FBC Holdings Limited

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP CHAIRMAN'S STATEMENT

I am pleased to present to you FBC Holdings Limited's Audited Financial Statements and business highlights for the year ended 31 December 2023.

	Inflation Adjusted	Historical Cost
Total Income ZWL	1.27 trillion (2023) 533.0 billion (2022)	1.19 trillion (2023) 102.6 billion (2022)
Profit Before Tax ZWL	403.5 billion (2023) 113.7 billion (2022)	576.3 billion (2023) 47.9 billion (2022)
Profit After Tax ZWL	327.4 billion (2023) 60.2 billion (2022)	478.4 billion (2023) 38.7 billion (2022)
Total Assets ZWL	3.4 trillion (2023) 1.6 trillion (2022)	3.4 trillion (2023) 329.8 billion (2022)
Total Equity ZWL	705.9 billion (2023) 293.1 billion (2022)	707.4 billion (2023) 63.3 billion (2022)
Net Asset Value Per Share ZWL	1 156 (2023) 480 (2022)	1 159 (2023) 104 (2022)
Basic Earnings Per Share ZWL (Cents)	53 594 (2023) 9 568 (2022)	78 335 (2023) 6 155 (2022)
Cost-to-Income Ratio	75% (2023) 67% (2022)	52% (2023) 53% (2022)

Dividend US$ (Cents)	
Final	0.45
Interim	0.45

Financial Performance Review – Inflation Adjusted
Notwithstanding the challenges faced in 2023, FBC Holdings achieved a commendable set of financial results. The Group's profit before tax, adjusted for inflation, was ZWL403.5 billion, which represents a 255% increase from ZWL113.7 billion recorded in the previous year. This notable performance was mainly driven by the growth in total income and in part, by cost containment. The Group's profit after tax increased by 443% to ZWL327.4 billion.

Total income for the Group increased by 138% to ZWL1.3 trillion, up from ZWL533.0 billion, driven by the growth in all revenue streams, save for insurance and property sales. The Group's net interest income increased by 69% to ZWL239.8 billion, compared to ZWL142.2 billion in 2022, supported by a 121% growth in loans and advances, which closed the year at ZWL1.6 trillion. The Group's banking subsidiaries experienced a higher demand for foreign-currency-denominated loans in response to increased usage of multiple currencies for local transactions. The loan book is now predominantly USD-denominated.

The Group's net fee and commission income registered a 179% growth to ZWL231.5 billion, mainly due to increased transactional volumes across the various digital delivery channels. The Group's insurance subsidiaries reported an insurance service loss of ZWL12.4 billion due to a persistent mismatch between premium recording, collections and foreign currency-indexed claims.

Total other income, which includes foreign exchange and investment income, grew by 163%, significantly contributing to the Group's total revenue. This income was mainly derived from the Group's hedged positions.

Administration expenses increased by 169% to ZWL955.5 billion from ZWL354.8 billion reported in the previous year as a result of the re-pricing of overheads in line with exchange rate movements and inflation trends. Consequently, the Group's cost-to-income ratio was 75%, compared to 67% in 2022.

The Group's statement of financial position strengthened to ZWL3.4 trillion, anchored by a growth in loans and advances. Shareholders' funds grew by 141% to ZWL706 billion, mainly due to increased profitability for the year. The Group remains committed to preserving shareholder value and growth.

Operating Environment
The Zimbabwean economy experienced growth despite the currency instability and high levels of inflation. According to the International Monetary Fund (IMF), the country achieved a GDP growth of 5.3% in 2023, driven by the remarkable expansion of the agricultural and mining sectors. Foreign currency inflows and remittances continue to support the growth of domestic trade and services, which are heavily dollarized. Remittances are expected to remain strong and the current account is projected to be in a small surplus.

Despite the growing disparity between the Zimbabwean Dollar (ZWL) and the United States Dollar (USD) in both the official and alternative markets, we believe that increased dollarization will continue to stabilize the economy. While power outages have continued to have a significant impact on business productivity across all sectors, there was an improvement in power generation capacity in the second half of the year.

The government is making concerted efforts to re-engage with the international community, restore macroeconomic stability, and establish a track record of sound economic policies. We have faith in the structural reforms being implemented by the government to improve the business climate, strengthen economic governance, and reduce vulnerabilities. FBC Holdings will continually seek opportunities to promote sustained and inclusive growth that complements Zimbabwe's development objectives embodied in the country's National Development Strategy 1 (2021-2025).

Financial Services
The financial services industry remained stable and profitable in 2023. Market liquidity tightened as the election period approached but gradually eased towards the end of the year. As a result, the financial services sector invested in various hedging strategies to preserve shareholder capital and profitability, resulting in increased revaluation and foreign exchange gains.

The banking sector experienced significant growth in aggregate loans in real terms. Asset quality remained favourable at 3.5%, well below the regulatory threshold of 5%.

The Reserve Bank of Zimbabwe launched the National Financial Inclusion Strategy (NFIS) II (2022-2026) to promote sustainable livelihoods; create wealth and employment; and support gender equality. The strategy provides clear guidelines for the financial services sector to follow. In this regard, our microfinance subsidiary and fintech unit are developing products and services that promote inclusivity.

Foreign Exchange
During the reviewed period, the country experienced significant changes in foreign exchange rates. The official exchange rate, which was pegged at ZWL930.00:US$1.00 at the beginning of the year, reached a rate of ZWL6 105.00:US$1.00 by the end of the year. The Reserve Bank of Zimbabwe implemented various measures aimed at enhancing transparency, promoting fair pricing, and stabilizing the foreign exchange market. Some of these measures include increasing the frequency of auctions and introducing a willing-buyer, willing-seller interbank foreign exchange market. Despite these efforts, the foreign exchange market remained volatile throughout the year, negatively impacting economic activity.

Inflation
The government was able to control high annual headline inflation by implementing strict monetary and fiscal policies despite a difficult start to the year. The inflation rate, which began at 34.8%, peaked at 44.1% in February but ultimately decreased to 26.5% by the end of the year. Additionally, the month-on-month inflation rate peaked at 12.1% in June, before dropping to 4.7% in December.

Despite these fluctuations, the Group managed to hedge part of its balance sheet to preserve shareholder value. We commend the government for its continuous efforts to address structural challenges and guide the country towards sustained economic growth and low inflation.

Insurance Sector
The government introduced the Insurance (Amendment) Regulations, 2023 (No. 26), through Statutory Instrument 81 of 2023. This regulation discourages credit insurance and aims to manage high-premium debtors as well as improve the quality of insurance collections. Our insurance subsidiaries are expected to benefit through increased cash inflows and increased investments, subsequently improving the capacity to settle claims. On 28 November 2023, the government launched the third Money Laundering National Risk Assessment (ML-NRA). This initiative encourages all insurance companies to perform sectoral and institutional risk assessments to heighten awareness of money laundering risks on a national scale. I am pleased to report that our Group's insurance subsidiaries remained compliant with all regulatory requirements throughout the year.

Property Market
Although some sectors of the real estate market demonstrated resilience during the period under review, the overall market faced challenges due to the economic environment. Towards the end of the year, the multi-currency regime stabilized and there was increased circulation of the United States Dollar (USD), resulting in a slight growth in the construction of residential properties. Sales of residential properties, however, remained low due to the market's insistence on foreign currency payments. Demand for Central Business District (CBD) office space continued to decline as most occupants shifted their preference to the suburban market. This shift was primarily due to high rentals, increased parking fees, and traffic congestion in the CBD. Resultantly, many corporate entities are migrating to the suburban market. Nonetheless, the rental market remained highly active in 2023, with most rentals denominated in USD.

The Group firmly believes that the development of strong communities is dependent on the country's ability to meet the basic needs of its people. In the review period, we supported national housing initiatives by providing over 300 rental units at Fontaine Ridge (Harare) and at Eastlea (Zvishavane). Additionally, we constructed thirteen townhouses in Glen Lorne, further contributing to the development of the area.

Stock Market Performance
The Zimbabwe Stock Exchange All Share Index gained 981.54% in the year ending December 31, 2023, closing at 210 833.92 points. Liquidity constraints, however, resulted in low trading volumes on the local bourse, due to strict monetary and fiscal policies aimed at controlling inflation and exchange rate movements. The market capitalization of the Zimbabwe Stock Exchange increased by 722.20%, reaching ZWL16.8 trillion. In US dollar terms, the ZSE All Share Index and market capitalisation both declined by 7.78% and 32% respectively, having been adjusted for migrations to the Victoria Stock Exchange. The market capitalisation was recorded at US$1.48 billion in US dollar terms.

Meanwhile, the Victoria Falls Stock Exchange All Share Index declined 25.69%, while the market capitalization rose 74% to US$1.2 billion.

FBCH Share Price Performance
The FBCH share price closed the year at ZWL906.05 after gaining 1,361.37%. Subsequently, the Group's market capitalization improved from ZWL41.7 billion to ZWL608.8 billion. During the year, a total of 9.52 million shares were traded at a weighted average price of ZWL656.18. The Group remains committed to the preservation and growth of shareholder value.

Sustainability
FBC Holdings believes that the organization's long-term success hinges on its connectedness to and alignment of its operations with the environmental and social priorities of the communities it serves. The company has integrated sustainability best practices into its core strategy and is collaborating with partners and stakeholders to create more sustainable and inclusive communities. The primary goal is to redefine finance by making it affordable, accessible, and inclusive, while nurturing sustainable solutions in response to evolving stakeholder needs and the changing global economic and regulatory landscape.

The Group appreciates the regulatory authorities' commitment to facilitating sustainable growth and returns, by prioritizing sustainability and climate-related risks and opportunities. In 2023, the Reserve Bank of Zimbabwe Climate Risk Management Guideline and the International Financial Reporting Standards (IFRS) sustainability disclosures were introduced, capital allocation and compelling all players to consider environmental impact, as they pursue profitability. The Group has significantly progressed in adopting these sustainability best practices.

Our Community Impact
The Group has continued with its community-driven initiatives which are designed to create long-term benefits for vulnerable communities. The Group invested over USD580,000.00 in community-driven initiatives during the review period. Entembeni Old People's Home in Bulawayo, Shungu Dzevana Children's Home farm in Mhondoro and Gurungweni Secondary School in Chikombedzi received assistance in the form of groceries, farming implements, and building materials. The Group also sponsored the 2023 Zimbabwe Open Golf Championship as the title sponsor in association with the Zimbabwe Golf Association (ZGA), which has a vibrant grassroots training program, aimed at exposing disadvantaged youth to the world of golf.

Digital Transformation and Innovation
In today's fast-changing financial landscape, digital transformation and innovation are no longer optional but necessary. FBC Holdings understands this and is committed to the journey of digital transformation. Through our dedicated fintech unit, we continuously review the Group's technology architecture and develop comprehensive strategies that align with the customers' ever-changing needs. Our main goal is to provide a secure, user-friendly, and seamless digital experience, increase resource efficiency and foster a culture of innovation across FBC Holdings.

Our major milestones for the year ending 31 December 2023 include seamless customer onboarding, lending platforms and payment solutions. These digital advancements have enabled FBCH to improve service, operational efficiency and ensure regulatory compliance. We aim to be a leading force in the market, building a future-proof organization centred on customer needs and continuous stakeholder engagement. While we celebrate our achievements in 2023, we understand the importance of exploring and integrating emerging technologies into our business to respond to the evolving needs of our diverse customer base.

Compliance
The Group understands the importance of maintaining stakeholder trust and confidence in its pursuit of providing excellent service. Throughout the reporting period, we have continued to prioritize compliance and governance as fundamental pillars of our business strategy. Our Board of Directors provides robust oversight of our compliance efforts, ensuring that we adhere to the highest standards of corporate governance and ethical conduct. We have established clear lines of accountability and a robust framework for monitoring and evaluating compliance risks, which enable us to identify and mitigate potential issues in a timely and effective manner.

Standard Chartered Bank Zimbabwe (SCBZ) Acquisition Update
During the period under review, the shareholders of FBC Holdings Limited approved the acquisition of Standard Chartered Bank's operations in Zimbabwe. The Group has subsequently received most of the necessary regulatory approvals and is working towards fulfilling conditions precedent to the acquisition. The complete takeover of the business is expected in the second half of the year.

Directorate
The Board of Directors of FBC Holdings wishes to advise that Dr John Mushayavanhu stepped down as Group Chief Executive of FBC Holdings with effect from 31 December 2023, following his appointment as Governor of the Reserve Bank of Zimbabwe. The Group is grateful for his exceptional leadership over the years and wishes him success in his new role.

Subsequently, the Board of Directors of FBC Holdings Limited appointed Mr Trynos Kufazvinei as the Group Chief Executive of FBC Holdings Limited, effective 1 January 2024. Prior to his new role, he was the Deputy Chief Executive of FBC Holdings and has a proven track record of success as part of the core team that has been instrumental in the development and execution of corporate strategy over the years. He is well-positioned to lead the FBCH team and advance the growth of the FBC brand.

Furthermore, the Board wishes to advise that Mr Webster Rusere, the Managing Director of FBC Bank Limited, was appointed Deputy Group Chief Executive of FBC Holdings Limited, effective 1 January 2024. Mr Abel Magwaza was appointed Group Finance Director with effect from 1 January 2024, he was previously an executive director with FBC Bank.

The Board looks forward to a productive stewardship of the new appointees.

Dividend
I am pleased to advise that the Company has declared a final dividend of US 0.45 cents per share. This is in addition to an interim dividend of US 0.45 cents, which was paid in September 2023. The dividend is payable to Shareholders registered in the books of the Company at the close of business on Friday 19 April 2024. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 15 April 2024 and ex-dividend as from 16 April 2024. The dividend payment will be made to Shareholders on or about 29 April 2024.

Outlook
GDP is projected to be around 3.5% in 2024, which is a decrease from 5.3% in 2023. This partly reflects the impact of the El Nino drought on agricultural production and lower commodity prices. The Group will continue to scout for opportunities to create value for all key stakeholders, while emphasizing the preservation of capital.

Appreciation
Despite operating in a challenging environment, our Group has managed to not only survive but thrive, thanks to the unwavering support of our esteemed customers. Their loyalty has been a beacon of hope and motivation, enabling us to overcome obstacles and emerge stronger than ever before. We are deeply grateful to all stakeholders for their trust and confidence in us and we remain committed to providing them with the highest standards of service and quality that they have come to expect from us. To the FBC Holdings Board, management, and staff, we extend our heartfelt appreciation for your unparalleled guidance, commitment, and exceptional performance.

Herbert Nkala
FBC Holdings Chairman

30 March 2024

FBC Holdings Limited

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP CHIEF EXECUTIVE'S REPORT

I am pleased to present FBC Holdings Limited's audited financial results for the year ended 31 December 2023. These results showcase our journey as a diversified financial services Group committed to delivering an exceptional customer experience through value-added relationships.

Operating Environment

The country has witnessed a strong economic rebound since the COVID-19 pandemic, making it one of the fastest-growing economies in the Southern African Development Community. Growth is, however, expected to slow down to 3.5% in 2024, which is a decrease from 5.3% in 2023, due to depressed global growth and erratic below-average rainfall, caused by the El Niño weather pattern, affecting agricultural output. The mining sector is expected to grow by 7.6% and accommodation and food services by 6.9%, while the agriculture sector is projected to contract by 4.9%. Despite the challenging operating environment, FBC Holdings Limited will strive to facilitate economic growth, manage risk, and promote financial inclusion through various value chain financing initiatives.

Zimbabwe has faced increased global turmoil over the years, notwithstanding an expansionary monetary policy that has added initial pressure on inflation and the exchange rate. The Reserve Bank of Zimbabwe has, however, taken proactive measures to bring down inflation and quell informal market premiums by tightening the monetary policy. The government has also extended the use of the US dollar as legal tender until 2030, inspiring confidence in the local operating environment. It is noted that the attainment of foreign exchange and inflation rate stability is progressive and requires consistent implementation of monetary policy and budget discipline. The extension of the multi-currency environment will allow the Group to mobilize resources and realign investment tenors to achieve business growth.

The first half of 2024 could be challenging, due to local food insecurity, a slowdown in global output, reduced trade and investment and increased volatility in commodity prices. The Group will strive to preserve shareholder value and seek out opportunities for sustained growth and profitability.

Our Consolidated Group Performance

FBC Holdings had a strong financial performance for the period ending 31 December 2023, with solid balance sheet growth and sustained earnings across its various subsidiaries. The Group achieved a commendable profit before tax of ZWL403.5 billion, which is an improvement of 255% compared to the prior year's ZWL113.7 billion. Total net income improved by 138% to ZWL1.3 trillion, largely comprising net interest income and exchange gains emanating from the group's foreign currency net asset position. The composition of the Group's earnings profile demonstrates growth and agility in a challenging operating environment, where capital preservation is critical.

Total operating expenses were recorded at ZWL955.5 billion, which is 169% higher than the previous year. Consequently, the cost-to-income ratio for the review period was recorded at 75%, against a figure of 67% recorded in the previous year. The increase in group expenses was primarily a reflection of the movement in prices of goods and services in the local currency, which responded rapidly to the depreciation in the exchange rate. The government has however, instituted fiscal and monetary measures to re-establish stability in the foreign exchange market. The Group is confident that these measures will relatively stabilize the prices of goods and services.

An increase in lending portfolios, especially in foreign currency by the banking subsidiaries, supported the balance sheet to ZWL3.4 trillion, representing a growth of 113% compared to the ZWL1.6 trillion achieved in the previous year. Total equity increased by 141% to ZWL705.9 billion from ZWL293.1 billion, reflecting the Group's sustained business underwriting capacity. The Group's total equity is hedged through hard currency-denominated assets and investment properties. As of December 31, 2023, all Group subsidiaries complied with their applicable regulatory minimum capital requirements.

Group Segment Reviews

FBC Holdings' performance in 2023 reflects the Group's strength to navigate the challenging environment. The Group achieved growth well ahead of its strategic targets and maintained its focus on cost discipline while investing in key priority areas of growth.

FBC Bank Limited (FBC Bank)

FBC Bank made a profit before tax of ZWL299 billion, representing a 150% increase from the previous year's ZWL120 billion. The impressive performance was driven by strong growth in the lending portfolio and increased transactional fees, thanks to the Group's digitalization strategy. As of 31 December 2023, FBC Bank's lending portfolio was valued at ZWL1.4 trillion, driving interest income to ZWL184.6 billion, registering a 36% growth from the previous year.

The Bank's total payments and processing income improved by 182% to ZWL204.6 billion from ZWL72.6 billion in the previous year, benefitting from the Group's paperless banking initiatives. The Bank has deployed 6 004 Point of Sale machines into the market and has over 300,000 active accounts across its digital banking channels.

Looking ahead, FBC Bank will continue to implement strategies to grow and hedge its balance sheet in both local and foreign currency terms.

FBC Building Society

The Building Society achieved a surplus position of ZWL85.4 billion, which represents a growth of 166% compared to the previous year. The Society's income performance is derived mainly from fair value gains achieved through its investment properties, in line with the Group's value preservation strategy. The Building Society is committed to reducing the country's housing backlog as it undertakes housing development and student accommodation projects, following the Country's Vision 2030.

During the review period, the Building Society constructed 98 high-density cluster homes at the Zvishavane Eastlea project and 13 low-density townhouses at the GlenLorne project in Harare. Rental income from the leasing of investment properties contributes to foreign currency income generation. The Fontaine Ridge Phase 1A project, with 149 units, and Phase 1B project, with 109 units, both have a 100% occupancy rate. The Zvishavane Eastlea Phase 2 project, comprising 24 housing units, had a 95% occupancy rate. In 2024, the Building Society is exploring project funding for other property segments, such as retail and commercial properties. Additionally, the Society has started to incorporate climate-proofing methodologies into its project designs, to address climate risk-related concerns and create sustainable communities.

Microplan Financial Services

Microplan Financial Services experienced a significant increase in profitability from ZWL1.6 billion to ZWL9.01 billion, which represents a growth of 463%. The growth was due to a heightened demand for loans by micro, small-to-medium enterprises, as well as low-income households seeking to supplement their incomes. Net income also improved from ZWL7.8 billion to ZWL66.3 billion, driven by robust growth in vendor financing partnerships across the information, communications, technology, solar, and agriculture sectors. Microplan's net interest income for the year of ZWL61.4 billion accounted for 93% of its net income.

The microfinance sector plays a crucial role in achieving the country's goal of becoming an upper-middle-income society by 2030. It provides essential financial services to low-income and marginalized communities, as well as micro and small enterprises. In 2023, Microplan introduced its digital lending platform, which is expected to significantly boost earnings and create sustainable profitability going forward. With the digitalization of financial services, the long-term outlook for the microfinance sector is expected to be robust in terms of outreach and profitability.

FBC Securities

In 2023, the Zimbabwe Stock Exchange faced another tough year in terms of constrained trading liquidity. Barring tight liquidity conditions which prevailed especially in the second half of the year, the Zimbabwe Stock Exchange achieved positive real returns when compared to inflation altitudes and interbank exchange rate developments. The benchmark All Share Index (ALSI) registered a year-to-31 December 2023 gain of 981.54%.

The Victoria Falls Stock Exchange however, saw a rise in market capitalization by 74% to US$1.2 billion due to the transfer listings from ZSE by some companies. They All Share Index declined by 25.69%.

As a result of the limited trading liquidity in the equities market, FBC Securities recorded a profit before tax of ZWL713 million. The unit remains strategic to the Group's deal origination, structuring, and execution in capital market transactions.

