMPANY BALANCES

	NMBZ Holdings Limited	NMB Bank Limited	NMB Properties Limited	Xplug Solutions Limited
	2023 ZWL '000	2023 ZWL '000	2023 ZWL '000	2023 ZWL '000
	(Payable to)/Receivable from	(Payable to)/Receivable from	(Payable to)/Receivable from	(Payable to)/Receivable from
NMBZ Holdings Limited	-	1 165 457	-	-
NMB Bank Limited	(1 165 457)	-	(1 452 992)	(1 345 607)
NMB Properties Limited	-	1 452 992	-	-
Xplug Solutions Limited	-	1 345 607	-	-

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21. INVESTMENT PROPERTIES

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
At 1 January	108 688 700	58 115 866	22 618 160	3 518 133
Additions	19 598 846	18 493 385	11 345 113	2 764 347
Disposals	(3 881 320)	(744 134)	(2 782 622)	(45 050)
Fair value gains	143 695 504	32 823 583	236 921 078	16 380 730
Reclassification from work in progress	-	-	-	-
Reclassification from non-current assets held for sale	-	-	-	-
Translation gains on change in functional currency	-	-	-	-
At 31 December	268 101 729	108 688 700	268 101 729	22 618 160

Investment properties comprise commercial properties and residential properties that are leased out to third parties and land held for future development. No properties were encumbered.

In the current year, the group took over properties valued at ZWL11 527 500 000 in pursuit of recoveries for loans defaulted

Rental income amounting to ZWL 1 823 406 683 (2022: ZWL728 329 418) was received and no operating expenses were incurred on the leased investment properties in the current year due to the net leasing arrangement on the properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancements. The Group has determined that the highest and best use of its properties held is its current use

Measurement of fair value

Fair value hierarchy

The fair value of the Bank's investment properties as at 31 December 2023 has been arrived at on the basis of valuations carried out by independent professional valuers, Integrated Properties Real Estate (Private) Limited. The valuation which conforms to International Valuation Standards, was in terms of the policy as set out in the accounting policies section and was derived with reference to market information close to the date of the valuation.

Level 3

The fair value for investment properties of ZWL264 110 843 000 (2022: ZWL108 688 000) has been categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique described below.

22. INTANGIBLE ASSETS

	Inflation Adjusted		Historical Cost	
	ZWL '000	Total ZWL '000	ZWL '000	Total ZWL '000
Cost				
Balance 1 January 2022	2 307 395	2 307 395	21 261	21 261
Inflation adjustment	8 780 499	8 780 499		
Acquisitions	75 517	75 517	14 133	14 133
Balance at 31 December 2022	**11 163 411**	**11 163 411**	**35 394**	**35 394**
Acquisitions	-	-	-	-
Balance at 31 December 2023	**11 163 411**	**11 163 411**	**35 394**	**35 394**
Accumulated amortisation				
Balance 1 January 2022	5 010 380	5 010 380	7 853	7 853
Amortisation for the year	1 392 072	1 392 072	4 395	4 395
Balance at 31 December 2022	**6 402 452**	**6 402 452**	**12 248**	**12 248**
Amortisation for the year	1 386 125	1 386 125	6 094	6 094
Balance at 31 December 2023	**7 788 577**	**7 788 577**	**18 342**	**18 342**
Carrying amount				
At 31 December 2023	3 374 834	3 374 834	17 052	17 052
At 31 December 2022	**4 760 960**	**4 760 960**	**23 147**	**23 147**

* Included in the cost of the intangible assets are fully depreciated intangible assets with a cost of ZWL 5 373 404.

23. PROPERTY AND EQUIPMENT

	Inflation Adjusted						
	Capital Work in Progress	Computers	Motor Vehicles	Furniture & Equipment	Right of Use Assets**	Freehold Land & Buildings*	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Cost/Revaluation amount							
At 1 January 2022	11 959 166	12 702 692	1 135 985	6 512 660	3 558 139	47 413 820	83 282 462
Additions	5 075 834	4 702 648	1 685 309	607 688	-	-	12 071 479
Capitalisations	-	-	-	-	-	-	-
Remeasurement – Right of use assets	-	-	-	-	4 059 908	-	4 059 908
Revaluations	-	-	-	-	-	3 431 256	3 431 256
Disposals	-	(4 573)	(82 280)	-	-	-	(86 853)
At 31 December 2022	**17 035 000**	**17 400 767**	**2 739 014**	**7 120 348**	**7 618 047**	**50 845 076**	**102 758 252**
Additions	524 106	2 823 093	3 166 262	2 413 593	-	-	8 927 055
Capitalisations	(699 278)	-	-	-	-	-	(699 278)
Remeasurement – Right of use assets	-	-	-	-	3 238 584	-	3 238 584
Revaluations	-	-	-	-	-	71 020 585	71 020 585
Disposals	-	-	(185 180)	-	-	-	(185 180)
At 31 December 2023	**16 859 828**	**20 223 860**	**5 720 096**	**9 533 941**	**10 856 631**	**121 865 661**	**185 060 017**
Accumulated depreciation							
At 1 January 2022	**-**	**6 848 690**	**935 606**	**4 551 505**	**1 480 468**	**405 785**	**14 222 055**
Charge for the year – Property and equipment	-	2 011 766	275 471	555 148	-	22 642	2 865 028
Charge for period – Right of use assets	-	-	-	-	1 259 748	-	1 259 748
Remeasurement – Right of use assets	-	-	-	-	-	-	-
Disposals	-	(4 573)	(82 280)	-	-	-	(86 852)
At 31 December 2022	**-**	**8 855 883**	**1 128 797**	**5 106 653**	**2 740 216**	**428 427**	**18 259 979**
Charge for the year – Property and equipment	-	2 722 883	962 793	927 252	-	872 634	5 485 562
Charge for period – Right of use assets	-	-	-	-	2 710 637	-	2 710 637
Remeasurement – Right of use assets	-	-	-	-	146 232	-	146 232
Disposals	-	-	(185 181)	-	-	-	(185 181)
At 31 December 2023	**-**	**11 578 766**	**1 906 409**	**6 033 905**	**5 597 085**	**1 301 061**	**26 417 229**
Carrying amount							
At 31 December 2023	16 859 828	8 645 094	3 813 686	3 500 036	5 259 547	120 564 600	158 642 788
						5	
At 31 December 2022	17 035 000	8 544 884	1 610 217	2 013 695	4 877 831	50 416 649	84 498 273

* Assets measured using the revaluation model

** Right-of-Use Assets recognised in respect of leased properties in which the Group is a lessee. The Right-of-Use Assets are depreciated over the shorter of the lease term including extension options where the Group is certain to exercise such and the useful life of the underlying asset.

**** Included in the cost of Property and Equipment are fully depreciated assets amounting to ZWL 17 877 713

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23.1. PROPERTY AND EQUIPMENT

