ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Marc Holtzman
Group Chairman

Chairman's Statement

Introduction
It is a pleasure to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the year to 31 December 2021.

Although the Covid-19 pandemic and supply chain constraints continued to inhibit activity during the year 2021, the overall impact was lessened by improved vaccine uptake, reduced infection levels and continuation of accommodative policies by most monetary and fiscal authorities. One of the most notable global policy interventions was the allocation and disbursement of Special Drawing Rights "SDRs" in August 2021 by the International Monetary Fund "IMF", which undoubtedly boosted liquidity and foreign currency reserves for its member countries.

In Zimbabwe, both the monetary and fiscal authorities continued to pursue policies aimed at achieving a balance between various competing goals. Government and private sector support in the agricultural sector resulted in the country recording significant improvement in the output of several agricultural commodities, including grains. The Government also enhanced its investment in infrastructure projects, including, road rehabilitation, dam construction and airport expansions, which resulted in growth of private sector investors in the financial services, construction, manufacturing and transport sectors, among others. The monetary authorities also pursued complementary monetary policy measures, to fight evident inflationary pressures and at the same time promote economic activity and growth through credit expansion and investment in the productive sectors. The improved economic activity, together with elevated diaspora remittances, both supported and boosted individual and household incomes, further stimulated and sustained demand in the tertiary sectors of the economy.

In view of these developments, the Group continued to prioritise the well-being of employees, clients and stakeholders. We also steadfastly upheld our promise to offer convenience and satisfaction to our customers, leveraging investment in technology, human and manufactured capital to deliver specialized service and solutions.

Environmental, Social & Governance "ESG"
The shift towards environmental accountability is expected to gather pace in 2022. As a priority, the Group is actively aligning operations, activities and strategies to support Environmental, Social and Governance "ESG" practices and goals.

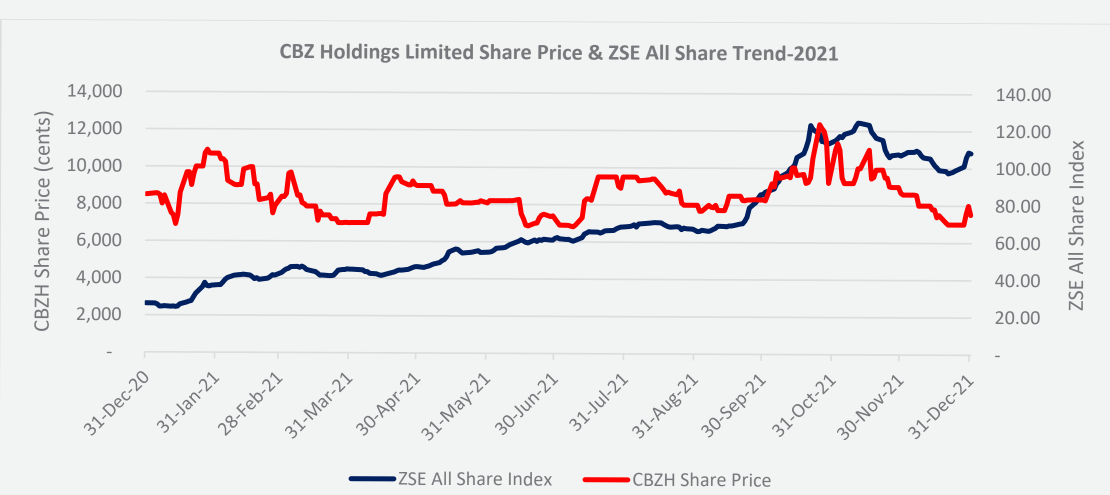
Corporate Social Responsibility
CBZ Holdings remains dedicated and committed to exemplary corporate citizenship. Through community involvement, the Group hopes to meaningfully promote advancement to marginalized individuals and organizations in society, ultimately enhancing living standards in a sustainable manner.

In 2021, the Group continued to partner with the communities in various initiatives including health, education and welfare. In the Health sector, CBZ Holdings donated Personal Protective Equipment (PPE) to major provincial hospitals namely Parirenyatwa Group of Hospitals, Sally Mugabe Hospital, Wilkins Hospital, Chiredzi General Hospital and United Bulawayo Hospital. Hand sanitizers were donated to various institutions including Murwira Primary School in Bikita, Nyazvikari Primary School in Chipinge, Tanyaradzwa Children's home in Murewa, Tirivanhu Children's home and Danai Children's Home. Groceries were contributed to the following charitable organisations: Tinokwirira Special School, Tirivanhu Therapeutic Centre and The Society for the Destitute Aged (SODA).

The Group donated various equipment to the Traditional Midwives in Epworth Harare assisting with healthy deliveries in their community. During the peak period of the Covid–19 pandemic, the midwives assisted over 2000 marginalized women delivering healthy babies in their homes.

In a drive towards digitization and enabling the community to expand online access, the Group donated laptops to Mpilo Central Hospital doctors and administration staff as well as to Manicaland State University of Applied Sciences.

Share Price Performance
On the capital markets, the CBZH share price declined by 11.8% from ZWL$85 at the beginning of the year to close at ZWL$75.20. The ZSE benchmark index rose by 311% growth. CBZH ended the year with a market capitalisation of ZWL$39.3 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2020 to December 2021.



Governance & Directorship
The CBZ Holdings governance framework supports the principles of integrity, strong ethical values and professionalism. The Board recognizes that it is accountable to its Shareholders for good corporate governance and is committed to highest standards of governance.

In an environment of increasing change and complexity of regulation, the Board aims to achieve a balance between the governance expectations of shareholders and other stakeholders as well as the need to generate competitive financial returns. The Board has performed amazing work setting the strategic direction of the Group and ensuring that the Group manages risk effectively. Measurable objectives to promote a healthy corporate culture aligned with our strong commitment to our stakeholders remain a top priority.

After twenty-six distinguished years with CBZ Bank Limited, eleven as an Executive Board Member, Peter Zimunya retired from the CBZ Bank Board on 31 December 2021. On behalf of everyone at CBZ, I want to thank Peter for his huge contribution to the CBZ Holdings Group and wish him a long, happy and well deserved retirement.

CBZ has continued to navigate its way well through a tumultuous year that included the effects of the Covid-19 pandemic. We did so thanks to the dedication, capacity and resilience of our people and the strong strategic direction of our Boards.

Overview of the Group's performance
The table below summarises the Group's financial performance for the year ended 31 December 2021.

	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	AUDITED 31 DEC 2021 ZWL$ M	AUDITED 31 DEC 2020 ZWL$ M	UNAUDITED 31 DEC 2021 ZWL$ M	UNAUDITED 31 DEC 2020 ZWL$ M
Key Financial Highlights				
Profit after taxation	7 707.0	8 155.3	16 164.2	6 147.1
Total comprehensive income	9 458.7	8 861.7	20 101.6	9 502.4
Total assets	190 302.7	152 510.9	182 570.9	88 353.6
Total equity	35 794.3	28 324.4	29 710.3	11 064.2
Total deposits	131 374.1	104 779.6	131 374.1	65 186.9
Total advances	55 901.3	47 319.3	55 901.3	29 438.9
Other statistics				
Basic earnings per share (cents)	1 476.55	1571.25	3 096.43	1 184.09
Non-interest income to total income (%)	54.3	72.8	55.7	79.6
Cost to income ratio (%)	40.2	38.2	34.8	29.2
Return on assets (%)	6.2	5.8	11.9	11.7
Return on equity (%)	24.0	33.5	79.3	93.8
Growth in deposits (YTD %)	25.4	11.2	101.5	398.9
Growth in advances (YTD %)	18.1	107.2	89.9	876.8
Growth in PAT (YOY %)	(5.5)	261.9	170.6	564.6

Dividend
The Board has proposed the declaration of a final dividend of ZWL$1 000 000 000 or ZWL$191.57 cents per share. This declaration brings the total dividend declaration to ZWL$1 500 000 000. A separate dividend announcement with entitlement dates will be published.

Outlook
In 2022, global economies are likely to start the gradual transition towards co-existing with Covid-19, implying reduced disruptions and hopefully improved business activity. However, the major downside risks include the possibility of extended supply chain disruptions, rising global inflationary pressures as well as disparate monetary and fiscal policies as countries transition to the next normal at different levels and scales. The shift towards environmental accountability is expected to gather pace in 2022, hence the Group's ongoing efforts to embed Environmental, Social and Governance "ESG" practices and goals in operations.

Appreciation
Special thanks to our valued clients who are at the core of our success, fellow Directors from the Board, the Boards of Subsidiary Companies, Management and Staff for their continued commitment to CBZ and the growth of Zimbabwe.

Marc Holtzman
Group Chairman

06 June 2022

Statement of Directors' Responsibilities

The Directors are responsible for the oversight of Group financial statements preparation to ensure that financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards ("IFRS"). They have general responsibility through various Board Committees, executive management, compliance and internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities. The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Directors face.

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

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

Compliance with Local Legislation
The consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25) Microfinance Act (Chapter 24.29) and Asset Management Act (Chapter 24:06).

Compliance with IFRS
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board, which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

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

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

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

By order of the Board.

T.L. GUMBO
GROUP CHIEF FINANCE OFFICER

06 June 2022

DR . B. MUDAVANHU
GROUP CHIEF EXECUTIVE OFFICER

06 June 2022

cbz Holdings

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITOR'S STATEMENT

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 2021, 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 owner-occupied property and investment property, legacy debt, expected credit loss allowance on loans and advances and valuation of unlisted investments.

The auditors' report has been made available to management and the directors of CBZ 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 2021

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Interest income	2	21 793 389	8 177 551	19 313 284	3 335 968
Interest expense	2	(2 755 832)	(2 251 177)	(2 040 312)	(574 610)
Net interest income		**19 037 557**	**5 926 374**	**17 272 972**	**2 761 358**
Non-interest income	3	23 097 299	17 074 172	22 081 856	11 166 804
Net underwriting income	4	413 211	463 335	263 464	100 660
Total income		**42 548 067**	**23 463 881**	**39 618 292**	**14 028 822**
Operating expenditure	5	(17 099 934)	(8 955 938)	(13 803 898)	(4 092 266)
Operating income		**25 448 133**	**14 507 943**	**25 814 394**	**9 936 556**
Transfer to reserves		(262 491)	(159 929)	(178 200)	(86 795)
Credit loss expense	14	(7 337 007)	(1 522 043)	(7 337 007)	(946 914)
Charge for impairment on insurance assets	14	(19 458)	(24 816)	(19 458)	(15 439)
Monetary loss		(7 158 607)	(1 172 041)	-	-
Profit before taxation		**10 670 570**	**11 629 114**	**18 279 729**	**8 887 408**
Taxation	6.1	(2 963 581)	(3 473 829)	(2 115 550)	(2 740 341)
Profit after tax for the year		**7 706 989**	**8 155 285**	**16 164 179**	**6 147 067**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		1 487 801	456 678	3 418 317	2 994 769
Gains on equity instruments at FVOCI		440 957	176 097	1 094 623	788 333
Deferred income tax relating to components of other comprehensive income	6.3	(259 414)	(55 260)	(573 232)	(507 665)
		1 669 344	**577 515**	**3 939 708**	**3 275 437**
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of a foreign subsidiary	30.7	82 336	128 873	(2 241)	79 854
Other comprehensive income for the year net of tax		**1 751 680**	**706 388**	**3 937 467**	**3 355 291**
Total comprehensive income for the year		**9 458 669**	**8 861 673**	**20 101 646**	**9 502 358**
Profit for the year attributable to:					
Equity holders of parent		7 707 813	8 155 428	16 163 848	6 145 925
Non-controlling interests	30.5	(824)	(143)	331	1 142
		7 706 989	**8 155 285**	**16 164 179**	**6 147 067**
Total comprehensive income for the year attributable to:					
Equity holders of parent		9 458 732	8 861 786	20 099 596	9 500 216
Non-controlling interests	30.5	(63)	(113)	2 050	2 142
Total comprehensive income for the year		**9 458 669**	**8 861 673**	**20 101 646**	**9 502 358**
Earnings per share (cents)					
Basic	7.1	1 476.55	1 571.25	3 096.43	1 184.09
Fully diluted	7.1	1 476.55	1 571.25	3 096.43	1 184.09
Headline	7.1	1 257.08	1 550.80	2 622.24	897.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED RESTATED HISTORICAL 31 DEC 2020 ZWL$ 000
Cash & cash equivalents	9	39 562 931	31 749 011	39 562 931	19 752 126
Money market assets	10	24 353 610	12 189 860	24 353 610	7 583 721
Financial securities	11	964 517	1 579 852	964 517	982 879
Loans and advances to customers	12	55 901 268	47 319 306	55 901 268	29 438 930
Insurance assets	13	1 190 063	977 400	1 162 033	608 073
Equity investments	17	5 422 039	3 092 310	5 422 039	1 923 830
Land inventory	16	5 951 662	5 951 994	552 094	470 639
Other assets	15	37 716 801	36 587 936	37 217 108	20 503 312
Current tax receivable		37 186	867	37 186	540
Intangible assets	22	304 137	198 558	213 757	87 202
Property and equipment	20	9 109 091	7 704 327	7 395 991	3 790 193
Investment properties	21	6 169 958	4 417 649	6 169 958	2 748 368
Deferred tax asset	23.1	3 619 425	741 785	3 618 424	463 832
TOTAL ASSETS		**190 302 688**	**152 510 855**	**182 570 916**	**88 353 645**
LIABILITIES					
Deposits	24	131 374 141	104 779 611	131 374 141	65 186 915
Insurance liabilities	25	970 497	888 887	930 419	553 007
Other liabilities	26	16 296 146	13 934 417	15 963 342	8 467 292
Current tax payable		522 562	1 073 069	522 562	667 592
Life fund	27	397 799	149 108	397 799	92 765
Investment contract liabilities	28	62 542	23 508	62 542	14 625
Deferred tax liability	23.2	4 848 456	3 303 826	3 573 573	2 286 125
Lease liability	20.1b	36 270	33 986	36 270	21 144
		154 508 413	**124 186 412**	**152 860 648**	**77 289 465**
EQUITY					
Share capital	30.1	269 075	269 075	5 220	5 220
Share premium	30.2	1 644 307	1 644 307	33 876	33 876
Revaluation reserve	30.3	5 050 305	3 800 006	5 790 710	2 892 977
Share based payment reserve	30.8	569 951	-	569 951	-
Fair value reserve	30.6	1 605 722	1 187 438	1 964 010	923 754
Retained earnings	30.4	26 440 792	21 291 767	21 264 515	7 126 176
Foreign currency translation reserve*	30.7	209 750	127 414	77 029	79 270
Equity attributable to equity holders of the parent		**35 789 902**	**28 320 007**	**29 705 311**	**11 061 273**
Non-controlling interest	30.5	4 373	4 436	4 957	2 907
TOTAL EQUITY		**35 794 275**	**28 324 443**	**29 710 268**	**11 064 180**
TOTAL LIABILITIES AND EQUITY		**190 302 688**	**152 510 855**	**182 570 916**	**88 353 645**

*Refer to note 1.3, unbundling of the Functional Currency Translation Reserve (FCTR).