FBC Insurance Company

FBC Insurance reported a ZWL3.8 billion profit before tax, up 65% from last year's ZWL2.3 billion. The gap between the premiums collected and claims paid has been widening due to the foreign exchange rate differentials in the economy. This has made it difficult for industry players to meet the expectations of both policyholders and fund members. As a result, FBC Insurance is focusing on increasing the underwriting of foreign currency-denominated businesses to preserve value.

During the review period, Statutory Instrument 81 of 2023, also known as "no insurance premium, no cover," was introduced to protect the insurance industry from dishonest creditors. The regulation aims to enhance the industry's liquidity and claims settlement capacity. As a result, FBC Insurance will continue to evaluate the company's asset and liability management strategies to align revenues with the risk-based capital requirements.

FBC Reinsurance Limited

FBC Reinsurance reported a profit before tax of ZWL7.3 billion, rebounding from a loss of ZWL2.6 billion in the previous year. The company's investment income contributed significantly to this outcome.

To enhance its product portfolio, FBC Reinsurance is developing new products focusing on Agriculture, Health, and Funeral business. The introduction of these new product segments is aimed at increasing the company's underwriting capacity and improving the quality of earnings. Furthermore, FBC Reinsurance is a signatory to the Nairobi Declaration on Sustainable Insurance, which is supported by the United Nations Environmental Programme (UNEP). The declaration encourages insurance practitioners in Africa to collaborate in the implementation of sustainable insurance solutions. Leveraging its geographical footprint in Botswana, FBC Reinsurance aims to explore opportunities to collaborate in the deployment of sustainable insurance risk solutions.

Our Compliance Priorities

The Group has unwaveringly, maintained its commitment to compliance and regulatory excellence amidst a rapidly changing financial landscape. Over the past year, we have proactively monitored regulatory changes and made necessary adjustments to our policies, procedures, and systems to ensure strict alignment with the latest standards.

Our compliance efforts are driven by a steadfast commitment to integrity, transparency, and accountability. We strongly believe in fostering a culture of compliance throughout the organization, where every employee understands their role in upholding the highest ethical standards and complying with applicable laws and regulations.

Our Digital Transformation Journey

The digitalization thrust of the Group is a key focus area, aimed at providing convenience to customers. To achieve this, the internal software development teams were strengthened to deliver solutions within the shortest possible time. As a result, seamless integrations with customers, back-office automation for increased efficiency, reduced turnaround for compliance with regulators and faster deployment of new products and services were achieved.

In 2023, FBCH completed a data centre upgrade to ensure that its infrastructure continues to provide uninterrupted service. Disaster recovery and business continuity capability remain critical to the operations of the organization. During the review period, the Group also invested in sound infrastructure at its Disaster Recovery site and conducted regular drills to ensure the ability to recover in the event of a disaster.

Furthermore, the organization has included the technology team in its sustainability initiatives to reduce FBCH's carbon footprint and ensure that electronic waste is disposed of in an environmentally friendly manner. In 2024, FBCH will continue to focus on enhancing service delivery through its electronic channels and innovating its technology for increased customer satisfaction.

Our People

FBCH is an equal opportunity employer that highly values its human capital, which is its most valuable asset. Our company firmly believes that the well-being and wellness of employees are crucial factors in ensuring their productivity and service delivery to our customers.

The Group is committed to creating a safe and healthy work environment that is free from any form of harassment, violence, bullying, and intimidation. This is to ensure that our employees remain focused on their work and deliver their best performance for the benefit of our stakeholders. Our employee relations are sound, and we have achieved high levels of employee engagement, experience, and fulfilment, due to these policies.

FBCH is a learning organization that ensures our skills and talent remain relevant in this fast-changing business environment. We have built a strong culture that is focused on customer service, performance, digitalization, compliance, ethics, innovation, and change, through our employees.

Our Transformative Journey Towards Sustainability

The Group has a vibrant human resource base, a business-oriented mindset, and a desire to impact the communities it serves. Over the past three years, we have adopted a three-dimensional approach to capital allocation, encompassing risk, return, and impact. As such, we have integrated social and environmental safeguards as part of our transaction cycle.

In 2023, we partnered with the Rural Electrification Fund (REF) to construct a 50m3 biogas digester and also donated farming implements to Shungu Dzevana Children's Home. We aim to create sustainable and self-sufficient communities, prioritizing shared economic value.

Additionally, we participated in COP28, which was held in Dubai, United Arab Emirates, in November and December 2023 under the slogan "Unite. Act. Deliver". This annual global platform allowed us to interact with international financial institutions, multilateral development banks, impact investors, and United Nations financial mechanisms to mobilize climate finance for the country.

Going forward, we will take the lessons learned and progress made in this transformative year, to continuously shape our collective journey towards a more sustainable and equitable future.

Outlook

The El Nino effect

The impending drought caused by El Niño is expected to significantly impact various industries, including agriculture, energy, food and nutrition, water, education, health and wildlife. Zimbabwe is taking decisive action by prioritizing private financing to achieve its climate change targets and transition towards green and inclusive growth. To facilitate this, the country has developed the National Climate Change Fund, Food Relief Program, and Climate Finance Facility. The Group is actively pursuing opportunities for collaboration to support Zimbabwe's national development priorities.

Financial Markets

In 2024, we anticipate broader financial market regulations, as both monetary and fiscal authorities strive to address market liquidity, price and exchange rate disparities, as well as public debt arrears to support economic growth and job creation. In this environment, the Group is well-prepared to leverage market opportunities and sustain shareholder value. It is critical to maintain an efficient and cost-effective business, coupled with the agility to move and take advantage of opportunities.

The Acquisition of Standard Chartered Bank Zimbabwe.

The process of acquiring Standard Chartered Bank Zimbabwe (SCBZ) is currently underway. We anticipate a seamless integration of operations and reporting in the second half of 2024. In the meantime, Standard Chartered Zimbabwe will operate as a semi-autonomous business.

Appreciation

In closing, I wish to express my sincere gratitude to all our clients for choosing FBC as your financial services partner. We are truly humbled by the trust that you place in us and commit ourselves to building a partnership that goes beyond transactional interactions.

I would also like to extend my appreciation to the FBC Holdings Limited Team, including the Board of Directors and Management. Your invaluable insights and unwavering dedication to serving our clients, have been the cornerstone of our success. Despite the challenging operating environment, I am confident that we will continue to work together to nurture sustainable solutions that promote the financial well-being of the communities we serve.

On behalf of the FBCH Group Board, Management, and Staff Members, I wish to express my profound gratitude to my predecessor, Dr John Mushayavanhu, who served the entity exceptionally well for over two and a half decades. During his tenure, Dr John Mushayavanhu championed FBCH's evolution, leading to significant market share growth across key business segments and the transformation of FBCH into a solid-performing brand.

Trynos Kufazvinei
Group Chief Executive

30 March 2024

FBC Holdings Limited

Abridged Audited Results

FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITORS' STATEMENT TO THE 2023 ABRIDGED INFLATION ADJUSTED
Consolidated Financial Statements

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2023, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an unmodified opinion has been issued thereon. The opinion includes key audit matters in respect of Valuation of land and buildings and investment property, Expected credit loss allowance on loans and advances to customers and Adoption of IFRS 17, Insurance contracts and the valuation of the liability for incurred claims.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Note	Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost* 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost* 31 Dec 2022 Restated** ZWL ('000)
Interest income calculated using the effective interest method	17	384 641 897	206 215 143	233 522 644	32 152 045
Interest expense	17.1	(144 886 870)	(64 048 499)	(85 559 364)	(10 647 773)
Net interest income		**239 755 027**	**142 166 644**	**147 963 280**	**21 504 272**
Fee and commission income	18	233 150 837	84 114 900	143 414 421	12 618 022
Fee and commission expense	18.1	(1 679 058)	(1 291 026)	(797 966)	(211 705)
Net fee and commission income		**231 471 779**	**82 823 874**	**142 616 455**	**12 406 317**
Revenue	19	-	148 692	-	10 786
Cost of sales	19.1	-	(84 202)	-	(4 038)
Net income from property sales		**-**	**64 490**	**-**	**6 748**
Insurance revenue	20	120 083 337	45 202 406	69 100 954	6 318 583
Insurance service expense	23	(113 561 440)	(45 262 495)	(73 199 882)	(7 075 947)
Net revenue/(expenses) from reinsurance contracts	14.1	(18 943 638)	(102 603)	(8 770 056)	440 059
Insurance service result		**(12 421 741)**	**(162 692)**	**(12 868 984)**	**(317 305)**
Revenue		**458 805 065**	**224 892 316**	**277 710 751**	**33 600 032**
Net foreign currency dealing and trading income		574 648 769	200 014 441	560 552 053	39 046 719
Net gain from financial assets at fair value through profit or loss	21	84 709 378	47 936 016	86 665 447	8 508 693
Other operating income	22	152 362 037	60 190 199	265 917 980	21 400 724
Total other income		**811 720 184**	**308 140 656**	**913 135 480**	**68 956 136**
Total net income		**1 270 525 249**	**533 032 972**	**1 190 846 231**	**102 556 168**
Credit impairment losses	5.4	(53 585 432)	(21 987 795)	(53 585 432)	(4 575 668)
Other operating expenses	23	(901 865 008)	(332 845 463)	(560 956 671)	(50 119 206)
Monetary gain/(loss)		88 442 674	(64 488 164)	-	-
Profit before income tax		**403 517 483**	**113 711 550**	**576 304 128**	**47 861 294**
Income tax expense	24	(76 130 389)	(53 467 572)	(97 886 118)	(9 146 004)
Profit for the year		**327 387 094**	**60 243 978**	**478 418 010**	**38 715 290**
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Gains/(loss) on property revaluation		137 686 183	30 800 633	218 550 301	16 001 408
Related tax		(27 041 912)	(4 979 696)	(42 710 972)	(2 641 445)
Gain on financial assets at fair value through other comprehensive income		1 290 171	89 525	1 230 414	56 026
Related tax		(46 008)	(3 100)	(56 111)	(2 515)
		111 888 435	**25 907 362**	**177 013 632**	**13 413 474**
Items that may be subsequently reclassified to profit or loss					
Foreign operations – foreign currency translation differences		3 108 228	2 640 143	5 285 920	549 415
Related tax		-	-	-	-
Total other comprehensive income/(loss), net income tax		**114 996 662**	**28 547 505**	**182 299 552**	**13 962 889**
Total comprehensive income for the year		**442 383 756**	**88 791 483**	**660 717 562**	**52 678 179**
Profit attributable to:					
Equity holders of the parent		327 243 720	60 177 706	478 312 818	38 708 407
Non - controlling interest		143 374	66 272	105 192	6 883
Profit for the year		**327 387 094**	**60 243 978**	**478 418 010**	**38 715 290**
Total comprehensive income attributable to:					
Equity holders of the parent		441 981 505	88 612 802	660 097 874	52 617 511
Non - controlling interest		402 251	178 681	619 688	60 668
		442 383 756	**88 791 483**	**660 717 562**	**52 678 179**
Earnings per share (ZWL cents)					
Basic earnings per share	25.1	53 593.92	9 568.25	78 335.07	6 154.63
Diluted earnings per share	25.2	53 593.92	9 568.25	78 335.07	6 154.63
Headline earnings per share	25.3	53 948.31	9 567.93	78 379.46	6 153.07
Diluted headline earnings per share	25.4	53 948.31	9 567.93	78 379.46	6 153.07

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

** This is due to initial application of IFRS 17 (refer to note 2.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Audited Inflation Adjusted 01 Jan 2022 Restated** ZWL ('000)	Unaudited Historical Cost* 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost* 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost* 01 Jan 2022 Restated** ZWL ('000)
ASSETS							
Balances with other banks and cash	4	802 054 951	402 701 996	291 387 433	802 054 951	83 802 420	17 639 587
Financial assets at amortised cost	5.5	94 871 819	38 821 740	32 537 772	94 871 819	8 078 817	1 969 724
Loans and advances to customers	5.1	1 589 110 045	719 173 993	388 747 113	1 589 106 827	149 659 682	23 533 213
Trade and other receivables	5.2	734 934	4 018 234	280 766	734 934	836 196	16 997
Insurance contract assets	14	19 912 156	3 012 507	1 139 191	19 912 156	626 904	256 480
Reinsurance contract assets	14	19 921 685	6 212 557	5 528 941	19 921 685	1 292 835	334 703
Bonds and debentures		-	-	114 638	-	-	6 940
Financial assets at fair value through profit or loss	6	122 163 188	70 155 755	60 148 704	124 182 878	14 987 164	3 724 820
Financial assets at fair value through other comprehensive income	7	1 206 639	1 018 865	2 576 963	1 206 639	212 026	156 000
Inventory	8	5 276 220	4 206 582	5 101 118	2 158 210	315 340	102 710
Prepayments and other assets	9	164 568 434	92 142 221	110 068 371	158 666 880	18 534 613	6 546 710
Current income tax asset		1 224 225	2 574 889	453 446	1 224 225	535 835	27 450
Deferred tax assets		848 614	10 450 096	3 159 117	8 382 302	2 004 634	149 384
Investment property	10	326 214 413	132 843 463	68 989 355	326 214 413	27 644 769	4 176 377
Intangible assets	11	2 236 599	2 037 445	2 145 765	155 071	66 490	16 479
Property and equipment	12	239 787 402	101 197 951	66 935 992	239 787 402	21 059 327	4 052 073
Right of use asset		3 760 586	2 927 843	2 846 771	827 239	149 280	75 027
Total assets		**3 393 891 910**	**1 593 496 137**	**1 042 161 456**	**3 389 407 631**	**329 806 332**	**62 784 674**
EQUITY AND LIABILITIES							
Liabilities							
Deposits from customers	13.1	1 017 589 872	531 377 844	428 809 870	1 017 589 872	110 579 907	25 958 666
Deposits from other banks	13.2	109 706 818	64 880 551	42 708 193	109 706 818	13 501 664	2 585 406
Borrowings	13.3	716 918 176	327 543 986	139 783 131	716 918 176	68 162 013	8 461 987
Insurance contract liabilities	14	73 283 220	19 377 067	15 117 706	73 283 220	3 591 139	915 174
Reinsurance contract liabilities	14	9 246 112	7 518 740	3 103 464	9 246 112	1 564 652	187 873
Trade and other payables	15	628 002 363	289 472 499	165 508 211	619 241 197	57 978 707	9 635 885
Current income tax liability		7 626 104	1 718 488	6 388 594	7 626 104	357 618	386 743
Deferred tax liability		122 330 164	57 453 618	10 850 350	125 076 339	10 555 653	675 817
Lease liability		3 310 749	1 070 900	1 365 205	3 310 749	222 855	82 645
Total liabilities		**2 688 013 578**	**1 300 413 693**	**813 634 724**	**2 681 998 587**	**266 514 208**	**48 890 196**
Equity							
Capital and reserves attributable to equity holders of the parent entity							
Share capital and share premium	16.3	14 451 585	14 451 585	14 451 585	14 090	14 090	14 090
Other reserves		218 093 199	105 399 387	84 705 211	198 423 262	17 070 518	4 515 727
Retained profits		472 543 987	172 844 162	129 161 307	508 280 080	46 135 592	9 353 404
Total equity, excluding non controlling interest		**705 088 771**	**292 695 134**	**228 318 103**	**706 717 432**	**63 220 200**	**13 883 221**
Non controlling interest in equity		789 561	387 310	208 629	691 612	71 924	11 257
Total equity		**705 878 332**	**293 082 444**	**228 526 732**	**707 409 044**	**63 292 124**	**13 894 478**
Total equity and liabilities		**3 393 891 910**	**1 593 496 137**	**1 042 161 456**	**3 389 407 631**	**329 806 332**	**62 784 674**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Note	Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost* 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost* 31 Dec 2022 Restated** ZWL ('000)
Cash flow from operating activities					
Profit before income tax		403 517 483	113 711 550	576 304 128	47 861 294
Adjustments for non cash items:					
Monetary loss		(88 442 674)	64 488 164	-	-
Depreciation	12	7 751 461	5 955 631	4 049 096	603 449
Amortisation charge	11	252 229	472 585	31 172	7 608
Credit impairment losses	5.4	53 585 432	21 987 795	53 585 432	4 575 668
Fair value adjustment on investment property	22	(136 405 952)	(51 464 113)	(255 772 271)	(19 973 502)
Net unrealised exchange gains and losses		(289 631 698)	34 054 316	(608 531 273)	(35 911 521)
Fair value adjustment on financial assets at fair value through profit or loss		(84 709 378)	(47 936 016)	(86 665 447)	(8 508 693)
Profit/(loss) on disposal of property and equipment	22	2 163 896	(1 969)	271 075	(9 814)
Depreciation right of use asset		1 064 591	948 397	470 897	85 168
Interest on lease liability		445 295	2 240 635	296 864	272 768
Provisions*		41 475 361	61 553 226	41 475 361	10 685 011
Net cash (used)/generated before changes in operating assets and liabilities		**(88 933 954)**	**206 010 201**	**(274 484 966)**	**(312 564)**
Decrease in financial assets at amortised cost		33 421 271	10 525 841	2 678 348	(2 610 966)
Decrease in loans and advances		374 561 034	162 393 254	(194 950 060)	(23 570 434)
Decrease/(increase) in trade and other receivables		3 787 049	(3 737 468)	605 011	(819 199)
(Increase) in insurance contract assets		(4 874 856)	(1 873 316)	(7 260 459)	(370 424)
(Increase) in reinsurance contract assets		(10 863 524)	(683 616)	(15 783 246)	(958 132)
Decrease in bonds and debentures		-	114 638	-	6 940
Decrease in financial assets at fair value through profit or loss		118 200 477	37 928 966	62 968 266	(2 753 651)
(Increase)/decrease in inventory		(1 069 639)	894 536	(1 842 871)	(212 629)
Decrease in prepayments and other assets		126 146 580	54 868 295	57 599 094	(4 427 475)
Increase in investment property		(22 940 532)	(12 417 408)	(13 162 419)	(2 241 598)
Decrease in deposits from customers		(235 972 502)	(158 968 146)	184 825 435	30 195 487
Decrease in deposits from other banks		(163 172 544)	(55 717 141)	(111 793 657)	(5 292 573)
Increase in insurance contract liabilities		51 553 147	4 259 362	67 339 075	2 675 965
(Decrease)/increase in reinsurance contract liabilities		(7 657 558)	4 415 276	(1 703 471)	1 376 779
Increase/(decrease) in trade and other payables		258 229	(52 387 355)	222 990 855	13 768 222
		172 442 678	**195 625 919**	**(21 975 065)**	**4 453 749**
Income tax paid		(60 914 479)	(25 902 222)	(60 522 087)	(5 556 182)
Interest on lease liability paid		(445 295)	(2 240 635)	(296 864)	(272 768)
Net cash generated from operating activities		**111 082 904**	**167 483 062**	**(82 794 016)**	**(1 375 201)**
Cash flows from investing activities					
Purchase of intangible assets		(451 383)	(364 264)	(119 754)	(57 618)
Purchase of property and equipment		(14 500 856)	(10 687 380)	(7 270 175)	(1 721 316)
Proceeds from sale of property and equipment		3 625 776	209 776	3 106 240	27 949
Net cash used in investing activities		**(11 326 463)**	**(10 841 868)**	**(4 283 689)**	**(1 750 986)**
Cash flows from financing activities					
Lease liability principal payments		342 514	(1 323 774)	1 939 039	(19 211)
Proceeds from borrowings		84 357 272	295 963 248	17 844 570	61 590 051
Repayment of borrowings		(329 978 847)	(357 169 368)	(4 084 173)	(53 700 136)
Dividend paid to the Company's shareholders		(29 496 988)	(16 494 851)	(16 574 769)	(1 926 219)
Purchase of treasury shares		(90 881)	(7 740 918)	(25 872)	(1 354 314)
Net cash used in financing activities		**(274 866 930)**	**(86 765 663)**	**(901 205)**	**4 590 171**
Net increase in cash and cash equivalents		(175 110 489)	69 875 531	(87 978 910)	1 463 984
Cash and cash equivalents at beginning of the year		**402 701 996**	**291 387 433**	**83 802 420**	**17 639 587**
Effect of changes in exchange rates		804 920 345	312 549 811	806 231 441	64 698 849
Effects of inflation on cash and cash equivalents		(230 456 901)	(271 110 779)	-	-
Cash and cash equivalents at the end of year	4.2	**802 054 951**	**402 701 996**	**802 054 951**	**83 802 420**

*The historical amounts are shown as supplementary information. This information does not comply with IFRS® Accounting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historical financial information.
** This is due to initial application of IFRS 17 (refer to note 2.1)
***Provisions are comprised of staff related provisions