	Historical Cost*						
	Capital Work in Progress	Computers	Motor Vehicles	Furniture & Equipment	Right of Use Assets**	Freehold Land & Buildings*	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Cost/Revaluation amount							
At 1 January 2022	34 182	137 793	3 329	62 975	95 141	2 890 149	3 223 569
Additions	1 056 283	740 557	263 968	101 967	-	-	2 162 776
Capitalisations	-	-	-	-	-	-	277 945
Revaluations	-	-	-	-	-	7 749 051	-
Remeasurement – Right of use assets	-	-	-	-	277 945	-	(407)
Disposals	-	(331)	(76)	-	-	-	7 749 051
At 31 December 2022	**1 090 465**	**878 019**	**267 221**	**164 942**	**373 086**	**10 639 200**	**13 412 932**
Additions	354 158	1 324 769	1 123 096	1 395 408	-	-	4 197 432
Capitalisations	(489 321)	-	-	-	-	-	(489 321)
Revaluations	-	-	-	-	-	110 945 505	110 945 505
Remeasurement – Right of use assets	-	-	-	-	1 464 098	-	1 464 098
Disposals	-	-	(210)	-	-	-	(210)
At 31 December 2023	**955 302**	**2 202 788**	**1 390 107**	**1 560 350**	**1 837 183**	**121 584 704**	**129 530 435**
Accumulated depreciation							
At 1 January 2022	-	32 048	1 799	16 865	62 917	44 446	158 075
Charge for the year – Property and equipment	-	77 470	20 885	16 965	-	103 029	218 350
Charge for period – Right of use assets	-	-	-	-	71 926	-	71 926
Remeasurement – Right of use assets	-	-	-	-	(35 200)	-	(35 200)
Disposals	-	(44)	(76)	-	-	-	(120)
At 31 December 2022	**-**	**109 475**	**22 608**	**33 830**	**99 643**	**147 475**	**413 030**
Charge for the year – Property and equipment	-	295 249	233 980	151 757	-	872 634	1 553 619
Charge for period – Right of use assets	-	-	-	-	458 700	-	458 700
Remeasurement – Right of use assets	-	-	-	-	24 741	-	24 741
Disposals	-	-	(210)	-	-	-	(210)
At 31 December 2023	**-**	**404 723**	**256 377**	**185 586**	**583 083**	**1 020 109**	**2 449 879**
Carrying amount							
At 31 December 2023	955 302	1 798 065	1 133 729	1 374 764	1 254 100	120 564 595	127 080 556
At 31 December 2022	1 090 465	768 545	244 612	131 113	273 443	10 491 724	12 999 901

Fair value hierarchy

Immovable properties were revalued as at 31 December 2023 on the basis of valuations carried out by independent professional valuers, Integrated Properties Real Estate (Private) Limited. The valuation which conforms to International Valuation Standards, was in terms of the policy as set out in the accounting policies section. All movable assets are measured at their carrying amounts which are arrived at by the application of a depreciation charge on their cost values over the useful lives of the assets.

The valuation of land and buildings was arrived by applying yield rates of 10% on rental levels of between ZWL 18 000 and ZWL 93 000 per square metre.

Level 3

The fair value of immovable properties of ZWL120 564 600 000 (2022: ZWL50 416 649 000) has been categorised under level 3 in the fair value hierarchy based on the inputs used for the valuation technique described below.

The following shows reconciliation between the opening and closing balances for level 3 fair values:

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
At 1 January	50 845 076	47 413 820	10 639 200	2 890 149
Transfers from work in progress	-	-	110 945 505	-
Revaluation gain	71 020 585	3 431 256	-	7 749 051
Depreciation	(1 301 061)	(428 427)	(1 020 109)	(147 475)
Balance at 31 December	120 564 600	50 416 649	120 564 595	10 491 724

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of immovable properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The direct comparison method was applied on all residential properties.	• Weighted average expected market rental growth (5%); • Average market yield of 10%.	The estimated fair value would increase /(decrease) if: • expected market rental growth were higher/ (lower); and • the risk adjusted discount rates were lower/ (higher).

Change in rate	Changes in fair value following changes in:	
	Expected market rental growth	Discount rates
5%	131 035	460 995
3%	78 621	276 597
1%	26 207	92 199
-1%	(26 207)	(92 199)
-3%	(78 621)	(276 597)
-5%	(131 035)	(460 995)

24. CONTINGENT LIABILITIES

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Guarantees	19 041 517	3 569 172	19 041 517	742 746
Facilities approved but not drawn down	-	-	-	-
Expected credit losses on facilities approved but not drawndown	-	-	-	-
Expected credit losses on guarantees	-	(73 152)	-	(15 223)
Balance at 31 December	19 041 517	3 496 020	19 041 517	727 523

The Group enters into various irrevocable commitments and contingent liabilities in its normal course of business in order to meet financial needs of customers. These obligations are not recognised on the statement of financial position, but contain credit risk and are therefore part of the overall risk of the Group.

Guarantees commit the Group to make payments on behalf of clients in the event of specified acts. Guarantees carry the same credit risk as loans and advances to customers.

Facilities approved but not drawn down represent contractual commitments to advance loans and revolving credits. These have fixed expiry dates and may expire without being drawn upon, hence total contract amounts do not necessarily represent future cash requirements.

25. CAPITAL COMMITMENTS

There were no capital commitments during the year under review. Capital commitments are financed from the Group's own resources.

26. RELATED PARTIES

As required by IAS 24 Related Party Disclosure, the Board's view is that non-executive Directors, executive Directors and executive management constitute the key management of the Group. Accordingly, key management remuneration is disclosed below.

26.1. Compensation of key management personnel of the Group

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Short term employee benefits	79 780 106	37 625 616	48 579 305	6 352 080
Post employment benefits	2 976 557	2 063 763	1 165 419	313 170
Termination benefits	1 446 854	2 870 290	666 373	309 181
	84 203 517	42 559 669	50 411 097	6 974 431

26.2. Balances of loans to Directors, officers and others

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Executive directors	-	845 020		175 849
Officers	32 295 162	23 502 633	32 295 162	4 890 907
Directors' companies	-	-	-	-
Officers companies	-	-	-	-
	32 295 162	24 347 653	32 295 162	5 066 756
Expected credit loss allowance – Stage 1	(350 793)	(264 467)	(350 793)	(55 036)
	31 944 369	24 083 186	31 944 369	5 011 720

26.3. Borrowing powers

Holding Company

In terms of the existing Articles of Association, Article 102, the Directors may from time to time, at their discretion, borrow or secure the payment of any sum or sums of money for the purposes of the Company without any limitation.

27. EXCHANGE RATES

The following exchange rates have been used to translate the foreign currency balances to ZWL dollars at year end:

		31-Dec-23 Mid - rate ZWL	31-Dec-22 Mid - rate ZWL
United States Dollar	USD	6104.7226	684.3339
British Sterling	GBP	7783.6486	824.7971
South African Rand	ZAR	333.3333	40.3226
European Euro	EUR	6753.9757	729.1627
Botswana Pula	BWP	455.5077	53.6592

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28. SEGMENT INFORMATION

For management purposes, the Group is organised into six main operating segments based on products and services as follows:

Retail banking	Individual customers deposits and consumer loans, overdrafts, credit card facilities and funds transfer facilities.
Corporate banking	Loans and other credit facilities and deposit and current accounts for corporate and institutional customers.
Treasury	Money market investment, securities trading, accepting and discounting of instruments and foreign currency trading.
International banking	Handles the Group's foreign currency denominated banking business and manages relationships with correspondent banks.
Digital Banking	Handles the Bank's Digital Banking products including Card and POS services.
Real Estate	This is the property company in the Group.
Other	Includes other items like head office related transactions and developing business lines for the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a company basis and are not allocated to operating segments.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

No revenue from transactions with a single external customer or counter party amounted to 10% or more of the Group's total revenue in 2023 or 2022.

The following table presents income and profit and certain assets and liabilities information regarding the Group's operating segments and service units:

	Inflation Adjusted							
	Consumer Banking & Value Added Services ZWL '000	Business Banking ZWL '000	Treasury Banking ZWL '000	Digital Banking ZWL '000	Real Estate ZWL '000	Microfinance ZWL '000	Other ZWL'000	Total ZWL'000
Inflation adjusted								
For the year ended 31 December 2023								
Income								
Third party income	137 494 533	93 434 362	40 043 738	98 854 048	8 972 307	3 973 150	260 284 653	642 660 570
Inter-segment income	-	-	-	-	396 221	-	-	396 221
Interest and similar expense	(10 249 208)	(15 082 353)	(4 392 566)	-	-	-		(29 724 126)
Net operating income	127 245 325	78 352 009	35 651 172	98 854 048	9 368 528	3 973 150	260 284 653	613 332 664
Other material non-cash items								
Impairment losses on financial assets measured at amortised cost	(4 897 926)	(3 239 757)	(17 700)	-	-	-	(238 941)	(8 394 325)
Depreciation of property and equipment							(5 473 365)	(5 473 365)
Depreciation of right of use assets	-	-	-	-	-		(2 710 637)	(2 710 637)
Amortisation of intangible assets	-	-	-	-	-		(1 386 126)	(1 386 126)
Segment profit/(loss)	67 019 996	40 662 081	18 672 383	52 616 310	4 734 590	2 114 759	136 521 118	322 341 238
Income tax charge	-	-	-	-	-	-	(45 912 682)	(45 912 682)
Revaluation of land and buildings, net of tax	-	-	-	-	-	-	-	51 967 431
Total comprehensive income for the year	67 019 996	40 662 081	18 672 383	52 616 310	4 734 590	2 114 759	90 608 436	328 395 986
As at 31 December 2023								
Total assets	**239 325 417**	**378 121 683**	**217 439 428**	**73 677 584**	**7 999 176**	**-**	**585 682 521**	**1 502 245 809**
Total liabilities	**396 867 350**	**280 920 633**	**180 357 679**	**26 566 093**	**-**	**-**	**78 108 475**	**962 820 229**