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Share based Payment reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
RESTATED 31 DEC 2020										
Opening balance	269 075	1 644 307	–	196 419	622 353	3 662 103	13 923 257	20 317 514	3 927	20 321 441
Profit for the year	–	–	–	–	–	–	8 155 428	8 155 428	(143)	8 155 285
Other comprehensive income for the year	–	–	–	411 812	165 673	128 873	–	706 358	30	706 388
Dividend paid	–	–	–	–	–	–	(859 293)	(859 293)	–	(859 293)
Rights Issue (NCI)	–	–	–	–	–	–	–	–	622	622
Inter–category transfer	–	–	–	3 191 775	399 412	(3 663 562)	72 375	–	–	–
Closing balance	**269 075**	**1 644 307**	**–**	**3 800 006**	**1 187 438**	**127 414**	**21 291 767**	**28 320 007**	**4 436**	**28 324 443**
31 DEC 2021										
Opening balance	269 075	1 644 307	–	3 800 006	1 187 438	127 414	21 291 767	28 320 007	4 436	28 324 443
Profit for the year	–	–	–	–	–	–	7 707 813	7 707 813	(824)	7 706 989
Other comprehensive income for the year	–	–	–	1 250 299	418 284	82 336	–	1 750 919	761	1 751 680
Dividend paid	–	–	–	–	–	–	(2 558 788)	(2 558 788)	–	(2 558 788)
Equity–settled share–based payment	–	–	569 951	–	–	–	–	569 951	–	569 951
Closing balance	**269 075**	**1 644 307**	**569 951**	**5 050 305**	**1 605 722**	**209 750**	**26 440 792**	**35 789 902**	**4 373**	**35 794 275**

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Share based Payment reserve ZWL$ 000	Revaluation reserve ZWL$ 000	Fair value reserve ZWL$ 000	*FCTR ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non–controlling interests ZWL$ 000	Total ZWL$ 000
31 DEC 2020										
Opening balance	5 220	33 876	–	592 078	164 808	91 524	1 149 527	2 037 033	420	2 037 453
Profit for the year	–	–	–	–	–	–	6 145 925	6 145 925	1 142	6 147 067
Other comprehensive–income for the year	–	–	–	2 525 533	748 904	79 854	–	3 354 291	1 000	3 355 291
Dividend paid	–	–	–	–	–	–	(475 976)	(475 976)	–	(475 976)
Rights Issue (NCI)	–	–	–	–	–	–	–	–	345	345
Inter–category transfer	–	–	–	(224 634)	10 042	(92 108)	306 700	–	–	–
Closing balance	**5 220**	**33 876**	**–**	**2 892 977**	**923 754**	**79 270**	**7 126 176**	**11 061 273**	**2 907**	**11 064 180**
31 DEC 2021										
Opening balance	5 220	33 876	–	2 892 977	923 754	79 270	7 126 176	11 061 273	2 907	11 064 180
Profit for the year	–	–	–	–	–	–	16 163 848	16 163 848	331	16 164 179
Other comprehensive–income for the year	–	–	–	2 897 733	1 040 256	(2 241)	–	3 935 748	1 719	3 937 467
Dividend paid	–	–	–	–	–	–	(2 025 509)	(2 025 509)	–	(2 025 509)
Equity–settled share–based payment	–	–	569 951	–	–	–	–	569 951	–	569 951
Closing balance	**5 220**	**33 876**	**569 951**	**5 790 710**	**1 964 010**	**77 029**	**21 264 515**	**29 705 311**	**4 957**	**29 710 268**

*Refer to note 1.3, unbundling of the Functional Currency Translation Reserve (FCTR).

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**10 670 570**	**11 629 114**	**18 279 729**	**8 887 408**
Non cash items:				
Monetary loss	7 158 607	1 172 041	-	-
Depreciation	631 453	431 724	312 929	143 408
Amortisation of intangible assets	70 393	37 619	39 039	14 915
Write off of property and equipment	4 771	257	947	128
Write off of intangible assets	572	482	323	175
Write off of land inventory	91 268	1 315	12 658	818
Write off of investment properties	-	138 351	-	50 270
Fair value adjustments on investment properties	(1 619 928)	(283 393)	(3 300 355)	(2 041 705)
Write off of right of use asset and lease liabilty	3 233	2 615	92	(896)
Fair value adjustments on financial instruments	(1 037 638)	84 442	(1 561 872)	(374 155)
Expected credit loss expense	7 337 007	1 522 043	7 337 007	946 915
Impairment on insurance assets	19 458	24 816	19 458	15 439
Unrealised profit on foreign currency position	(4 171 700)	(5 019 049)	(4 171 700)	(3 122 519)
(Profit)/ loss on disposal of investment properties	(73 989)	157 913	(50 256)	(9 251)
Unearned premium reserve movement	84 460	28 298	124 902	70 575
Incurred But Not Reported (IBNR) claims provisions	34 258	22 127	29 435	13 760
Deferred commission movement	(27 719)	(3 294)	(23 846)	764
(Profit)\loss on sale of property and equipment	(1 776)	(592)	(1 870)	17 881
Transfer to reserves	262 491	159 929	178 200	86 795
Interest on lease liability	4 506	2 810	3 590	1 139
Operating cash flows before changes in operating assets and liabilities	**19 440 297**	**10 109 568**	**17 228 410**	**4 701 864**
Changes in operating assets and liabilities				
Deposits	95 641 334	65 054 091	72 631 103	13 589 510
Loans and advances to customers	(47 166 987)	(111 638 568)	(35 819 140)	(23 320 799)
Life assurance investment contract liabilities	51 672	20 372	51 672	11 216
Money market assets	(21 778 020)	(22 080 447)	(16 538 472)	(4 612 506)
Financial securities	4 704	962 006	9 957	202 949
Insurance assets	(332 978)	(816 609)	(555 516)	(422 353)
Insurance liabilities	451 023	496 834	352 098	284 378
Land inventory	(90 936)	(644 418)	(94 112)	(332 424)
Other assets	(52 472 164)	31 424 194	(17 055 977)	9 252 465
Other liabilities	37 644 192	33 304 004	7 265 087	2 742 784
	11 951 840	**(3 918 541)**	**10 246 700**	**(2 604 780)**
TAXATION				
Corporate tax paid	(5 441 477)	(2 166 384)	(4 738 473)	(1 015 045)
Net cash inflow from operating activities	**25 950 660**	**4 024 643**	**22 736 637**	**1 082 039**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	147 263	127 314	104 960	49 293
Investment in equities during the year	(384 521)	(1 547 693)	(347 276)	(583 356)
Equity investments disposed during the year	103 341	76 290	75 513	34 103
Purchase of investment property	(205 655)	(484 172)	(175 939)	(236 157)
Proceeds on disposal of property and equipment	1 981	477 837	1 971	293 055
Purchase of property and equipment	(597 482)	(930 389)	(523 936)	(452 058)
Purchase of intangible assets	(103 786)	(3 273)	(119 761)	(1 397)
Net cash outflow from investing activities	**(1 038 859)**	**(2 284 086)**	**(984 468)**	**(896 517)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Rights Issue (Non-Controlling Interest)	-	622	-	345
Lease liability principal repayment	(23 252)	(18 552)	(17 704)	(6 562)
Interest on lease liability paid	(4 505)	(2 810)	(3 590)	(1 139)
Dividend paid	(2 558 788)	(859 293)	(2 025 509)	(475 976)
Net cash outflow from financing activities	**(2 586 545)**	**(880 033)**	**(2 046 803)**	**(483 332)**
Net increase in cash and cash equivalents	**22 325 256**	**860 524**	**19 705 366**	**(297 810)**
Cash and cash equivalents at beginning of the year	31 749 011	17 306 884	19 752 126	2 400 254
Exchange gains on foreign cash balances	105 439	28 369 601	105 439	17 649 682
Inflation effects on cash and cash equivalents	(14 616 775)	(14 787 998)	-	-
Cash and cash equivalents at end of the year	**39 562 931**	**31 749 011**	**39 562 931**	**19 752 126**

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

ABRIDGED AUDITED

INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2021 annual report which is available at the Company registered offices.

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). In addition, these consolidated financial statements have also been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07); the Building Societies Act (Chapter 24:02), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29) and Asset Management Act (Chapter 24:06). The consolidated financial results have been restated to take into account the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Determination of the functional currency

The Group operates in a dynamic environment which has been subjected to considerable changes to monetary and exchange control policies in the recent years. In the year under review, the economy has witnessed a substantial increase in volumes of foreign currency transactions and deposits in both formal and informal sectors hinged on the authorized use of free funds as promulgated by Statutory Instrument (SI) 85 of 2020. The Directors have considered these prevalent market activities and assessed whether the underlying transactions, events and conditions indicate a potential change in the functional currency for the Group.

In doing so management considered parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained

In light of the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL$) as presented in the prior year financial statements and all values are rounded to the nearest ZWL$ except when otherwise indicated.

Basis of Consolidation

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

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

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

Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to legacy liabilities and nostro gap accounts.

Management has disclosed relevant sensitivities or ranges of possible outcomes for judgements involving significant estimation uncertainty to assist primary users of accounts to understand the assumptions made and the extend of the changes that might be reasonably possible in the next twelve months.

Changes in significant accounting policies

Except as described below, the accounting policies applied in these financial results are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2020. The changes in accounting policies are reflected in the Group's annual report for the year ending 31 December 2021.

The details of changes in accounting policies are disclosed below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial results of the Group for the 2021 financial year. The Group intends to use the practical expedients in future periods if they become applicable.

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

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are as follows;

Date	Closing Indices	Movement	Conversion Factors
31 December 2019	551.63	621.15%	7.210
31 December 2020	2 474.51	448.58%	1.607
31 December 2021	3 977.46	160.74%	1.000

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

- All comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2021. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2021.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 31 December 2021.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The financial statements of one of the Group subsidiaries which do not report in the currencies of hyperinflationary economies were dealt with in accordance with IAS 21. Comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

1.3 Unbundling of the Functional Currency Translation Reserve (FCTR)

Restated amounts totalling ZWL$3,663,562,242 (Historical: ZWL$92,108,117), which were in 2019, recognised as exchange gains on change of functional currency, through the Functional Currency Translation reserve (FCTR) were unbundled to the revaluation reserve and the fair value reserve. The unbundling was done in the prior year financial statements by transferring ZWL$3,264,150,122 (Historical: ZWL$82,066,224) and ZWL$ 399,412,120 (Historical: ZWL$ 10,041,893) to revaluation and fair value reserve, respectively.

The effect of the unbundling on the financial statements for year ended 31 December 2020 equity extract was as follows:

		Inflation Adjusted				Historical		
		As reported 31 Dec 2020 ZWL$000	Unbundling adjustment 31 Dec 2020 ZWL$000	After unbundling adjustment 31 Dec 2020 ZWL$000	Restated 31 Dec 2020 ZWL$000	As reported 31 Dec 2020 ZWL$000	Unbundling adjustment 31 Dec 2020 ZWL$000	After unbundling adjustment 31 Dec 2020 ZWL$000
EQUITY								
Share capital	30.1	167 401	–	167 401	269 076	5 220	–	5 220
Share premium	30.2	1 022 979	–	1 022 979	1 644 308	33 876	–	33 876
Revaluation reserve*	30.3	333 371	2 030 737	2 364 108	3 800 001	2 810 911	82 066	2 892 977
Fair value reserve*	30.6	490 257	248 488	738 745	1 187 438	913 712	10 042	923 754
Retained earnings	30.4	13 246 324	–	13 246 324	21 291 768	7 126 176	–	7 126 176
Foreign currency translation reserve*	30.7	2 358 494	(2 279 225)	79 269	127 415	171 378	(92 108)	79 270
Equity attributable to equity holders of the parent		**17 618 826**	**–**	**17 618 826**	**28 320 006**	**11 061 273**	**–**	**11 061 273**
Non–controlling interest	30.5	2 760	–	2 760	4 436	2 907	–	2 907
TOTAL EQUITY		**17 621 586**	**–**	**17 621 586**	**28 324 442**	**11 064 180**	**–**	**11 064 180**

*Attendant notes have been adjusted to follow this accounting treatment. There is no impact on statement of profit and loss and statement of cash flows.

NOTES TO THE AUDITED INFLATION ADJUSTED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 06 June 2022. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
2. INTEREST				
Interest Income				
Bankers acceptances	210 411	1 071	179 682	100
Overdrafts	3 529 766	4 059 109	2 948 580	1 886 557
Loans	14 806 006	2 951 543	13 545 023	938 686
Mortgage loans	174 805	175 103	138 430	65 708
Staff loans	136 805	58 949	113 942	30 278
Securities investments	457 113	479 366	355 489	178 852
Other investments	2 478 483	452 410	2 032 138	235 787
	21 793 389	**8 177 551**	**19 313 284**	**3 335 968**
Interest expense				
Call deposits	2 527	995	2 098	313
Savings deposits	567 388	1 008 089	328 326	74 872
Money market deposits	2 140 167	1 113 136	1 674 387	451 310
Other offshore deposits	41 244	126 147	31 911	46 976
Lease liability	4 506	2 810	3 590	1 139
	2 755 832	**2 251 177**	**2 040 312**	**574 610**
NET INTEREST INCOME	**19 037 557**	**5 926 374**	**17 272 972**	**2 761 358**
3 NET NON-INTEREST INCOME				
Net income from trading securities	49 963	53	41 099	15 326
Fair value adjustments on financial instruments	1 037 638	(84 442)	1 561 872	374 155
Fair value adjustments on investment properties	1 619 928	283 393	3 300 355	2 041 705
Net income from foreign currency dealing	717 335	845 685	561 845	386 327
Unrealised profit on foreign currency exchange	4 171 700	5 019 049	4 171 700	3 122 519
Agro business income	4 467 480	6 826 028	3 322 831	3 147 984
Commission and fee income	9 248 992	3 403 038	7 364 529	1 626 110
Profit/(loss) on disposal of property and equipment	1 776	592	1 869	(17 881)
Profit/(loss) on disposal of investment property	73 989	(157 913)	50 256	9 251
Bad debts recovered	38 536	291 815	30 277	172 101
Property sales	167 377	99 091	137 564	41 890
Lease income	119 927	76 209	94 629	34 671
Other operating income	1 382 658	471 574	1 443 031	212 646
	23 097 299	**17 074 172**	**22 081 856**	**11 166 804**
4 UNDERWRITING INCOME (NET)				
Gross premium insurance	1 428 789	1 497 858	1 178 332	644 205
Reinsurance	(620 854)	(853 389)	(532 068)	(405 318)
Net written premium	**807 935**	**644 469**	**646 264**	**238 887**
Unearned premium	(84 460)	(28 298)	(124 902)	(70 575)
Net earned premium	**723 475**	**616 171**	**521 362**	**168 312**
Net commission(a)	20 689	(21 757)	16 805	(8 647)
Net claims (b)	(330 953)	(131 079)	(274 703)	(59 005)
	413 211	**463 335**	**263 464**	**100 660**
(a) Net Commissions				
Commission received	179 298	206 448	151 317	97 187
Commission paid	(186 328)	(231 499)	(158 358)	(106 598)
Deferred acquisition costs	27 719	3 294	23 846	764
	20 689	**(21 757)**	**16 805**	**(8 647)**
(b) Net Claims				
Gross claims incurred	677 004	265 340	596 412	122 410
Reinsurance claims	(427 354)	(166 271)	(383 582)	(79 376)
Incurred but not yet reported claims	34 258	22 127	29 435	13 760
Gross outstanding claims	440 262	24 962	342 773	11 592
Reinsurance share of outstanding claims	(393 217)	(15 079)	(310 335)	(9 381)
	330 953	**131 079**	**274 703**	**59 005**
5 OPERATING EXPENDITURE				
Staff costs	10 133 686	5 110 396	8 311 324	2 154 006
Administration expenses	6 002 190	3 132 376	5 025 091	1 675 385
Audit fees	92 124	88 709	80 041	49 004
Depreciation	631 453	431 724	312 929	143 408
Write off of property and equipment	4 771	257	947	128
Write off of land inventory	91 268	1 315	12 658	818
Amortisation of intangible assets	70 393	37 619	39 039	14 915
Property cost of sales	70 244	12 094	21 454	5 053
Write off intangible assets	572	482	323	175
Write off of investment properties	-	138 351	-	50 270
Write off of right of use asset and lease liability	3 233	2 615	92	(896)
	17 099 934	**8 955 938**	**13 803 898**	**4 092 266**
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	93 579	80 790	72 519	24 581
Pension and retirement benefits for past and present directors	53 337	49 149	41 333	14 954
Salaries and other benefits	858 545	753 309	665 328	229 201
	1 005 461	**883 248**	**779 180**	**268 736**
Short term employment benefits	952 124	834 099	737 847	253 782
Post employment benefits	53 337	49 149	41 333	14 954
	1 005 461	**883 248**	**779 180**	**268 736**