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

Audited Inflation Adjusted

	Share capital ZWL ('000)	Share premium ZWL ('000)	Retained profits ZWL ('000)	Translation reserve ZWL ('000)	Treasury shares ZWL ('000)	Non distributable reserve ZWL ('000)	Revaluation reserve ZWL ('000)	Financial assets at fair value reserve ZWL ('000)	Changes in ownership ZWL ('000)	Total ZWL ('000)	Non controlling interest ZWL ('000)	Total equity ZWL ('000)
Balance as at 1 January 2022, as previously stated	**6 892**	**14 444 693**	**137 939 556**	**-**	**(17 310 652)**	**67 449 405**	**29 084 003**	**3 768 897**	**1 713 558**	**237 096 352**	**331 150**	**237 427 503**
Changes on initial application of IFRS 17**	-	-	(8 778 249)	-	-	-	-	-	-	(8 778 249)	(122 521)	(8 900 771)
Restated balance as at 1 January 2022	**6 892**	**14 444 693**	**129 161 307**	**-**	**(17 310 652)**	**67 449 405**	**29 084 003**	**3 768 897**	**1 713 558**	**228 318 103**	**208 629**	**228 526 732**
Profit for the year	-	-	60 177 706	-	-	-	-	-	-	60 177 706	66 272	60 243 978
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	25 708 527	-	-	25 708 527	112 409	25 820 937
Foreign operations – foreign translation differences	-	-	-	2 640 143	-	-	-	-	-	2 640 143	-	2 640 143
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	86 424	-	86 424	-	86 424
Total other comprehensive income	**-**	**-**	**-**	**2 640 143**	**-**	**-**	**25 708 527**	**86 424**	**-**	**28 435 095**	**112 409**	**28 547 505**
Total comprehensive income	**-**	**-**	**60 177 706**	**2 640 143**	**-**	**-**	**25 708 527**	**86 424**	**-**	**88 612 802**	**178 681**	**88 791 483**
Transaction with owners:												
Dividend declared and paid	-	-	(16 494 851)	-	-	-	-	-	-	(16 494 851)	-	(16 494 851)
Treasury share purchase	-	-	-	-	(7 740 918)	-	-	-	-	(7 740 918)	-	(7 740 918)
Total transactions with owners recognised directly in equity	**-**	**-**	**(16 494 851)**	**-**	**(7 740 918)**	**-**	**-**	**-**	**-**	**(24 235 769)**	**-**	**(24 235 769)**
Restated balance as at 31 December 2022	**6 892**	**14 444 693**	**172 844 162**	**2 640 143**	**(25 051 571)**	**67 449 405**	**54 792 531**	**3 855 321**	**1 713 558**	**292 695 134**	**387 310**	**293 082 444**
Balance as at 1 January 2023	**6 892**	**14 444 693**	**172 844 162**	**2 640 143**	**(25 051 571)**	**67 449 405**	**54 792 531**	**3 855 321**	**1 713 558**	**292 695 134**	**387 310**	**293 082 444**
Profit for the year	-	-	327 243 720	-	-	-	-	-	-	327 243 720	143 374	327 387 094
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	110 385 395	-	-	110 385 395	258 877	110 644 272
Revaluation realised	-	-	1 953 093	-	-	-	(1 953 093)	-	-	-	-	-
Foreign operations – foreign translation differences	-	-	-	3 108 228	-	-	-	-	-	3 108 228	-	3 108 228
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	1 244 163	-	1 244 163	-	1 244 163
Total other comprehensive income	**-**	**-**	**1 953 093**	**3 108 228**	**-**	**-**	**108 432 302**	**1 244 163**	**-**	**114 737 785**	**258 877**	**114 996 662**
Total comprehensive income	**-**	**-**	**329 196 813**	**3 108 228**	**-**	**-**	**108 432 302**	**1 244 163**	**-**	**441 981 506**	**402 251**	**442 383 756**
Transaction with owners:												
Dividend declared and paid	-	-	(29 496 988)	-	-	-	-	-	-	(29 496 988)	-	(29 496 988)
Treasury share purchase	-	-	-	-	(90 881)	-	-	-	-	(90 881)	-	(90 881)
Total transactions with owners recognised directly in equity	**-**	**-**	**(29 496 988)**	**-**	**(90 881)**	**-**	**-**	**-**	**-**	**(29 587 869)**	**-**	**(29 587 869)**
Balance as at 31 December 2023	**6 892**	**14 444 693**	**472 543 987**	**5 748 371**	**(25 142 452)**	**67 449 405**	**163 224 833**	**5 099 484**	**1 713 558**	**705 088 771**	**789 561**	**705 878 332**

Unaudited Historical Cost*

	Share capital ZWL ('000)	Share premium ZWL ('000)	Retained profits ZWL ('000)	Translation reserve ZWL ('000)	Treasury shares ZWL ('000)	Non distributable reserve ZWL ('000)	Revaluation reserve ZWL ('000)	Financial assets at fair value reserve ZWL ('000)	Changes in ownership ZWL ('000)	Total ZWL ('000)	Non controlling interest ZWL ('000)	Total equity ZWL ('000)
Balance as at 1 January 2022, as previously stated	**7**	**14 083**	**9 780 718**	**-**	**(311 545)**	**1 419 826**	**3 253 383**	**152 392**	**1 671**	**14 310 535**	**19 708**	**14 330 243**
Changes on initial application of IFRS 17**	-	-	(427 314)	-	-	-	-	-	-	(427 314)	(8 452)	(435 765)
Restated balance as at 1 January 2022	**7**	**14 083**	**9 353 404**	**-**	**(311 545)**	**1 419 826**	**3 253 383**	**152 392**	**1 671**	**13 883 221**	**11 257**	**13 894 478**
Profit for the year	-	-	38 708 406	-	-	-	-	-	-	38 708 406	6 883	38 715 290
Other comprehensive income:												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	13 306 179	-	-	13 306 179	53 784	13 359 964
Foreign operations – foreign translation differences	-	-	-	549 415	-	-	-	-	-	549 415	-	549 415
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	53 511	-	53 511		53 511
Total other comprehensive income	**-**	**-**	**-**	**549 415**	**-**	**-**	**13 306 179**	**53 511**	**-**	**13 909 105**	**53 784**	**13 962 889**
Total comprehensive income	**-**	**-**	**38 708 406**	**549 415**	**-**	**-**	**13 306 179**	**53 511**	**-**	**52 617 511**	**60 668**	**52 678 179**
Transaction with owners:												
Dividend declared and paid	-	-	(1 926 219)	-	-	-	-	-	-	(1 926 219)	-	(1 926 219)
Treasury share purchase	-	-	-	-	(1 354 314)	-	-	-	-	(1 354 314)	-	(1 354 314)
Total transactions with owners recognised directly in equity	**-**	**-**	**(1 926 219)**	**-**	**(1 354 314)**	**-**	**-**	**-**	**-**	**(3 280 533)**	**-**	**(3 280 533)**
Restated balance as at 31 December 2022	**7**	**14 083**	**46 135 592**	**549 415**	**(1 665 859)**	**1 419 826**	**16 559 562**	**205 903**	**1 671**	**63 220 200**	**71 924**	**63 292 124**
Balance as at 1 January 2023	**7**	**14 083**	**46 135 592**	**549 415**	**(1 665 859)**	**1 419 826**	**16 559 562**	**205 903**	**1 671**	**63 220 200**	**71 924**	**63 292 124**
Profit for the year	-	-	478 312 818	-	-	-	-	-	-	478 312 818	105 192	478 418 010
Other comprehensive income												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	175 324 833	-	-	175 324 833	514 496	175 839 329
Revaluation realised	-	-	406 439	-	-	-	(406 439)	-	-	-	-	-
Foreign operations – foreign translation differences	-	-	-	5 285 920	-	-	-	-	-	5 285 920	-	5 285 920
Gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	1 174 303	-	1 174 303	-	1 174 303
Total other comprehensive income	**-**	**-**	**406 439**	**5 285 920**	**-**	**-**	**174 918 394**	**1 174 303**	**-**	**181 785 056**	**514 496**	**182 299 552**
Total comprehensive income	**-**	**-**	**478 719 257**	**5 285 920**	**-**	**-**	**174 918 394**	**1 174 303**	**-**	**660 097 874**	**619 688**	**660 717 562**
Transaction with owners:												
Dividend declared and paid	-	-	(16 574 769)	-	-	-	-	-	-	(16 574 769)	-	(16 574 769)
Treasury share purchase	-	-	-	-	(25 872)	-	-	-	-	(25 872)	-	(25 872)
Total transactions with owners recognised directly in equity	**-**	**-**	**(16 574 769)**	**-**	**(25 872)**	**-**	**-**	**-**	**-**	**(16 600 642)**	**-**	**(16 600 642)**
Balance as at 31 December 2023	**7**	**14 083**	**508 280 080**	**5 835 335**	**(1 691 731)**	**1 419 826**	**191 477 956**	**1 380 206**	**1 671**	**706 717 432**	**691 612**	**707 409 044**

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

** This is due to initial application of IFRS 17 (refer to note 2.1)

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

For the year ended 31 December 2023

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage financing, micro lending, reinsurance, short-term insurance, stockbroking services and short-term insurance broking.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe. These consolidated financial statements were approved for issue by the Board of Directors on 28 March 2024

2 MATERIAL ACCOUNTING POLICIES

A full set of the Group's accounting policies is available in the Group's annual report, which is ready for inspection at the Company's registered office. The following paragraphs describe the main accounting policies applied by the Group.
These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group's consolidated financial results have been prepared with policies consistent with IFRS® Accounting Standards, and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Building Societies Act (Chapter 24:02), Microfinance Act (Chapter 24:29) and the relevant Statutory Instruments ("SI") SI 62/96, SI 33/99 and SI 33/19. The consolidated financial results have been prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, through other comprehensive income, investment property, property and equipment and unlisted investments.

The principal accounting policies

The principle accounting policies applied in the preparation of the Group consolidation financial statements are in compliance with IFRS and have been applied consistently in all material respects with those of the previous consolidated financial statements. In 2019, the Group adopted the requirements of IAS 29 (Financial Reporting in Hyperinflation Economies).

IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's financial statements, Government promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as the legal tender and prescribed for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be in Zimbabwean Dollars at the rate which was at par with the United Stated Dollar (USD).

The Group adopted the following official cross rates against major currencies for the year ended 31 December 2023.

Currency	31 Dec 2023 Cross rate	31 Dec 2022 Cross rate
British pound ("GBP")	7 602.4346	846.1084
SA rand ("ZAR")	0.0031	41.3223
Euro ("EUR")	6 592.6973	747.6519
Pula ("BWP")	444.4806	54.8267
United states dollar ("USD")	6 104.7200	684.339

Functional Currency

The Group has considered which currency is the currency of the primary economic environment in which the Group and Company operates (the "functional currency"). In making this assessment, the Group has used its judgment to determine the functional currency that most faithfully represents the underlying transactions, events and conditions of the Group and Company. The Group concluded that the functional currency of the Group and its subsidiaries is the Zimbabwean Dollar (ZWL) since it is the main currency which represents the transactions of the company based on assessments made as at 31 December 2023. The Group has completed similar assessments for its foreign operations and have concluded, inter alia, that the functional currency of FBC Reinsurance Botswana Pty Limited is the Botswana Pula.

Adoption of the IAS 29 (Financial Reporting in Hyperinflation Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7. (Applying Restated Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018.

The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate the transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried in the income statement have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit of loss for the year ended 31 December 2023 and the comparative period.

As noted above, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures.

The factors used in the periods under review are as follows:

Period	Indices	Conversion Factors at
CPI as at 31 December 2021	3 977.46	16.5189
CPI as at 31 December 2022	13 672.91	4.8054
CPI as at 31 December 2023	65 703.44	1

IFRS 17 Insurance Contracts

i. Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM). Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The Group no longer applies shadow accounting to insurance-related assets and liabilities. Insurance finance income and expenses, disaggregated between profit or loss and OCI for life risk and non life contracts, are presented separately from insurance revenue and insurance service expenses. The Group applies the premium allocation approach (PAA) to simplify the measurement of contracts in the non-life segment, except for groupsof acquired contracts that do not qualify for the PAA. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised. Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

ii. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:
– identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
– identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied;

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts;
- recognised any resulting net difference in equity.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

The full retrospective approach required assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight. Such assumptions and estimates included for certain contracts:
- expectations at contract inception about policyholders' shares of the returns on underlying items at contract inception required for identifying direct participating contracts;
- assumptions about discount rates, because the Group had not been subject to any accounting or regulatory framework that required insurance contracts to be measured on a present value basis before; and
- assumptions about the risk adjustment for non-financial risk, because the Group had not been subject to any accounting or regulatory framework that required an explicit margin for non- financial risk before.

These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Zimbabwean dollars ("ZWL") and are rounded to the nearest dollar.

2.2 Going concern
The Group's forecasts and projections, taking account of changes in trading environment and performance, show that the Group should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3 Basis of consolidation
(a) Subsidiaries
The consolidated financial results combine the financial statements of FBC Holdings Limited ("the Company") and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company recognises investments in subsidiaries at cost. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Unrealised profits or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity within "changes in ownership reserve". Gains or losses on disposals to non-controlling interests are also recorded in equity within "changes in ownership reserve".

(c) Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Segment reporting
An operating segment is a distinguishable component of the Group that is engaged in business activities from which it earns revenues and incurs expenses (including revenues and expenses relating to transactions with other components of the entity); whose operating results are reviewed regularly by the entity's chief operating decision maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance; and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

The Group's operating segments have been aggregated based on the nature of the products and services on offer and the nature of the regulatory environment. The CODM is responsible for allocating resources and assessing performance of the operating segments.

In accordance with IFRS 8-Operating Segments, the Group has the following business segments: commercial banking, microlending, mortgage financing, reinsurance, short-term insurance and stockbroking.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
The Group's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of the preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

The areas involving critical accounting estimates and judgements include determination of functional curreny, impairment allowances, income taxes, insurance liabilities, inventory, investment property, property and equipment and unlisted investments.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
4 BALANCES WITH BANKS AND CASH	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
4.1 Balances with Reserve Bank of Zimbabwe ("RBZ")				
Current account balances	16 490 534	72 341 796	16 490 534	15 054 352
Balances with banks and cash				
Notes and coins	144 610 504	59 543 764	144 610 504	12 391 077
Other bank balances	640 953 913	270 816 436	640 953 913	56 356 991
	785 564 417	**330 360 200**	**785 564 417**	**68 748 068**
Balances with banks and cash (excluding bank overdrafts)	**802 054 951**	**402 701 996**	**802 054 951**	**83 802 420**
Current	802 054 951	402 701 996	802 054 951	83 802 420
Non-current	-	-	-	-
Total	**802 054 951**	**402 701 996**	**802 054 951**	**83 802 420**
4.2 Cash and cash equivalents				
Cash and bank balances comprise of balances with less than three months maturity from date of acquisition, including cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.				
Cash and cash equivalents include the following for the purposes of the statement of cash flows;				
Current account balance at Reserve Bank of Zimbabwe ("RBZ") (note 4.1)	16 490 534	72 341 796	16 490 534	15 054 352
Balances with banks and cash (note 4.1)	785 564 417	330 360 200	785 564 417	68 748 068
	802 054 951	**402 701 996**	**802 054 951**	**83 802 420**
5 FINANCIAL ASSETS				
5.1 Loans and advances to customers				
Loans and advance maturities				
Maturing within 1 year	1 085 694 157	474 292 906	1 085 694 157	98 700 511
Maturing after 1 year	560 143 356	267 811 853	560 140 138	55 731 071
Gross carrying amount	**1 645 837 513**	**742 104 759**	**1 645 834 295**	**154 431 582**
Impairment allowance	(56 727 468)	(22 930 766)	(56 727 468)	(4 771 900)
	1 589 110 045	**719 173 993**	**1 589 106 827**	**149 659 682**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
5.2 Trade and other receivables				
Trade and other receivables	734 934	4 018 234	734 934	836 196
Gross carrying amount	**734 934**	**4 018 234**	**734 934**	**836 196**
Impairment allowance	-	-	-	-
	734 934	**4 018 234**	**734 934**	**836 196**
Current	734 934	4 018 234	734 934	836 196
Non-current	-	-	-	-
Total	**734 934**	**4 018 234**	**734 934**	**836 196**

5.3 Irrevocable commitments
There are no irrevocable commitments to extend credit, which can expose the Group to penalties or disproportionate expense.

5.4 Movement in credit impairment losses

Audited Inflation Adjusted Restated**	Bonds and debentures ZWL ('000)	Trade and other receivables ZWL ('000)	Loans and advances ZWL ('000)	Financial assets at at armotised cost ZWL ('000)	Undrawn contractual commitments and guarantees ZWL ('000)	Total ZWL ('000)
Movement in credit impairment losses						
Balance at 01 January 2022	648	1 684 710	8 667 678	181 742	152 019	10 686 797
Effects of IAS 29	(459)	(1 194 627)	(6 146 244)	(128 873)	(107 797)	(7 578 000)
Change on application of IFRS 17	-	(729 133)	-	-	-	(729 133)
Impairment loss allowance	(189)	321 927	20 478 383	357 822	829 852	21 987 795
Amounts written off /reversals during the year	-	-	(69 051)	-	-	(69 051)
Impairment reversal	-	(82 877)	-	-	-	(82 877)
Balance as at 31 December 2022	**-**	**-**	**22 930 766**	**410 691**	**874 074**	**24 215 531**
Balance at 01 January 2023	-	-	22 930 766	410 691	874 074	24 215 531
Effects of IAS 29	-	-	(18 158 866)	(325 226)	(692 179)	(19 176 271)
Change on application of IFRS 17	-	(34 698)	-	-		(34 698)
Impairment loss allowance	-	98 199	52 621 866	381 385	483 982	53 585 432
Amounts written off /reversals during the year	-	-	(666 299)	-	-	(666 299)
Impairment reversal	-	(63 501)	-	-	-	(63 501)
Balance as at 31 December 2023	**-**	**-**	**56 727 467**	**466 850**	**665 877**	**57 860 194**
Unaudited Historical Cost Restated**						
Movement in credit impairment losses						
Balance at 01 January 2022	39	101 987	524 711	11 002	9 203	646 942
Change on application of IFRS 17	-	(151 733)	-	-	-	(151 733)
Impairment loss allowance	(39)	66 993	4 261 559	74 463	172 692	4 575 668
Amounts written off /reversals during the year	-	-	(14 370)	-	-	(14 370)
Impairment reversal	-	(17 247)	-	-	-	(17 247)
Balance as at 31 December 2022	**-**	**-**	**4 771 900**	**85 465**	**181 895**	**5 039 260**
Balance at 01 January 2023	-	-	4 771 900	85 465	181 895	5 039 260
Change on application of IFRS 17	-	(34 698)	-	-	-	(34 698)
Impairment loss allowance	-	98 199	52 621 866	381 385	483 982	53 585 432
Amounts written off /reversals during the year	-	-	(666 299)	-	-	(666 299)
Impairment reversal	-	(63 501)	-	-	-	(63 501)
Balance as at 31 December 2023	**-**	**-**	**56 727 467**	**466 850**	**665 877**	**57 860 194**

	Audited Inflation Adjusted		Unaudited Historical Cost	
	31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
5.5 Financial assets at amortised cost				
Maturing within 1 year	34 107 465	38 994 815	34 107 465	8 114 834
Maturing after 1 year	61 231 204	237 616	61 231 204	49 448
Gross carrying amount	**95 338 669**	**39 232 431**	**95 338 669**	**8 164 282**
Impairment allowance	(466 850)	(410 691)	(466 850)	(85 465)
	94 871 819	**38 821 740**	**94 871 819**	**8 078 817**
6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Listed securities at market value	76 954 767	44 211 868	78 974 456	9 588 232
Unlisted securities	45 208 421	25 943 887	45 208 422	5 398 932
	122 163 188	**70 155 755**	**124 182 878**	**14 987 164**
Current	122 163 188	70 155 755	124 182 878	14 987 164
Non-current	-	-	-	-
Total	**122 163 188**	**70 155 755**	**124 182 878**	**14 987 164**
Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the statement of cash flows.				
Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other operating income' in the statement of comprehensive income. The fair value of all equity securities is based on their bid prices on an active market, the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange at year end.				
7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Listed securities at market value	**1 206 639**	**1 018 865**	**1 206 639**	**212 026**
Current	1 206 639	1 018 865	1 206 639	212 026
Non-current	-	-	-	-
	1 206 639	**1 018 865**	**1 206 639**	**212 026**
8 INVENTORY				
Raw materials	626 065	188 257	238 683	33 711
Work in progress	4 650 155	4 018 325	1 919 527	281 629
	5 276 220	**4 206 582**	**2 158 210**	**315 340**
Current	5 276 220	4 206 582	2 158 210	315 340
Non-current	-	-	-	-
Total	**5 276 220**	**4 206 582**	**2 158 210**	**315 340**

Abridged Audited Results

FBC Holdings Limited

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
		ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
9	**PREPAYMENTS AND OTHER ASSETS**				
	Prepayments	19 466 481	9 530 458	14 715 853	1 543 132
	Refundable deposits for Mastercard and Visa transactions	11 150 332	12 851 813	11 150 332	2 674 467
	Stationery stock and other consumables	499 930	93 509	401 845	11 393
	Time - share asset	4 620 000	886 592	4 620 000	184 500
	Zimswitch receivables	10 649 980	5 354 214	10 649 980	1 114 214
	Bill payments receivables	1 884 919	932 140	1 884 919	193 979
	RBZ NNCD and auction system balances*	80 813 474	39 764 288	80 813 474	8 274 962
	Capital work in progress	2 481 742	2 481 742	82 539	82 539
	Deferred employee benefit on staff loan	24 278 406	19 557 613	24 278 406	4 069 946
	Other	8 723 170	689 852	10 069 532	385 481
		164 568 434	**92 142 221**	**158 666 880**	**18 534 613**
	Current	153 418 102	79 290 408	147 516 548	15 860 146
	Non-current	11 150 332	12 851 813	11 150 332	2 674 467
	Total	**164 568 434**	**92 142 221**	**158 666 880**	**18 534 613**

* RBZ NNCD and auction system balances refer to prefunded customer positions upon allotment of foreign currency from the Central bank. The Group did not impair prepayments and other assets as they comprise of non financial assets and short term financial assets held with the Reserve Bank of Zimbabwe. Any expected credit loss on these balances are considered to be immaterial.