The following table presents income and profit and certain assets and liabilities information regarding the Group's operating segments and service units:

	Inflation Adjusted							
	Consumer Banking & Value Added Services ZWL '000	Business Banking ZWL '000	Treasury Banking ZWL '000	International Banking ZWL '000	Digital Banking ZWL '000	Microfinance ZWL '000	Other ZWL'000	Total ZWL'000
Inflation adjusted								
For the year ended 31 December 2022								
Income								
Third party income	46 056 102	73 783 488	15 371 963	3 044 596	34 981 800	-	58 899 877	232 137 826
Inter-segment income	-	-	-	-	-	-	-	-
Interest and similar expense	(6 080 031)	(9 740 423)	(2 029 308)	(401 928)	-	-	(12 393 659)	(30 645 349)
Net operating income	39 976 070	64 043 065	13 342 655	2 642 668	34 981 800	-	46 506 218	201 492 477
Other material non-cash items								
Impairment losses on financial assets measured at amortised cost	(978 069)	(617 116)	(1 150)	-	-	-	(0)	(1 596 336)
Depreciation of property and equipment	(377 423)	(8 273)	(203)	(1 686)	(206 693)	-	(2 270 749)	(2 865 028)
Depreciation of right of use assets	-	-	-	-	-	-	(345 627)	(345 627)
Amortisation of intangible assets	-	-	-	-	-	-	(1 392 072)	(1 392 072)
Segment profit/(loss)	15 321 431	24 545 470	5 113 774	1 098 331	13 407 302	-	17 740 321	77 226 628
Income tax charge	-	-	-	-	-	-	(19 550 861)	(19 550 861)
Revaluation of land and buildings, net of tax	-	-	-	-	-	-	-	2 583 050
Total comprehensive income for the year	15 321 431	24 545 470	5 113 774	1 098 331	13 407 302	-	(5 818 988)	60 258 817
As at 31 December 2022								
Total assets	**103 574 386**	**163 642 130**	**94 102 647**	**31 885 917**	**3 461 854**	**-**	**253 469 557**	**650 136 492**
Total liabilities	**181 642 661**	**128 574 878**	**82 548 108**	**12 159 065**	**-**	**-**	**35 749 555**	**440 674 266**

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NMB Bank Limited
2023 Audited Financial Results

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		Inflation Adjusted		Historical Cost*	
	Note	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000
Interest revenue calculated using the effective interest method		127 941 940	101 251 280	72 076 896	15 800 168
Interest expense calculated using the effective interest method		(29 724 126)	(29 718 251)	(14 651 080)	(4 477 951)
Net interest income		98 217 814	71 533 029	57 425 816	11 322 216
Fee and commissions income		228 862 632	73 731 203	137 756 521	10 705 516
Revenue		327 080 446	145 264 232	195 182 337	22 027 732
Net foreign exchange gains		128 137 119	18 351 775	136 315 649	4 048 386
Other income	a	140 563 363	38 791 518	227 283 152	17 937 925
Operating income		595 780 928	202 407 524	558 781 138	44 014 043
Operating expenditure	b	(214 340 712)	(92 764 627)	(128 903 851)	(13 872 200)
Operating income before impairment charge and loss on net monetary position		381 440 215	109 642 898	429 877 287	30 141 844
Impairment losses on financial assets measured at amortised cost		(8 394 325)	(5 725 088)	(14 961 385)	(1 191 393)
Loss on net monetary position		(67 526 103)	(28 973 961)		
Profit before tax		**305 519 787**	**74 943 849**	**414 915 902**	**28 950 451**
Taxation		(42 365 563)	(19 550 861)	(45 149 315)	(3 509 130)
Profit for the period		**263 154 224**	**55 392 988**	**369 766 587**	**25 441 321**
Other comprehensive income					
Revaluation gains on land and buildings, net of tax**	c	51 967 431	2 582 363	82 399 807	5 833 685
Total comprehensive income for the period		315 121 655	57 975 351	452 166 395	31 275 006
Earnings per share (ZWL cents)					
- Basic	d	1 594 290	335 592	2 240 188	154 133

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

** The revaluation gains on land and buildings will not recycled into profit or loss in the subsequent reporting period. It will however be recycled through equity.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Inflation Adjusted		Historical Cost*	
	Note	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000	31-Dec 2023 ZWL '000	31-Dec 2022 ZWL '000
Share capital	e	19 284	19 284	17	17
Share Premium		34 189 096	34 189 096	31 475	31 475
Functional currency translation reserve		7 634 508	7 634 508	11 620	11 620
Revaluation reserve		78 518 660	26 551 230	90 149 488	7 749 682
Employee share option reserve		1 451 987	1 222 247	357 814	128 073
Retained earnings		396 664 339	133 510 115	400 020 627	30 254 039
Total shareholders' funds		**518 477 875**	**203 126 480**	**490 571 040**	**38 174 906**
LIABILITIES					
Deposits		530 233 760	256 736 345	530 233 760	53 426 931
Other liabilities		97 904 972	58 107 461	97 904 972	12 092 185
Borrowings		263 289 317	102 240 322	263 289 317	21 276 250
Current tax liabilities		4 107 767	(211 302)	4 107 767	(43 972)
Deferred tax liabilities		62 323 791	26 049 115	52 094 803	3 964 790
Subordinated term loan		7 188 128	4 451 328	7 188 128	926 324
Amount owing to Holding company		(1 165 457)	(1 018 780)	(1 165 457)	(212 009)
Total liabilities		**963 882 278**	**446 354 489**	**953 653 290**	**91 430 499**
Total shareholders' funds and liabilities		**1 482 360 153**	**649 480 969**	**1 444 224 330**	**129 605 405**
ASSETS					
Cash and cash equivalents	f	352 383 289	103 502 090	352 383 289	21 538 825
RBZ Digital Tokens		19 567 202	-	19 567 202	-
Investment securities		148 655 609	80 510 025	148 655 609	16 754 167
Loans and advances		498 501 568	223 599 738	498 501 568	46 531 190
Other assets		61 190 244	40 866 476	57 974 435	8 504 329
Assets held for sale		-	1 829 062	-	380 629
Trade and other investments		2 566 889	1 225 641	2 566 889	255 056
Investment properties	g	237 477 729	108 688 700	237 477 729	22 618 160
Intangible assets		3 374 835	4 760 963	17 052	23 147
Property and equipment		158 642 788	84 498 274	127 080 556	12 999 902
Total assets		**1 482 360 153**	**649 480 969**	**1 444 224 330**	**129 605 405**

* The Historical Cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies".