6. TAXATION

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

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Analysis of tax charge in respect of the profit for the period				
Current income tax charge	4 556 005	2 499 691	4 555 926	1 579 622
Deferred income tax	(1 592 424)	974 138	(2 440 376)	1 160 719
Income tax expense	**2 963 581**	**3 473 829**	**2 115 550**	**2 740 341**
6.2 Tax rate reconciliation	**%**	**%**	**%**	**%**
Notional Tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.72	0.72	0.72
Non-Deductible expenditure	36.60	31.06	5.81	29.25
Exempt income	(30.46)	(21.66)	(18.12)	(19.25)
Tax credits	(0.38)	(0.06)	(0.22)	(0.06)
Effect of rebasing tax bases	0.06	(4.18)	0.01	(3.82)
Effect of special tax rate	(2.76)	-	(0.62)	-
Effective tax rate	**27.78**	**29.88**	**11.58**	**31.84**

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

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

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Revaluation of property and equipment	236 526	44 801	518 926	468 336
Unlisted equities	22 888	10 459	54 306	39 329
Total taxation relating to components of other comprehensive income	**259 414**	**55 260**	**573 232**	**507 665**

7. EARNINGS PER SHARE

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

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

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

cbz Holdings

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
7.1	**Annualised earnings per share (ZWL cents)**				
	Basic	1 476.55	1 571.25	3 096.43	1 184.09
	Fully diluted	1 476.55	1 571.25	3 096.43	1 184.09
	Headline	1 257.08	1 550.80	2 622.24	897.89
7.2	**Earnings**				
	Basic (earnings attributable to holders of parent)	7 707 813	8 155 428	16 163 848	6 145 925
	Fully diluted	7 707 813	8 155 428	16 163 848	6 145 925
	Headline	6 562 157	8 049 310	13 688 488	4 660 403
	Number of shares used in calculations (weighted)				
	Basic	522 016	519 042	522 016	519 042
	Fully diluted	522 016	519 042	522 016	519 042
	Headline	522 016	519 042	522 016	519 042
7.3	**Reconciliation of denominators used for calculating basic and diluted earnings per share:**				
	Weighted average number of shares before adjustment for treasury shares	522 016	519 042	522 016	519 042
	Weighted average number of shares used for basic EPS	**522 016**	**519 042**	**522 016**	**519 042**
	Potentially dilutive shares employee share options	-	-	-	-
	Weighted average number of shares used for diluted EPS	**522 016**	**519 042**	**522 016**	**519 042**
7.4	**Headline Earnings**				
	Profit attributable to ordinary shareholders	7 707 813	8 155 428	16 163 848	6 145 925
	Ajusted to exclude re-measurements				
	Write off of property and equipment	4 771	257	947	128
	Write off of right of use asset and lease liability	3 233	2 615	92	(896)
	Write off of intangible assets	572	482	323	175
	Write off of investment property	-	138 351	-	50 270
	Write off of land inventory	91 268	1 315	12 658	818
	Disposal (gain)/loss on property and equipment	(1 776)	(592)	(1 869)	17 881
	Gains on investment properties valuation	(1 619 928)	(283 393)	(3 300 355)	(2 041 705)
	Tax relating to re-measurements	376 204	34 847	812 844	487 807
	Headline earnings	**6 562 157**	**8 049 310**	**13 688 488**	**4 660 403**

8. DIVIDENDS

	INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
Cash dividends on ordinary shares declared and paid:				
Interim dividend	535 500	246 764	506 339	121 520
Final dividend	2 023 288	612 529	1 519 170	354 456
	2 558 788	**859 293**	**2 025 509**	**475 976**
Interim paid per share (cents)	102.58	47.27	97.00	23.28
Final dividend paid per share (cents)	388	117.34	291.02	67.90

Dividends are paid on shares held at the record date net of treasury shares held on the same date.

	INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
Proposed dividend on ordinary shares:				
Final	1 000 000	2 411 058	1 000 000	1 500 000
Final dividend per share (cents)	191.57	461.87	191.57	287.37

Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2021.

9. CASH AND CASH EQUIVALENTS

		INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
	Cash and banks	17 123 769	12 027 320	17 123 769	7 482 600
	Balances with foreign banks	16 077 868	6 565 839	16 077 868	4 084 829
	Balances with the Reserve Bank of Zimbabwe	2 776 585	12 302 387	2 776 585	7 653 728
	RBZ Statutory reserve	3 584 709	853 465	3 584 709	530 969
		39 562 931	**31 749 011**	**39 562 931**	**19 752 126**
9.1	**Restricted cash & cash equivalents**				
	RBZ Statutory reserve	3 441 426	827 382	3 441 426	514 742
	Amounts secured as guarantees or collateral	1 226 834	486 844	1 226 834	302 882
		4 668 260	**1 314 226**	**4 668 260**	**817 624**

The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.

10. MONEY MARKET ASSETS

		INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
	Interbank placements	6 012 431	12 188 128	6 012 431	7 582 644
	RBZ Savings bonds	17 122 869	-	17 122 869	-
	Bankers acceptances	1 252 864	-	1 252 864	-
	Accrued interest	42 824	21 796	42 824	13 560
	Total gross money market assets	**24 430 988**	**12 209 924**	**24 430 988**	**7 596 204**
	Expected credit loss	(77 378)	(20 064)	(77 378)	(12 483)
	Total net money market assets	**24 353 610**	**12 189 860**	**24 353 610**	**7 583 721**
10.1	**Maturity analysis**				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	18 925 449	12 209 924	18 925 449	7 596 204
	Between 3 and 6 months	5 503 146	-	5 503 146	-
	Above 12 months	2 393	-	2 393	-
		24 430 988	**12 209 924**	**24 430 988**	**7 596 204**

11. FINANCIAL SECURITIES

		INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
	Treasury bills	958 426	1 555 596	958 426	967 789
	Accrued interest	20 500	33 908	20 500	21 095
	Total gross financial securities	**978 926**	**1 589 504**	**978 926**	**988 884**
	Allowance for expected credit loss	(14 409)	(9 652)	(14 409)	(6 005)
	Total net financial securities	**964 517**	**1 579 852**	**964 517**	**982 879**
11.1	**Maturity analysis**				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	10 108	9 256	10 108	5 759
	Between 3 and 6 months	45 733	9 083	45 733	5 651
	Between 6 and 12 months	-	6 790	-	4 224
	Between 1 and 5 years	148 616	100 866	148 616	62 752
	Above 5 years	774 469	1 463 509	774 469	910 498
		978 926	**1 589 504**	**978 926**	**988 884**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

12. LOANS AND ADVANCES TO CUSTOMERS

	INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
Overdrafts	2 822 156	2 900 065	2 822 156	1 804 228
Commercial loans	20 164 405	16 807 792	20 164 405	10 456 692
Staff loans	1 882 439	1 954 543	1 882 439	1 215 987
Mortgate advances	1 078 617	772 850	1 078 617	480 816
Agro business loans	31 378 399	24 186 828	31 378 399	15 047 438
Interest accrued	6 646 411	2 566 145	6 646 411	1 596 485
Total gross loans and advances to customers	**63 972 427**	**49 188 223**	**63 972 427**	**30 601 646**
Allowance for Expected Credit Loss (ECL)	(8 071 159)	(1 868 917)	(8 071 159)	(1 162 716)
Total net advances	**55 901 268**	**47 319 306**	**55 901 268**	**29 438 930**

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	%	RESTATED 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%
12.1	**Sectoral analysis:**								
	Private	6 409 832	10	3 399 024	7	6 409 832	10	2 114 646	7
	Agriculture	32 342 613	51	27 195 419	55	32 342 613	51	16 919 185	55
	Mining	4 711 989	7	4 960 576	10	4 711 989	7	3 086 141	10
	Manufacturing	2 778 250	4	1 315 830	3	2 778 250	4	818 622	3
	Distribution	11 466 881	18	9 678 370	20	11 466 881	18	6 021 239	20
	Construction	120 251	-	87 690	-	120 251	-	54 555	-
	Transport	87 977	-	115 969	-	87 977	-	72 148	-
	Communication	-	-	4 692	-	-	-	2 919	-
	Services	5 604 112	9	1 987 329	4	5 604 112	9	1 236 384	4
	Financial organisations	450 522	1	443 324	1	450 522	1	275 807	1
		63 972 427	**100**	**49 188 223**	**100**	**63 972 427**	**100**	**30 601 646**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
12.2	**Maturity analysis**				
	Less than 1 month	5 217 960	2 261 890	5 217 960	1 407 197
	Between 1 and 3 months	3 876 923	19 547 185	3 876 923	12 160 961
	Between 3 and 6 months	8 279 920	2 491 460	8 279 920	1 550 021
	Between 6 months and 1 year	39 203 860	12 843 814	39 203 860	7 990 568
	Between 1 and 5 years	5 870 639	9 923 681	5 870 639	6 173 855
	More than 5 years	1 523 125	2 120 193	1 523 125	1 319 044
		63 972 427	**49 188 223**	**63 972 427**	**30 601 646**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

		INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
12.3	**Loans to directors and key management**				
	Included in advances are loans to Executive Directors and key management:-				
	Opening balance	354 545	119 474	220 574	16 570
	Advances made during the year	750 731	772 728	581 778	235 109
	Monetary adjustment	(251 324)	(435 427)	-	-
	Repayment during the year	(229 279)	(102 230)	(177 680)	(31 105)
	Closing balance	**624 673**	**354 545**	**624 672**	**220 574**
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	1 599 999	293 583	995 414	40 717
	Advances made during the year	858 647	3 478 910	665 407	1 058 489
	Monetary adjustment	(680 774)	(1 831 361)	-	-
	Repayments during the year	(520 103)	(341 133)	(403 053)	(103 792)
	Closing balance	**1 257 769**	**1 599 999**	**1 257 768**	**995 414**
12.4	**Allowance for Expected Credit Loss (ECL)**				
	Opening balance	1 868 917	2 008 800	1 162 716	276 560
	Credit loss expense on loans and advances	6 921 777	1 486 350	6 921 777	924 708
	Monetary adjustment	(702 846)	(1 375 173)	-	-
	Amounts written off during the year	(16 689)	(251 060)	(13 334)	(38 552)
	Closing balance	**8 071 159**	**1 868 917**	**8 071 159**	**1 162 716**
12.5	**Collateral**				
	Government Guarantee	25 399 589	24 186 828	25 399 589	15 047 438
	Cash cover	98 618	2 327 513	98 618	1 448 024
	Mortgage bonds	9 199 417	6 271 211	9 199 417	3 901 531
	Notarial general covering bonds	9 670 394	17 556 511	9 670 394	10 922 495
		44 368 018	**50 342 063**	**44 368 018**	**31 319 488**

13. INSURANCE ASSETS

		INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
	Reinsurance unearned premium reserve	212 903	317 012	191 731	197 223
	Reinsurance receivables	499 858	42 272	499 858	26 299
	Deferred acquisition costs	83 978	80 727	73 617	50 223
	Insurance premium receivables	434 322	565 867	437 825	352 045
	Suspended premium	(7 298)	(2 553)	(7 298)	(1 588)
	Impairment provision	(33 700)	(25 925)	(33 700)	(16 129)
		1 190 063	**977 400**	**1 162 033**	**608 073**
13.1	**Reinsurance unearned premium reserve**				
	Opening balance	317 012	201 535	197 223	27 744
	Written premiums	764 946	1 359 601	642 738	403 028
	Premiums earned during the year	(869 055)	(1 244 124)	(648 230)	(233 549)
	Closing balance	**212 903**	**317 012**	**191 731**	**197 223**
13.2	**Impairment provision on insurance assets**				
	Opening balance	25 925	25 260	16 129	3 503
	Charge for impairment on insurance receivables	19 458	24 816	19 458	15 439
	Monetary adjustment	(11 683)	(19 163)	-	-
	Amounts written off during the year	-	(4 988)	(1 887)	(2 813)
	Closing balance	**33 700**	**25 925**	**33 700**	**16 129**

14. EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL INSTRUMENTS AND IMPAIRMENT ON INSURANCE ASSETS

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 895	19 763	–	–	–	–	64 895	19 763
Financial securities	8 405	9 525	–	–	–	–	8 405	9 525
Loans and advances to customers	178 138	1 380 834	815 520	75 641	5 928 119	29 875	6 921 777	1 486 350
Financial guarantees	(205)	(508)	–	–	(48)	(127)	(253)	(635)
Other commitments	64 331	–	4 046	–	248 111	–	316 488	–
Lease receivables	(98)	154	1 522	1 418	24 271	5 468	25 695	7 040
	315 466	**1 409 768**	**821 088**	**77 059**	**6 200 453**	**35 216**	**7 337 007**	**1 522 043**
Insurance assets impairment charge	19 458	24 816	–	–	–	–	19 458	24 816
Total	**334 924**	**1 434 584**	**821 088**	**77 059**	**6 200 453**	**35 216**	**7 356 465**	**1 546 859**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 895	12 295	–	–	–	–	64 895	12 295
Financial securities	8 405	5 926	–	–	–	–	8 405	5 926
Loans and advances to customers	178 138	859 063	815 520	47 059	5 928 119	18 586	6 921 777	924 708
Financial guarantees	(205)	(316)	–	–	(48)	(79)	(253)	(395)
Other commitments	64 331	–	4 046	–	248 111	–	316 488	–
Lease receivables	(98)	96	1 522	882	24 271	3 402	25 695	4 380
	315 466	**877 064**	**821 088**	**47 941**	**6 200 453**	**21 909**	**7 337 007**	**946 914**
Insurance assets impairment charge	19 458	15 439	–	–	–	–	19 458	15 439
Total	**334 924**	**892 503**	**821 088**	**47 941**	**6 200 453**	**21 909**	**7 356 465**	**962 353**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
15.	**OTHER ASSETS**				
	Prepayments and deposits	2 842 222	7 559 164	2 342 529	2 443 538
	Other receivables	34 874 579	29 028 771	34 874 579	18 059 774
		37 716 801	**36 587 935**	**37 217 108**	**20 503 312**

*Included in other receivables is an amount of ZWL$17 274 104 650 (2020:ZWL$15 304 770 460) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of US$1:ZWL$1. The criterion for legacy debt expected credit losses were determined in line with other financial assets held at amortised cost.