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
10	**INVESTMENT PROPERTY**				
	Balance as at 1 January	132 843 463	68 989 355	27 644 769	4 176 376
	Additions	10 560 502	9 940 053	6 087 700	1 762 249
	Fair value adjustment	171 014 581	51 436 699	285 540 420	21 226 794
	Disposals	(3 294 164)	-	(2 843 196)	-
	Transfer from inventory	12 380 031	2 477 356	7 074 720	479 350
	Balance as at 31 December	**323 504 413**	**132 843 463**	**323 504 413**	**27 644 769**
	Non-current	323 504 413	132 843 463	323 504 413	27 644 769
	Total	**323 504 413**	**132 843 463**	**323 504 413**	**27 644 769**
11	**INTANGIBLE ASSETS**				
	Year ended 31 December				
	Opening net book amount	2 037 445	2 145 766	66 490	16 480
	Additions	451 383	364 264	119 753	57 618
	Amortisation charge	(252 229)	(472 585)	(31 172)	(7 608)
	Closing net book amount	**2 236 599**	**2 037 445**	**155 071**	**66 490**
	As at 31 December				
	Cost	11 072 823	10 621 440	205 729	85 975
	Accumulated amortisation	(8 836 224)	(8 583 995)	(50 629)	(19 456)
	Accumulated impairment	-	-	(29)	(29)
	Net book amount	**2 236 599**	**2 037 445**	**155 071**	**66 490**

12 PROPERTY AND EQUIPMENT

Audited Inflation Adjusted Restated**	Land and buildings ZWL	Machinery ZWL	Computer equipment ZWL	Furniture and office equipment ZWL	Motor vehicles ZWL	Total ZWL
Year ended 31 December 2022						
Opening net book amount	39 643 624	2 539 733	6 883 455	8 758 702	9 110 477	66 935 991
Additions	119 082	236 422	2 535 424	4 385 953	3 410 499	10 687 380
Revaluation of property	24 347 514	674 830	(1 997 958)	567 351	6 146 281	29 738 018
Disposals	-	-	(24 447)	(69 791)	(113 569)	(207 807)
Depreciation	(527 395)	(213 012)	(1 759 152)	(1 541 830)	(1 914 242)	(5 955 631)
Closing net book amount	**63 582 825**	**3 237 973**	**5 637 322**	**12 100 385**	**16 639 446**	**101 197 951**
As at 31 December 2022						
Cost or valuation	65 858 715	3 658 968	14 980 732	24 961 474	23 107 412	132 567 299
Accumulated depreciation	(2 275 890)	(420 995)	(9 343 410)	(12 861 089)	(6 467 966)	(31 369 348)
Accumulated impairment	-	-	-	-	-	-
Net book amount	**63 582 825**	**3 237 973**	**5 637 322**	**12 100 385**	**16 639 446**	**101 197 951**
Year ended 31 December 2023						
Opening net book amount	63 582 825	3 237 973	5 637 322	12 100 385	16 639 446	101 197 951
Additions	890 574	1 763 836	3 388 512	5 767 280	2 690 654	14 500 856
Revaluation of property	98 025 782	2 999 940	2 553 780	14 363 102	16 392 961	134 335 565
Disposals	-	-	(74 651)	(2 281 920)	(138 938)	(2 495 509)
Depreciation	(777 539)	(546 341)	(1 952 786)	(1 931 878)	(2 542 917)	(7 751 461)
Closing net book amount	**161 721 642**	**7 455 408**	**9 552 177**	**28 016 969**	**33 041 206**	**239 787 402**
As at 31 December 2023						
Cost or valuation	164 775 071	8 422 745	20 848 372	42 809 935	42 052 089	278 908 211
Accumulated depreciation	(3 053 429)	(967 337)	(11 296 195)	(14 792 966)	(9 010 883)	(39 120 809)
Accumulated impairment	-	-	-	-	-	-
Net book amount	**161 721 642**	**7 455 408**	**9 552 177**	**28 016 969**	**33 041 206**	**239 787 402**
Unaudited Historical Cost Restated**						
Year ended 31 December 2022						
Opening net book amount	2 399 567	153 747	418 603	528 617	551 539	4 052 073
Additions	21 792	43 150	379 510	704 091	572 774	1 721 316
Revaluation of property	10 876 232	491 415	579 190	1 375 881	2 584 804	15 907 522
Disposals	-	-	(1 710)	(4 225)	(12 200)	(18 135)
Depreciation	(67 209)	(14 489)	(195 182)	(92 414)	(234 156)	(603 449)
Closing net book amount	**13 230 382**	**673 823**	**1 180 411**	**2 511 950**	**3 462 761**	**21 059 327**
As at 31 December 2022						
Cost or valuation	13 329 031	699 053	1 471 081	2 641 443	3 771 359	21 911 968
Accumulated depreciation	(98 650)	(25 230)	(290 671)	(129 485)	(308 346)	(852 382)
Accumulated impairment	1	-	1	(8)	(252)	(259)
Net book amount	**13 230 382**	**673 823**	**1 180 411**	**2 511 950**	**3 462 761**	**21 059 327**
Year ended 31 December 2023						
Opening net book amount	13 230 382	673 823	1 180 411	2 511 950	3 462 761	21 059 327
Additions	621 243	1 068 484	1 923 351	2 304 836	1 352 261	7 270 175
Revaluation of property	148 468 103	5 800 228	7 405 734	24 216 303	30 153 496	216 043 864
Adjustment to cost	-	-	-	(2 749)		(2 749)
Disposals	-	-	(16 745)	(474 044)	(43 330)	(534 119)
Depreciation	(604 166)	(87 127)	(904 348)	(569 905)	(1 883 550)	(4 049 096)
Closing net book amount	**161 715 562**	**7 455 408**	**9 588 403**	**27 986 391**	**33 041 638**	**239 787 402**
As at 31 December 2023						
Cost or valuation	162 418 377	7 567 765	10 783 421	28 685 790	35 233 785	244 689 138
Accumulated depreciation	(702 817)	(112 357)	(1 195 018)	(699 390)	(2 191 896)	(4 901 478)
Accumulated impairment	2	-	-	(9)	(251)	(268)
Net book amount	**161 715 562**	**7 455 408**	**9 588 403**	**27 986 391**	**33 041 638**	**239 787 402**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
13	**DEPOSITS AND BORROWINGS FROM OTHER BANKS AND CUSTOMERS**	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
13.1	**Deposits from customers**				
	Demand deposits	822 316 589	432 380 692	822 316 589	89 978 567
	Promissory notes	109 393 919	65 467 035	109 393 919	13 623 712
	Other time deposits	85 879 364	33 530 117	85 879 364	6 977 628
		1 017 589 872	**531 377 844**	**1 017 589 872**	**110 579 907**
	Current	1 017 402 213	530 049 052	1 017 402 213	110 303 385
	Non-current	187 659	1 328 792	187 659	276 522
	Total	**1 017 589 872**	**531 377 844**	**1 017 589 872**	**110 579 907**
13.2	**Deposits from other banks**				
	Money market deposits	109 706 818	64 880 551	109 706 818	13 501 664
	Current	**109 706 818**	**64 880 551**	**109 706 818**	**13 501 664**
13.3	**Borrowings**				
	Bank borrowings				
	Foreign lines of credit	718 204 498	328 938 532	718 204 498	68 452 219
	Other borrowings	(1 286 322)	(1 394 546)	(1 286 322)	(290 206)
		716 918 176	**327 543 986**	**716 918 176**	**68 162 013**
	Current	564 438 966	17 382 423	564 438 966	3 617 288
	Non-current	152 479 210	310 161 563	152 479 210	64 544 725
	Total	**716 918 176**	**327 543 986**	**716 918 176**	**68 162 013**
	Total deposits and borrowings	**1 844 214 866**	**923 802 381**	**1 844 214 866**	**192 243 584**

13.4	**Deposit concentration**	2023	%	2022	%
	Audited Inflation Adjusted			Restated**	
		ZWL ('000)		ZWL ('000)	
	Agriculture	62 541 253	3%	42 341 920	5%
	Construction	124 433 321	7%	55 002 389	6%
	Wholesale and retail trade	168 351 122	9%	70 171 772	9%
	Public sector	162 190 647	9%	97 760 276	11%
	Manufacturing	139 408 582	8%	73 604 464	8%
	Telecommunication	18 669 888	1%	38 248 646	3%
	Transport	17 093 545	1%	37 135 227	3%
	Individuals	102 485 764	6%	42 020 994	4%
	Financial services	793 404 498	43%	365 685 974	41%
	Mining	133 619 921	7%	52 385 377	6%
	Other	122 016 325	6%	49 445 342	4%
		1 844 214 866	**100%**	**923 802 381**	**100%**
	Unaudited Historical Cost				
	Agriculture	62 541 253	3%	8 811 368	5%
	Construction	124 433 321	7%	11 446 016	6%
	Wholesale and retail trade	168 351 122	9%	14 602 769	9%
	Public sector	162 190 647	9%	20 343 946	11%
	Manufacturing	139 408 582	8%	15 317 114	8%
	Telecommunication	18 669 888	1%	7 959 556	3%
	Transport	17 093 545	1%	7 727 853	3%
	Individuals	102 485 764	6%	8 744 583	4%
	Financial services	793 404 498	43%	76 099 374	41%
	Mining	133 619 921	7%	10 901 415	6%
	Other	122 016 325	6%	10 289 591	4%
		1 844 214 866	**100%**	**192 243 585**	**100%**

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
		ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
14	**INSURANCE AND REINSURANCE CONTRACTS**				
	Insurance contracts				
	Insurance contract liabilities				
	- Insurance contract balances	-	-	-	-
	- Non-Life	73 283 220	19 377 067	73 283 220	3 591 139
		73 283 220	**19 377 067**	**73 283 220**	**3 591 139**
	- Assets for insurance acquisition cash flows				
	- Non-Life	-	-	-	-
	Net Insurance contract liabilities	**73 283 220**	**19 377 067**	**73 283 220**	**3 591 139**
	Insurance contract assets				
	- Insurance contract balances				
	- Non-Life	19 912 156	3 012 507	19 912 156	626 904
		19 912 156	**3 012 507**	**19 912 156**	**626 904**
	- Assets for insurance acquisition cash flows				
	- Non-Life	-	-	-	-
	Net Insurance contract assets	**19 912 156**	**3 012 507**	**19 912 156**	**626 904**
	Reinsurance contracts				
	Reinsurance contract assets				
	- Non-Life	19 921 685	6 212 557	19 921 685	1 292 835
		19 921 685	**6 212 557**	**19 921 685**	**1 292 835**
	Reinsurance contract liabilities				
	- Non-Life	9 246 112	7 518 740	9 246 112	1 564 652
		9 246 112	**7 518 740**	**9 246 112**	**1 564 652**
	The following sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered) settled more than 12 months after the reporting date				
	Insurance contract assets	-	-	-	-
	Insurance contract liabilities	-	-	-	-
	Reinsurance contract assets	-	-	-	-
	Reinsurance contract liabilities	-	-	-	-
	Maximum exposure to credit risk from Insurance contracts	19 912 156	3 012 507	19 912 156	626 904
	Maximum exposure to credit risk from Reinsurance contracts	19 921 685	6 212 557	19 921 685	1 292 835

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

14.1 The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

Movement in insurance and reinsurance contract balances

Audited Inflation Adjusted
31 Dec 2023

Non-life
Insurance contracts

Analysis by remaining coverage and incurred claims	Liability for remaining coverage excluding loss component ZWL ('000)	Loss component ZWL ('000)	Liability for incurred claims – Contracts under PAA: Estimates of present value of future cash flows ZWL ('000)	Liability for incurred claims – Contracts under PAA: Risk adjustment for non-financial risk ZWL ('000)	Total ZWL ('000)
Net opening assets/(liabilities)	(4 369 164)	2 043 920	(10 238 355)	(354 713)	(12 918 312)
Net opening balance	**(4 369 164)**	**2 043 920**	**(10 238 355)**	**(354 713)**	**(12 918 312)**
Changes in the statement of profit or loss and OCI					
Insurance revenue	120 083 337	-	-	-	120 083 337
	120 083 337	**-**	**-**	**-**	**120 083 337**
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	(62 188 429)	-	(62 188 429)
Amortisation of insurance acquisition cash flows	(36 401 024)	-	-	-	(36 401 024)
Losses and reversals of losses on onerous contracts	(7 052 081)	-	-	-	(7 052 081)
Adjustment to liabilities for incurred claims	-	1 870 564	(8 098 974)	(1 691 496)	(7 919 906)
	(43 453 105)	**1 870 564**	**(70 287 403)**	**(1 691 496)**	**(113 561 440)**
Premium refunds	-	-	-	-	-
Insurance service result	**76 630 232**	**1 870 564**	**(70 287 403)**	**(1 691 496)**	**6 521 897**
Net finance expenses from insurance contracts	-	-	-	-	-
Effect of movement in exchange rates	(21 159 759)	-	-	-	(21 159 759)
Total changes in the statement of profit or loss and OCI	**55 470 473**	**1 870 564**	**(70 287 403)**	**(1 691 496)**	**(14 637 862)**
Cash flows					
Premiums received	(110 444 705)	-	-	-	(110 444 705)
Claims and other insurance service expenses paid	-	-	48 228 790	-	48 228 790
Insurance acquisition cash flows	36 401 025	-	-	-	36 401 025
Total cash flows	**(74 043 680)**	**-**	**48 228 790**	**-**	**(25 814 890)**
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	**(22 942 371)**	**3 914 484**	**(32 296 968)**	**(2 046 209)**	**(53 371 064)**
Unaudited Historical Cost					
Net opening assets/(liabilities)	(1 518 634)	425 340	(1 168 848)	15 072	(2 247 070)
Net opening balance	**(1 518 634)**	**425 340**	**(1 168 848)**	**15 072**	**(2 247 070)**
Changes in the statement of profit or loss and OCI					
Insurance revenue	69 100 954	-	-	-	69 100 954
	69 100 954	**-**	**-**	**-**	**69 100 954**
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	(38 312 575)	-	(38 312 575)
Amortisation of insurance acquisition cash flows	(19 764 804)	-	-	-	(19 764 804)
Losses and reversals of losses on onerous contracts	(7 052 080)	-	-	-	(7 052 080)
Adjustment to liabilities for incurred claims	-	3 489 143	(8 923 116)	(2 636 450)	(8 070 423)
	(26 816 884)	**3 489 143**	**(47 235 691)**	**(2 636 450)**	**(73 199 882)**
Premium refunds	-	-	-	-	-
Insurance service result	**42 284 070**	**3 489 143**	**(47 235 691)**	**(2 636 450)**	**(4 098 928)**
Net finance expenses from insurance contracts	-	-	-	-	-
Effect of movement in exchange rates	11 071 149		(1 856 125)		9 215 024
Total changes in the statement of profit or loss and OCI	**53 355 219**	**3 489 143**	**(49 091 816)**	**(2 636 450)**	**5 116 096**
Cash flows					
Premiums received	(105 125 329)	-	-	-	(105 125 329)
Claims and other insurance service expenses paid	-	-	31 112 464	-	31 112 464
Insurance acquisition cash flows	17 772 775	-	-	-	17 772 775
Total cash flows	**(87 352 554)**	**-**	**31 112 464**	**-**	**(56 240 090)**
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	**(35 515 969)**	**3 914 483**	**(19 148 200)**	**(2 621 378)**	**(53 371 064)**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

Audited Inflation Adjusted
31 Dec 2022

Non-life
Insurance contracts

Analysis by remaining coverage and incurred claims	Liability for remaining coverage excluding loss component ZWL ('000)	Loss component ZWL ('000)	Liability for incurred claims – Contracts under PAA: Estimates of present value of future cash flows ZWL ('000)	Liability for incurred claims – Contracts under PAA: Risk adjustment for non-financial risk ZWL ('000)	Total ZWL ('000)
Net opening assets/(liabilities)	(2 728 003)	268 391	(3 781 844)	(567 778)	(6 809 235)
Net opening balance	**(2 728 003)**	**268 391**	**(3 781 844)**	**(567 778)**	**(6 809 235)**
Changes in the statement of profit or loss and OCI					
Insurance revenue	45 202 406	-	-	-	45 202 406
	45 202 406	**-**	**-**	**-**	**45 202 406**
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	(25 673 008)	-	(25 673 008)
Amortisation of insurance acquisition cash flows	(15 070 345)	-	-	-	(15 070 345)
Losses and reversals of losses on onerous contracts	-	-	-	-	-
Adjustment to liabilities for incurred claims	-	369 488	(4 932 969)	44 339	(4 519 142)
	(15 070 345)	**369 488**	**(30 605 977)**	**44 339**	**(45 262 495)**
Premium refunds	-	-	-	-	-
Insurance service result	**30 132 061**	**369 488**	**(30 605 977)**	**44 339**	**(60 089)**
Net finance expenses from insurance contracts	-	-	-	-	-
Effect of movement in exchange rates	1 260 699	-	-	-	1 260 699
Total changes in the statement of profit or loss and OCI	**31 392 760**	**369 488**	**(30 605 977)**	**44 339**	**1 200 610**
Cash flows					
Premiums received	(33 071 002)	-	-	-	(33 071 002)
Claims and other insurance service expenses paid	-	-	10 678 719	-	10 678 719
Insurance acquisition cash flows	11 636 347	-	-	-	11 636 347
Total cash flows	**(21 434 655)**	**-**	**10 678 719**	**-**	**(10 755 936)**
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	**7 230 102**	**637 879**	**(23 709 102)**	**(523 439)**	**(16 364 560)**
Unaudited Historical Cost					
Net opening assets/(liabilities)	(210 772)	55 852	(228 023)	(29 266)	(412 209)
Net opening balance	**(210 772)**	**55 852**	**(228 023)**	**(29 266)**	**(412 209)**
Changes in the statement of profit or loss and OCI					
Insurance revenue	6 318 583	-	-	-	6 318 583
	6 318 583	**-**	**-**	**-**	**6 318 583**
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	(4 089 997)	-	(4 089 997)
Amortisation of insurance acquisition cash flows	(2 105 988)	-	-	-	(2 105 988)
Losses and reversals of losses on onerous contracts					
Adjustment to liabilities for incurred claims	-	369 488	(1 293 789)	44 339	(879 962)
	(2 105 988)	**369 488**	**(5 383 786)**	**44 339**	**(7 075 947)**
Premium refunds	-	-	-	-	-
Insurance service result	**4 212 595**	**369 488**	**(5 383 786)**	**44 339**	**(757 364)**
Net finance expenses from insurance contracts	-	-	-	-	-
Effect of movement in exchange rates	2 518 174	-	-	-	2 518 174
Total changes in the statement of profit or loss and OCI	**6 730 769**	**369 488**	**(5 383 786)**	**44 339**	**1 760 810**
Cash flows					
Premiums received	(9 296 314)	-	-	-	(9 296 314)
Claims and other insurance service expenses paid	-	-	3 271 084	-	3 271 084
Insurance acquisition cash flows	1 712 395	-	-	-	1 712 395
Total cash flows	**(7 583 919)**	**-**	**3 271 084**	**-**	**(4 312 835)**
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	**(1 063 922)**	**425 340**	**(2 340 726)**	**15 073**	**(2 964 235)**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

Audited Inflation Adjusted
31 Dec 2023
Non-Life
Reinsurance contracts
Analysis by remaining coverage and incurred claims

	Assets for remaining coverage			
	Excluding Loss recovery component ZWL ('000)	Loss recovery component ZWL ('000)	Asset for incurred claims ZWL ('000)	Total ZWL ('000)
Net opening assets/(liabilities)	(2 188 563)	173 050	709 331	(1 306 183)
Net opening balance	**(2 188 563)**	**173 050**	**709 331**	**(1 306 183)**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	40 849 193	-	-	40 849 193
	40 849 193	**-**	**-**	**40 849 193**
Amounts recoverable from reinsurers				
Amortisation of reinsurance acquisition cash flows	(23 833 250)	-	-	(23 833 250)
Recoveries of incurred claims and other insurance service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Losses and reversals of losses on onerous contracts	(4 829 251)	1 172 085	5 584 861	1 927 695
Adjustment to assets for incurred claims	-	-	-	-
	(28 682 501)	**1 172 085**	**5 584 861**	**(21 905 555)**
Premium refunds	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	**12 186 692**	**1 172 085**	**5 584 861**	**18 943 638**
Net finance expenses from insurance contracts	-	-	-	-
Effect of movement in exchange rates	11 367 150	-	(18 303 467)	(6 936 317)
Total changes in the statement of profit or loss and OCI	**23 553 842**	**1 172 085**	**(12 718 604)**	**12 007 321**
Cash flows				
Premiums paid	-	-	(6 198 480)	(6 198 480)
Amounts received	-	-	6 172 914	6 172 914
Total cash flows	**-**	**-**	**(25 566)**	**(25 566)**
Contracts derecognised on disposal of subsidiary	-	-	- -	
Net closing balance	**21 365 279**	**1 345 135**	**(12 034 841)**	**10 675 573**