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation Adjusted						
	Share Capital	Share Premium	Functional Currency Translation Reserve	Revaluation Reserve	Share Option Reserve	Retained Earnings	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022	19 284	34 189 096	7 634 508	23 968 865	-	79 558 739	145 370 492
Profit for the period	-	-	-	-	-	55 392 988	55 392 988
Dividends declared						(1 441 612)	(1 441 612)
Employee scheme - value of employee services	-	-	-	-	1 222 247	-	1 222 247
Revaluation gains on land and buildings, net of tax**	-	-	-	2 582 365	-	-	2 582 365
Balance at 31 December 2022	19 284	34 189 096	7 634 508	26 551 230	1 222 246	133 510 115	203 126 480
Profit for the period	-	-	-	-		263 154 224	263 154 224
Dividends declared	-	-	-	-		-	-
Employee scheme - value of employee services					229 740		229 740
Revaluation gains on land and buildings, net of tax**	-	-	-	51 967 431		-	51 967 431
Balance at 31 December 2023	**19 284**	**34 189 096**	**7 634 508**	**78 518 660**	**1 451 987**	**396 664 339**	**518 477 875**

	Historical Cost*						
	Share Capital	Share Premium	Functional Currency Translation Reserve	Revaluation Reserve	Share Option Reserve	Retained Earnings	Total
	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022	17	31 475	11 620	1 915 997	-	5 112 719	7 071 828
Profit for the period	-	-	-	-	-	25 441 321	25 441 321
Dividends declared	-	-	-	-	-	(300 000)	(300 000)
Employee scheme - value of employee services	-	-	-	-	128 073	-	128 073
Revaluation gains on land and buildings, net of tax**	-	-	-	5 833 685	-	-	5 833 685
Balance at 31 December 2022	17	31 475	11 620	7 749 682	128 073	30 254 040	38 174 907
Profit for the period	-	-	-	-		369 766 587	369 766 587
Dividends declared	-	-	-	-		-	-
Employee scheme - value of employee services					229 741	-	229 741
Revaluation gains on land and buildings, net of tax**	-	-	-	82 399 807		-	82 399 807
Balance at 31 December 2023	**17**	**31 475**	**11 620**	**90 149 489**	**357 814**	**400 020 628**	**490 571 042**

* The Historical Cost information has been shown as supplementary information for the benefit of users. These are not required in terms of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies".

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Inflation Adjusted		Historical Cost*	
	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000
Profit before taxation	305 519 787	74 943 849	414 915 902	28 950 450
Non-cash items:				
- Net monetary Loss/(Gain)	67 526 103	28 973 961	-	-
- Depreciation(excluding right of use assets)	5 473 365	2 926 114	1 559 712	222 437
- Depreciation –Right of use assets	2 710 637	1 259 745	458 700	71 926
- Amortisation of intangible assets	1 386 125	1 392 072	6 094	4 395
- Impairment losses on financial assets measured at amortised costs	8 394 325	1 596 336	14 961 385	1 191 393
- Sundry income - non -cash	-	(5 716 912)	-	(1 189 691)
- Investment properties fair value gains	(127 132 239)	(32 823 582)	(209 472 659)	(16 380 731)
- Trade and other investments fair value gains adjustment	(6 063 858)	(567 390)	(2 311 833)	(218 556)
- Profit/(loss) on disposal of property and equipment	(263 762)	(6 801)	(126 465)	(1 803)
- Loss/(profit) on disposal of investment properties	81 046	164 113	(254 724)	(26 722)
- Dividend received	(3 322 605)	-	(3 322 605)	-
- Non-cash employee benefits expense – share-based payments	229 741	1 222 248	229 741	128 073
- Unrealised foreign exchange gain	(158 229 037)	(22 532 677)	(158 229 037)	(4 689 059)
Operating cash flows before changes in operating assets and liabilities	96 309 626	50 831 076	58 414 211	8 062 112
Changes in operating assets and liabilities				
Increase/(decrease) in deposits	272 811 939	83 493 297	475 315 699	42 789 270
Increase/(decrease) in other liabilities	42 673 674	11 223 593	86 117 166	9 041 268
(Increase)/decrease in loans and advances	(265 590 748)	(91 199 645)	(448 101 647)	(42 196 512)
(Increase)/decrease in other assets	(11 924 810)	(7 158 363)	(43 194 500)	(7 793 984)
Net cash generated/(used) from operations	134 279 682	47 189 958	128 550 929	9 902 153
Taxation				
Tax on dividends paid	-	-	-	-
Corporate tax paid	(20 287 014)	(14 251 002)	(15 566 380)	(2 472 504)
Net cash inflow/(outflow) from operations	**113 992 668**	**32 938 956**	**112 984 548**	**7 429 648**
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	-	(75 513)	-	(14 133)
Disposal/(Acquisition) of investment securities	(346 421 331)	(79 500 162)	(132 072 378)	(6 143 914)
Net (acquisitions)/disposals of RBZ digital gold tokens	(4 319 410)	-	(4 319 410)	-
Proceeds on disposal of property and equipment	634 123	180 505	1 590 773	1 515
Acquisition of property and equipment	(8 927 055)	(12 071 479)	(4 197 432)	(2 162 776)
Proceeds on disposal of investment properties	3 881 320	748 884	2 611 986	134 369
Acquisition of investment properties	(19 598 846)	(18 493 384)	(11 345 113)	(2 764 347)
Net cash (used)/generated in investing activities	(374 751 198)	(109 211 149)	(147 731 575)	(10 949 286)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of lease liabilities	(3 694 925)	(318 454)	(2 140 382)	(70 173)
Borrowings repaid	(28 795 014)	(1 589 814)	(16 684 703)	(322 394)
Borrowings raised	270 808 081	11 844 318	258 697 770	16 873 751
		-		
Net cash outflow from financing activities	**238 318 142**	**9 936 050**	**239 872 684**	**16 481 184**
Net (decrease)/increase in cash and cash equivalents	(22 440 388)	(66 336 144)	205 125 657	12 961 546
Net foreign exchange and monetary adjustments on cash and cash equivalents	271 321 586	89 353 588	125 718 804	3 705 016
Cash and cash equivalents at beginning of the year	103 502 092	80 484 648	21 538 825	4 872 263
Cash and cash equivalents at the end of the year	**352 383 289**	**103 502 092**	**352 383 286**	**21 538 825**
ADDITIONAL INFORMATION ON OPERATING CASH FLOWS FROM INTEREST		-		
Interest received	120 824 931	101 251 280	64 959 887	15 800 168
Interest paid (including interest on lease liabilities)	(29 724 126)	(29 718 249)	(14 651 080)	(4 477 951)

There are no material differences between the Bank and the Holding company as the Bank is the principal operating subsidiary of the Group. The notes to the financial statements under NMBZ Holdings Limited are therefore the same as those of the Bank in every material respect where applicable.

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A) OTHER INCOME

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Profit on disposal of property and equipment	182 716	(157 312)	381 189	28 525
Fair value gains on investment properties	125 622 851	32 823 582	209 472 659	16 380 730
Profit/(Loss) on disposal of investment properties	-	-	-	-
Rental income	1 823 407	444 636	1 104 392	95 645
Recoveries	16 363	40 761	8 147	5 894
Auction proceeds	11 032 948	-	8 230 318	-
Other operating income	12 918 027	5 639 851	16 316 765	1 427 132
	140 563 363	38 791 518	227 283 152	17 937 926

B) OPERATING EXPENDITURE

The net operating income is after charging the following:

	Inflation Adjusted		Historical Cost*	
	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000	31 Dec 2023 ZWL '000	31 Dec 2022 ZWL '000
Administration costs**	100 026 453	33 941 014	65 295 627	4 964 614
Audit fees:				
- Current year	1 686 863	764 669	893 858	114 704
- Prior year	-	-	-	-
Amortisation of intangible assets	1 386 125	1 392 072	6 094	4 395
Depreciation (excluding right of use assets)	5 473 365	2 926 114	1 559 712	222 437
Depreciation – right of use assets	2 710 637	1 259 745	458 700	71 926
Directors' remuneration	2 764 568	845 345	1 622 313	129 973
- Fees for services as directors	2 579 870	793 175	1 524 283	122 188
- Services rendered	-	-	-	-
- Expenses	184 698	52 170	98 030	7 785
Staff costs – salaries, allowances and related costs**	100 292 702	51 635 668	59 067 547	8 364 151
	214 340 712	**92 764 627**	**128 903 851**	**13 872 200**

** Included in Staff costs - salaries, allowances and related costs are employee benefit costs relating share based payments amounting to ZWL229 681 525 (2022: ZWL1 222 247 843).