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
16. LAND INVENTORY				
Opening balance	5 951 994	5 308 892	470 639	139 034
Additions	183 597	664 551	135 868	340 685
Disposals	(92 661)	(20 134)	(41 755)	(8 262)
Write off	(91 268)	(1 315)	(12 658)	(818)
Closing balance	**5 951 662**	**5 951 994**	**552 094**	**470 639**
17. EQUITY INVESTMENTS				
Opening balance	3 092 310	1 529 252	1 923 830	212 089
Investment in equities during the year	954 475	1 547 693	917 227	583 357
Investment disposed during the year	(103 341)	(76 290)	(75 513)	(34 103)
Fair value adjustments - Profit or loss	1 037 638	(84 442)	1 561 872	374 155
Fair value adjustments - Other comprehensive income	440 957	176 097	1 094 623	788 332
Closing balance	**5 422 039**	**3 092 310**	**5 422 039**	**1 923 830**
17.1 Investments in Equities				
Unlisted investments	2 217 097	1 652 870	2 217 097	1 028 306
Listed investments	3 204 942	1 439 440	3 204 942	895 524
	5 422 039	**3 092 310**	**5 422 039**	**1 923 830**
Equity investment designated at fair value through profit or loss	3 204 942	1 439 440	3 204 942	895 524
Equity investment designated at fair value through other comprehensive income	2 217 097	1 652 870	2 217 097	1 028 306
	5 422 039	**3 092 310**	**5 422 039**	**1 923 830**

	AUDITED				UNAUDITED			
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	%	RESTATED 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%
17.2 Investment in subsidiaries								
CBZ Bank Limited	978 156	100	978 156	100	21 840	100	21 840	100
CBZ Asset Management (Private) Limited	89 036	100	89 036	100	1 988	100	1 988	100
CBZ Building Society	-	100	856 115	100	-	100	19 115	100
CBZ Insurance (Private) Limited	190 306	98.4	190 306	98.4	23 615	98.4	23 615	98.4
CBZ Properties (Private) Limited	214 047	100	214 047	100	4 779	100	4 779	100
CBZ Life Assurance (Private) Limited	62 165	100	62 165	100	1 388	100	1 388	100
CBZ Asset Management Mauritius	3 981	100	3 981	100	89	100	89	100
CBZ Risk Advisory Services (Private) Limited	60 243	100	60 243	100	1 345	100	1 345	100
Red Sphere Finance (Private) Limited	439 770	100	386 496	100	250 520	100	210 520	100
CBZ Agro Yield (Private) Limited	9 871	100	9 871	100	1 000	100	1 000	100
	2 047 575		**2 850 416**		**306 564**		**285 679**	

18. CATEGORIES OF FINANCIAL ASSETS

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
AUDITED INFLATION ADJUSTED				
31 DEC 2021				
Balances with banks and cash	-	-	39 562 931	39 562 931
Money market assets	-	-	24 353 610	24 353 610
Financial securities	-	-	964 517	964 517
Loans and advances to customers	-	-	55 901 268	55 901 268
Equity investments	3 204 942	2 217 097	-	5 422 039
Other assets	-	-	34 874 579	34 874 579
TOTAL ASSETS	**3 204 942**	**2 217 097**	**155 656 905**	**161 078 944**
31 DEC 2020				
Balances with banks and cash	-	-	31 749 011	31 749 011
Money market assets	-	-	12 189 860	12 189 860
Financial securities	-	-	1 579 852	1 579 852
Loans and advances to customers	-	-	47 319 306	47 319 306
Equity investments	1 439 440	1 652 870	-	3 092 310
Other assets	-	-	29 028 771	29 028 771
TOTAL ASSETS	**1 439 440**	**1 652 870**	**121 866 800**	**124 959 110**

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
UNAUDITED HISTORICAL				
31 DEC 2021				
Balances with banks and cash	-	-	39 562 931	39 562 931
Money market assets	-	-	24 353 610	24 353 610
Financial securities	-	-	964 517	964 517
Loans and advances to customers	-	-	55 901 268	55 901 268
Equity investments	3 204 942	2 217 097	-	5 422 039
Other assets	-	-	34 874 579	34 874 579
TOTAL ASSETS	**3 204 942**	**2 217 097**	**155 656 905**	**161 078 944**
31 DEC 2020				
Balances with banks and cash	-	-	19 752 126	19 752 126
Money market assets	-	-	7 583 721	7 583 721
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	29 438 930	29 438 930
Equity investments	895 524	1 028 306	-	1 923 830
Other assets	-	-	18 059 774	18 059 774
TOTAL ASSETS	**895 524**	**1 028 306**	**75 817 430**	**77 741 260**

19. FAIR VALUE MEASUREMENT

19.1 The following table presents items of the Statement of Financial Position which are recognised at fair value:

AUDITED INFLATION ADJUSTED

	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Equity investments	3 204 942	1 439 440	–	–	2 217 097	1 652 870	5 422 039	3 092 310
Land and buildings	–	–	6 620 170	4 835 783	–	–	6 620 170	4 835 783
Investment properties	–	–	6 169 958	4 417 649	–	–	6 169 958	4 417 649
Total assets at fair value	**3 204 942**	**1 439 440**	**12 790 128**	**9 253 432**	**2 217 097**	**1 652 870**	**18 212 167**	**12 345 742**

Level 2 valuation techniques are highlighted on note 20 for Property and Equipment and note 21 for Investment properties.

UNAUDITED HISTORICAL

	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Equity investments	3 204 942	895 524	–	–	2 217 097	1 028 306	5 422 039	1 923 830
Land and buildings	–	–	6 620 170	3 008 503	–	–	6 620 170	3 008 503
Investment properties	–	–	6 169 958	2 748 368	–	–	6 169 958	2 748 368
Total assets at fair value	**3 204 942**	**895 524**	**12 790 128**	**5 756 871**	**2 217 097**	**1 028 306**	**18 212 167**	**7 680 701**

There were no transfers between Level 1 and Level 2 during 2021.

The fair values of the non-listed equities have been classified as level three investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities was also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Liquidity discount • GDP Growth	The fair values would increase/ decrease if : • The GDP growth was higher or lower • The Liquidity discount was higher or lower

If the fair value adjustment had been 5% up or down, the Group's other comprehensive income would be ZWL$ 20 945 478 (December 2020: ZWL$8 364 651) and the Statement of Financial Position would be ZWL$27 567 776 (December 2020 : 8 804 895) higher or lower than the reported position.

20. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2021									
COST									
Opening balance	644 771	4 956 955	88 261	319 207	1 814 704	639 294	414 497	753 914	9 631 603
Additions	–	106 466	–	24 878	305 863	75 316	33 030	91 207	636 760
Revaluation gain	182 200	965 439	–	–	–	–	–	–	1 147 639
Disposals	–	–	–	–	(395)	(11)	(71)	–	(477)
Transfers to intangible assets	–	–	–	–	–	–	–	(72 759)	(72 759)
Write offs	–	(13 086)	–	–	(4 837)	(63)	(421)	–	(18 407)
Transfers(PPE Intercategories)	–	1 738	3 149	1 709	82 490	10 183	11 547	(110 816)	–
Closing balance	**826 971**	**6 017 512**	**91 410**	**345 794**	**2 197 825**	**724 719**	**458 582**	**661 546**	**11 324 359**
Accumulated depreciation									
Opening balance	–	49 058	37 187	253 218	895 343	464 839	227 631	–	1 927 276
Charge for the year	–	426 035	5 380	12 668	139 035	39 548	8 787	–	631 453
Disposals	–	–	–	–	(205)	(10)	(57)	–	(272)
Write offs	–	(2 477)	–	–	(526)	(5)	(19)	–	(3 027)
Revaluation	–	(340 162)	–	–	–	–	–	–	(340 162)
Closing balance	**–**	**132 454**	**42 567**	**265 886**	**1 033 647**	**504 372**	**236 342**	**–**	**2 215 268**
Net Book Value	**826 971**	**5 885 058**	**48 843**	**79 908**	**1 164 178**	**220 347**	**222 240**	**661 546**	**9 109 091**
RESTATED 31 DEC 2020									
COST									
Opening balance	1 014 232	4 822 166	79 956	295 447	1 396 385	621 273	398 139	528 624	9 156 222
Additions	–	71 912	8 305	18 828	248 395	12 284	17 266	624 387	1 001 377
Revaluation gain	94 597	74 499	–	–	–	–	–	–	169 096
Disposals	(464 058)	–	–	–	(1 157)	(103)	(1 467)	(12 302)	(479 087)
Transfers intangible assets	–	–	–	–	–	–	–	(158 102)	(158 102)
Transfers Investment Properties	–	–	–	–	–	–	–	(46 014)	(46 014)
Write offs	–	(11 622)	–	–	(267)	–	–	–	(11 889)
Transfers(PPE Intercategories)	–	–	–	4 932	171 348	5 840	559	(182 679)	–
Closing balance	**644 771**	**4 956 955**	**88 261**	**319 207**	**1 814 704**	**639 294**	**414 497**	**753 914**	**9 631 603**
Accumulated depreciation & impairment									
Opening balance	–	18 222	32 182	239 907	832 343	447 954	217 016	–	1 787 624
Charge for the year	–	321 056	5 005	13 311	63 945	16 977	11 430	–	431 724
Disposals	–	–	–	–	(935)	(92)	(815)	–	(1 842)
Write offs	–	(2 638)	–	–	(10)	–	–	–	(2 648)
Revaluation	–	(287 582)	–	–	–	–	–	–	(287 582)
Closing balance	**–**	**49 058**	**37 187**	**253 218**	**895 343**	**464 839**	**227 631**	**–**	**1 927 276**
Net Book Value	**644 771**	**4 907 897**	**51 074**	**65 989**	**919 361**	**174 455**	**186 866**	**753 914**	**7 704 327**

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 DEC 2021									
COST									
Opening balance	401 133	2 976 150	34 622	12 508	251 828	23 299	17 671	150 360	3 867 571
Additions	–	95 452	–	19 473	265 515	68 370	29 578	74 155	552 543
Revaluation gain	425 835	2 781 077	–	–	–	–	–	–	3 206 912
Disposals	–	–	–	–	(199)	(9)	(53)	–	(261)
Transfers to intangible assets	–	–	–	–	–	–	–	(46 156)	(46 156)
Write offs	–	(5 832)	–	–	(1 251)	(8)	(67)	–	(7 158)
Transfers(PPE Intercategories)	–	1 305	2 365	1 204	54 092	6 679	8 670	(74 315)	–
Closing balance	**826 968**	**5 848 152**	**36 987**	**33 185**	**569 985**	**98 331**	**55 799**	**104 044**	**7 573 451**
Accumulated depreciation									
Opening balance	–	12 109	1 169	6 652	39 331	12 055	6 062	–	77 378
Charge for the year	–	229 287	827	3 550	58 962	16 933	3 370	–	312 929
Disposals	–	–	–	–	(106)	(8)	(46)	–	(160)
Write offs	–	(902)	–	–	(363)	(3)	(13)	–	(1 281)
Revaluation	–	(211 405)	–	–	–	–	–	–	(211 405)
Closing balance	**–**	**29 089**	**1 996**	**10 202**	**97 824**	**28 977**	**9 373**	**–**	**177 461**
Net Book Value	**826 968**	**5 819 063**	**34 991**	**22 983**	**472 161**	**69 355**	**46 426**	**104 044**	**7 395 990**
31 DEC 2020									
COST									
Opening balance	140 662	658 304	3 587	7 533	42 618	16 332	11 850	33 980	914 866
Additions		336	31 035	3 014	120 266	4 903	5 523	314 315	479 392
Revaluation surplus	567 171	2 321 910	–	–	–	–	–	–	2 889 081
Disposals	(306 700)	–	–	–	(81)	(9)	(50)	(4 191)	(311 031)
Transfers to intangible assets	–	–	–	–	–	–	–	(97 971)	(97 971)
Transfers to investment properties	–	–	–	–	–	–	–	(2 232)	(2 232)
Write offs	–	(4 400)	–	–	(134)	–	–	–	(4 534)
Transfers(PPE Intercategories)	–	–	–	1 961	89 159	2 073	348	(93 541)	–
Closing balance	**401 133**	**2 976 150**	**34 622**	**12 508**	**251 828**	**23 299**	**17 671**	**150 360**	**3 867 571**
Accumulated depreciation & impairment									
Opening balance	–	1 182	754	5 416	19 020	10 132	4 923	–	41 427
Charge for the year	–	118 283	415	1 236	20 376	1 931	1 167	–	143 408
Disposals	–	–	–	–	(59)	(8)	(28)	–	(95)
Write offs	–	(1 668)	–	–	(6)	–	–	–	(1 674)
Revaluation	–	(105 688)	–	–	–	–	–	–	(105 688)
Closing balance	**–**	**12 109**	**1 169**	**6 652**	**39 331**	**12 055**	**6 062**	**–**	**77 378**
Net Book Value	**401 133**	**2 964 041**	**33 453**	**5 856**	**212 497**	**11 244**	**11 609**	**150 360**	**3 790 193**

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Directors also engaged an independent property valuer to perform a reasonableness test on a sample basis, on the inputs and final property values determined by the internal valuer. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards

In determining the market values of the subject properties, the following was considered:

- Comparable market evidence which comprised complete transactions as well as transactions where offers had been made but the transactions had not been finalised,
- Professional judgement was exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location to the properties owned by the group.
- The reasonableness of the market values of commercial properties so determined, per above bullet, was assessed by reference to the properties in the transaction.
- The values per square metre of lettable spaces for both the subject properties and comparables were analysed.
- With regards to market values for residential properties, the comparison method was used. This method entails carrying out a valuation by directly comparing the subject property, which have been sold or rented out. The procedure was performed as follows:

  i. Surveys and data collection on similar past transactions.
  ii. Analysis of collected data.

- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:
  a) Age of property – state of repair and maintenance,
  b) Aesthetic quality – quality of fixtures and fittings,
  c) Structural condition – location,
  d) Accommodation offered – size of land.

The maximum useful lives are as

Buildings	40 years
Motor vehicles	3-5 years
Leasehold improvements	10 years
Computer equipment	5 years
Furniture and fittings	10 years

The carrying amount of buildings would have been ZWL$ 1 199 352 701 (December 2020: ZWL$ 1 321 646 401) had they been carried at cost. Property and equipment was tested for impairment through comparison with open market values determined by independent valuers.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL$ 56 000 828 (31 December 2020: ZWL$ 22 833 919) higher or lower than the reported position.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Group for periods more than one year. The buildings are used by the Group for its various branches and operations.

The information about the leases for which the Group is a lessee is presented below,

cbz Holdings

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
20.1a	**Right of use assets**				
	Opening balance	121 178	92 651	20 065	3 548
	Additions	39 278	70 988	28 607	27 334
	Write offs	(10 609)	(8 984)	(4 931)	(2 732)
	Depreciation charge for the year	(85 873)	(33 477)	(17 882)	(8 085)
	Closing balance	**63 974**	**121 178**	**25 859**	**20 065**
20.1b	**Lease liability**				
	Opening balance	33 986	28 843	21 144	4 000
	Additions	39 278	70 988	28 607	27 334
	Write-offs	(7 376)	(6 369)	(4 839)	(3 628)
	Interest	4 506	2 810	3 590	1 139
	Repayment	(27 757)	(21 362)	(21 294)	(7 701)
	Exchange loss on Lease liability	9 062	-	9 062	-
	Monetary adjustment	(15 430)	(40 924)	-	-
	Closing balance	**36 270**	**33 986**	**36 270**	**21 144**
20.1c	**Lease liability maturity analysis**				
	Less than one month	2 177	1 204	2 177	749
	One to three months	5 327	2 409	5 327	1 499
	Three to six months	6 532	3 613	6 532	2 248
	Six to twelve months	11 636	7 230	11 636	4 498
	One to five years	13 929	27 402	13 929	17 048
		39 601	**41 858**	**39 601**	**26 042**
20.1d	**Amounts recognised in Statement of Profit or Loss**				
	Interest on lease liabilities	4 506	2 810	3 590	1 139
	Depreciation	85 873	33 477	17 882	8 085
		90 379	**36 287**	**21 472**	**9 224**
20.1e	**Amounts recognised in statement of cash flow**	**27 757**	**21 362**	**21 294**	**7 701**
21.	**INVESTMENT PROPERTIES**				
	Opening balance	4 417 649	4 027 648	2 748 368	558 586
	Additions	205 655	484 172	175 939	236 157
	Disposals	(73 274)	(285 227)	(54 704)	(40 042)
	Transfer from property and equipment	-	46 014	-	2 232
	Write offs	-	(138 351)	-	(50 270)
	Fair valuation gain	1 619 928	283 393	3 300 355	2 041 705
	Closing balance	**6 169 958**	**4 417 649**	**6 169 958**	**2 748 368**

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The Directors also engaged an independent property valuer to perform a reasonableness test on the inputs and final property values determined by the internal valuer. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 31 December 2021.