Unaudited Historical Cost

	Excluding Loss recovery component ZWL ('000)	Loss recovery component ZWL ('000)	Asset for incurred claims ZWL ('000)	Total ZWL ('000)
Net opening assets/(liabilities)	(569 811)	36 062	261 931	(271 817)
Net opening balance	**(569 811)**	**36 062**	**261 931**	**(271 817)**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	22 030 158	-	-	22 030 158
	22 030 158	**-**	**-**	**22 030 158**
Amounts recoverable from reinsurers				
Amortisation of reinsurance acquisition cash flows	(14 222 477)	-	-	(14 222 477)
Recoveries of incurred claims and other insurance service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Losses and reversals of losses on onerous contracts	(5 794 570)	1 172 085	5 584 860	962 375
Adjustment to assets for incurred claims	-	-	-	-
	(20 017 047)	**1 172 085**	**5 584 860**	**(13 260 102)**
Premium refunds	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	**2 013 111**	**1 172 085**	**5 584 860**	**8 770 056**
Net finance expenses from insurance contracts	-	-	-	-
Effect of movement in exchange rates	8 672 936	-	(9 034 678)	(361 742)
Total changes in the statement of profit or loss and OCI	**10 686 047**	**1 172 085**	**(3 449 818)**	**8 408 314**
Cash flows				
Premiums paid	-	-	185 665	185 665
Amounts received	-	-	2 353 410	2 353 410
Total cash flows	**-**	**-**	**2 539 075**	**2 539 075**
Contracts derecognised on disposal of subsidiary	-	-	-	-
Net closing balance	**10 116 237**	**1 208 147**	**(648 811)**	**10 675 573**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

Audited Inflation Adjusted
Restated**
31 Dec 2022
Non-Life
Reinsurance contracts
Analysis by remaining coverage and incurred claims

	Assets for remaining coverage			
	Excluding Loss recovery component ZWL ('000)	Loss recovery component ZWL ('000)	Asset for incurred claims ZWL ('000)	Total ZWL ('000)
Opening assets	527 997	275 143	2 822 368	3 625 508
Net opening balance	**527 997**	**275 143**	**2 822 368**	**3 625 508**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	10 574 191	-	-	10 574 191
	10 574 191	**-**	**-**	**10 574 191**
Amounts recoverable from reinsurers				
Amortisation of reinsurance acquisition cash flows	(9 229 830)	-	-	(9 229 830)
Recoveries of incurred claims and other insurance service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Losses and reversals of losses on onerous contracts	(1 436 306)	6 175	188 373	(1 241 758)
Adjustment to assets for incurred claims	-	-	-	-
	(10 666 136)	**6 175**	**188 373**	**(10 471 588)**
Premium refunds	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	**(91 945)**	**6 175**	**188 373**	**102 603**
Net finance expenses from insurance contracts	-	-	-	-
Effect of movement in exchange rates	1 334 672	(131 765)	(88 499)	1 114 409
Total changes in the statement of profit or loss and OCI	**1 242 727**	**(125 590)**	**99 874**	**1 217 012**
Cash flows				
Premiums paids			(9 934 819)	(9 934 819)
Amounts received			3 786 117	3 786 117
Total cash flows	**-**	**-**	**(6 148 702)**	**(6 148 702)**
Contracts derecognised on disposal of subsidiary				
Net closing balance	**1 770 724**	**149 553**	**(3 226 460)**	**(1 306 183)**

Unaudited Historical Cost

	Excluding Loss recovery component ZWL ('000)	Loss recovery component ZWL ('000)	Asset for incurred claims ZWL ('000)	Total ZWL ('000)
Opening assets	16 470	18 553	184 453	219 476
Net opening balance	**16 470**	**18 553**	**184 453**	**219 476**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	1 620 584	-	-	1 620 584
	1 620 584	**-**	**-**	**1 620 584**
Amounts recoverable from reinsurers				
Amortisation of reinsurance acquisition cash flows	(1 806 981)	-	-	(1 806 981)
Recoveries of incurred claims and other insurance service expenses	-	-	-	-
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Losses and reversals of losses on onerous contracts	(448 210)	6 175	188 373	(253 662)
Adjustment to assets for incurred claims	-	-	-	-
	(2 255 191)	**6 175**	**188 373**	**(2 060 643)**
Premium refunds				
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	**(634 607)**	**6 175**	**188 373**	**(440 059)**
Net finance expenses from insurance contracts	-	-	-	-
Effect of movement in exchange rates	417 177	11 334	384 416	812 926
Total changes in the statement of profit or loss and OCI	**(217 430)**	**17 509**	**572 789**	**372 867**
Cash flows				
Premiums paid	-	-	(1 297 999)	(1 297 999)
Amounts received	-	-	433 838	433 838
Total cash flows	**-**	**-**	**(864 161)**	**(864 161)**
Contracts derecognised on disposal of subsidiary	-	-	-	-
Net closing balance	**(200 961)**	**36 062**	**(106 918)**	**(271 817)**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

		Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost 31 Dec 2022 Restated** ZWL('000)
15	**TRADE AND OTHER PAYABLES**				
	Trade and other payables	266 138 078	100 750 481	262 522 797	19 288 661
	Deferred income	14 421 601	6 779 763	9 766 023	842 969
	Visa and MasterCard settlement payables	69 657 688	32 809 177	69 657 688	6 827 601
	TT Resdex inwards	4 169 680	890 495	4 169 680	185 312
	RBZ cash cover	53 954 286	92 337 712	53 954 286	19 215 509
	Zimswitch settlement	6 470 849	3 827 653	6 470 849	796 536
	Instant banking balances	1 987 202	2 226 357	1 987 202	463 306
	Other liabilities	127 150 767	9 541 415	126 660 458	1 970 405
	Intermediary tax	9 223 434	8 428 420	9 223 434	1 753 957
	Customer funds awaiting payment	74 828 780	31 881 026	74 828 780	6 634 451
		628 002 363	**289 472 499**	**619 241 197**	**57 978 707**
	Current	491 074 819	167 153 105	487 459 538	33 101 457
	Non-current	136 927 544	122 319 394	131 781 659	24 877 250
	Total	**628 002 363**	**289 472 499**	**619 241 197**	**57 978 707**
16	**SHARE CAPITAL AND SHARE PREMIUM**				
16.1	**Authorised**				
	Number of ordinary shares, with a nominal value of ZWL0,00001	800 000 000	800 000 000	800 000 000	800 000 000
16.2	**Issued and fully paid**				
	Number of ordinary shares, with a nominal value of ZWL0,00001	671 949 927	671 949 927	671 949 927	671 949 927

16.3	**Share capital movement**	Number of Shares	Share Capital ZWL ('000)	Share Premium ZWL ('000)	Total ZWL ('000)
	INFLATION ADJUSTED				
	As at 1 January 2022	**671 949 927**	**6 892**	**14 444 693**	**14 451 585**
	Share issue	-	-	-	-
	As at 31 December 2022	**671 949 927**	**6 892**	**14 444 693**	**14 451 585**
	Share issue	-	-	-	-
	As at 31 December 2023	**671 949 927**	**6 892**	**14 444 693**	**14 451 585**
	HISTORICAL COST				
	As at 1 January 2022	**671 949 927**	**7**	**14 083**	**14 090**
	Share issue	-	-	-	-
	As at 31 December 2022	**671 949 927**	**7**	**14 083**	**14 090**
	Share issue	-	-	-	-
	As at 31 December 2023	**671 949 927**	**7**	**14 083**	**14 090**

		Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost 31 Dec 2022 Restated** ZWL ('000)
17	**INTEREST INCOME**				
	Cash and cash equivalents	10 394 115	661 019	6 977 113	102 298
	Loans and advances to other banks	34 260 727	21 570 098	20 806 992	3 402 068
	Loans and advances to customers	315 514 258	167 227 708	193 817 990	26 180 979
	Banker's acceptances and tradable bills	11 150 951	9 868 764	4 755 583	1 470 534
	Other interest income	13 321 846	6 887 554	7 164 966	996 166
		384 641 897	**206 215 143**	**233 522 644**	**32 152 045**
	Credit related fees that are an intergral part of the effective interest on loans and advances have been classified under interest income.				
17.1	**INTEREST EXPENSE**				
	Deposit from other banks	35 235 784	26 532 574	18 730 513	4 684 781
	Demand deposits	7 055 841	475 830	4 386 130	76 283
	Lines of credit from financial institutions	78 610 830	8 073 714	50 076 582	1 157 162
	Time deposits	23 984 415	28 966 381	12 366 139	4 729 547
		144 886 870	**64 048 499**	**85 559 364**	**10 647 773**
18	**FEE AND COMMISSION INCOME**				
	Retail service fees	214 437 616	80 060 504	127 941 566	12 039 039
	Credit related fees	4 097 266	1 810 617	2 586 713	236 413
	Investment banking fees	11 963 013	71 636	11 329 179	11 579
	Brokerage commission	2 652 941	2 172 143	1 556 963	330 991
		233 150 837	**84 114 900**	**143 414 421**	**12 618 022**
18.1	**FEE AND COMMISSION EXPENSE**				
	Brokerage	1 679 058	1 291 026	797 966	211 705
19	**REVENUE**				
	Property sales	-	148 692	-	10 786
		-	**148 692**	**-**	**10 786**
19.1	**COST OF SALES**				
	Property costs	-	84 202	-	4 038
		-	**84 202**	**-**	**4 038**
20	**INSURANCE REVENUE**				
	Contracts measured under PAA				
	Non-life	120 083 337	45 202 406	69 100 954	6 318 583
		120 083 337	**45 202 406**	**69 100 954**	**6 318 583**
21	**NET GAIN FROM FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE**				
	Financial assets at fair value through profit or loss (note 6), fair value gains	84 709 378	47 936 016	86 665 447	8 508 693
22	**OTHER OPERATING INCOME**				
	Rental income	8 811 911	1 122 345	5 735 019	176 776
	(Loss)/profit disposal of property and equipment	(2 163 896)	1 969	(271 075)	9 814
	Sundry income	9 753 275	7 600 211	5 215 619	1 240 525
	Bad debts (written off)/recoveries	(445 205)	1 561	(533 854)	107
	Fair value adjustment on investment property	136 405 952	51 464 113	255 772 271	19 973 502
		152 362 037	**60 190 199**	**265 917 980**	**21 400 724**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

		Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost 31 Dec 2022 Restated** ZWL ('000)
23	**OPERATING EXPENSES**				
	Insurance service expenses				
	Claims and benefits	59 058 177	25 483 954	37 309 334	4 150 699
	Losses on onerous insurance contracts	7 052 080	-	7 052 080	-
	Amounts attributed to/amortisation of insurance acquisition cash flows	36 401 024	15 070 345	19 764 804	2 105 988
	Staff costs (note 23.1)	8 484 042	3 424 604	6 507 547	495 510
	Administration expenses	2 566 117	1 283 592	2 566 117	323 750
		113 561 440	**45 262 495**	**73 199 882**	**7 075 947**
	Other operating expenses				
	Administrative expenses	190 331 419	78 336 415	105 457 140	12 038 697
	Staff costs (note 23.1)	499 275 874	182 549 031	340 586 036	26 719 970
	Directors' remuneration (note 23.2)	197 317 538	62 211 754	106 429 752	10 201 924
	Audit fees:				
	- Financial statements audit-current year fees	5 606 905	2 654 830	3 700 743	466 699
	- Financial statements audit-prior year fees	920 799	81 407	387 835	10 186
	- Other services	381 499	-	313 055	-
	Depreciation	7 751 461	5 955 631	4 049 096	603 449
	Amortisation	252 229	472 585	31 172	7 608
	Leases of low value items and short term leases	27 285	583 810	1 841	70 673
		901 865 008	**332 845 463**	**560 956 671**	**50 119 206**
		1 015 426 449	**378 107 958**	**634 156 553**	**57 195 153**
23.1	**Staff costs**				
	Salaries and allowances	496 650 793	176 674 120	340 448 614	26 039 494
	Social security	2 015 322	1 607 544	1 204 538	205 005
	Pension contribution	9 093 800	7 691 971	5 440 431	970 982
		507 759 915	**185 973 635**	**347 093 583**	**27 215 481**
23.2	**Director's remuneration**				
	Board fees	5 427 953	2 377 525	3 649 967	392 464
	Other emoluments	610	-	375	-
	For services as management	191 888 975	59 834 229	102 779 410	9 809 460
		197 317 538	**62 211 754**	**106 429 752**	**10 201 924**
24	**INCOME TAX EXPENSE**				
	Charge for the year				
	Current income tax on income for the reporting year	26 635 249	18 547 815	26 399 449	3 754 789
	Adjustments in respect of prior years	401 826	-	83 620	-
	Deferred income tax	49 093 314	34 919 758	71 403 049	5 391 215
	Income tax expense	**76 130 389**	**53 467 572**	**97 886 118**	**9 146 004**
25	**EARNINGS PER SHARE**				
25.1	**Basic earnings per share**				
	Profit attributable to equity holders of the parent	327 243 720	60 177 706	478 312 818	38 708 406
	Total	**327 243 720**	**60 177 706**	**478 312 818**	**38 708 406**
	Basic earnings per share (ZWL cents)	53 593.92	9 568.25	78 335.07	6 154.63
		53 593.92	**9 568.25**	**78 335.07**	**6 154.63**

	Shares issued	Treasury shares	Shares outstanding	Weighted
Year ended 31 December 2023				
Weighted average number of ordinary shares				
Issued ordinary shares as at 1 January 2023	671 949 927	61 248 405	610 701 522	610 701 522
Treasury shares purchased	-	158 500	(158 500)	(102 916)
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**61 406 905**	**610 543 022**	**610 598 606**
Year ended 31 December 2022				
Weighted average number of ordinary shares				
Issued ordinary shares as at 1 January 2022	671 949 927	34 530 484	637 419 443	637 419 443
Treasury shares purchased	-	26 717 921	(26 717 921)	(8 488 036)
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 31 December	**671 949 927**	**61 248 405**	**610 701 522**	**628 931 407**

25.2 Diluted earnings per share

Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.

		Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	Audited Inflation Adjusted 31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost 31 Dec 2023 ZWL ('000)	Unaudited Historical Cost 31 Dec 2022 Restated** ZWL ('000)
	Diluted earnings per share				
	Profit attributable to equity holders of the parent	327 243 720	60 177 706	478 312 818	38 708 406
	Total	**327 243 720**	**60 177 706**	**478 312 818**	**38 708 406**
	Weighted average number of ordinary shares at 31 December	**610 598 606**	**628 931 407**	**610 598 606**	**628 931 407**
	Diluted earnings per share (ZWL cents)	**53 593.92**	**9 568.25**	**78 335.07**	**6 154.63**
25.3	**Headline earnings per share**				
	Profit attributable to equity holders of the parent	327 243 720	60 177 706	478 312 818	38 708 406
	Adjusted for excluded remeasurements				
	Profit on the disposal of property and equipment (note 22)	2 163 896	(1 969)	271 075	(9 814)
	Impairment on asset (note 11 & 12)	-	-	-	-
	Headline earnings	**329 407 616**	**60 175 737**	**478 583 893**	**38 698 592**
	Weighted average number of ordinary shares at 31 December	**610 598 606**	**628 931 407**	**610 598 606**	**628 931 407**
	Headline earnings per share (ZWL cents)	**53 948.31**	**9 567.93**	**78 379.46**	**6 153.07**
25.4	**Diluted headline earnings per share**				
	Diluted headline earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.				
	Profit attributable to equity holders of the parent	327 243 720	60 177 706	478 312 818	38 708 406
	Adjusted for excluded remeasurements				
	Profit on the disposal of property and equipment (note 22)	2 163 896	(1 969)	271 075	(9 814)
	Impairment on asset (note 11 & 12)	-	-	-	-
	Diluted headline earnings	**329 407 616**	**60 175 737**	**478 583 893**	**38 698 592**
	Weighted average number of ordinary shares at 31 December	**610 598 606**	**628 931 407**	**610 598 606**	**628 931 407**
	Diluted headline earnings per share (ZWL cents)	**53 948.31**	**9 567.93**	**78 379.46**	**6 153.07**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

26 SEGMENT REPORTING

Segment information is presented in respect of business segments.

Segment revenue, expenses, liabilities and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises of seven business segments i.e. commercial banking, microlending, mortgage financing, short term reinsurance, short term insurance, stockbroking and insurance broking.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

Audited Inflation Adjusted

31 Dec 2023	Commercial banking ZWL ('000)	Microlending ZWL ('000)	Mortgage financing ZWL ('000)	Short term reinsurance ZWL ('000)	Short term insurance ZWL ('000)	Stockbroking ZWL ('000)	Short term Insurance Broking ZWL ('000)	Consolidated ZWL ('000)
Total segment net income								
Interest income	300 024 828	67 441 641	26 273 540	1 509 557	1 892 840	2 606	-	397 145 013
Interest expense	(115 435 906)	(6 066 814)	(37 462 472)	-	(101 652)	(203 952)	(2 022 668)	(161 293 463)
Net interest income	184 588 922	61 374 828	(11 188 932)	1 509 557	1 791 188	(201 346)	(2 022 668)	235 851 549
Sales	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-
Insurance service result	-	-	-	(24 442 890)	11 885 783	-	-	(12 557 107)
Net fee and commission income	204 610 150	145 265	24 909 787	-	-	865 117	321 480	230 851 799
-Retail service fees	190 802 191		22 870 744	-	-	-	-	-
-Credit related fees	1 844 946	145 265	2 039 043	-	-	-	-	-
-Investment banking fees	11 963 013	-	-	-	-	-	-	-
-Brokerage commission		-	-	-	-	865 117	321 480	-
Net trading income and other income	526 759 082	4 798 870	142 455 897	48 735 617	17 348 891	2 330 398	733 158	743 161 913
Total net income for reported segments	915 958 155	66 318 963	156 176 752	25 802 283	31 025 862	2 994 169	(968 030)	1 197 308 154
Intersegment revenue	(8 422 890)	(105 770)	(4 617 812)	(1 472 029)	(14 057 685)	(105 750)	(1 375 754)	(30 157 690)
Intersegment interest expense and commission	16 033 796	9 763 757	8 025 215	171 152	4 595 448	240 877	2 120 680	40 950 925
Net income from external customers	**923 569 060**	**75 976 950**	**159 584 154**	**24 501 406**	**21 563 625**	**3 129 296**	**(223 103)**	**1 208 101 389**
Segment profit/(loss) before income tax	**298 514 222**	**9 013 005**	**85 441 323**	**7 339 435**	**3 779 486**	**713 478**	**(1 884 800)**	**402 916 150**
Impairment allowances on financial assets	49 914 912	2 425 911	1 050 878	-	63 556	-	-	53 455 256
Depreciation	4 694 646	312 133	1 747 624	438 864	365 690	28 679	74 493	7 662 129
Amortisation	230 280	185	-	896	-	-	20 867	252 229
Segment assets	**2 764 854 792**	**76 884 529**	**457 177 759**	**99 589 769**	**62 239 589**	**6 412 892**	**1 892 148**	**3 469 051 477**
Total assets include:								
Additions to non-current assets	10 887 966	1 107 430	1 947 064	681 874	294 046	8 091	-	14 926 470
Segment liabilities	**2 319 647 720**	**72 720 074**	**265 099 552**	**80 327 883**	**44 933 541**	**4 341 482**	**4 953 071**	**2 792 023 325**

31 Dec 2022 Restated**	Commercial banking ZWL ('000)	Microlending ZWL ('000)	Mortgage financing ZWL ('000)	Short term reinsurance ZWL ('000)	Short term insurance ZWL ('000)	Stockbroking ZWL ('000)	Short term Insurance Broking ZWL ('000)	Consolidated ZWL ('000)
Total segment net income								
Interest income	182 328 184	9 596 716	16 511 359	169 740	345 748	2 849	-	208 954 595
Interest expense	(46 369 994)	(2 273 171)	(19 479 056)	-	(614 369)	(110 843)	(1 049 589)	(69 897 022)
Net interest income	135 958 190	7 323 545	(2 967 697)	169 740	(268 621)	(107 994)	(1 049 589)	139 057 573
Sales	-	-	148 692	-	-	-	-	148 692
Cost of sales	-	-	(84 202)	-	-	-	-	(84 202)
Gross profit	-	-	64 489	-	-	-	-	64 489
Insurance service result	-	-	-	(5 879 653)	5 661 385	-	-	(218 268)
Net fee and commission income	72 592 859	536 885	8 131 631	-	-	1 148 322	145 141	82 554 838
-Retail service fees	71 994 995	-	7 435 758	-	-	-	-	-
-Credit related fees	526 229	536 885	695 873	-	-	-	-	-
-Investment banking fees	71 636	-	-	-	-	-	-	-
-Brokerage commission	-	-	-	-	-	1 148 322	145 141	-
Net trading income and other income	180 382 782	406	59 947 525	30 459 389	8 179 667	3 120 299	(83 163)	282 006 906
Total net income for reported segments	388 933 831	7 860 835	65 175 948	24 749 476	13 572 431	4 160 628	(987 611)	503 465 538
Intersegment revenue	(4 584 605)	40 021	(119 369)	(2 780 038)	(3 696 888)	(2 849)	(529 612)	(11 673 340)
Intersegment interest expense and commission	5 101 101	2 653 726	3 022 059	388 635	5 943 167	137 411	1 051 444	18 297 541
Net income from external customers	**389 450 327**	**10 554 582**	**68 078 638**	**22 358 073**	**15 818 709**	**4 295 190**	**(465 779)**	**510 089 740**
Segment profit/(loss) before income tax	**120 081 567**	**1 588 817**	**32 070 535**	**(2 471 396)**	**2 368 928**	**(633 920)**	**(2 862 331)**	**150 142 200**
Impairment allowances on financial assets	20 805 601	391 654	485 673	-	73 459	-	136 157	21 892 545
Depreciation	3 979 403	243 369	896 833	364 208	290 239	23 211	127 269	5 924 531
Amortisation	436 296	185	-	18 512	-	-	17 592	472 585
Segment assets	**1 310 932 354**	**27 564 189**	**185 089 128**	**37 689 393**	**27 902 250**	**2 376 917**	**3 029 259**	**1 594 583 490**
Total assets include:								
Additions to non-current assets	8 410 511	104 587	753 677	605 343	195 459	7 728	827 183	10 904 488
Segment liabilities	**1 136 806 553**	**24 513 210**	**90 795 118**	**31 073 461**	**19 340 757**	**1 622 045**	**5 061 242**	**1 309 212 385**
Type of revenue generating activity	Commercial and retail banking	Microlending	Mortgage financing	Underwriting general classes of short term re-insurance	Underwriting general classes of short term insurance	Equity market dealing	Short term insurance broking	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