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Employee benefit costs - Share based payment	229 741	1 222 247	229 741	128 073

C) OTHER COMPREHENSIVE INCOME

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Revaluations of land and buildings	71 020 585	3 220 723	110 945 505	7 749 051
Tax effect	(19 053 154)	(638 360)	(28 545 698)	(1 915 366)
	51 967 431	2 582 363	82 399 807	5 833 685

D) EARNINGS PER SHARE

The calculation of earnings per share is based on the following figures:

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
D.1. Earnings				
Profit for the year	263 952 401	55 392 988	369 766 587	25 441 321
D.2. Number of shares				
Weighted average shares in issue	16 506 050	16 506 050	16 506 050	16 506 050
D.3. Earnings per share (ZWL cents)				
Basic and diluted	1 599 125	335 592	2 240 188	154 133

E. SHARE CAPITAL

E.1. Authorised

The authorised ordinary share capital at 31 December 2023 is at the historical cost figure of ZWL25 000 (2022 - ZWL25 000) comprising 25 million ordinary shares of ZWL0.001 each.

E.2. Issued and fully paid

The issued share capital at 31 December 2023 is at the inflation adjusted figure of ZWL1 167 413 (2022 restated – ZWL1 167 413) comprising 16 506 050 (2022 – 16 506 050) ordinary shares of ZWL0.001 each in historical cost terms.

F. CASH AND CASH EQUIVALENTS

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Balances with the Central Bank**	183 863 825	33 264 613	183 863 825	6 922 379
Current, nostro accounts* and cash	156 019 464	70 237 477	156 019 464	14 616 446
Interbank placements	12 500 000	-	12 500 000	-
	352 383 289	**103 502 090**	**352 383 289**	**21 538 825**

* Nostro accounts are foreign domiciled bank accounts operated by the Bank for the facilitation of offshore transactions on behalf of clients.

** Balances with the Central Bank, other banks and cash are used to facilitate customer and the Bank's transactions which include payments and cash withdrawals.

G) INVESTMENT PROPERTIES

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
At 1 January	108 688 700	58 115 866	22 618 160	3 518 133
Additions	35 556 212	18 493 385	20 093 614	2 764 347
Disposals	(17 413 251)	(744 134)	(5 598 622)	(45 050)
Fair value gains	127 132 239	32 823 583	209 472 659	16 380 730
Transfer of NMB Properties to NMBZH	(16 486 171)	-	(9 108 082)	-
At 31 December	**237 477 729**	**108 688 700**	**237 477 729**	**22 618 160**

Investment properties comprise commercial properties and residential properties that are leased out to third parties and land held for future development. No properties were encumbered.

Rental income amounting to ZWL 1 823 406 683 (2022: ZWL 444 636 378) was received and no operating expenses were incurred on the leased investment properties in the current year due to the net leasing arrangement on the properties.

The Bank has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

H) CORPORATE GOVERNANCE APPROACH

1. RESPONSIBILITY

These condensed financial statements are the responsibility of the directors. This responsibility includes the setting up of internal control and risk management processes, which are monitored independently. The information contained in these condensed financial statements has been prepared on the going concern basis and is in accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20) and International Financial Reporting Standards.

2. CORPORATE GOVERNANCE

The Bank adheres to some principles of corporate governance derived from the King IV Report, the United Kingdom Combined Code and RBZ corporate governance guidelines. The Bank is cognisant of its duty to conduct business with due care and in good faith in order to safeguard all stakeholders' interests.

3. BOARD OF DIRECTORS

Board appointments are made to ensure a variety of skills and expertise on the Board. Non-executive directors are of such calibre as to provide independence to the Board. The Chairman of the Board is an independent non-executive director. The Board is supported by mandatory committees in executing its responsibilities. The Board meets at least quarterly to assess risk, review performance and provide guidance to management on both operational and policy issues. The Board conducts an annual peer based evaluation on the effectiveness of its activities. The process involves the members evaluating each other collectively as a board and individually as members. The evaluation, as prescribed by the RBZ, takes into account the structure of the board, effectiveness of committees, strategic leadership, corporate social responsibility, attendance and participation of members and weaknesses noted. Remedial plans are invoked to address identified weaknesses with a view to continually improve the performance and effectiveness of the Board and its members.

The Board of NMBZ Holdings Limited continues to align its internal governance practices to local and international best practice including the National Code of Corporate Governance in Zimbabwe (ZIMCODE) and the King IV Report. The Board has adopted the National Code of Corporate Governance in Zimbabwe as its primary code of governance. The Board is committed to the principles of accountability, integrity, transparency, sound ethical practices and professionalism. As such the Board continues to actively work towards balancing the interests of all its stakeholders, including its shareholders, customers, employees, regulators, suppliers and the communities in which we work in.

Our management approach remains that of ensuring prudence, compliance with international best practice and sustainability are key considerations for management as they work to deliver value to our shareholders and all other stakeholders.

3.1. Directors Attendance Register

NAME OF DIRECTOR		MAIN BOARD	AUDIT	CREDIT	ALCO & FINANCE
No. of Meetings Held		6	6	4	4
B. A. Chikwanha	I	6	N	4	N
D. Matenga	I	6	N	N	4
E. Chisango	I	6	6	4	4
G. Taputaira	I	4	6	N	N
J. Maguranyanga	I	5	6	N	N
C. Glover	NE	6	N	N	4
J. Tichelaar	NE	5	N	N	3
J. de la Fargue	NE	6	N	3	4
P. Gowero*	I	5	N	N	3
G. Gore	E	6	N	4	4
M. Chipunza	E	6	N	N	4

* P. Gowero - Appointed 26 April 2023

KEY

- I = Independent Non-Executive Director
- NE = Non-Executive Director
- E = Executive Director
- N = Not a member

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NAME OF DIRECTOR	LOANS REVIEW	HUMAN CAPITAL, REMUNERATION & NOMINATIONS	RISK & COMPLIANCE	ICT & DIGITAL
No. of Meetings Held	4	5	4	7
B. A. Chikwanha	N	5	N	7
D. Matenga	4	N	4	6
E. Chisango	N	5	N	N
G. Taputaira	3	N	3	5
J. Maguranyanga	4	5	3	N
C. Glover	N	5	4	6
J. Tichelaar	3	4	N	6
J. de la Fargue	N	5	4	N
P. Gowero*	3	4	3	N
G. Gore	N	N	N	7
M. Chipunza	N	N	N	N

* P. Gowero - Appointed 26 April 2023

KEY

- I = Independent Non-Executive Director
- NE = Non-Executive Director
- E = Executive Director
- N = Not a member

3.2. BOARD COMMITTEES

In order to make the decision-making process more efficient and to support the vision relating to corporate governance, the Board set up the following Committees:

Audit Committee

The Committee oversees the Group's financial reporting process, monitoring the integrity and appropriateness of the Group's financial statements; evaluating the adequacy of the Group's financial and operational processes, compliance, internal controls and risk management processes. Both the internal and external auditors have unrestricted access to the audit committee to ensure their independence and objectivity.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Credit Committee

The Credit Committee's main responsibilities are to consider loan applications beyond the discretionary limits of the Executive Credit Committee and to direct the formulation of, review and monitor the credit principles and policies of the Group. The Chief Banking Officer and Head of Credit Management are invitees and resource persons at every meeting. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

ALCO & Finance

The ALCO & Finance Committee is responsible for deriving the most appropriate strategy for the Group in terms of the mix of assets and liabilities given its expectations of the future and the potential consequences of interest-rate movements, liquidity constraints, foreign exchangeexposure and capital adequacy.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Loans Review

The Loans Review Committee assesses compliance of the loan book with the lending policy and the Banking Regulations. The Committee conducts loan reviews independent of any person or committee responsible for sanctioning credit.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Human Capital, Remuneration & Nominations Committee

The committee is responsible for setting the Group's remuneration philosophy and reviews the overall remuneration structures of the Group, including all material remuneration proposals and packages for Executive Directors and senior personnel. The committee is also responsible for the nomination, election and appointment of board members. The group's remuneration policy is to provide remuneration packages that attract and retain high performing individuals. The Group's remuneration package is primarily made up of basic salaries, share options and performancerelated bonuses. The Chief Executive Officer and Head of Human Capital are invitees and resource persons at every meeting.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Risk & Compliance Committee

The Risk and Compliance Management Committee oversees the quality, integrity and reliability of the Group's enterprise risk management systems and reviews all group-wide risks.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

ICT & Digital Banking Committee

The IT & Digital Banking Committee provides governance and oversight on the technology-related investments, operations and strategies and their alignment with the Group's overall strategy. It also oversees the Group's technology risk management and security framework and its effectiveness (in conjunction with the Risk & Compliance Committee).