	Valuation technique	Significant observable inputs	Range
Office and Retail properties	Implicit investment approach	Comparable rentals per month, per square meter	ZWL$ 1 133– ZWL$ 140 000
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL$ 1 568 – ZWL$ 10 000

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2021. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

The rental income derived from investment properties amounted to ZWL$ 119,927,140 (December 2020: ZWL$ 76,209,036) and direct Operating expenses amounted to ZWL$4 758 681 (December 2020: ZWL$ 2,962,415). All the Group's lettable Investment properties were occupied as at 31 December 2021.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL$ 60 974 090 (December 2020: ZWL$ 10 666 889) higher or lower the reported position the Statement of Financial Position would be ZWL$ 80 996 400. higher or lower than the reported position

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
22.	**INTANGIBLE ASSETS**				
	At cost	674 204	498 231	273 836	108 425
	Accumulated amortisation	(370 067)	(299 673)	(60 079)	(21 223)
		304 137	**198 558**	**213 757**	**87 202**
	Movement in intangible assets				
	Opening balance	198 558	75 283	87 202	2 924
	Additions	103 786	3 273	119 761	1 397
	Transfer from property and equipment	72 759	158 103	46 156	97 971
	Write offs	(573)	(482)	(323)	(175)
	Amortisation charge	(70 393)	(37 619)	(39 039)	(14 915)
	Closing balance	**304 137**	**198 558**	**213 757**	**87 202**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets, which comprise computer software, are amortised over a period of 3 years.

23. DEFERRED TAXATION

23.1 Deferred tax asset

Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences unused tax losses and unused tax credits.

The deferred tax included in the Statement of Financial Position are comprised of:

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Assessed losses	1 220 324	43 653	1 220 324	24 248
Credit loss provisions	2 117 416	454 248	2 117 416	282 603
Intangible assets	-	-	-	5 819
Tax claimable impairments	56 258	87 997	56 258	54 745
Other	225 427	155 887	224 426	96 417
	3 619 425	**741 785**	**3 618 424**	**463 832**

23.2 Deferred tax liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

The deferred tax liability balances included in the Statement of Financial Position are comprised of:

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Intangible assets	28 400	34 837	23 700	77
Equity investments	138 408	80 981	138 408	50 381
Property and equipment	836 352	675 098	590 449	280 906
Investment properties	385 986	424 386	385 986	264 025
Other	3 459 310	2 088 524	2 435 030	1 690 736
	4 848 456	**3 303 826**	**3 573 573**	**2 286 125**

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
24.	**DEPOSITS**				
	Call deposits	445 934	129 230	445 934	80 398
	Savings and other deposits	116 308 152	87 282 816	116 308 152	54 301 572
	Money market deposits	13 931 669	16 312 749	13 931 669	10 148 709
	Lines of credit	423 627	817 079	423 627	508 332
	Accrued interest	264 759	237 737	264 759	147 904
		131 374 141	**104 779 611**	**131 374 141**	**65 186 915**
24.1	**Deposits by type**				
	Retail	9 048 843	6 349 537	9 048 843	3 950 260
	Corporate	107 735 669	81 086 303	107 735 669	50 446 513
	Money market	14 168 002	16 519 628	14 168 002	10 277 415
	Lines of credit	421 627	824 143	421 627	512 727
		131 374 141	**104 779 611**	**131 374 141**	**65 186 915**

Lines of credit relate to borrowings from foreign banks or financial institutions. These have an average tenure of 2.8 years with an average interest rate of 9.2% and are secured by a variety of instruments which include lien over bank accounts, guarantees, treasury bills and sub borrower securities.

24.2 Settlement of legacy liabilities and nostro gap accounts

Included in the deposits balance above are amounts that are denominated in USD amounting to US$145 044 224 (December 2020: US$ 167 966 227) (being legacy liabilities of US$50 833 318 (December 2020: US$52 986 052) and nostro gap accounts of US$94 210 906 (December 2020: US$114 980 175)) which are shown at ZW$15 761 375 643 (December 2020: ZW$13 737 386 593). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ as detailed in Note 26.7 to the financial statements wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US$35 432 702 (December 2020: US$7 267 292) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts, which risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.

24.3	**Sectoral Analysis**	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	%	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	%	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	%	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	%
	Private	11 940 114	9	5 955 354	4	11 940 114	9	3 705 026	4
	Agriculture	4 743 814	4	4 547 838	2	4 743 814	4	2 829 363	2
	Mining	4 721 027	4	2 369 782	1	4 721 027	4	1 474 321	1
	Manufacturing	12 297 264	9	11 000 346	5	12 297 264	9	6 843 685	5
	Distribution	16 103 664	12	15 841 167	35	16 103 664	12	9 855 322	35
	Construction	3 518 265	3	3 149 451	1	3 518 265	3	1 959 379	1
	Transport	2 407 161	2	2 153 626	1	2 407 161	2	1 339 843	1
	Communication	1 844 943	1	844 654	-	1 844 943	1	525 488	-
	Services	71 058 638	54	55 607 639	38	71 058 638	54	34 595 380	38
	Financial organisations	2 442 462	2	3 203 650	13	2 442 462	2	1 993 098	13
	Financial and investments	296 789	-	106 104	-	296 789	-	66 010	-
		131 374 141	**100**	**104 779 611**	**100**	**131 374 141**	**100**	**65 186 915**	**100**

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
24.4	**Maturity analysis**				
	Less than 1 month	119 301 857	91 777 346	119 301 857	57 097 770
	Between 1 and 3 months	4 749 930	2 491 608	4 749 930	1 550 113
	Between 3 and 6 months	6 884 853	2 374 839	6 884 853	1 477 467
	Between 6 months and 1 year	220 343	7 210 691	220 343	4 486 013
	Between 1 and 5 years	214 786	916 548	214 786	570 215
	More than 5 year	2 372	8 579	2 372	5 337
		131 374 141	**104 779 611**	**131 374 141**	**65 186 915**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
25.	**INSURANCE LIABILITIES**				
	Reinsurance payables (a)	208 353	305 231	208 353	189 895
	Gross outstanding claims (b)	375 639	51 830	375 639	32 245
	Gross unearned premium reserve (c)	331 434	452 285	297 395	281 382
	Deferred reinsurance acquisition reserve (d)	55 071	79 541	49 032	49 485
		970 497	**888 887**	**930 419**	**553 007**
25.1	**Insurance contract provisions**				
	(a) Reinsurance payables				
	Opening balance	305 231	125 164	189 895	17 358
	Premiums ceded during the year	764 948	848 950	642 739	403 033
	Reinsurance paid	(742 979)	(485 518)	(624 281)	(230 496)
	Monetary adjustment	(118 847)	(183 365)	-	-
	Closing balance	**208 353**	**305 231**	**208 353**	**189 895**
	(b) Gross outstanding claims provision				
	Opening balance	51 830	44 335	32 245	6 149
	Claims incurred	1 005 769	219 427	844 090	101 275
	Incurred but not yet reported claims provision	9 753	22 103	9 753	13 751
	Claims paid	(576 713)	(192 677)	(510 449)	(88 930)
	Monetary adjustment	(115 000)	(41 358)	-	-
	Closing balance	**375 639**	**51 830**	**375 639**	**32 245**
	(c) Gross premium reserve				
	Opening balance	452 285	205 922	281 382	28 559
	Written premiums	1 193 590	1 467 765	983 158	608 879
	Premiums earned during the year	(1 314 441)	(1 221 402)	(967 145)	(356 056)
	Closing balance	**331 434**	**452 285**	**297 395**	**281 382**

(d) Deferred reinsurance acquisition revenue

AUDITED INFLATION ADJUSTED	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
31 DEC 2021			
Opening balance	79 541	79 344	197
Written premiums	176 722	206 304	(29 582)
Earned during the year	(201 192)	(221 741)	20 549
Closing balance	**55 071**	**63 907**	**(8 836)**
RESTATED			
31 DEC 2020			
Opening balance	51 427	49 223	2 204
Written premiums	205 550	219 427	(13 877)
Earned during the year	(177 436)	(189 306)	11 870
Closing balance	**79 541**	**79 344**	**197**

UNAUDITED HISTORICAL	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
31 DEC 2021			
Opening balance	49 485	49 363	122
Written premiums	149 017	173 224	(24 207)
Earned during the year	(149 470)	(165 151)	15 681
Closing balance	**49 032**	**57 436**	**(8 404)**
31 DEC 2020			
Opening balance	7 132	6 827	305
Written premiums	96 766	101 275	(4 509)
Earned during the year	(54 413)	(58 739)	4 326
Closing balance	**49 485**	**49 363**	**122**

		AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
26.	**OTHER LIABILITIES**				
	Revenue received in advance	429 035	115 317	96 231	28 183
	Sundry creditors	3 816 596	11 515 030	3 816 596	7 163 887
	Accruals	7 232 761	1 050 392	7 232 761	653 484
	Suspense	2 238 914	877 185	2 238 914	545 726
	Provisions	2 578 840	376 493	2 578 840	76 012
		16 296 146	**13 934 417**	**15 963 342**	**8 467 292**

27. LIFE FUND

27.1 Life Fund

AUDITED INFLATION ADJUSTED	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
Restated 31 December 2020					
Opening balance	11 425	4 719	12 227	-	28 371
Transfer from income	5 576	24	27 731	132 198	165 529
Monetory adjustment	(11 199)	(3 676)	(21 037)	(8 880)	(44 792)
Closing balance	**5 802**	**1 067**	**18 921**	**123 318**	**149 108**
Audited 31 December 2021					
Opening balance	5 802	1 067	18 921	123 318	149 108
Transfer to investment contract liabilities	-	-	-	(221)	(221)
Transfer from income	101 204	24 505	266 613	-	392 322
Monetary adjustment	-	(5 225)	(138 185)	-	(143 410)
Closing balance	**107 006**	**20 347**	**147 349**	**123 097**	**397 799**

UNAUDITED HISTORICAL	Premium Reserve ZWL$ 000	Unearned Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
31 December 2020					
Opening balance	1 584	655	1 696	-	3 935
Transfer from income	2 026	9	10 076	76 719	88 830
Closing balance	**3 610**	**664**	**11 772**	**76 719**	**92 765**
31 December 2021					
Opening balance	3 610	664	11 772	76 719	92 765
Transfer to investment contract liabilities	-	-	-	(145)	(145)
Transfer from income	103 397	19 682	182 100	-	305 179
Closing balance	**107 007**	**20 346**	**193 872**	**76 574**	**397 799**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
27.2	**Life fund liabilities as supported by the following**				
	Money market assets	18 021	9 631	18 021	5 992
	Prescribed assets	47 478	19 578	47 478	12 180
	Investment property	79 202	51 245	79 202	31 881
	Listed equity investment	253 098	68 654	253 098	42 712
		397 799	**149 108**	**397 799**	**92 765**
28.	**LIFE ASSURANCE INVESTMENT CONTRACT LIABILITIES**				
28.1	**Life assurance investment contract liabilities movement**				
	Opening balance	23 508	24 582	14 625	3 409
	Interest on GEP fund	27 327	23 776	27 327	11 925
	Fund management expenses	(1 459)	(1 186)	(1 459)	(310)
	GEP Investments	33 399	2 207	33 399	757
	GEP withdrawals	(7 596)	(4 423)	(7 595)	(1 156)
	Transfer from life fund	221	-	145	-
	Transfer from Income	(4 122)	-	(3 900)	-
	Monetary adjustment	(8 736)	(21 448)		-
	Closing balance	**62 542**	**23 508**	**62 542**	**14 625**
28.2	**Life assurance investment contract liabilities are supported by the following net assets**				
	Money market assets	8 483	1 654	8 483	1 029
	Cash	209	2 414	209	1 502
	Prescribed assets	57 872	9 965	57 872	6 199
	Listed equity Investment	(4 022)	4 764	(4 022)	2 964
	Investment property	-	4 711	-	2 931
		62 542	**23 508**	**62 542**	**14 625**

29. CATEGORIES OF FINANCIAL LIABILITIES

The Group's financial liabilities are carried at amortised cost as follows:

Deposits	131 374 141	104 779 610	131 374 141	65 186 915
Other liabilities	3 816 596	11 515 030	3 816 596	7 163 887
Lease liability	36 270	33 986	36 270	21 144
	135 227 007	**116 328 626**	**135 227 007**	**72 371 946**

30. EQUITY AND RESERVES

30.1 Share capital

Authorised				
1 000 000 000 ordinary shares of ZWL$ 0.01 each	10 000 000	10 000 000	10 000 000	10 000 000

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 SHARES 000	RESTATED 31 DEC 2020 SHARES 000	HISTORICAL 31 DEC 2021 SHARES 000	HISTORICAL 31 DEC 2020 SHARES 000
Issued and fully paid	522 016	522 016	522 016	522 016

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
	Share capital	**269 075**	**269 076**	**5 220**	**5 220**
30.2	**Share premium**	**1 644 307**	**1 644 307**	**33 876**	**33 876**
30.3	**Revaluation reserve**				
	Opening balance	3 800 006	196 419	2 892 977	592 078
	Net revaluation gain	1 250 299	411 812	2 897 733	2 525 533
	Intercategory transfer	-	3 191 775	-	(224 634)
	Closing balance	**5 050 305**	**3 800 006**	**5 790 710**	**2 892 977**
30.4	**Retained earnings**				
	Revenue reserve comprises:				
	Opening balance	21 291 767	13 923 259	7 126 176	1 149 527
	Profit for the year	7 707 813	8 155 428	16 163 848	6 145 925
	Intercategory transfer	-	72 373	-	306 700
	Dividend paid	(2 558 788)	(859 293)	(2 025 509)	(475 976)
		26 440 792	**21 291 767**	**21 264 515**	**7 126 176**
	Retained earnings comprises:				
	Holding company	203 143	21 260 932	(781 325)	(17 099)
	Subsidiary companies	26 136 506	116 258	21 812 116	7 264 266
	Effect of consolidation journals	101 143	(85 423)	233 724	(120 991)
		26 440 792	**21 291 767**	**21 264 515**	**7 126 176**
30.5	**Non-controlling Interests**				
	Non-controlling interests comprise:				
	Opening balance	4 436	3 927	2 907	420
	Profit for the year	(824)	(143)	331	1 142
	Other comprehensive income	761	30	1 719	1 000
	Rights Issue	-	622	-	345
		4 373	**4 436**	**4 957**	**2 907**
30.6	**Fair value reserve**				
	Opening balance	1 187 438	622 353	923 754	164 808
	Intercategory transfer	-	399 412	-	10 042
	Other comprehensive income	418 284	165 673	1 040 256	748 904
		1 605 722	**1 187 438**	**1 964 010**	**923 754**
30.7	**Foreign currency translation reserve**				
	Opening balance	127 414	3 662 103	79 270	91 524
	Intercategory transfer	-	(3 663 562)	-	(92 108)
	Exchange gain/(loss) on translation of a foreign subsidiary	82 336	128 873	(2 241)	79 854
		209 750	**127 414**	**77 029**	**79 270**
30.8	**Share based payment reserve**	**569 951**	**-**	**569 951**	**-**

31. CAPITAL MANAGEMENT

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

32. CONTINGENCIES AND COMMITMENT

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Guarantees	167 379	115 332	167 379	71 752
	167 379	**115 332**	**167 379**	**71 752**
Capital Commitments				
Authorised and contracted for	-	1 355	-	843
Authorised but not yet contracted for	-	-	-	-
	-	**1 355**	**-**	**843**

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

33. FUNDS UNDER MANAGEMENT

Pensions	23 589 466	11 454 505	23 589 466	7 126 232
Institutional & individual clients - Equities	14 031 351	6 888 583	14 031 351	4 285 619
Institutional & individual clients - Fixed Income	83 559	-	83 559	-
Unit trust	665 659	32 562	665 659	20 258
	38 370 035	**18 375 650**	**38 370 035**	**11 432 109**

34. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

01 Banking Operations
Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.

02 Mortgage Finance
Provides mortgage financing to its clients for both finance and commercial purposes.

03 Asset Management
Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.

04 Insurance Operations
Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.

05 Property Investments
Property investment arm of the Group.

06 Agro Business
Provides contract farming loans to farmers both individual and commercial

07 Micro Finance
Provides financial services to the informal sector, SMEs, Civil Servants, small holder farmers and all those who are gainfully employed.