26 SEGMENT REPORTING (CONTINUED)

Unaudited Historical Cost

31 Dec 2023	Commercial banking ZWL ('000)	Microlending ZWL ('000)	Mortgage financing ZWL ('000)	Short term reinsurance ZWL ('000)	Short term insurance ZWL ('000)	Stockbroking ZWL ('000)	Short term Insurance Broking ZWL ('000)	Consolidated ZWL ('000)
Total segment net income								
Interest income	182 209 041	42 241 675	14 143 811	1 035 964	1 217 064	1 060	-	240 848 616
Interest expense	(71 835 147)	(3 602 982)	(17 580 784)	-	(34 726)	(78 679)	(806 179)	(93 938 498)
Net interest income	110 373 894	38 638 693	(3 436 973)	1 035 964	1 182 338	(77 619)	(806 179)	146 910 118
Sales	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-
Gross profit								
Insurance service result	-	-	-	(15 808 478)	2 885 972	-	-	(12 922 506)
Net fee and commission income	126 193 135	49 097	15 255 878	-	-	448 034	292 072	142 238 217
-Retail service fees	113 648 384	-	13 973 129	-	-	-	-	-
-Credit related fees	1 215 572	49 097	1 282 749	-	-	-	-	-
-Investment banking fees	11 329 179	-	-	-	-	-	-	-
-Brokerage commission	-	-	-	-	-	448 034	292 072	-
Net trading income and other income	546 248 751	4 737 164	225 430 127	48 539 727	16 574 610	3 441 812	318 991	845 291 182
Total net income for reported segments	782 815 781	43 424 954	237 249 032	33 767 213	20 642 919	3 812 226	(195 116)	1 121 517 010
Intersegment revenue	(4 690 601)	(21 868)	(2 849 087)	(852 965)	(7 212 702)	(71 264)	(826 767)	(16 525 254)
Intersegment interest expense and commission	6 954 745	5 432 828	4 695 246	104 664	3 971 896	94 768	810 024	22 064 170
Net income from external customers	**785 079 925**	**48 835 914**	**239 095 191**	**33 018 912**	**17 402 113**	**3 835 730**	**(211 859)**	**1 127 055 927**
Segment profit before income tax	**397 192 296**	**15 674 662**	**143 037 008**	**13 005 847**	**4 969 917**	**993 996**	**(3 742 091)**	**571 131 635**
Impairment allowances on financial assets	49 914 912	2 425 911	1 050 878	-	63 556	-	-	53 455 256
Depreciation	2 634 964	177 974	589 808	152 600	446 349	6 006	25 773	4 033 473
Amortisation	28 993	7	-	90	24	-	2 059	31 172
Segment assets	**2 757 378 020**	**76 876 782**	**453 854 513**	**99 583 840**	**61 894 841**	**6 391 574**	**1 830 087**	**3 457 809 657**
Total assets include:								
Additions to non-current assets	4 692 256	690 504	1 163 312	658 155	177 592	2 375	-	7 384 193
Segment liabilities	**2 314 146 887**	**68 670 405**	**265 099 552**	**80 327 883**	**46 859 662**	**4 220 861**	**4 968 796**	**2 784 294 047**

31 Dec 2022 Restated**	Commercial banking ZWL ('000)	Microlending ZWL ('000)	Mortgage financing ZWL ('000)	Short term reinsurance ZWL ('000)	Short term insurance ZWL ('000)	Stockbroking ZWL ('000)	Short term Insurance Broking ZWL ('000)	Consolidated ZWL ('000)
Total segment net income								
Interest income	28 757 074	1 571 933	2 405 205	32 425	64 485	479	-	32 831 601
Interest expense	(7 808 962)	(369 672)	(3 368 473)	-	(78 694)	(22 490)	(210 944)	(11 859 236)
Net interest income	20 948 112	1 202 261	(963 268)	32 425	(14 209)	(22 012)	(210 944)	20 972 365
Sales	-	-	10 786	-	-	-	-	10 786
Cost of sales	-	-	(4 038)	-	-	-	-	(4 038)
Gross profit	-	-	6 748	-	-	-	-	6 748
Insurance service result	-	-	-	(1 102 210)	777 837	-	-	(324 373)
Net fee and commission income	10 904 551	59 720	1 217 329	-	-	154 085	23 028	12 358 713
-Retail service fees	10 821 789	-	1 121 716	-	-	-	-	-
-Credit related fees	71 184	59 720	95 613	-	-	-	-	-
-Investment banking fees	11 579	-	-	-	-	-	-	-
-Brokerage commission	-	-	-	-	-	154 085	23 028	-
Net trading income and other income	39 883 785	7 664	17 127 900	4 609 700	1 685 088	373 495	(17 376)	63 670 257
Total net income for reported segments	71 736 449	1 269 645	17 388 708	3 539 915	2 448 716	505 568	(205 293)	96 683 709
Intersegment revenue	(775 327)	7 041	(16 651)	(523 043)	(486 458)	(449)	(96 321)	(1 891 208)
Intersegment interest expense and commission	723 452	426 151	547 861	56 727	950 071	25 872	211 309	2 941 443
Net income from external customers	**71 684 574**	**1 702 837**	**17 919 918**	**3 073 599**	**2 912 329**	**530 991**	**(90 305)**	**97 733 945**
Segment profit before income tax	**36 660 885**	**322 472**	**12 764 253**	**1 527 160**	**439 628**	**88 910**	**(704 096)**	**51 099 213**
Impairment allowances on financial assets	4 329 653	81 503	101 069	-	15 287	-	28 334	4 555 846
Depreciation	425 041	25 982	92 665	12 187	36 805	1 433	7 034	601 146
Amortisation	6 272	7	-	90	56	-	1 183	7 608
Segment assets	**271 990 529**	**5 461 559**	**37 836 124**	**7 842 057**	**5 805 486**	**494 637**	**576 122**	**330 006 514**
Total assets include:								
Additions to non-current assets	1 385 861	19 984	130 448	126 746	36 901	1 100	54 333	1 755 374
Segment liabilities	**235 002 134**	**4 965 080**	**18 894 494**	**5 592 181**	**4 241 772**	**312 773**	**1 051 760**	**270 060 194**
Type of revenue generating activity and retail banking	Commercial	Microlending financing	Mortgage general classes of short term re-insurance	Underwriting general classes of short term insurance	Underwriting Dealing	Equity market insurance broking	Short term	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
27	**SEGMENT REPORTING (CONTINUED)**	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
	Operating segments reconciliations				
	Net income				
	Total net income for reportable segments	1 208 101 389	510 089 740	1 127 055 927	97 733 945
	Total net income for non reportable segments	120 613 342	20 196 977	92 108 684	16 235 895
	Elimination of intersegment revenue received				
	- from the holding company	(242 245)	(258 977)	(130 878)	(46 454)
	Intersegment eliminations	(57 947 237)	3 005 232	(28 187 502)	(11 367 219)
	Group total net income	**1 270 525 249**	**533 032 972**	**1 190 846 231**	**102 556 167**
	Group profit before tax				
	Total profit before income tax for reportable segments	402 916 150	150 142 200	571 131 635	51 099 213
	Intersegment eliminations	601 334	(36 430 649)	5 172 493	(3 237 919)
	Profit before income tax	**403 517 483**	**113 711 551**	**576 304 128**	**47 861 294**
	Group assets				
	Total assets for reportable segments	3 469 051 477	1 594 583 490	3 457 809 657	330 006 514
	Other group assets	250 799 111	203 378 812	165 202 866	25 505 135
	Deferred tax asset allocated to the holding company	72 949	10 386 466	5 881 115	2 004 036
	Intersegment eliminations	(326 031 627)	(214 852 631)	(239 486 006)	(27 709 353)
	Group total assets	**3 393 891 910**	**1 593 496 137**	**3 389 407 631**	**329 806 332**
	Group liabilities				
	Total liabilities for reportable segments	2 792 023 325	1 309 212 385	2 784 294 047	270 060 194
	Other group liabilities and elimination of intersegment payables	(104 009 747)	(8 798 693)	(102 295 459)	(3 545 985)
	Group total liabilities	**2 688 013 578**	**1 300 413 692**	**2 681 998 588**	**266 514 209**

In the normal course of business, group companies trade with one another and the material intergroup transactions include:

1) Underwriting of insurance risk by the insurance subsidiary;
2) Reinsurance of the insurance subsidiary's insurance risk by the reinsurance subsidiary;
3) Borrowings from the banking subsidiary by group companies and placement of funds and operating of current accounts; and
4) Placement of funds with the Bank and the Building Society by Group companies.

These transactions result in income, expenses, assets and liabilities that are eliminated on consolidation.

28 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk , credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal audit review from time to time the intergrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:
(a) Credit risk
(b) Market risk
(b.i) Interest rate risk,
(b.ii) Currency risk
(b.iii) Price risk
(c) Liquidity risk
(d) Settlement risk
(e) Operational risk
(f) Capital risk
(g) Climate related risk
(h) Insurance risk

Other risks:
(i) Reputational risk
(j) Legal and Compliance risk
(k) Strategic risk

The Group controls these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

28.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentrations of credit risk in respect of individual counterparties and groups. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group or counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of the Bank, Microplan and the Building Society periodically review and approve the Group's policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's lending and investment activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary's Management Credit Committee must then be approved by the subsidiary Board Credit Committee.

The Group Credit Management Division evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Division periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assess the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a 'loss' is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

Credit policies, procedures and limits
The Group has sound and well-defined policies, procedures and limits which are reviewed at least once every year and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to Credit Managers, Management, Board Credit Committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

Credit risk mitigation and hedging
As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to counterparty. Generally, guarantor counterparties include parent companies and shareholders. Creditworthiness for the guarantor is established in line with the credit policy.

Credit risk stress testing
The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place stress testing framework that guides the Group's banking subsidiaries in conducting credit stress tests.

Significant increase in credit risk
The Group monitors all financial assets that are subject to impairment requirments 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 Group will measure the loss allowance based on the lifetime rather than 12-month ECL.

Credit terms:

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

Past due loans
These are loans in which the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the facility offer letter or loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans
The Group's policy regarding impaired/doubtful loans is that all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest; all such loans are classified in the categories 8, 9 and 10 under the Basel II ten tier grading system and stage 3 under IFRS 9 staging matrix.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

Provisioning policy and write offs
The Group has adopted IFRS 9 to determine expected credit losses (ECL)

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS 9 staging matrix

Rating	Descriptive classification	Risk level	Level of allowance	2012 Grading and level of allowance	IFRS 9 grading/tier system	Type of allowance
1	Prime grade	Insignificant	1%	A (1%)	Stage 1	12 Months ECL
2	Strong	Modest	1%			
3	Satisfactory	Average	2%			
4	Moderate	Acceptable	3%	B (3%)	Stage 2	Lifetime ECL
5	Fair	Acceptable with care	4%			
6	Speculative	Management attention	5%			
7	Highly Speculative	Special mention	10%			
8	Substandard	Vulnerable	20%	C (20%)	Stage 3	Lifetime ECL
9	Doubtful	High default	50%	D (50%)		
10	Loss	Bankrupt	100%	E (100%)		

Expected Credit Losses (ECL)
In the context of IFRS 9 it is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows)

Expected Credit Losses are the product of Probability of Default(PD)*Exposure at Default (EAD)* Loss Given Default(LGD)

Probability of Default (PD)
It is the chance that borrowers will fail to meet their contractual obligations in the future. The PD is derived using historical internal credit rating data.

Exposure at Default (EAD)
It is the total value that a bank is exposed to at the time of a loan's default. In most cases and for most loan products, EAD is taken as the gross outstanding balance at time of default. It also includes off -balance sheet exposures such as guarantees and lending commitments which are then modelled based on historical experience to determine the appropriate exposure estimates.

Loss Given Default (LGD)
It is an estimate of the loss from a transaction given that a default has occurred. The LGD estimate is calculated as the quotient of the set of estimated cash flows resulting from the workout and/or collections process (the loss of principal, the carrying costs of non-performing loans e.g. interest income foregone and workout expenses). The estimates take into account the time value of money by discounting the recoveries to the date of default.

		Audited Inflation Adjusted		Unaudited Historical Cost	
		31 Dec 2023	31 Dec 2022 Restated**	31 Dec 2023	31 Dec 2022 Restated**
28.1.1	**Exposure to credit risk**	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
	Loans and advances				
	Stage 3/Grade 8:	5 550 355	17 693 857	5 550 355	3 682 098
	Stage 3/Grade 9:	12 571 718	218 678	12 571 718	45 507
	Stage 3/Grade 10:	892 648	2 401 222	892 648	499 695
	Gross amount	**19 014 721**	**20 313 757**	**19 014 721**	**4 227 300**
	Allowance for impairment	(12 443 465)	(5 171 967)	(12 443 465)	(1 076 288)
	Carrying amount	**6 571 256**	**15 141 790**	**6 571 256**	**3 151 012**
	Stage 2/Grade 4 - 7:	377 515 989	71 754 825	377 515 989	14 932 203
	Stage 1/Grade 1 - 3:	1 249 306 802	650 036 177	1 249 303 585	135 272 079
	Gross amount	**1 626 822 791**	**721 791 002**	**1 626 819 574**	**150 204 282**
	Allowance for impairment	(44 284 002)	(17 758 798)	(44 284 003)	(3 695 612)
	Carrying amount	**1 582 538 789**	**704 032 204**	**1 582 535 571**	**146 508 670**
	Total carrying amount	**1 589 110 045**	**719 173 993**	**1 589 106 827**	**149 659 682**

Loans and advances — **Audited Inflation Adjusted**

	31 Dec 2023				31 Dec 2022			
	ECL staging				ECL staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Credit grade	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)	ZWL ('000)
Investment grade	1 249 306 802	-	-	1 249 306 802	650 036 177	-	-	650 036 177
Standard monitoring	-	300 266 007	-	300 266 007	-	51 149 397	-	51 149 397
Special monitoring	-	77 249 982	-	77 249 982	-	20 605 428	-	20 605 428
Default	-	-	19 014 721	19 014 721	-		20 313 757	20 313 757
Gross loans and advances	**1 249 306 802**	**377 515 989**	**19 014 721**	**1 645 837 512**	**650 036 177**	**71 754 825**	**20 313 757**	**742 104 759**
Loss allowance	(18 689 296)	(25 594 706)	(12 443 465)	(56 727 468)	(14 574 292)	(3 184 507)	(5 171 967)	(22 930 766)
Net loans and advances	**1 230 617 506**	**351 921 283**	**6 571 256**	**1 589 110 045**	**635 461 885**	**68 570 318**	**15 141 790**	**719 173 993**
Analysis								
Gross amount	-	-	-	-	-	-	-	-
Balance as at January	**650 036 177**	**71 754 825**	**20 313 757**	**742 104 759**	**342 348 282**	**52 133 300**	**2 933 209**	**397 414 791**
Effects of IAS29	(514 764 098)	(56 822 622)	(16 086 457)	(587 673 177)	(242 759 838)	(36 967 685)	(2 079 936)	(281 807 459)
Transfers	(6 354 506)	3 926 744	2 427 761		(1 059 946)	430 233	629 713	
Stage 1	(6 942 472)	6 392 314	550 158		(1 527 090)	829 140	697 950	
Stage 2	556 339	(2 574 392)	2 018 053		382 999	(405 733)	22 733	
Stage 3	31 627	108 823	(140 450)		84 145	6 825	(90 970)	
New issue	1 173 377 168	369 755 394	16 748 304	1 559 880 867	688 474 599	90 538 006	19 363 355	798 375 960
Repayments	(52 987 940)	(11 098 353)	(3 107 667)	(67 193 959)	(136 966 920)	(34 379 029)	(457 482)	(171 803 431)
Amounts written off during the year as uncollectible	-	-	(1 280 977)	(1 280 977)	-	-	(75 102)	(75 102)
Balance as at December	**1 249 306 802**	**377 515 989**	**19 014 721**	**1 645 837 512**	**650 036 177**	**71 754 825**	**20 313 757**	**742 104 759**
Impairment								
Balance as at January	**14 574 292**	**3 184 507**	**5 171 967**	**22 930 766**	**4 186 457**	**2 473 031**	**2 008 190**	**8 667 678**
Changes on initial application of IFRS 9								
Effects of IAS29	(11 541 377)	(2 521 810)	(4 095 679)	(18 158 866)	(2 968 614)	(1 753 624)	(1 424 006)	(6 146 244)
Transfers	(33 816)	66 412	(32 596)		16 764	(8 344)	(8 420)	
Stage 1	(65 203)	61 295	3 909		(5 391)	2 864	2 527	
Stage 2	10 799	(32 248)	21 449		14 454	(15 419)	965	
Stage 3	20 588	37 365	(57 953)		7 701	4 212	(11 913)	
Net change due to new issues and repayments	15 732 121	24 881 391	12 101 187	52 714 699	13 513 870	2 576 284	4 729 074	20 819 228
Interest in suspense (reclassifaction)								
Changes in parameters	(57 549)	(23 827)	580 229	498 853	(54 593)	(27 209)	(53 564)	(135 367)
Amounts written off during the year as uncollectible	15 625	8 033	(1 281 642)	(1 257 984)	(119 592)	(75 630)	(79 307)	(274 529)
Balance as at December	**18 689 296**	**25 594 706**	**12 443 465**	**56 727 468**	**14 574 292**	**3 184 507**	**5 171 967**	**22 930 766**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

Loans and advances

	Unaudited Historical Cost							
	31 Dec 2023				31 Dec 2022			
	ECL staging				ECL staging			
Credit grade	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Investment grade	1 249 303 585	-	-	1 249 303 585	135 272 079	-	-	135 272 079
Standard monitoring	-	300 266 007	-	300 266 007	-	10 644 207	-	10 644 207
Special monitoring	-	77 249 982	-	77 249 982	-	4 287 997	-	4 287 997
Default	-	-	19 014 721	19 014 721	-	-	4 227 300	4 227 300
Gross loans and advances	1 249 303 585	377 515 989	19 014 721	1 645 834 295	135 272 079	14 932 203	4 227 300	154 431 582
Loss allowance	(18 689 296)	(25 594 706)	(12 443 465)	(56 727 468)	(3 032 915)	(662 697)	(1 076 288)	(4 771 900)
Net loans and advances	1 230 614 289	351 921 283	6 571 256	1 589 106 827	132 239 164	14 269 506	3 151 012	149 659 682
Analysis								
Gross amount								
Balance as at January	**135 272 079**	**14 932 203**	**4 227 300**	**154 431 582**	**20 724 389**	**3 155 970**	**177 566**	**24 057 925**
Effects of IAS 21								
Transfers	(6 354 506)	3 926 744	2 427 761		(220 575)	89 532	131 044	
Stage 1	(6 942 472)	6 392 314	550 158		(317 788)	172 544	145 244	
Stage 2	556 339	(2 574 392)	2 018 053		79 702	(84 433)	4 731	
Stage 3	31 627	108 823	(140 450)		17 511	1 420	(18 931)	
New issue	1 173 373 951	369 755 394	16 748 304	1 559 877 649	143 271 128	18 840 989	4 029 521	166 141 638
Repayments	(52 987 940)	(11 098 353)	(3 107 667)	(67 193 959)	(28 502 862)	(7 154 287)	(95 202)	(35 752 352)
Amounts written off during the year as uncollectible	-	-	(1 280 977)	(1 280 977)	-	-	(15 629)	(15 629)
Balance as at December	**1 249 303 585**	**377 515 989**	**19 014 721**	**1 645 834 295**	**135 272 079**	**14 932 203**	**4 227 300**	**154 431 582**
Impairment								
Balance as at January	**3 032 915**	**662 697**	**1 076 288**	**4 771 900**	**253 434**	**149 709**	**121 569**	**524 711**
Changes on initial a pplication of IFRS 9								
Transfers	(33 816)	66 412	(32 596)		3 489	(1 736)	(1 752)	
Stage 1	(65 203)	61 295	3 909		(1 122)	596	526	
Stage 2	10 799	(32 248)	21 449		3 008	(3 209)	201	
Stage 3	20 588	37 365	(57 953)		1 603	876	(2 479)	
Net change due to new issues and repayments	15 732 121	24 881 391	12 101 187	52 714 699	2 812 241	536 126	984 122	4 332 488
Interest in suspense (reclassifaction)								
Changes in parameters	(57 549)	(23 827)	580 229	498 853	(11 361)	(5 662)	(11 147)	(28 170)
Amounts written off during the year as uncollectible	15 625	8 033	(1 281 642)	(1 257 984)	(24 887)	(15 739)	(16 504)	(57 130)
Balance as at December	18 689 296	25 594 706	12 443 465	56 727 468	3 032 915	662 697	1 076 288	4 771 900