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

4. RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Board Asset and Liability Management Committee (ALCO) and the Board Risk and Compliance Committee, which are responsible for defining the Group's risk universe, developing policies and monitoring implementation. The Board also has the Board Credit Committee (BCC) which is responsible for sanctioning credits and the Board Loans Review Committee (LRC), which is responsible for monitoring asset quality and adherence to the credit risk management policy.

Risk management is linked logically from the level of individual transactions to the Group level. Risk management activities broadly take place simultaneously at the following different hierarchy levels:

Strategic Level:	This involves risk management functions performed by senior management and the board of directors. It includes the definition of risk, ascertaining the Group's risk appetite, formulating strategy and policy for managing risk and establishes adequate systems and controls to ensure overall risk remains within acceptable levels and is adequately compensated.
Macro Level:	It encompasses risk management within a business area or across business lines. These risk management functions are performed by middle management.
Micro Level:	This involves "On-the-line" risk management where risks are actually created. These are the risk management activities performed by individuals who assume risk on behalf of the organisation such as Treasury Front Office, Corporate Banking, Retail banking etc. The risk management in these areas is confined to operational procedures set by management.

Risk management is premised on four (4) mutually reinforcing pillars, namely:

a. adequate board and senior management oversight;
b. adequate strategy, policies, procedures and limits;
c. adequate risk identification, measurement, monitoring and information systems; and
d. comprehensive internal controls and independent reviews.

Credit Risk

Credit risk is the risk that a financial contract will not be honoured according to the original set of terms. The risk arises when borrowers or counterparties to a financial instrument fail to meet their contractual obligations. The Group's general credit strategies centre on sound credit granting process, diligent credit monitoring and strong loan collection and recovery. There is a separation between loan collection and recovery.

There is a separation between loan granting and credit monitoring to ensure independency and effective management of the loan portfolio. The Board has put in place sanctioning committees with specific credit approval limits. The Credit Management department does the initial review of all applications before recommending them to the Executive Credit Committee and finally the Board Credit Committee depending on the loan amount. The Group has in place a Board Loans Review Committee responsible for reviewing the quality of the loan book and adequacy of loan loss provisions.

The Group has an automated credit processes from loan origination, appraisal, monitoring and collections. The system has a robust loan monitoring and reporting module which is critical in managing credit risk. In view of the group's move into the mass market, retail credit has become a key area of focus. The group has put in place robust personal loan monitoring systems and structures to mitigate retail loan delinquencies. This includes a rigorous scheme assessment and a dedicated pre-delinquency team and a separate recoveries team.

Credit Management

- Responsible for evaluating & approving credit proposals from the business units.
- Together with business units, has primary responsibility on the quality of the loan book.
- Reviewing credit policy for approval by the Board Credit Committee.
- Reviewing business unit level credit portfolios to ascertain changes in the credit quality of individual customers or other counterparties as well as the overall portfolio and detect unusual developments.
- Approve initial customer internal credit grades or recommend to the Credit Committees for approval.
- Setting the credit risk appetite parameters.
- Ensure the Group adheres to limits, mandates and its credit policy.
- Ensure adherence to facility covenants and conditions of sanction e.g. annual audits, gearing levels, management accounts.
- Manage trends in asset and portfolio composition, quality and growth and non-performing loans.
- Manage concentration risk both in terms of single borrowers or group as well as sector concentrations and the review of such limits.

Credit Monitoring and Financial Modelling

- Independent credit risk management.
- Independent on-going monitoring of individual credit and portfolios.
- Triggers remedial actions to protect the interests of the Group, if appropriate (e.g. in relation to deteriorated credits).
- Monitors the on-going development and enhancement of credit risk management across the Group.
- Reviews the Internal Credit Rating System.
- On-going championing of the Basel II methodologies across the Group.
- Ensures consistency in the rating processes and performs independent review of credit grades to ensure they conform to the rating standards.
- Confirm the appropriateness of the credit risk strategy and policy or recommends necessary revisions in response to changes/trends identified.

Credit Administration

- Prepares and keeps custody of all facility letters.
- Security registration.
- Safe custody of security documents.
- Ensures all conditions of sanction are fulfilled before allowing drawdown or limit marking.
- Review of credit files for documentation compliance e.g. call reports, management accounts.

Recoveries

The recoveries unit is responsible for all collections and ensures that the Group maximises recoveries from Non-Performing Loans (NPLs) and loans and advances written off.

4.1. Market risk

This is the exposure of the Group's on and off balance sheet positions to adverse movement in market prices resulting in a loss in earnings and capital. The market prices will range from money market (interest rate risk), foreign exchange and equity markets in which the bank operates. The Group has in place a Management Asset and Liability Committee (ALCO) which monitors market risk and recommends the appropriate levels to which the Group should be exposed at any time. Net Interest Margin is the primary measure of interest rate risk, supported by periodic stress tests to assess the Group's ability to withstand stressed market conditions. On foreign exchange risk, the bank monitors currency mismatches and make adjustments depending on exchange rate movement forecast. The mismatches per currency are contained within 5% of the Group's capital position.

Management ALCO meets on a monthly basis and operates within the prudential guidelines and policies established by the Board ALCO. The Board ALCO is responsible for setting exposure thresholds and limits, and meets on a quarterly basis. The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, of the Group's statement of comprehensive income.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the profit or loss for the year, based on the variable and fixed interest rate financial assets and liabilities held at 31 December 2023.

4.2. Liquidity risk

Liquidity risk is the risk of financial loss arising from the inability of the Group to fund asset increases or meet obligations as they fall due without incurring unacceptable costs or losses. The Group identifies this risk through maturity profiling of assets and liabilities and assessment of expected cash flows and the availability of collateral which could be used if additional funding is required.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Board ALCO.

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits to customers. The Group also actively monitors its loans to deposit ratio against a set threshold in a bid to monitor and limit funding risk. The group monitors funding concentration risk by reviewing the ratio of top 20 depositors to the total funding. Funding mix is also monitored by monitoring the contribution of wholesale and demand deposits to the total funding for the bank. Liquidity risk is monitored through a daily liquidity reports produced by the Risk Management department. This is augmented by a monthly management ALCO and a quarterly board ALCO meetings.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. The Group monitors its liquidity ratio in compliance with Banking Regulations to ensure that it is not less than 30% of the liabilities to the public. Liquid assets consist of cash and cash equivalents, short term bank deposits and liquid investment securities available for immediate sale.

4.3. Operational risk

This risk is inherent in all business activities and is the risk of loss arising from inadequate or failed internal processes, people, systems or from external events. The Group utilises monthly Key Risk Indicators to monitor operational risk in all units. Further to this, the Group has an elaborate Operational Loss reporting system in which all incidents with a material impact on the well-being of the Group are reported to risk management. The risk department conducts periodic risk assessments on all the units within the Group aimed at identifying the top risks and ways to minimise their impact. There is a Board Risk and Compliance Committee whose function is to ensure that this risk is minimised. The Risk Committee with the assistance of the internal audit function and the Risk Management department assesses the adequacy of the internal controls and makes the necessary recommendations to the Board.

4.4. Legal and compliance risk

Legal risk is the risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations. Legal risk may entail such issues as contract formation, capacity and contract frustration. Compliance risk is the risk arising from non – compliance with laws and regulations. To manage this risk, permanent relationships are maintained with firms of legal practitioners and access to legal advice is readily available to all departments. The Group has an independent compliance function which is responsible for identifying and monitoring all compliance issues and ensures the Group complies with all regulatory and statutory requirements.