08 Other Operations
Other operations provided by the Group include equity investments by the Holding Company.

The table below shows the segment operational results for the year ended 31 December 2021:

34.1 Segment operational results

AUDITED INFLATION ADJUSTED

	Commercial banking ZWL$ 000	Mortgage finance ZWL$ 000	Asset management ZWL$ 000	Insurance operations ZWL$ 000	Property investment ZWL$ 000	Agro business ZWL$ 000	Micro Finance ZWL$ 000	Other operations ZWL$ 000	Elimination of intersegment amounts ZWL$ 000	Consolidated ZWL$ 000
INCOME										
Net interest income for the year ended 31 Dec 2021	**20 406 381**	**(578 256)**	**(10 044)**	**(17 690)**	**(6 499)**	**(115 374)**	**997 951**	**(1 642 800)**	**3 888**	**19 037 557**
Net interest income for the year ended 31 Dec 2020	9 076 136	39 747	(9 617)	1 634	(2 930)	(2 765 976)	45 125	(461 514)	3 769	5 926 374
Non–interest income for the year ended 31 Dec 2021	**10 958 086**	**937 644**	**533 256**	**862 246**	**794 531**	**8 401 503**	**85 946**	**5 025 364**	**(4 501 277)**	**23 097 299**
Non–interest income for the year ended 31 Dec 2020	16 675 435	(5 172 114)	(8 332)	245 679	172 131	6 379 199	42 447	1 702 929	(2 963 202)	17 074 172
Net underwriting income for the year ended 31 Dec 2021	**–**	**–**	**–**	**373 591**	**–**	**–**	**–**	**–**	**39 620**	**413 211**
Net underwriting income for the year ended 31 Dec 2020	–	–	–	485 955	–	–	–	–	(22 620)	463 335
Total income for the year ended 31 Dec 2021	**31 364 467**	**359 388**	**523 212**	**1 218 147**	**788 032**	**8 286 129**	**1 083 897**	**3 382 564**	**(4 457 769)**	**42 548 067**
Total income for the year ended 31 Dec 2020	25 751 571	(5 132 367)	(17 949)	733 268	169 201	3 613 223	87 572	1 241 415	(2 982 053)	23 463 881
Depreciation and amortisation for the year ended 31 Dec 2021	**475 175**	**115 727**	**3 438**	**36 272**	**6 413**	**42 092**	**9 122**	**40 945**	**(27 338)**	**701 846**
Depreciation and amortisation for the year ended 31 Dec 2020	282 819	109 284	8 719	41 820	2 747	13 430	5 932	21 375	(16 783)	469 343
Impairment of assets for the year ended 31 Dec 2021	**1 901 845**	**95 377**	**633**	**22 267**	**7 942**	**6 211 302**	**25 798**	**–**	**(908 699)**	**7 356 465**
Impairment of assets for the year ended 31 Dec 2020	860 931	54 548	–	24 780	–	601 227	5 373	–	–	1 546 859
Results										
Profit before taxation for the year ended 31 Dec 2021	**9 963 523**	**1 324 238**	**5 863**	**233 777**	**597 306**	**(1 737 897)**	**458 400**	**1 976 320**	**(2 150 960)**	**10 670 570**
Profit before taxation for the year ended 31 Dec 2020	15 991 220	(6 251 375)	(434 434)	(179 821)	(54 901)	2 879 691	16 722	777 209	(1 115 197)	11 629 114
Cash flows:										
Used in operating activities for the year ended 31 Dec 2021	**23 787 424**	**410 843**	**731 628**	**233 457**	**237 360**	**23 549 808**	**(201 213)**	**(425 227)**	**(22 373 420)**	**25 950 660**
Used in operating activities for the year ended 31 Dec 2020	7 386 818	736 673	53 464	86 199	133 593	(16 875 806)	(325 674)	1 098 791	11 730 585	4 024 643
Used in investing activities for the year ended 31 Dec 2021	**(583 231)**	**(12 371)**	**(49 592)**	**(162 145)**	**(219 185)**	**(73 433)**	**(35 587)**	**(203 356)**	**300 041**	**(1 038 859)**
Used in investing activities for the year ended 31 Dec 2020	(406 534)	(33 409)	(28 656)	(1 821)	(348 893)	(79 070)	(5 723)	(1 725 335)	345 355	(2 284 086)
Used in financing activities for the year ended 31 Dec 2021	**(2 684 864)**	**(4 389)**	**(9 907)**	**(875)**	**(2 951)**	**(146 387)**	**50 259**	**(2 566 617)**	**2 779 186**	**(2 586 545)**
Used in financing activities for the year ended 31 Dec 2020	(432 681)	(347 173)	(3 850)	(853)	(1 260)	(405 752)	361 588	(1 246 381)	1 196 329	(880 033)
Total assets and liabilities										
Reportable segment liabilities for the year ended 31 Dec 2021	**137 447 771**	**8 447 276**	**1 166 652**	**2 202 058**	**934 067**	**42 826 956**	**110 018**	**927 417**	**(39 553 802)**	**154 508 413**
Reportable segment liabilities for the year ended 31 Dec 2020	107 972 417	9 498 510	1 113 125	1 371 814	551 327	10 622 224	63 677	534 612	(7 541 294)	124 186 412
Total segment assets for the year ended 31 Dec 2021	**164 770 930**	**8 278 184**	**957 790**	**3 508 224**	**3 094 303**	**46 669 973**	**833 677**	**4 125 962**	**(41 936 355)**	**190 302 688**
Total segment assets for the year ended 31 Dec 2020	131 727 984	7 225 894	1 021 162	2 374 591	1 790 078	14 518 242	428 385	3 680 791	(10 256 272)	152 510 855

UNAUDITED HISTORICAL

	Commercial banking ZWL$ 000	Mortgage finance ZWL$ 000	Asset management ZWL$ 000	Insurance operations ZWL$ 000	Property investment ZWL$ 000	Agro business ZWL$ 000	Micro Finance ZWL$ 000	Other operations ZWL$ 000	Elimination of intersegment amounts ZWL$ 000	Consolidated ZWL$ 000
INCOME										
Net Interest Income for the year ended 31 Dec 2021	**16 377 592**	**(411 686)**	**(7 860)**	**(14 631)**	**(6 021)**	**1 846 904**	**805 777**	**(1 320 162)**	**3 059**	**17 272 972**
Net Interest Income for the year ended 31 Dec 2020	4 403 281	(53 849)	(5 080)	557	(979)	(1 353 606)	25 579	(256 031)	1 486	2 761 358
Non–Interest income for the year ended 31 Dec 2021	**9 583 262**	**1 361 317**	**561 271**	**1 055 463**	**1 268 672**	**7 188 779**	**65 997**	**4 519 174**	**(3 522 079)**	**22 081 856**
Non–interest income for the year ended 31 Dec 2020	9 808 837	(2 562 431)	58 905	444 565	536 097	2 842 474	25 071	1 133 478	(1 120 192)	11 166 804
Net underwriting income for the year ended 31 Dec 2021	**–**	**–**	**–**	**233 519**	**–**	**–**	**–**	**–**	**29 945**	**263 464**
Net underwriting income for the year ended 31 Dec 2020	–	–	–	104 808	–	–	–	–	(4 148)	100 660
Total income for the year ended 31 Dec 2021	**25 960 854**	**949 631**	**553 410**	**1 274 350**	**1 262 651**	**9 035 683**	**871 774**	**3 199 012**	**(3 489 073)**	**39 618 292**
Total income for the year ended 31 Dec 2020	14 212 118	(2 616 280)	53 825	549 930	535 119	1 488 869	50 650	877 448	(1 122 857)	14 028 822
Depreciation and amortisation	**240 468**	**71 802**	**2 707**	**9 410**	**2 146**	**16 777**	**3 412**	**9 339**	**(4 093)**	**351 968**
Depreciation and amortisation	110 336	34 792	1 318	5 335	729	3 051	–	4 882	(2 120)	158 323
Impairment of assets for the year ended 31 Dec 2021	**1 901 845**	**95 377**	**633**	**22 267**	**7 942**	**6 211 302**	**25 798**	**–**	**(908 699)**	**7 356 465**
Impairment of assets for the year ended 31 Dec 2020	535 614	33 936	11	15 416	–	374 044	(3 332)	–	–	955 689
Results										
Profit before taxation for the year ended 31 Dec 2021	**15 302 452**	**(463 775)**	**70 386**	**439 501**	**1 007 480**	**1 603 325**	**599 882**	**1 260 275**	**(1 539 797)**	**18 279 729**
Profit after taxation for the year ended 31 Dec 2020	11 085 688	(3 076 196)	(197 069)	244 844	419 920	514 313	14 359	429 020	(547 471)	8 887 408
Cash flows:										
Used in operating activities for the year ended 31 Dec 2021	**20 459 720**	**402 976**	**68 795**	**200 647**	**228 116**	**16 942 602**	**(25 802)**	**(528 564)**	**(15 011 853)**	**22 736 637**
Used in operating activities for the year ended 31 Dec 2020	(90 439)	299 349	13 284	78 522	188 535	(8 659 784)	(219 213)	29 152	9 442 633	1 082 039
Used in investing activities for the year ended 31 Dec 2021	**(538 776)**	**(10 626)**	**(40 332)**	**(169 263)**	**(211 610)**	**(59 726)**	**(33 088)**	**(181 455)**	**260 408**	**(984 468)**
Used in investing activities for the year ended 31 Dec 2020	(128 926)	(16 350)	(7 180)	(47 907)	(183 475)	(35 443)	(1 900)	(690 626)	215 290	(896 517)
Used in financing activities for the year ended 31 Dec 2021	**(2 011 229)**	**(2 834)**	**(8 103)**	**(2 330)**	**(2 330)**	**(107 324)**	**37 546**	**(2 031 625)**	**2 081 426**	**(2 046 803)**
Used in financing activities for the year ended 31 Dec 2020	(156 042)	(72)	(746)	21 285	(280)	(353)	209 302	(821)	(555 605)	(483 332)
Total assets and liabilities										
Reportable segment liabilities for the year ended 31 Dec 2021	**135 883 294**	**8 447 276**	**1 165 165**	**2 157 066**	**929 774**	**42 822 691**	**107 084**	**915 127**	**(39 566 829)**	**152 860 648**
Reportable segment liabilities for the year ended 31 Dec 2020	67 281 507	5 908 513	689 410	849 521	287 922	6 606 514	37 912	324 024	(4 695 858)	77 289 465
Total segment assets for the year ended 31 Dec 2021	**158 174 063**	**7 896 193**	**949 761**	**3 424 821**	**2 657 122**	**46 438 527**	**812 113**	**1 438 775**	**(39 220 459)**	**182 570 916**
Total segment assets for the year ended 31 Dec 2020	78 242 948	4 248 136	604 553	1 424 495	880 439	6 765 649	254 608	902 849	(4 970 032)	88 353 645

35. RELATED PARTIES

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

Loans and advances to Directors' companies

INFLATION ADJUSTED	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Loans to directors' companies	–	482	–	442	–	651

UNAUDITED HISTORICAL	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Loans to directors' companies	–	300	–	275	–	405

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Transactions with Directors' companies				
Interest income	-	358	-	122
Commission and fee income	-	14	-	5
	-	**373**	**-**	**127**

36. CLOSING EXCHANGE RATES

	INFLATION ADJUSTED 31 DEC 2021	RESTATED 31 DEC 2020	HISTORICAL 31 DEC 2021	HISTORICAL 31 DEC 2020
USD	108.666	81.787	108.666	81.787
ZAR	0.146	0.179	0.146	0.179
GBP	146.699	111.467	146.699	111.467
EUR	122.934	100.508	122.934	100.508

37. RISK MANAGEMENT

37.1 Risk overview

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

37.2 Group risk management framework

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

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

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

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

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

37.3 Credit risk

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

Credit risk management framework

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

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

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

Credit mitigation

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

37.3 (a) Credit risk exposure

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Balances with banks	22 439 162	19 721 690	22 439 162	12 269 526
Money market assets	24 353 609	12 189 859	24 353 609	7 583 721
Financial securities	964 517	1 579 852	964 517	982 879
Loans and advances to customers	55 901 268	47 319 306	55 901 268	29 438 930
Other assets	34 874 579	29 028771	34 874 579	18 059 774
Total	**138 533 135**	**109 839 478**	**138 533 135**	**68 334 830**
Financial guarantees	167 379	115 332	167 379	71 752
Loans Commitments	4 295 562	1 355	4 295 562	843
Total	**4 462 941**	**116 687**	**4 462 941**	**72 595**

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

The Group held cash and cash equivalents of ZWL$ 28 820 826 780(2020: ZWL$19 695 607 745) (excluding notes and coins) as at 31 December 2021 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks.