28.1.2 Sectoral analysis of utilizations of loans and advances to customers

	Audited Inflation Adjusted				Unaudited Historical Cost			
	2023 ZWL ('000)	2023 %	2022 Restated** ZWL ('000)	2022 %	2023 ZWL ('000)	2023 %	2022 Restated** ZWL ('000)	2022 %
Mining	71 431 194	4%	103 145 995	14%	71 431 194	4%	21 464 716	14%
Manufacturing	204 035 371	12%	49 928 891	7%	204 035 371	12%	10 390 219	7%
Mortgage	83 124 677	5%	58 526 726	8%	83 124 677	5%	12 179 431	8%
Wholesale	189 319 268	12%	548 438	0%	189 319 268	12%	114 130	0%
Distribution	1 475 132	0%	59 887 407	8%	1 475 132	0%	12 462 590	8%
Individuals	194 853 104	12%	46 430 129	6%	194 853 104	12%	9 662 125	6%
Agriculture	118 454 755	7%	25 768 150	3%	118 454 755	7%	5 362 361	3%
Communication	3 324 740	0%	-	0%	3 324 740	0%	-	0%
Construction	82 406 714	5%	31 741 962	4%	82 406 714	5%	6 605 513	4%
Local authorities	151	0%	561 290	0%	151	0%	116 805	0%
Other services	697 412 405	42%	365 565 770	49%	697 409 188	43%	76 073 692	49%
	1 645 837 512	**100%**	**742 104 759**	**100%**	**1 645 834 295**	**100%**	**154 431 582**	**100%**

Reconciliation of allowance for impairment for loans and advances

	31 Dec 2023			31 Dec 2022 Restated**		
Audited Inflation Adjusted	Specific allowance / Stage 3 ZWL ('000)	Collective allowance / Stage 1-2 ZWL ('000)	Total ZWL ('000)	Specific allowance / Stage 3 ZWL ('000)	Collective allowance / Stage 1-2 ZWL ('000)	Total ZWL ('000)
Balance at 1 January	5 171 967	17 758 799	22 930 766	2 008 190	6 659 488	8 667 678
Effects of IAS 29	(4 095 680)	(14 063 187)	(18 158 866)	(1 424 006)	(4 722 238)	(6 146 244)
Impairment loss allowance	12 648 820	40 564 732	53 213 552	4 667 090	16 016 771	20 683 861
Amounts written off during the year	(1 281 642)	23 658	(1 257 984)	(79 307)	(195 222)	(274 529)
Balance as at 31 December	**12 443 465**	**44 284 002**	**56 727 468**	**5 171 967**	**17 758 799**	**22 930 766**
Unaudited Historical Cost						
Balance at 1 January	1 076 288	3 695 612	4 771 900	121 569	403 142	524 711
Impairment loss allowance	12 648 820	40 564 732	53 213 552	971 223	3 333 095	4 304 318
Amounts written off during the year	(1 281 643)	23 658	(1 257 984)	(16 504)	(40 625)	(57 129)
Balance as at 31 December	**12 443 465**	**44 284 002**	**56 727 468**	**1 076 288**	**3 695 612**	**4 771 900**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

28.1.3 Bonds and Debentures

	Audited Inflation Adjusted							
	31 Dec 2023				31 Dec 2022 Restated**			
	ECL staging				ECL staging			
	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	-	-	-	-	-	-	-	-
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss allowance	-	-	-	-	-	-	-	-
Net Bonds and Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Analysis								
Gross amount								
Balance as at January	**-**	**-**	**-**	**-**	**115 286**	**-**	**-**	**115 286**
Effects of IAS29	-	-	-	-	(81 750)	-	-	(81 750)
Transfers								
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
New issue								
Repayments	-	-	-	-	(33 537)	-	-	(33 537)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**-**	**-**	**-**	**-**	**-**	**-**	**- -**	**-**
Impairment								
Balance as at January	**-**	**-**	**-**	**-**	**648**	**-**	**-**	**648**
Effects of IAS29	-	-	-	-	(460)	-	-	(460)
Transfers								
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	-	-	-	-	(189)	-	-	(189)
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Unaudited Historical Cost							
	31 Dec 2023				31 Dec 2022 Restated**			
	ECL staging				ECL staging			
	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	-	-	-	-	-	-	-	-
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross Bonds and Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss allowance	-	-	-	-	-	-	-	-
Net Bonds and Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Analysis								
Gross amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at January	**-**	**-**	**-**	**-**	**6 979**	**-**	**-**	**6 979**
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
New issue	-	-	-	-	-	-	-	-
Repayments	-	-	-	-	(6 979)	-	-	(6 979)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment								
Balance as at January	**-**	**-**	**-**	**-**	**39**	**-**	**-**	**39**
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	-	-	-	-	(39)	-	-	(39)
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

28.1.4 Financial assets at amortised cost

	Audited Inflation Adjusted							
	31 Dec 2023				31 Dec 2022 Restated**			
	ECL staging				ECL staging			
	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	95 338 669	-	-	95 338 669	39 232 431	-	-	39 232 431
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	**95 338 669**	**-**	**-**	**95 338 669**	**39 232 431**	**-**	**-**	**39 232 431**
Impairment loss allowance	(466 850)	-	-	(466 850)	(410 691)	-	-	(410 691)
Net financial asset at amortised cost	**94 871 819**	**-**	**-**	**94 871 819**	**38 821 740**	**-**	**-**	**38 821 740**
Analysis								
Gross amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at January	**39 232 432**	**-**	**-**	**39 232 432**	**32 719 514**	**-**	**-**	**32 719 514**
Effects of IAS29	(31 068 149)	-	-	(31 068 149)	(23 201 384)	-	-	(23 201 384)
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
New issue	89 686 204	-	-	89 686 204	43 368 247	-	-	43 368 247
Repayments	(2 511 817)	-	-	(2 511 817)	(13 653 946)	-	-	(13 653 946)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**95 338 669**	**-**	**-**	**95 338 669**	**39 232 431**	**-**	**-**	**39 232 431**
Impairment								
Balance as at January	**410 691**	**-**	**-**	**410 691**	**181 742**	**-**	**-**	**181 742**
Effects of IAS29	(325 226)	-	-	(325 226)	(128 873)	-	-	(128 873)
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	317 829	-	-	317 829	347 741	-	-	347 741
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	63 556	-	-	63 556	10 081	-	-	10 081
Balance as at December	**466 850**	**-**	**-**	**466 850**	**410 691**	**-**	**-**	**410 691**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

Unaudited Historical Cost

	31 Dec 2023 ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	31 Dec 2022 Restated** ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	95 338 669	-	-	95 338 669	8 164 282	-	-	8 164 282
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	**95 338 669**	**-**	**-**	**95 338 669**	**8 164 282**	**-**	**-**	**8 164 282**
Impairment loss allowance	(466 850)	-	-	(466 850)	(85 465)	-	-	(85 465)
Net financial asset at amortised cost	**94 871 819**	**-**	**-**	**94 871 819**	**8 078 817**	**-**	**-**	**8 078 817**
Analysis								
Gross amount	**-**	**-**	**-**	**-**		**-**	**-**	**-**
Balance as at January	**8 164 282**	**-**	**-**	**8 164 282**	**1 980 726**	**-**	**-**	**1 980 726**
Transfers	-	-	-			-	-	
Stage 1	-	-	-			-	-	
Stage 2	-	-	-			-	-	
Stage 3	-	-	-			-	-	
New issue	89 686 204	-	-	89 686 204	9 024 947	-	-	9 024 947
Repayments	(2 511 817)	-	-	(2 511 817)	(2 841 391)	-	-	(2 841 391)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**95 338 669**	**-**	**-**	**95 338 669**	**8 164 282**	**-**	**-**	**8 164 282**
Impairment								
Balance as at January	**85 465**	**-**	**-**	**85 465**	**11 002**	**-**	**-**	**11 002**
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	317 829	-	-	317 829	72 365	-	-	72 365
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	63 556	-	-	63 556	2 098	-	-	2 098
Balance as at December	**466 850**	**-**	**-**	**466 850**	**85 465**	**-**	**-**	**85 465**

28.1.5 Credit exposure on undrawn loan commitments and guarantees

Audited Inflation Adjusted

	31 Dec 2023 ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	31 Dec 2022 Restated** ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	99 183 946	-	-	99 183 946	63 781 692	-	-	63 781 692
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	**99 183 946**	**-**	**-**	**99 183 946**	**63 781 692**	**-**	**-**	**63 781 692**
Loss allowance	(665 877)	-	-	(665 877)	(874 074)	-	-	(874 074)
Net undrawn loan commitments and guarantees	**98 518 069**	**-**	**-**	**98 518 069**	**62 907 618**	**-**	**-**	**62 907 618**
Analysis								
Gross amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Balance as at January	**63 781 692**	**-**	**-**	**63 781 692**	**75 579 638**	**-**	**-**	**75 579 638**
Effects of IAS29	(50 508 700)	-	-	(50 508 700)	(53 593 466)	-	-	(53 593 466)
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
New issue	115 476 185	-	-	115 476 185	771 521 184	-	-	771 521 184
Repayments	(29 565 229)	-	-	(29 565 229)	(729 725 664)	-	-	(729 725 664)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**99 183 946**	**-**	**-**	**99 183 946**	**63 781 692**	**-**	**-**	**63 781 692**
Impairment								
Balance as at January	**874 074**	**-**	**-**	**874 074**	**152 019**	**-**	**-**	**152 019**
Effects of IAS29	(692 179)	-	-	(692 179)	(107 796)	-	-	(107 796)
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	483 982	-	-	483 982	829 851	-	-	829 851
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**665 877**	**-**	**-**	**665 877**	**874 074**	**-**	**-**	**874 074**

Unaudited Historical Cost

	31 Dec 2023 ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)	31 Dec 2022 Restated** ECL staging Stage 1 12-month ECL ZWL ('000)	Stage 2 Lifetime ECL ZWL ('000)	Stage 3 Lifetime ECL ZWL ('000)	Total ZWL ('000)
Credit grade								
Investment grade	99 183 946	-	-	99 183 946	13 272 991	-	-	13 272 991
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	**99 183 946**	**-**	**-**	**99 183 946**	**13 272 991**	**-**	**-**	**13 272 991**
Loss allowance	(665 877)	-	-	(665 877)	(181 895)	-	-	(181 895)
Net undrawn loan commitments and guarantees	**98 518 069**	**-**	**-**	**98 518 069**	**13 091 096**	**-**	**-**	**13 091 096**
Analysis								
Gross amount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at January	**13 272 991**	**-**	**-**	**13 272 991**	**4 575 330**	**-**	**-**	**4 575 330**
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
New issue	115 476 184	-	-	115 476 184	160 553 817	-	-	160 553 817
Repayments	(29 565 229)	-	-	(29 565 229)	(151 856 156)	-	-	(151 856 156)
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**99 183 946**	**-**	**-**	**99 183 946**	**13 272 991**	**-**	**-**	**13 272 991**
Impairment								
Balance as at January	**181 895**	**-**	**-**	**181 895**	**9 203**	**-**	**-**	**9 203**
Transfers	-	-	-		-	-	-	
Stage 1	-	-	-		-	-	-	
Stage 2	-	-	-		-	-	-	
Stage 3	-	-	-		-	-	-	
Net change due to new issues and repayments	483 982	-	-	483 982	172 692	-	-	172 692
Interest in suspense (reclassifaction)	-	-	-	-	-	-	-	-
Changes in parameters	-	-	-	-	-	-	-	-
Amounts written off during the year as uncollectible	-	-	-	-	-	-	-	-
Balance as at December	**665 877**	**-**	**-**	**665 877**	**181 895**	**-**	**-**	**181 895**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

28.1.6 Trade and other receivables	Audited Inflation Adjusted 31 Dec 2023 ZWL ('000)	31 Dec 2022 Restated** ZWL ('000)	Unaudited Historical Cost 31 Dec 2023 ZWL ('000)	31 Dec 2022 Restated** ZWL ('000)
Past due and impaired				
Allowance for impairment	-	-	-	-
Carrying amount	**-**	**-**	**-**	**-**
Past due but not impaired	-	126 127	-	26 247
Neither past due nor impaired	734 934	3 892 107	734 934	809 949
Gross amount, not impaired	**734 934**	**4 018 234**	**734 934**	**836 196**
Allowance for impairment				
Carrying amount, not impaired	**734 934**	**4 018 234**	**734 934**	**836 196**
Total carrying amount	**734 934**	**4 018 234**	**734 934**	**836 196**

28.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments, to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

Management of liquidity risk

The Group does not manage liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the Company, through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees, is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for the banking entities and the Finance Directors for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

Liquidity and funding management

The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management Division. The Group uses concentration risk limits to ensure that funding diversification is maintained across products, counterparties, and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

Cash flow and maturity profile analysis

The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess the banking units' abilities to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

Liquidity contingency plans

In line with the Group's liquidity management policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

Liquidity stress testing

It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on- and off-balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Audited Inflation Adjusted

Contractual maturity analysis on balance sheet items as at 31 December 2023	Up to 3 months ZWL ('000)	3 months to 1 year ZWL ('000)	Over 1 to 20 years ZWL ('000)	Total ZWL ('000)
Liabilities				
Deposits from customers	976 510 421	40 891 792	187 659	1 017 589 872
Deposits from other banks	92 650 590	847 274	16 208 954	109 706 818
Borrowings	102 197 073	74 110 106	560 326 246	736 633 425
Insurance liabilities	82 529 332	-	-	82 529 332
Trade and other liabilities excluding defferred income	81 228 548	334 921 768	197 430 447	613 580 763
Total liabilities - (contractual maturity)	**1 335 115 964**	**450 770 940**	**774 153 306**	**2 560 040 210**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	680 885 831	121 169 120	-	802 054 951
Financial assets at amortised cost	36 946 064	59 104 148	7 505	96 057 717
Loans and advances to customers	510 972 655	290 667 506	847 217 012	1 648 857 173
Insurance assets	9 958 460	19 916 921	9 958 460	39 833 841
Trade and other receivables	730 227	-	4 706	734 934
Financial assets at fair value through profit or loss	76 954 767	-	45 208 421	122 163 188
Financial assets at fair value through -other comprehensive income	1 206 639	-	-	1 206 639
Other assets excluding time share assets, deferred acquisition -costs, stationary and prepayments, work in progress	125 567 482	782 469	11 150 334	137 500 285
	1 443 222 125	**491 640 164**	**913 546 438**	**2 848 408 727**
Liquidity gap	**108 106 160**	**40 869 224**	**139 393 131**	**288 368 515**
Cumulative liquidity gap - on balance sheet	**108 106 160**	**148 975 384**	**288 368 515**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	79 763 907	-	79 763 907
Commitments to lend	19 159 455	-	-	19 159 455
Total liabilities	**19 159 455**	**79 763 907**	**-**	**98 923 362**
Liquidity gap	**(19 159 455)**	**(79 763 907)**	**-**	**189 445 153**
Cumulative liquidity gap - on and off balance sheet	**88 946 705**	**50 052 021**	**189 445 153**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

Audited Inflation Adjusted

Contractual maturity analysis on balance sheet items as at 31 December 2022	Up to 3 months ZWL ('000)	3 months to 1 year ZWL ('000)	Over 1 year ZWL ('000)	Total ZWL ('000)
Restated**				
Liabilities				
Deposits from customers	519 284 749	12 093 095	-	531 377 844
Deposits from other banks	64 545 902	275 062	59 587	64 880 551
Borrowings	376 428	45 137 161	344 793 927	390 307 516
Insurance liabilities	26 281 265	-	-	26 281 265
Trade and other liabilities excluding deferred income	265 576 260	16 948 712	9 822 493	292 347 466
Total liabilities - (contractual maturity)	**876 064 604**	**74 454 030**	**354 676 007**	**1 305 194 642**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	351 030 570	51 671 426	-	402 701 996
Financial assets at amortised cost	33 606 766	12 915 040	586 913	47 108 719
Loans and advances to customers	77 827 020	613 742 815	3 392 708 080	4 084 277 915
Bonds and debentures				
Insurance assets	2 306 266	4 612 532	2 306 266	9 225 064
Trade and other receivables	1 004 558	2 009 117	1 004 558	4 018 233
Financial assets at fair value through profit or loss	59 180 706	-	10 975 049	70 155 755
Financial assets at fair value through other -comprehensive income	1 018 865	-	-	1 018 865
Other assets excluding time share assets, -deferred acquisition costs, stationary and prepayments	63 867 097	1 863 197	13 419 627	79 149 921
	589 841 848	**686 814 127**	**3 421 000 493**	**4 697 656 468**
Liquidity gap	**(286 222 756)**	**612 360 097**	**3 066 324 486**	**3 392 461 827**
Cumulative liquidity gap - on balance sheet	**(286 222 756)**	**326 137 341**	**3 392 461 827**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	36 162 935	-	36 162 935
Commitments to lend	27 616 745	-	-	27 616 745
Total liabilities	**27 616 745**	**36 162 935**	**-**	**63 779 680**
Liquidity gap	**(27 616 745)**	**(36 162 935)**	**-**	**3 328 682 147**
Cumulative liquidity gap - on and off balance sheet	**(313 839 501)**	**262 357 661**	**3 328 682 147**	

Unaudited Historical Cost

Contractual maturity analysis on balance sheet items as at 31 December 2023	Up to 3 months ZWL ('000)	3 months to 1 year ZWL ('000)	Over 1 year ZWL ('000)	Total ZWL ('000)
Liabilities				
Deposits from customers	976 510 421	40 891 792	187 659	1 017 589 872
Deposits from other banks	92 650 590	847 274	16 208 954	109 706 818
Borrowings	102 197 073	74 110 106	560 326 247	736 633 426
Insurance liabilities	82 529 332	-	-	82 529 332
Trade and other liabilities excluding defferred income	77 122 960	334 921 768	197 430 446	609 475 174
Total liabilities - (contractual maturity)	**1 331 010 376**	**450 770 940**	**774 153 306**	**2 555 934 622**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	680 885 831	121 169 120	-	802 054 951
Financial assets at amortised cost	36 946 064	59 104 148	7 505	96 057 717
Loans and advances to customers	510 969 438	290 667 506	847 217 012	1 648 853 956
Bonds and debentures				
Insurance assets	9 958 460	19 916 921	9 958 460	39 833 841
Trade and other receivables	730 227	-	4 707	734 934
Financial assets at fair value through profit or loss	78 974 456	-	45 208 422	124 182 878
Financial assets at fair value through -other comprehensive income	1 206 639	-	-	1 206 639
Other assets excluding time share assets, deferred acquisition -costs, stationary and prepayments, work in progress	126 913 844	782 467	11 150 332	138 846 643
	1 446 584 959	**491 640 162**	**913 546 438**	**2 851 771 559**
Liquidity gap	**115 574 583**	**40 869 222**	**139 393 131**	**295 836 936**
Cumulative liquidity gap - on balance sheet	**115 574 583**	**156 443 805**	**295 836 936**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	79 763 907	-	79 763 907
Commitments to lend	19 159 455	-	-	19 159 455
Total liabilities	**19 159 455**	**79 763 907**	**-**	**98 923 362**
Liquidity gap	**(19 159 455)**	**(79 763 907)**	**-**	**196 913 575**
Cumulative liquidity gap - on and off balance sheet	**96 415 128**	**57 520 444**	**196 913 575**	**-**

Contractual maturity analysis on balance sheet items as at 31 December 2022 Restated**	Up to 3 months ZWL ('000)	3 months to 1 year ZWL ('000)	Over 1 year ZWL ('000)	Total ZWL ('000)
Liabilities				
Deposits from customers	108 063 330	2 516 577	-	110 579 907
Deposits from other banks	13 432 024	57 240	12 400	13 501 664
Borrowings	78 335	9 393 058	71 751 732	81 223 125
Insurance liabilities	4 524 170	-	-	4 524 170
Trade and other liabilities excluding defferred income	53 573 794	3 527 034	2 044 064	59 144 892
Total liabilities - (contractual maturity)	**179 671 653**	**15 493 909**	**73 808 196**	**268 973 758**
Assets held for managing liquidity risk (contractual maturity dates)				
Balances with banks and cash	73 049 579	10 752 841	-	83 802 420
Financial assets at amortised cost	6 993 579	2 687 624	122 137	9 803 340
Loans and advances to customers	16 195 162	127 720 085	706 023 687	849 938 934
Bonds and debentures				
Insurance assets	479 935	959 869	479 935	1 919 739
Trade and other receivables	209 049	418 098	209 049	836 196
Financial assets at fair value through profit or loss	12 703 252	-	2 283 911	14 987 163
Financial assets at fair value through -other comprehensive income	212 026	-	-	212 026
Other assets excluding time share assets, -deferred acquisition costs, stationary and prepayments	13 532 688	387 733	2 792 629	16 713 050
	123 375 270	**142 926 250**	**711 911 348**	**978 212 868**
Liquidity gap	**(56 296 383)**	**127 432 341**	**638 103 152**	**709 239 110**
Cumulative liquidity gap - on balance sheet	**(56 296 383)**	**71 135 958**	**709 239 110**	**-**
Off balance sheet items				
Liabilities				
Guarantees and letters of credit	-	7 525 519	-	7 525 519
Commitments to lend	5 747 054	-	-	5 747 054
Total liabilities	**5 747 054**	**7 525 519**	**-**	**13 272 573**
Liquidity gap	**(5 747 054)**	**(7 525 519)**	**-**	**695 966 538**
Cumulative liquidity gap - on and off balance sheet	**(62 043 437)**	**57 863 385**	**695 966 538**	**-**

The Group determines ideal weights for maturity buckets which are used to benchmark the actual maturity profile.
Maturity mismatches across the time buckets are managed through the tenor of new advances and the profile of time deposits.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the year ended 31 December 2023

28.3 Market risk

Market risk is the risk of financial loss from on and off balance sheet positions arising from adverse movements in market prices such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value–at– Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non–trading positions are managed and monitored using other sensitivity analysis.