Continued from Page 22

4.5. Reputational risk

Reputation risk is the risk of loss of business as a result of negative publicity or negative perceptions by the market with regards to the way the Group conducts its business. To manage this risk, the Group strictly monitors customers' complaints, continuously train staff at all levels, conducts market surveys and periodic reviews of business practices through its Internal Audit department. The directors are satisfied with the risk management processes in the Group as these have contributed to the minimisation of losses arising from risky exposures.

4.6. Strategic risk

This refers to current and prospective impact on a Group's earnings and capital arising from adverse business decisions or implementing strategies that are not consistent with the internal and external environment. To manage this risk, the Group always has a strategic plan that is adopted by the Board of Directors. Further, attainment of strategic objectives by the various departments is monitored periodically at management level.

4.7. Environmental, Social & Governance (ESG) Risk

Environment, Social and Governance (ESG) or sustainability risk is the consideration of non-financial risks arising from the environment (flora and fauna) as well as societal issues. The Group is not only concerned about making profits, but is also keen on assessing the impact it has on the planet and the people it interacts with. There is a growing number of frameworks and standards aimed at addressing global concerns on sustainability. Global risk reports show that environmental and societal risks have overtaken economic and geopolitical risks in terms of both likelihood and impact.

4.7.1. Reserve Bank of Zimbabwe Ratings

The Reserve Bank of Zimbabwe conducted an on-site inspection on the Group's banking subsidiary on 24 June 2021. Below are the final ratings from the on-site examination.

CAMELS* Ratings

CAMELS Component	Latest RBS** Ratings 30/06/2021	Previous RBS Ratings 24/11/2016	Previous RBS Ratings 30/06/2013	Previous RBS Ratings 31/01/2008
Capital Adequacy	2	2	2	4
Asset Quality	2	3	4	2
Management	2	3	3	3
Earnings	2	2	2	3
Liquidity	2	3	2	3
Sensitivity to Market Risk	2	2	2	3
Composite Rating	2	3	3	3

* CAMELS is an acronym for Capital Adequacy, Asset quality, Management, Earnings, Liquidity and Sensitivity to Market Risk. CAMELS rating system uses a rating scale of 1-5, where '1' is Strong, '2' is Satisfactory, '3' is Fair, '4' is Weak and '5' is Critical.

** RBS stands for Risk-Based Supervision.

4.7.2. Summary RAS ratings

RAS Component	Latest RBS** Ratings 30/06/2021	Previous RBS Ratings 24/11/2016	Previous RBS Ratings 30/06/2013	Previous RBS Ratings 31/01/2008
Overall Inherent Risk	Moderate	High	High	High
Overall Risk Management Systems	Acceptable	Acceptable	Acceptable	Acceptable
Overall Composite Risk	Moderate	Moderate	Moderate	Moderate
Direction of Overall Composite Risk	**Stable**	**Stable**	**Stable**	**Stable**

*** RAS stands for Risk Assessment System.

4.7.2.1. Summary risk matrix – 30 June 2021 on - site examination

Type of Risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit	Moderate	Acceptable	Moderate	Stable
Liquidity	Moderate	Acceptable	Moderate	Stable
Interest Rate	Low	Strong	Low	Stable
Foreign Exchange	Moderate	Strong	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance	Moderate	Acceptable	Moderate	Stable
Reputation	Moderate	Acceptable	Moderate	Stable
Overall	**Moderate**	**Acceptable**	**Moderate**	**Stable**

KEY

High	Moderate/Acceptable	Low

Level of Inherent Risk

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

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

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

Adequacy of Risk Management Systems

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

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

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

Overall Composite Risk

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

Moderate – risk management systems appropriately mitigates inherent risk. For a given low risk area, significant weaknesses in the risk management systems may result in a moderate composite risk assessment.

On the other hand, a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organisation.

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

Direction of Overall Composite Risk

- **Increasing** – based on the current information, risk is expected to increase in the next 12 months.
- **Decreasing** – based on current information, risk is expected to decrease in the next 12 months.
- **Stable** – based on the current information, risk is expected to be stable in the next 12 months.

External Credit Ratings

The external credit ratings were given by Global Credit Rating (GCR), a credit rating agency accredited with the Reserve Bank of Zimbabwe.

Security Class	2023	2022	2021	2020	2019
Long Term	BB+	BB+	BB+	-	BB-

The 2020 rating which was due to expire in August 2020 was withdrawn by GCR on 23 June 2020 following the Bank's waiver of external ratings. The Bank waived the 2020/2021 external ratings in line with a general dispensation extended by the Reserve Bank of Zimbabwe due to the COVID-19 pandemic.

The 2023 external ratings were obtained during the month of June 2023 with a long term rating of BB+.

4.8. Regulatory Compliance

There was no significant regulatory breach resulting in penalties during the period under review. The Bank is committed to comply with and adhere to all regulatory requirements.

4.9. Capital management

4.9.1. Holding company

The capital allocation to the subsidiary units is in accordance with the regulatory requirements of the business undertaken by the subsidiary.

4.9.2. Banking subsidiary

The primary objective of the Bank's capital management is to ensure that the Bank complies with the RBZ requirements. In implementing the current capital requirements, the RBZ requires the Banking subsidiary to maintain a prescribed ratio of total capital to total risk weighted assets.

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings (including current year profit), statutory reserve and other equity reserves.

The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the RBZ in supervising the Bank

The other component of regulatory capital is Tier 2 capital, which includes subordinated term debt, revaluation reserves and portfolio provisions.

Tier 3 capital relates to an allocation of capital to market and operational risk.

Various limits are applied to elements of the capital base. The core capital (Tier 1) shall comprise not less than 50% of the capital base and the regulatory reserves and portfolio provisions are limited to 1.25% of total risk weighted assets.

The Bank's regulatory capital position at 31 December was as follows:

	Inflation Adjusted		Historical Cost*	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
Share capital	19 284	19 284	17	17
Share premium	34 189 096	34 189 096	31 475	31 475
Retained earnings	396 664 339	133 510 115	400 020 626	30 254 039
Functional currency translation reserve	7 634 508	7 634 508	11 620	11 620
	438 507 228	175 353 003	400 063 738	30 297 151
Less: capital allocated for market and operational risk	(45 690 772)	(24 678 018)	(45 690 772)	(5 135 505)
Tier 1 capital	392 816 455	150 674 985	354 372 965	25 161 647
Tier 2 capital (subject to limit as per Banking Regulations)	96 352 280	16 298 476	107 983 109	8 688 013
Fair valuation gains on land and buildings	78 518 660	2 582 363	90 149 489	5 833 685
Subordinated debt	7 188 128	4 451 329	7 188 128	926 323
Stage 1 & 2 ECL provisions – (limited to 1,25% of risk weighted asset	10 645 492	9 264 784	10 645 492	1 928 005
Tier 1 & 2 capital	489 168 735	166 973 460	462 356 074	33 849 660
Tier 3 capital (sum of market and operational risk capital)	45 690 772	24 678 018	45 690 772	5 135 505
Total capital base	**534 859 507**	**191 651 479**	**508 046 846**	**38 985 164**
Total risk weighted assets	1 435 692 654	741 182 537	1 435 692 654	154 240 369
Tier 1 ratio	27.36%	20.33%	24.68%	16.31%
Tier 2 ratio	6.71%	2.20%	7.52%	5.63%
Tier 3 ratio	3.18%	3.33%	3.18%	3.33%
Total capital adequacy ratio	37.25%	25.86%	35.39%	25.28%
RBZ minimum required	12.00%	12.00%	12.00%	12.00%

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SECRETARY AND REGISTERED OFFICE

Company Secretary
V. T. MUTANDWA

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Independent Auditor's Report

To the Shareholders of NMBZ Holdings Limited

Report on the Audit of the inflation adjusted Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying inflation adjusted consolidated financial statements of NMBZ Holdings Limited and its subsidiaries (the Group)', as set out on pages 1 to 24, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2023 and the related inflation adjusted consolidated statement of comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the Basis for qualified opinion section, the accompanying financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the manner required by the Companies and Business Entities Act (Chapter 24:31) and the Banking Act (Chapter 24:20).