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

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	31 DEC 2021 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2020 ZWL$ 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	6 409 832	2 173 257	3 399 024	87 463 733	6 409 832	2 173 257	2 114 646	262 550
Agriculture	32 342 613	8 093 516	27 195 419	25 841 091	32 342 613	8 093 516	16 919 185	2 698 183
Mining	4 711 989	4 266 182	4 960 576	10 143 456	4 711 989	4 266 182	3 086 141	1 160 801
Manufacturing	2 778 250	1 145 790	1 315 830	26 759 704	2 778 250	1 145 790	818 622	249 977
Distribution	11 466 881	5 222 308	9 678 370	25 914 806	11 466 881	5 222 308	6 021 239	125 694
Construction	120 251	–	87 690	202 979	120 251	–	54 555	6 288
Transport	87 977	443	115 969	261 510	87 977	443	72 148	39 782
Communication	–	–	4 692	111 352	–	–	2 919	2 919
Services	5 604 112	3 142 421	1 987 329	31 565 626	5 604 112	3 142 421	1 236 384	804 993
Financial organisations	450 522	4 262 709	443 324	2 523 312 044	450 522	4 262 709	275 807	1 219 113
Gross value	**63 972 427**	**28 306 626**	**49 188 223**	**2 731 576 301**	**63 972 427**	**28 306 626**	**30 601 646**	**6 570 300**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Collateral				
Government Guarantee	25 399 589	24 186 828	25 399 589	15 047 438
Cash cover	98 618	2 327 513	98 618	1 448 024
Collateral (mortgage security)	9 199 417	6 271 211	9 199 417	3 901 531
Notarial general covering bonds	9 670 394	17 556 511	9 670 394	10 922 495
	44 368 018	**50 342 063**	**44 368 018**	**31 319 488**

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

37.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	21 285 269	21 555 319	69 059	584 495	–	–	21 354 328	22 139 814
Special mention	"4a – 7c"	7 481 273	26 102 376	6 924 733	814 606	–	–	14 406 006	26 916 982
Non–performing	"8 – 10"	-	–	-	–	28 212 093	131 427	28 212 093	131 427
Total		**28 766 542**	**47 657 695**	**6 993 792**	**1 399 101**	**28 212 093**	**131 427**	**63 972 427**	**49 188 223**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	21 285 269	13 410 288	69 059	363 634	–	–	21 354 328	13 773 922
Special mention	"4a – 7c"	7 481 273	16 239 165	6 924 733	506 794	–	–	14 406 006	16 745 959
Non–performing	"8 – 10"	–	–	–	–	28 212 093	81 765	28 212 093	81 765
Total		**28 766 542**	**29 649 453**	**6 993 792**	**870 428**	**28 212 093**	**81 765**	**63 972 427**	**30 601 646**

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

GROSS CARRYING AMOUNT — AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	47 657 695	22 396 887	1 399 101	591 262	131 427	737 587	49 188 223	23 725 736
New assets originated or purchased (excluding write offs)	34 768 483	86 744 209	267 763	6 969 694	38 631 060	41 772	73 667 306	93 755 675
Transfers (from)/to Stage 1	(34 695 710)	(2 388 387)	10 274 787	2 052 575	21 057 213	335 812	(3 363 710)	–
Transfers to/(from) Stage 2	1 945 141	5 281 248	(1 974 538)	(5 745 597)	217 978	464 349	188 581	–
Transfers to/(from) Stage 3	91 639	3 581	1 940	162 692	(84 695)	(166 273)	8 884	–
Repayments during the period	(6 331 910)	(2 402 296)	(505 711)	(847 900)	(41 075)	(582 791)	(6 878 696)	(3 832 987)
Amounts written off	–	–	–	–	(13 334)	(129 755)	(13 334)	(129 755)
Monetary adjustment	(14 668 796)	(61 977 547)	(2 469 550)	(1 783 625)	(31 686 481)	(569 274)	(48 824 827)	(64 330 446)
Gross loans and advances to customers	**28 766 542**	**47 657 695**	**6 993 792**	**1 399 101**	**28 212 093**	**131 427**	**63 972 427**	**49 188 223**
ECL allowance	(896 342)	(1 689 444)	(726 303)	(109 251)	(6 448 514)	(70 222)	(8 071 159)	(1 868 917)
Net loans and advances to customers	**27 870 200**	**45 968 251**	**6 267 489**	**1 289 850**	**21 763 579**	**61 205**	**55 901 268**	**47 319 306**

GROSS CARRYING AMOUNT — UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	29 649 453	3 106 176	870 427	82 000	81 765	93 197	30 601 645	3 281 373
New assets originated or purchased (excluding write offs)	26 403 578	26 392 930	81 498	2 120 542	11 753 953	12 499	38 239 029	28 525 971
Transfers (from)/to Stage 1	(24 280 678)	(726 688)	7 962 428	624 514	16 318 250	102 174	–	–
Transfers to/(from) Stage 2	1 361 243	1 606 864	(1 530 165)	(1 748 147)	168 922	141 283	–	–
Transfers to/(from) Stage 3	64 130	1 090	1 503	49 500	(65 633)	(50 590)	–	–
Repayments during the period	(4 431 184)	(730 919)	(391 899)	(257 981)	(31 833)	(177 319)	(4 854 916)	(1 166 219)
Amounts written off	–	–	–	–	(13 331)	(39 479)	(13 331)	(39 479)
Gross loans and advances to customers	**28 766 542**	**29 649 453**	**6 993 792**	**870 428**	**28 212 093**	**81 765**	**63 972 427**	**30 601 646**
ECL allowance	(896 342)	(1 051 060)	(726 303)	(67 969)	(6 448 514)	(43 687)	(8 071 159)	(1 162 716)
Net loans and advances to customers	**27 870 200**	**28 598 393**	**6 267 489**	**802 459**	**21 763 579**	**38 078**	**55 901 268**	**29 438 930**

ECL RECONCILIATION — AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	1 689 444	1 375 947	109 251	151 856	70 222	466 386	1 868 917	1 994 189
New assets originated or purchased	2 053 929	3 037 987	5 177	659 887	7 157 162	37 857	9 216 268	3 735 731
Transfers (from)/to Stage 1	(2 112 892)	(331 650)	1 051 703	151 787	1 061 189	179 863	–	–
Transfers to/(from) Stage 2	27 819	208 405	(113 103)	(555 930)	85 284	347 525	–	–
Transfers to/(from) Stage 3	2 502	109	953	10 794	(3 455)	(10 903)	–	–
Amounts written off	–	(79 274)	–	(101 813)	(14 347)	(486 794)	(14 347)	(667 881)
Monetary adjustment	(593 448)	(2 513 725)	(232 470)	(196 864)	(1 886 552)	(357 062)	(2 712 470)	(3 067 651)
Amounts paid off	(171 012)	(8 355)	(95 208)	(10 466)	(20 989)	(106 650)	(287 209)	(125 471)
Closing balance	**896 342**	**1 689 444**	**726 303**	**109 251**	**6 448 514**	**70 222**	**8 071 159**	**1 868 917**

ECL RECONCILIATION — UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	1 051 060	190 828	67 969	21 059	43 687	55 585	1 162 716	267 472
New assets originated or purchased	1 591 692	924 361	4 011	200 751	5 546 427	11 515	7 142 130	1 136 627
Transfers (from)/to Stage 1	(1 637 383)	(100 907)	815 015	46 182	822 368	54 725	–	–
Transfers to/(from) Stage 2	21 558	63 407	(87 649)	(169 146)	66 091	105 739	–	–
Transfers to/(from) Stage 3	1 939	33	738	3 284	(2 677)	(3 317)	–	–
Amounts written off	–	(24 120)	–	(30 977)	(11 118)	(148 111)	(11 118)	(203 208)
Amounts paid off	(132 524)	(2 542)	(73 781)	(3 184)	(16 264)	(32 449)	(222 569)	(38 175)
Closing balance	**896 342**	**1 051 060**	**726 303**	**67 969**	**6 448 514**	**43 687**	**8 071 159**	**1 162 716**

b. Financial Securities

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	1 589 504	–	–	–	-	978 926	1 589 504
Total		**978 926**	**1 589 504**	**–**	**–**	**–**	**–**	**978 926**	**1 589 504**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	988 884	–	–	–	–	978 926	988 884
Total		**978 926**	**988 884**	**–**	**–**	**–**	**–**	**978 926**	**988 884**

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

INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	1 589 504	8 593 636	–	–	–	–	1 589 504	8 593 636
Monetary adjustment	(597 728)	(6 346 788)	–	–	–	–	(597 728)	(6 346 788)
Maturities during the period	(12 850)	(657 344)	–	–	–	–	(12 850)	(657 344)
Gross financial securities	**978 926**	**1 589 504**	**–**	**–**	**–**	**–**	**978 926**	**1 589 504**
ECL allowance	(14 409)	(9 652)	-	–	-	–	(14 409)	(9 652)
Closing balance	**964 517**	**1 579 852**	**–**	**–**	**–**	**–**	**964 517**	**1 579 852**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	988 884	1 191 832	–	–	–	–	988 884	1 191 832
Maturities during the period	(9 958)	(202 948)	–	–	–	–	(9 958)	(202 948)
Gross financial securities	**978 926**	**988 884**	**–**	**–**	**–**	**–**	**978 926**	**988 884**
ECL allowance	(14 409)	(6 005)	–	–	–	–	(14 409)	(6 005)
Closing balance	**964 517**	**982 879**	**–**	**–**	**–**	**–**	**964 517**	**982 879**

c. Money market asset

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 430 988	12 209 924	-	–	-	–	24 430 988	12 209 924
Total		**24 430 988**	**12 209 924**	**–**	**–**	**–**	**–**	**24 430 988**	**12 209 924**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 430 988	7 596 204	–	–	–	–	24 430 988	7 596 204
Total		**24 430 988**	**7 596 204**	**–**	**–**	**–**	**–**	**24 430 988**	**7 596 204**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	12 209 924	1 617 686	–	–	–	–	12 209 924	1 617 686
New assets originated or purchased (excluding write offs)	34 310 647	54 716 427	–	–	–	–	34 310 647	54 716 427
Maturities during the period	(10 254 699)	(712 063)	–	–	–	–	(10 254 699)	(712 063)
Monetary adjustment	(11 834 884)	(43 412 126)	–	–	–	–	(11 834 884)	(43 412 126)
Gross money market assets	**24 430 988**	**12 209 924**	**–**	**–**	**–**	**–**	**24 430 988**	**12 209 924**
ECL allowance	(77 378)	(20 064)					(77 378)	(20 064)
Closing balance	**24 353 610**	**12 189 860**	**–**	**–**	**–**	**–**	**24 353 610**	**12 189 860**

GROSS CARRYING AMOUNT — UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	7 596 204	224 353	–	–	–	–	7 596 204	224 353
New assets originated or purchased (excluding write offs)	24 011 205	7 588 502	–	–	–	–	24 011 205	7 588 502
Maturities during the period	(7 176 421)	(216 651)	–	–	–	–	(7 176 421)	(216 651)
Gross money market assets	**24 430 988**	**7 596 204**	**–**	**–**	**–**	**–**	**24 430 988**	**7 596 204**
ECL allowance	(77 378)	(12 483)	–	–	–		(77 378)	(12 483)
Closing balance	**24 353 610**	**7 583 721**	**–**	**–**	**–**	**–**	**24 353 610**	**7 583 721**

d. Financial guarantees

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	115 332	–	–	–	–	167 379	115 332
Total		**167 379**	**115 332**	**–**	**–**	**–**	**–**	**167 379**	**115 332**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	71 752	–	–	–	–	167 379	71 752
Total		**167 379**	**71 752**	**–**	**–**	**–**	**–**	**167 379**	**71 752**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	115 332	602 011	–	–	–	–	115 332	602 011
New assets originated or purchased (excluding write offs)	239 173	235 824	–	–	–	–	239 173	235 824
Monetary adjustment	(84 598)	(448 093)	–	–	–	–	(84 598)	(448 093)
Guarantees Expired	(102 528)	(274 410)	–	–	–	–	(102 528)	(274 410)
Gross Guarantees	**167 379**	**115 332**	**–**	**–**	**–**	**–**	**167 379**	**115 332**
ECL allowance	(376)	(934)					(376)	(934)
Closing balance	**167 003**	**114 398**	**–**	**–**	**–**	**–**	**167 003**	**114 398**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	71 752	83 491	–	–	–	–	71 752	83 491
New assets originated or purchased (excluding write offs)	167 377	71 751	–	–	–	–	167 377	71 751
Guarantees expired during the period	(71 750)	(83 490)	–	–	–	–	(71 750)	(83 490)
Gross Guarantees	**167 379**	**71 752**	**–**	**–**	**–**	**–**	**167 379**	**71 752**
ECL allowance	(376)	(581)	–		–		(376)	(581)
Closing balance	**167 003**	**71 171**	**–**	**–**	**–**	**–**	**167 003**	**71 171**

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 31 December 2021.

Expected Credit Losses is determined through a combination of expected credit exposures (Exposure-at-Default), likelihood of default occurring (Probability of Default) and anticipated Loss in the event of Default (Loss-Given-Default).

Definition of Parameters used for Calculation of Expected Credit Losses (ECL)

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.

The Probability of Default (PD)
This is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.

The Exposure at Default (EAD)
This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The Loss Given Default (LGD)
This is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. LGD measurement takes into a account time value of money, from the time of the default to when collateral cash will be received. it is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument, unless the Bank has the legal right to call it earlier.
Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Significant increase in credit risk and Stage Recognition

The CBZ Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. A significant increase in credit risk is defined as a significant increase in the probability of a default occurring since initial recognition. Credit risk has increased significantly when contractual payments are more than 30 days past due.

Key consideration for a significant change in credit risk under a financial asset include the following;

i. The counterparty rating deteriorates. The downward credit migration of a credit rating by at least three (3) notches is categorised as Significant Increase in Credit Risk.
ii. Breaches in conditionality or covenants
iii. Deterioration in account conduct. This can be through account performance deterioration.
iv. Any corporate action relating to changes in corporate structure, control, acquisitions or disposals
v. Significant changes in executive leadership
vi. Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks, and negative media coverage
vii. Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
viii. Declining Asset Quality
ix. Reduction in financial support from the parent company
x. Expected changes in the loan agreement terms and conditions.
xi. Changes in group parent's payment pattern
xii. Decision to change collateral
xiii. Deterioration of macro-economic factors affecting the borrower. Observance of environmental factors that would negatively influence performance of the client is also factored to determine Significant Increase in Credit Risk depending on the severity of change.

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

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

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

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

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

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

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

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

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

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

Stage 3: Credit Impaired
For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;
a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.
Under this stage interest revenue recognised was based on Amortised Cost I.e. Gross exposure amount less allowance.

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

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

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

Cure, Modification and Forbearance of Financial Assets
During the period under Review, some of the financial assets were cured, modified and forborne.

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

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

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

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

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

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

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

Derecognition
Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group de-recognizes a financial asset when, and only when:
a) The contractual rights to the cash flows from the financial asset expire, or
b) It transfers the financial asset and the transfer qualifies for de-recognition.