28.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

i) Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.

ii) Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using tools such as Value at Risk ("VAR"), Scenario Analysis and Gap Analysis.

Scenario analysis of net interest income

The Group's trading book is affected by interest rate movements. The desired interest rate risk profile is achieved through effective management of the statement of financial position composition. When analyzing the impact of a shift in the yield curve on the Group's interest income, the Group recognizes that the sensitivity of changes in the interest rate environment varies by asset and liability class. Scenarios are defined by the magnitude of the yield curve shift assumed. Analysis of the various scenarios is then conducted to give an appreciation of the distribution of future net interest income and economic value of equity as well as their respective expected values.

28.3.2 Currency risk

The Group is a diversified local Company and its major trading and reporting currency is the ZWL.
The Group is exposed to various currency exposures primarily with respect to to the South African rand, Botswana pula, British pound, United States Dollar and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk is controlled through control of open position as per ALCO directives, Reserve Bank of Zimbabwe requirements and analysis of the market. The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecasted movements in exchange rates on the Group's profitability.

28.3.3 Equity Price risk

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

28.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour their obligation to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that trades are settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process.

28.5 Operating risk

Operational risk is the risk of loss arising from the potential inadequate information systems, technological failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems that may result in unexpected losses. Operational risk exists in all products and business activities.

Group's approach to managing operational risk

The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorisation, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

Operational risk framework and governance

The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Subsidiaries have board committees responsible for ensuring robust operational risk management frameworks. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

The management and measurement of operational risk

The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Group Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators ("KRIs") which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

Business continuity management

To ensure that the essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all subsidiary companies conduct tests each year in line with the Group policy. The Group successfully conducted its business continuity tests and all processes were well documented. All structures, processes and systems of the banking subsidiaries have been aligned to Basel II requirements. The Group also adopted in full all the Risk Management Guidelines which were issued by the Reserve Bank of Zimbabwe as part of the Basel II implementation for the banking subsidiaries.

28.6 Capital risk

28.6.1 Regulatory Capital and Financial Risk Management

Capital risk refers to the risk of the Group's own capital resources being adversely affected by unfavourable external developments.

The Group's objective when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

Various limits are applied to elements of the capital base. The amount of capital qualifying for tier 2 capital cannot exceed tier 1 capital and the qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels or risk attached to assets and off balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.

Company As at 31 December 2023	Regulatory Authority	Minimum capital required US$	Minimum capital required ZWL ('000)	Net Regulatory Capital ZWL ('000)	Total Equity ZWL ('000)
FBC Bank Limited	RBZ	30 000 000	183 141 600	306 191 310	443 231 132
FBC Building Society	RBZ	20 000 000	122 094 400	156 546 871	188 754 961
FBC Reinsurance Limited	IPEC		150 000	19 255 957	19 255 957
FBC Securities (Private) Limited	SECZ		150	2 170 713	2 170 713
FBC Insurance Company (Private) Limited	IPEC		37 500	15 035 179	15 035 179
Microplan Financial Services (Private) Limited	RBZ	25 000	152 618	8 206 377	8 206 377
As at 31 December 2022					
FBC Bank Limited	RBZ	30 000 000	20 530 170	25 030 758	36 988 394
FBC Building Society	RBZ	20 000 000	13 686 780	15 197 289	18 941 630
FBC Reinsurance Limited	IPEC		150 000	3 343 774	3 343 774
FBC Securities (Private) Limited	SECZ		150	181 864	181 864
FBC Insurance Company (Private) Limited	IPEC		37 500	2 238 050	2 238 050
Microplan Financial Services (Private) Limited	RBZ	25 000	17 108	496 478	496 478

28.7 Climate related risk
Climate-related risks' are potential negative impacts on the Group arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Group on an overall basis.

The Group distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Group has set up a Committee, which is responsible for developing group-wide policies, processes and controls to incorporate climate risks in the management of principal risk categories.

The Group has developed a climate risk framework for:
• identifying risk factors and assessing their potential impact on the Group's financial statements; and
• allocating responsibilities for managing each identified risk factor.

The Group has also set out principles on how to incorporate climate-related risk into stress test scenarios.

28.8 Reputational risk
Reputational risk refers to the risk of damage to the Group's image, which may affect its ability to retain and generate business. The Group manages reputational risk by ensuring that business is conducted in accordance with the legal and regulatory requirements. In addition, the Group's corporate governance structure conforms to international standards. The Group also has systems in place to monitor customer service satisfaction levels as well as processes to resolve customer queries and complaints.

28.9 Legal and compliance risk
Legal and compliance risk is the risk that arises due to the Group's failure to adhere to legal and regulatory obligations. The Group manages this risk through dedicated Legal and Compliance units, and deliberations by its Board Risk and Compliance Committee.

28.10 Strategic risk
Strategic risk refers to the potential for opportunity loss arising from failure to optimise the earnings potential of the Group. The Board approves the Group's strategy as formulated by top management, while the Chief Executive Officer has the overall responsibility of strategy implementation. The Board conducts a quarterly review of the strategy's performance and its continued applicability.

28.11 Insurance Risk
Insurance and reinsurance contracts expose the Group to underwriting risk, which comprisesinsurance risk, policyholder behaviour risk and expense risk. In addition, the Group is exposed to financial and operational risks from insurance and reinsurance contracts.

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)
For the year ended 31 December 2023

28.11.1 Concentration of insurance risk
With the insurance process, concentration of risk may arise where a particular event or series of events could impact heavily upon the Group's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant liabilities could arise.

Property is subject to a number of risks, including theft, fire, business interruption and weather. For property business there is risk that external factors such as adverse weather conditions may adversely impact upon a large proportion of a particular geographical portion of the property risks. Claim inducing perils such as storms, floods, subsidence, fires, explosions, and rising crime levels will occur on a regional basis, meaning that the Group has to manage its geographical risk dispersion very carefully.

For motor business the main risks relates mainly to losses arising from theft, fire, third party losses and accident. Claims including perils such as increase in crime levels, adverse weather and bad road networks will occur meaning that the Group has to ensure that all products are adequately priced and that salvage recovery is pursued in order to mitigate losses.

28.11.2 Claims development
The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the contract term, subject to pre-determined time scales dependent on the nature of the insurance contract. The Group takes all reasonable steps to ensure that they have appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The claims liability comprises a provision for outstanding claims and a provision for claims incurred but not yet reported ("IBNR") at statement of financial position date.

In calculating the estimated cost of outstanding claims, the Group uses the estimates determined by external assessors who would have calculated the total estimated cost of the claim. The Group provides for IBNR at 15% (2022 - 15%) of net premium written for the reinsurance subsidiary and 5% (2022 - 5%) of net premium written for the short term insurance subsidiary based on past experience.

28.11.3 Management of risk relating to changes in underwriting variables
Profit or loss and equity are sensitive to changes in variables that have a material effect on them. These variables are mainly significant classes of transactions and their corresponding balances. These variables are gross premium written, commissions, IBNR and outstanding claims. The Group has put in place procedures to identify and control the impact of these variables on the profit or loss and equity through financial analysis which entails scrutiny of key performance indicators (includes ratio analysis) on a regular basis. The results of the financial information are taken into account when budgets are made and when pricing decisions for different types of policies is done to ensure that the companies are adequately pricing their insurance products to avoid future losses.

29 Statement of Compliance
The Group complies with the following statutes inter alia:-
The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Insurance Act (Chapter 24:07) and the Companies and Other Business Entities Act (Chapter 24:31). In addition, the Group also complies with the Reserve Bank of Zimbabwe and Insurance and Pensions Commission's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

30 INTERNATIONAL CREDIT RATINGS
The Group supended the credit ratings on some of its banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating due to the Covid-19 pandemic. The rating for the units with ratings that have been suspended was last done in 2019 save for FBC Building Soiciety which resumed its ratings in 2023.

The last ratings for those units with suspended ratings and the ratings for those still being rated are as follows:

Subsidiary	2023	2022	2021	2019	2018	2017	2016
FBC Bank Limited	A-	A-	A-	BBB+	BBB+	BBB+	A-
FBC Reinsurance Limited	A-	A-	A-	A-	A-	A-	A-
FBC Building Society	BB+	-	-	BBB-	BBB-	BBB-	BBB-
FBC Insurance Company Limited	-	-	-	A-	A-	A-	A-
Microplan Financial Services (Private) Limited	-	-	-	BBB	BBB	BBB-	BBB-

31 SUBSEQUENT EVENTS

31.1 Dividend Declared
Notice is hearby given that a final dividend of US 0.45 cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 28 March 2024 in respect of the year ended 31 December 2023. The dividend is payable to Shareholders registered in the books of Company at the close of business on Friday 19 April 2024. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 15 April 2024 and ex-dividend as from 16 April 2024. Dividend payment will be made to Shareholders on or about 29 April 2024.

31.2 Proposed acquisition
The Group is in the process of acquiring all of the issued ordinary shares of Standard Chartered Bank Zimbabwe Limited and the entire beneficial interest in the Africa Enterprise Network Trust for a cash consideration. Completion of the transaction is subject to fulfilment of certain conditions precedent. As at the 31st of December 2023 some of these conditions had not yet been fulfiled and as a result the transaction is not yet completed.

35 CORPORATE GOVERNANCE
The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees.

The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy Committee (iv) Board Risk and Compliance Committee (v) Board Marketing and Public Relations Committee (vi) Board Digitalization and Innovations.

Board Attendance

	Main Board				Board Audit				Board HR				Board Finance & Strategy				Board Risk & Compliance				Board Marketing and PR				Board Digitalisation and Innovations				Board Corporate Governance, Nominations and Sustainability			
Board member	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Herbert Nkala	√	√	√	√	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√
Chipo Mtasa	√	√	√	√	√	√	√	√	√	√	X	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√
John Mushayavanhu	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A
Kleto Chiketsani	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aeneas Chuma	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gary Collins	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	X	√	√	√	√	√	N/A	N/A	N/A	N/A
Franklin Kennedy	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	X	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trynos Kufazvinei	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Makwara	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A
Canada Malunga	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A
Charles Msipa	√	√	√	√	√	√	√	X	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	X	√
Rutenhuro Moyo	√	√	√	√	√	X	√	√	N/A	N/A	N/A	N/A	√	X	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sifiso Ndlovu	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vimbai Nyemba	√	√	√	X	N/A	N/A	N/A	N/A	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	X	√	X	√	N/A	N/A	N/A	N/A	√	√	√	X
Webster Rusere	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Key
√ - Attended
X - Apologies
N/A - not applicable

Q1 - Quarter 1
Q2 - Quarter 2
Q3 - Quarter 3
Q4 - Quarter 4

* Executive Director
** Independent Non Executive Director
*** Non-Independent Non-Executive Director

By order of the Board

Tichaona K. Mabeza
GROUP COMPANY SECRETARY

30 March 2024

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Independent Auditors' Report

To the shareholders of FBC Holdings Limited

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of FBC Holdings Limited (the Group and Company) set out on pages … to …,which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2023, and the inflation adjusted consolidated and company statements of profit or loss and other comprehensive income, inflation adjusted consolidated and company statements of changes in equity and the inflation adjusted consolidated and company statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements , comprising material accounting policies and other explanatory information.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of FBC Holdings Limited as at 31 December 2023, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the manner required by the Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Building Societies Act (Chapter 24:02), Microfinance Act (Chapter 24:29), and Companies and Other Business Entities Act (Chapter 24:31).

Basis for opinion

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

Key audit matters

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

1. Valuation of land and buildings and investment property

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

Refer to:
material accounting policies - the investment property accounting policy note 2.10 and the property and equipment accounting policy note 2.12 critical accounting estimates and judgements - investment property and property and equipment valuation note 3.4 notes to the inflation adjusted consolidated financial statements - the investment property note 10, the property and equipment note 12 and the fair value of assets and liabilities note 32 notes to the inflation adjusted company financial statements - the property and equipment note 8

Key audit matter	How the matter was addressed in our audit
The Group and Company holds land and buildings measured at fair value in accordance with IAS 16, Property, Plant and Equipment (IAS 16). The Group also holds investment property which is measured at fair value in accordance with IAS 40, Investment Property (IAS 40). As at reporting date, the Group had land and buildings of ZWL 161,7 billion inflation adjusted and investment property of ZWL323,5 billion, inflation adjusted. The Company had land and buildings of ZWL 18,8 billion inflation. Investment property and land and buildings are subject to variability in values given the rapid changes in a hyperinflationary environment. The fair values of the Group and Company's properties are classified as Level 3 in the fair value hierarchy, through their use of unobservable inputs, such as rental rates, void rates, capitalisation rates and price per square meter, where applicable, and have estimation uncertainty inherent in their values. The Group and Company uses independent professionally qualified valuers to perform the property valuations. Determination of the fair value of investment property and land and buildings is subject to significant judgement and represents a material balance. The valuation of the Group and Company's land and buildings and investment property was considered a key audit matter.	Our procedures included the following: • Evaluating the professional competence and capabilities, independence and objectivity of the independent external valuers engaged by the directors to value the properties through inquires and inspection of the valuers' qualifications. • Engaged our own professional independent property valuer to reperform valuations on a sample basis and compare to the valuations as determined by the directors' valuers. • Evaluating the professional competence and capabilities, independence and objectivity of our own engaged professional independent property valuer through inquiries and inspection of qualifications of the valuer. • Our engaged independent professional property valuer evaluated whether the valuation methodologies and assumptions used by the directors' engaged valuers are appropriate, based on their knowledge of the industry and the requirements of IFRS 13, Fair value measurement (IFRS 13). • Assessing the adequacy of the disclosures in the inflation adjusted consolidated and separate financial statements in respect of the valuation of land and buildings and investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

2. Expected credit loss allowance on loans and advances to customers

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:
material accounting policies - the financial assets impairment accounting policy note 2.5.1 (vi) critical accounting estimates and judgements - the impairment of financial assets note 3.1 notes to the inflation adjusted consolidated financial statements - the loans and advances to customers note 5.1 and the financial risk management - credit risk note 31.1.

Key audit matter	How the matter was addressed in our audit
The Group provides loans and advances to customers. As at reporting date, the Group had gross loans and advances to customers of ZWL 1,6 trillion inflation adjusted with an expected credit loss impairment allowance of ZWL 56.7 billion inflation adjusted. The Group uses an Expected Credit Loss (ECL) model to determine the allowance for loans and advances to customers. The Group's ECL model includes certain judgements and assumptions such as: • the credit grade allocated to the counterparties in the retail and corporate banking category; • the probability of a loan becoming past due and subsequently defaulting (probability of default - PD); • the determination of the Group's definition of default; • the magnitude of the likely loss if there is default (loss given default - LGD); • the expected exposure in the event of a default (exposure at default - EAD); • the criteria for assessing significant increase in credit risk (SICR); • the rate of recovery on the loans that are past due and in default; • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows; • market values and estimated time and cost to sell collateral; and • the incorporation of forward-looking information related to the expected outlook on the country's inflation rates, central bank policy on interest rates, exchange rates and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios. Due to the significance of the loans and advances to customers to the Group and the level of judgement, complexity and estimation applied in determining the ECL, the expected credit loss on loans and advances was considered a key audit matter.	Our procedures included the following: • Assessing whether the Group's credit policies are aligned with IFRS 9: Financial Instruments (IFRS 9). • Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination and monitoring in the loan granting process. • For a sample of loans and advances, we evaluated the appropriateness of the credit grade through the performance of credit reviews and an analysis of the financial performance of selected entities. • We assessed the completeness, accuracy and validity of data and inputs used during the development and application of the ECL model by testing the relevant data elements over a sample of loans and advances from the loan books. • Assessing the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 7, Financial instruments disclosures (IFRS 7). • Engaged our Financial Risk Management specialists to: • Evaluate the appropriateness of the Group's IFRS 9 expected credit losses model and review the reasonability of the methodology updates within the Group's IFRS 9 ECL model since the prior year; • Assess the reasonableness of management's assumptions in the determination of the PD, EADs and LGDs by comparing against industry benchmarks. • Assess the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models. • Challenge management's judgements and assumptions incorporated into forward looking ECLs by using available external and independent macro-economic information.

3. **Adoption of IFRS 17, Insurance contract and the valuation of the liability for incurred claims**

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:
material accounting policies - IFRS 17 Insurance Contracts, included under the basis for preparation, changes in accounting policy and disclosures note 2.1.1 (E) and the insurance contracts accounting policy note 2.8 critical accounting estimates and judgements - the insurance claims note 3.2 notes to the inflation adjusted consolidated financial statements - the insurance and reinsurance contracts note 15 and the insurance risk management note 34.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The financial year ended 31 December 2023 represents the first year in which the Group transitioned from IFRS 4, Insurance contracts (IFRS 4) to IFRS 17, Insurance contracts (IFRS 17).

The adoption of IFRS 17, applied fully retrospectively, introduced risks associated with the inappropriate selection of accounting policy choices on adoption and transition and the inappropriate measurement of the insurance contract liabilities.

The Group, after consideration of the terms and conditions of the insurance contracts, has elected to apply the premium allocation approach (PAA) measurement model to account for its insurance contracts.

As at the reporting date, the Group held an inflation adjusted liability for incurred claims (LIC) balance of ZWL$18,6 billion. The directors engaged an independent actuarial expert to assess the adequacy of the valuation of the LIC.

The determination of the LIC is an area that makes use of significant qualitative and quantitative judgements and estimates due to the level of subjectivity inherent in the estimation of the occurrence and severity of insurable events that have occurred as the end of the reporting year.

The most significant assumptions made in the valuation of the LIC in accordance with IFRS 17 are the cash flow estimations of the incurred but not yet reported claims and a risk adjustment for non-financial risk.

Given the complexities and judgements applied on adoption of IFRS 17 and the significant judgements and estimation uncertainties in the determination of the</td><td>Adoption of IFRS 17

Our procedures in respect of the adoption of IFRS 17 included the following:

• Obtained an understanding of and evaluated whether the directors' transition methodology and policies adopted are consistent with IFRS 17 with the assistance of our own actuarial and technical specialists.
• Evaluated the completeness and accuracy of the data used to determine the transition adjustments by agreeing the underlying policy data relating to premiums and claims to the data used to determine the transition adjustments.
• Evaluated the appropriateness of the Group's adopted policies, through inspection of a sample of insurance contracts to confirm the coverage period for the contracts and to confirm the eligibility of the election of applying PAA with the assistance of our technical specialists.
• Evaluated the reasonableness of the transition adjustments recognised by testing the reconciliation performed from IFRS 4 to IFRS 17.

Valuation of liability for incurred claims

Procedures on LIC included following:

• Evaluated the professional competence and capabilities, independence and objectivity of the actuarial expert engaged by the directors to compute the LIC estimate through inspection of their professional membership and curriculum vitae.
• Our own actuarial specialist interrogated the methodology and key assumptions used in the determination of the LIC estimate by testing the principles and the integrity of the models used by the directors` actuarial experts based on their industry knowledge and experience whilst assessing whether these were also in line with the requirements of IFRS 17.
• We tested the design and implementation and</td></tr>
</table>

Key audit matter	How the matter was addressed in our audit
liability for incurred claims, we considered the adoption of IFRS 17 and the valuation of the liability for incurred claims to be matters of most significance for the current year audit and a key audit matter.	operating effectiveness of the controls over the recognition, measurement and recording of premiums. We further tested the completeness and accuracy of the premiums data used to estimate the incurred but not yet reported claims by agreeing the premiums to the policy documents and bank statements. • We assessed the risk adjustment for non-financial risk for compliance with the Zimbabwe Integrated Capital and Risk Programme (ZICARP) framework as required by the Insurance and Pensions Commission with the assistance of our actuarial specialists. **Disclosures** Assessed the disclosures in the inflation adjusted consolidated financial statements, paying particular attention to the disclosures in respect of the transition to IFRS 17 and the assumptions used and the judgements applied in respect of LIC against the requirements of IFRS 17.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "FBC Holdings Limited Annual Report Consolidated and Company for the year ended 31 December 2023" and including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical Cost", but does not include the inflation adjusted consolidated and separate financial statements and our auditors' report thereon.
Our opinion on the inflation adjusted consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

30 March 2024

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

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Zimbabwe