Basis for qualified opinion

Matter 1: Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates, IFRS 13 - Fair Valuation Measurement and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors.

Impact of the prior year modification on the current year audit report and opening balances.

Valuation of investment properties, freehold land and buildings
In the prior years up to financial year ended 31 December 2021, the Group valued Investment property and freehold land and buildings using USD denominated inputs and converting these to ZWL at the closing auction rate. We believed that applying conversion rate to a USD valuation to calculate ZWL property values did not accurately reflect market dynamics, as risks associated with currency trading do not reflect the risks associated with the properties and therefore did not meet IFRS 13 requirements.

Management has not restated the prior year amounts in line with the requirements of IAS8, consequently, corresponding amounts, that is, the revaluation gain, other income and tax expense on the inflation adjusted consolidated statement of profit or loss and other comprehensive income remain misstated. Our audit report on the current period's inflation adjusted consolidated financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures.

Inappropriate accounting for blocked funds
In prior year, the group included in other assets local balances denominated in the group's functional currency, this related to a legacy debt balance held with the central bank which had been treated as a foreign currency denominated asset and translated at the foreign auction exchange rate as at 31 December 2022 in contravention of IAS 21 which defines 'foreign currency' as a currency other than the functional currency of the entity resulting in an overstatement of the balance.

Management has not restated the prior year amounts in line with the requirements of IAS8, consequently, corresponding amounts for other assets on the inflation adjusted consolidated statement of financial position and Net foreign exchange gains on the inflation adjusted consolidated statement of profit or loss and other comprehensive income remain misstated. Our audit report on the current period's inflation adjusted consolidated financial statements is therefore modified because of the possible effect of this matter on the comparability of the current period's figures.

Matter 2: Inappropriate valuation of treasury bills

Included in Investment securities are treasury bills received from the central bank in lieu of the Reserve Bank of Zimbabwe (RBZ) Deposit made in 2019 of ZWL63 127 959 650,98 (2022: *ZWL6 599 867 282,51) with maturity dates ranging from three years to twenty years*. These have not been discounted to take into account the time value of money which is in contravention of IFRS 9 that requires financial assets measured at amortized cost to be discounted using effective interest method. Had the treasury bills been recognized at fair value that is the discounted future value balance would have been reduced by ZWL25 851 316 805,02 (2022: ZWL3 260 789 866). Consequently, the foreign exchange gains of ZWL68 337 098 567,18 and retained earnings ZWL84 173 485 180,76 (2022: ZWL96 589 483 350) are also overstated.

Our prior year audit opinion was modified due to this matter.

Matter 3: Consequential impact on IAS29 - Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial statements which were not in compliance with *IFRS 9, and IAS 8* as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, monetary loss of ZWL56 578 041 810,96 (2022: ZWL10 566 560 372) is impacted as a result of misstatements above.

The effects of the above departures from IFRS are material but not pervasive to the consolidated inflation adjusted financial statements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter(s) described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Issue 1: Expected credit losses on financial assets</td></tr>
<tr><td>32% of the Group's total assets comprise of loans and advances which are disclosed on Note 20 to the financial statements. The loans are significant to the Group in value and comprise of a large volume of balances of varying magnitude. A significant amount of audit effort is therefore required to independently verify the existence of the loans.

The Group is exposed to credit risk on its portfolio. Significant judgement is exercised by Management in assessing the impairment of loans and advances as disclosed on note 20.3 to the financial statements. Due to the size of the Group's loan book and the significant degree of estimation in determining the impairment of loans and advances, the issue was considered to be a key audit matter.

Management applied judgment on:
• Amount and timing of cash flows
• Evaluation of the borrower's financial situation and the net realisable value of collateral.
There is subjectivity involved in the determination of the amounts of advances deemed uncollectable and requiring impairment by Management. The determination of uncollectible amounts is based on a client-by-client basis.

We refer to Note 2.5 which details the methods, judgments and assumptions applied by management in estimating the impairment of loans and advances. The matter required significant interactions between the auditor and Management</td><td>In evaluating the adequacy of impairment of loans and advances we performed the following procedures:
• We obtained an understanding of the credit approval and loan on-boarding process to confirm appropriateness of the loan information in the IT system which is used as basis for the impairment loss allowance calculation.
• We obtained an understanding of the process followed in calculating the impairment allowance for the various financial instruments including the controls around the process.
• We performed tests on the accuracy and completeness of inputs in the ECL model, and special emphasis was put on days past due as a key input to the impairment loss allowance calculation.
• We reviewed the staging of the loans by analysing the factors affecting the staging, such as payment behaviour, financial ratios, and industry of the clients with the loans.
• We reviewed lawyers' letters and identified all loans under litigations and verified if those were allocated to the correct stage per the credit policy. All loans being handled by the lawyers were appropriately allocated to stage 3 as per our expectations.</td></tr>
<tr><td colspan="2">Issue 2: Presumed risk in revenue recognition</td></tr>
<tr><td>The bank's income which comprises of Interest Income and Fees & Commission Income was an area of most significance for the audit in the current year due to Interest income being a significant component of the bank's financial statements, both streams of income are highly automated therefore completeness & accuracy is an area of audit focus and that the bank's operations are largely dependent on interest income generation.</td><td>In validating the recognition of revenue, we performed the following procedures:

• We updated our understanding of the revenue recognition process, performed walkthroughs to confirm our understanding and evaluated the design effectiveness of controls related to the significant risk identified.
• We compared results with those of prior periods and those expected for the current period and discussed significant variations with management for reasonability.
• Our Technology Risk team confirmed the automated aspects of the interest, fees and commission income calculations are configured correctly and have been</td></tr>
</table>

	operating effectively throughout the audit period and performed recalculations on most automated revenue lines. • We performed year end cut off procedures on the revenue transactions. • We reviewed the treatment of income on impaired financial instruments. • Our Technology Risk team also recalculated the income for suspended interest. • We performed tests of details on non-automated revenue lines. We also obtained and inspected supporting documentation for manual journals made in fully automated accounts to confirm accuracy of these transactions. • We selected manual journal entries processed to all revenue accounts to confirm validity and business rationale as well as the appropriateness of manual adjustments processed. • We reviewed the process followed by the independent valuators to confirm appropriateness of methodology and assumptions for property valuation purposes in the determination of fair value adjustments. • We also reviewed the compliance of the banking operations to the transaction fees in line with directives issued by the regulator. • We assessed the appropriateness of the Revenue recognition criteria used by management as per the IFRS 15 requirements. • We reviewed the relevant disclosures on the annual report in accordance with IFRS 15 through our financial statement review process.
Issue 3: Suspense accounts with long outstanding reconciling items	
In prior years the Bank has experienced significant increase in volumes of transactions processed in its accounting systems arising from the extensive use of its digital platforms like mobile banking, POS and Zimswitch. Accordingly, due to the increase in transactions, there have been some delays in reconciling all accounts. Long outstanding and unreconciled balances create an opportunity for fraud and manipulation which may not be detected and corrected timely resulting in material misstatements of the financial statements for both suspense and bank accounts.	In validating the suspense accounts, we performed the following procedures: • We updated our understanding of how the bank's suspense accounts operate. • We obtained an understanding of the system of internal control with regards to the review and approval thereof and evaluate the precision and sensitivity of thresholds applied by management in the review process. • We compared the prior year and current year balance of suspense accounts to identify any significant increases in the balance at year end. • We tested the suspense account reconciliations at year end to confirm that

	these have been appropriately performed and we followed up on reconciling items.

Other information

The directors are responsible for the other information. The other information comprises of the Chairman's Statement, Directors' Profiles and the Report of the Directors but does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Qualified Opinion section above, the Group did not comply with the requirements of IAS 8 Accounting Policies, IFRS 13 Fair value measurement, Changes in Accounting Estimates and Errors, we disagree with treatment of blocked funds as foreign currency in contravention with IAS 21 and we disagree with the valuation of treasury bills in lieu of blocked funds as well as the application of IAS 29 - Financial Reporting in Hyperinflationary Economies on incorrect base numbers. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the Banking Act (Chapter24;20), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Number 367).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

28 March 2024