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

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

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

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

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

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

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

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

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

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	39 562 931	–	–	–	–	–	39 562 931
Money market assets	17 371 181	1 645 042	6 578 337	–	2 392	–	25 596 952
Financial securities	14 871	–	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	6 062 825	5 280 239	13 564 375	40 909 033	7 597 486	2 000 065	75 414 023
Insurance assets	531 247	172 939	231 983	–	–	–	936 169
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Current tax receivable	836	37 186	–	–	–	–	38 022
Other liquid assets	3 623 331	17 292 774	1 171 691	2 981 623	16 133 148	–	41 202 567
Total assets	**67 169 575**	**24 484 456**	**21 623 162**	**44 016 927**	**23 904 245**	**3 381 831**	**184 580 196**
							–
Liabilities							–
Deposits	119 486 461	4 871 046	6 915 874	237 110	255 294	3 891	131 769 676
Insurance liabilities	350 395	116 798	116 798	–	–	–	583 991
Other liabilities	2 431 609	9 680 070	339 758	16 975 410	–	–	29 426 847
Current tax payable	–	522 562	–	–	–	–	522 562
Life Fund	397 799	–	–	–	–	–	397 799
Investment contract liabilities	62 542	–	–	–	–	–	62 542
Lease Liabilities	2 177	5 327	6 532	11 636	13 929	–	39 601
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Loans Commitments	4 295 562	–	–	–	–	–	4 295 562
Total liabilities	**127 028 898**	**15 252 079**	**7 400 597**	**17 307 915**	**272 579**	**3 891**	**167 265 959**
Liquidity gap	**(59 859 323)**	**9 232 377**	**14 222 565**	**26 709 012**	**23 631 666**	**3 377 940**	**17 314 237**
Cumulative liquidity gap	**(59 859 323)**	**(50 626 946)**	**(36 404 381)**	**(9 695 369)**	**13 936 297**	**17 314 237**	**17 314 237**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	31 749 011	–	–	–	–	–	31 749 011
Money market assets	10 609 696	1 577 729	–	2 435	–	–	12 189 860
Financial securities	–	9 257	9 083	6 790	100 866	1 453 857	1 579 853
Loans and advances to customers	1 317 087	19 556 443	2 497 571	16 427 682	5 432 277	2 088 246	47 319 306
Insurance assets	521 067	2 197	–	57 780	–	–	581 044
Financial guarantees	1 786	47 837	55 165	10 544	–	–	115 332
Current tax receivable	622	–	–	–	–	–	622
Other liquid assets	18 573	28 462 919	551	–	–	–	28 482 043
Total assets	**44 217 842**	**49 656 382**	**2 562 370**	**16 505 231**	**5 533 143**	**3 542 103**	**122 017 071**
Liabilities							
Deposits	91 777 346	2 491 608	2 374 839	7 210 691	916 548	8 579	104 779 611
Insurance liabilities	357 062	–	–	–	–	–	357 062
Other liabilities	1 276 139	1 709 276	4 915	45 870	–	–	3 036 200
Current tax payable	–	438 377	13 082	–	–	–	451 459
Life Fund	149 108	–	–	–	–	–	149 108
Lease Liability	1 279	3 789	4 284	7 076	17 558	–	33 986
Investment contract liabilities	23 508	–	–	–	–	–	23 508
Financial guarantees	1 786	47 837	55 165	10 544	–	–	115 332
Total liabilities	**93 586 228**	**4 690 887**	**2 452 285**	**7 274 181**	**934 106**	**8 579**	**108 946 266**
Liquidity gap	**(49 368 386)**	**44 965 495**	**110 085**	**9 231 050**	**4 599 037**	**3 533 524**	**13 070 805**
Cumulative liquidity gap	**(49 368 386)**	**(4 402 891)**	**(4 292 806)**	**4 938 244**	**9 537 281**	**13 070 805**	**13 070 805**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL							
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	39 562 931	–	–	–	–	–	39 562 931
Money market assets	17 371 181	1 645 042	6 578 337	–	2 392	–	25 596 952
Financial securities	14 871	–	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	6 062 825	5 280 239	13 564 375	40 909 033	7 597 486	2 000 065	75 414 023
Insurance assets	531 247	172 939	231 983	–	–	–	936 169
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Current tax receivable	836	37 186	–	–	–	–	38 022
Other liquid assets	3 623 331	17 292 774	1 171 691	2 981 623	16 133 148	–	41 202 567
Total assets	**67 169 575**	**24 484 456**	**21 623 162**	**44 016 927**	**23 904 245**	**3 381 831**	**184 580 196**
							–
Liabilities							–
Deposits	119 486 461	4 871 046	6 915 874	237 110	255 294	3 891	131 769 676
Insurance liabilities	350 395	116 798	116 798	–	–	–	583 991
Other liabilities	2 431 609	9 680 070	339 758	16 975 410	–	–	29 426 847
Current tax payable	–	522 562	–	–	–	–	522 562
Life Fund	397 799	–	–	–	–	–	397 799
Investment contract liabilities	62 542	–	–	–	–	–	62 542
Lease Liabilities	2 177	5 327	6 532	11 636	13 929	–	39 601
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Loans Commitments	4 295 562	–	–	–	–	–	4 295 562
Total liabilities	**127 028 898**	**15 252 079**	**7 400 597**	**17 307 915**	**272 579**	**3 891**	**167 265 959**
Liquidity gap	**(59 859 323)**	**9 232 377**	**14 222 565**	**26 709 012**	**23 631 666**	**3 377 940**	**17 314 237**
Cumulative liquidity gap	**(59 859 323)**	**(50 626 946)**	**(36 404 381)**	**(9 695 369)**	**13 936 297**	**17 314 237**	**17 314 237**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL							
	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	19 752 126	–	–	–	–	–	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	29 438 930
Insurance assets	324 173	1 367	–	35 947	–	–	361 487
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Current tax receivable	387	–	–	–	–	–	387
Other liquid assets	11 555	17 707 738	343	–	–	–	17 719 636
Total assets	**27 509 404**	**30 892 903**	**1 594 137**	**10 268 459**	**3 442 354**	**2 203 661**	**75 910 918**
Liabilities							
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	65 186 915
Insurance liabilities	222 140	–	–	–	–	–	222 140
Other liabilities	793 929	1 063 398	3 058	28 537	–	–	1 888 922
Current tax payable	–	272 729	8 139	–	–	–	280 868
Life Fund	92 765	–	–	–	–	–	92 765
Lease Liability	796	2 357	2 665	4 402	10 924	–	21 144
Investment contract liabilities	14 625	–	–	–	–	–	14 625
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	**58 223 136**	**2 918 358**	**1 525 649**	**4 525 512**	**581 139**	**5 337**	**67 779 131**
Liquidity gap	**(30 713 732)**	**27 974 545**	**68 488**	**5 742 947**	**2 861 215**	**2 198 324**	**8 131 787**
Cumulative liquidity gap	**(30 713 732)**	**(2 739 187)**	**(2 670 699)**	**3 072 248**	**5 933 463**	**8 131 787**	**8 131 787**

The table above shows the undiscounted cash flows of the Group's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Group's SBUs carry out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the SBU's maturity mismatch and related funding or liquidity gap. The Group also relies on stress testing under various scenarios i.e moderate, extreme and severe in line with RBZ Recovery Planning Guideline to assess and manage liquidity risk. The Asset and Liability Management Committee (ALCO) of the respective SBU comes up with strategies to manage these liquidity gaps through funding gap limits. Additionally, the Group models asset and liability behaviours to measure liquidity risk from a behavioural perspective.

Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the reporting year were as follows:

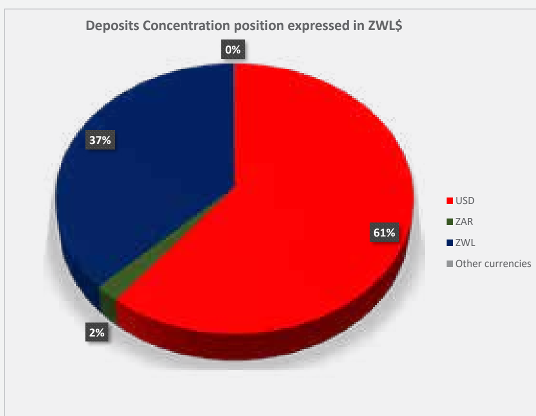
	CBZ Bank Limited %
At 31 December 2021	51.35
At 31 December 2020	62.30
Average for the year	59.98
Maximum for the year	62.80
Minimum for the year	50.70

37.4.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Group's liabilities when they are concentrated in few counterparties. The impact on the Group's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Group, assuming no adequate monetary assets denominated in the same currency, significant exchange loses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Bank's deposits is shown below;

Included in the USD deposits are legacy liabilities and nostro gap accounts amounting to US$145 044 224 (2020: US$167 966 227). These liabilities contribute 12.33% (2020: 21.62%) to the Group's total deposits.



37.5 Interest rate risk

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

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

At 31 December 2021, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL$ 242 130 767 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	18 854 453	–	–	–	–	–	20 708 478	39 562 931
Money market assets	3 109 728	1 596 825	5 503 530	–	2 253	–	14 141 274	24 353 610
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	3 745 585	3 983 879	8 372 383	32 881 683	5 597 018	1 320 720	–	55 901 268
Insurance assets	–	–	–	–	–	–	1 190 063	1 190 063
Equity investments	–	–	–	–	–	–	5 422 039	5 422 039
Land inventory	–	–	–	–	–	–	5 951 662	5 951 662
Other assets	–	–	–	–	–	–	37 716 801	37 716 801
Current tax receivable	–	–	–	–	–	–	37 186	37 186
Intangible assets	–	–	–	–	–	–	304 137	304 137
Investment properties	–	–	–	–	–	–	6 169 958	6 169 958
Property and equipment	–	–	–	–	–	–	9 109 091	9 109 091
Deferred taxation	–	–	–	–	–	–	3 619 425	3 619 425
Total assets	**25 719 875**	**5 580 704**	**13 921 646**	**32 881 683**	**5 747 887**	**2 080 779**	**104 370 114**	**190 302 688**
Equity & Liabilities								
Deposits	104 635 814	4 749 408	6 884 711	220 343	214 786	2 372	14 666 707	131 374 141
Insurance liabilities	–	–	–	–	–	–	970 497	970 497
Other liabilities	–	–	–	–	–	–	16 296 146	16 296 146
Current tax payable	–	–	–	–	–	–	522 562	522 562
Life Fund	–	–	–	–	–	–	397 799	397 799
Investment contract liabilities	–	–	–	–	–	–	62 542	62 542
Deferred taxation	–	–	–	–	–	–	4 848 456	4 848 456
Lease liability	2 177	5 327	6 532	11 636	10 598	–	–	36 270
Equity	–	–	–	–	–	–	35 794 275	35 794 275
Total liabilities and equity	**104 637 991**	**4 754 735**	**6 891 243**	**231 979**	**225 384**	**2 372**	**73 558 984**	**190 302 688**
Interest rate repricing gap	**(78 918 116)**	**825 969**	**7 030 403**	**32 649 704**	**5 522 503**	**2 078 407**	**30 811 130**	**–**
Cumulative gap	**(78 918 116)**	**(78 092 147)**	**(71 061 744)**	**(38 412 040)**	**(32 889 537)**	**(30 811 130)**	**–**	**–**

AUDITED INFLATION ADJUSTED

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	18 868 226	–	–	–	–	–	12 880 784	31 749 010
Money market assets	10 609 696	1 577 729	–	2 435	–	–	–	12 189 860
Financial securities	–	9 257	9 083	6 790	100 866	1 453 857	–	1 579 853
Loans and advances to customers	1 317 087	19 556 443	2 497 571	16 427 682	5 432 277	2 088 246	–	47 319 306
Insurance assets	–	–	–	–	–	–	977 400	977 400
Equity investments	–	–	–	–	–	–	3 092 310	3 092 310
Land Inventory	–	–	–	–	–	–	5 951 994	5 951 994
Other assets	–	–	–	–	–	–	36 587 935	36 587 935
Current tax receivable	–	–	–	–	–	–	867	867
Intangible assets	–	–	–	–	–	–	198 557	198 557
Investment properties	–	–	–	–	–	–	4 417 649	4 417 649
Property and equipment	–	–	–	–	–	–	7 704 328	7 704 328
Deferred taxation	–	–	–	–	–	–	741 785	741 785
Total assets	**30 795 009**	**21 143 429**	**2 506 654**	**16 436 907**	**5 533 143**	**3 542 103**	**72 553 609**	**152 510 854**
Equity & Liabilities								
Deposits	91 777 346	2 491 608	2 374 839	7 210 691	916 548	8 579	–	104 779 611
Insurance liabilities	–	–	–	–	–	–	888 888	888 888
Other liabilities	–	–	–	–	–	–	13 934 415	13 934 415
Current tax payable	–	–	–	–	–	–	1 073 069	1 073 069
Life Fund	–	–	–	–	–	–	149 108	149 108
Investment contract liabilities	–	–	–	–	–	–	23 508	23 508
Deferred taxation	–	–	–	–	–	–	3 303 826	3 303 826
Lease Liability	–	–	–	–	–	–	33 986	33 986
Equity	–	–	–	–	–	–	28 324 443	28 324 443
Total liabilities and equity	**91 777 346**	**2 491 608**	**2 374 839**	**7 210 691**	**916 548**	**8 579**	**47 731 243**	**152 510 854**
Interest rate repricing gap	**(60 982 337)**	**18 651 821**	**131 815**	**9 226 216**	**4 616 595**	**3 533 524**	**24 822 366**	**–**

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	18 854 453	–	–	–	–	–	20 708 478	39 562 931
Money market assets	3 109 728	1 596 825	5 503 530	–	2 252	–	14 141 275	24 353 610
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	3 745 585	3 983 879	8 372 383	32 881 683	5 597 018	1 320 720	–	55 901 268
Insurance assets	–	–	–	–	–	–	1 162 033	1 162 033
Equity investments	–	–	–	–	–	–	5 422 039	5 422 039
Land inventory	–	–	–	–	–	–	552 094	552 094
Other liquid assets	–	–	–	–	–	–	37 217 109	37 217 109
Current tax receivable	–	–	–	–	–	–	37 186	37 186
Intangible assets	–	–	–	–	–	–	213 757	213 757
Investment properties	–	–	–	–	–	–	6 169 958	6 169 958
Property and equipment	–	–	–	–	–	–	7 395 991	7 395 991
Deferred taxation	–	–	–	–	–	–	3 618 424	3 618 424
Total assets	**25 719 875**	**5 580 704**	**13 921 646**	**32 881 683**	**5 747 886**	**2 080 779**	**96 638 344**	**182 570 917**
Equity & Liabilities								
Deposits	104 635 814	4 749 408	6 884 711	220 343	214 786	2 372	14 666 707	131 374 141
Insurance liabilities	–	–	–	–	–	–	930 419	930 419
Other liabilities	–	–	–	–	–	–	15 963 342	15 963 342
Current tax payable	–	–	–	–	–	–	522 562	522 562
Life Fund	–	–	–	–	–	–	397 799	397 799
Investment contract liabilities	–	–	–	–	–	–	62 542	62 542
Deferred taxation	–	–	–	–	–	–	3 573 573	3 573 573
Lease liability	1 875	4 540	5 702	10 757	13 396	–	–	36 270
Equity	–	–	–	–	–	–	29 710 269	29 710 269
Total liabilities and equity	**104 637 689**	**4 753 948**	**6 890 413**	**231 100**	**228 182**	**2 372**	**65 827 213**	**182 570 917**
Interest rate repricing gap	**(78 917 814)**	**826 756**	**7 031 233**	**32 650 583**	**5 519 704**	**2 078 407**	**30 811 131**	**–**
Cumulative gap	**(78 917 814)**	**(78 091 058)**	**(71 059 825)**	**(38 409 242)**	**(32 889 538)**	**(30 811 131)**	**–**	**–**

37.5.1 INTEREST RATE REPRICING *(continued)*

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non– interest bearing ZWL$ 000	Total ZWL$ 000
31 DEC 2020								
Assets								
Balances with banks and cash	11 738 557	–	–	–	–	–	8 013 569.00	19 752 126
Money market assets	6 600 648	981 558	–	1 515	–	–	–	7 583 721
Financial securities	–	5 759	5 651	4 224	62 752	904 493	–	982 879
Loans and advances to customers	819 404	12 166 720	1 553 823	10 220 213	3 379 602	1 299 168	–	29 438 930
Insurance assets	–	–	–	–	–	–	608 073	608 073
Equity investments	–	–	–	–	–	–	1 923 830	1 923 830
Land Inventory	–	–	–	–	–	–	470 639	470 639
Other liquid assets	–	–	–	–	–	–	20 503 312	20 503 312
Current tax receivable	–	–	–	–	–	–	540	540
Intangible assets	–	–	–	–	–	–	87 202	87 202
Investment properties	–	–	–	–	–	–	2 748 368	2 748 368
Property and equipment	–	–	–	–	–	–	3 790 193	3 790 193
Deferred taxation	–	–	–	–	–	–	463 832	463 832
Total assets	**19 158 609**	**13 154 037**	**1 559 474**	**10 225 952**	**3 442 354**	**2 203 661**	**38 609 558**	**88 353 645**
Equity & Liabilities								
Deposits	57 097 770	1 550 113	1 477 467	4 486 013	570 215	5 337	–	65 186 915
Insurance liabilities	–	–	–	–	–	–	553 007	553 007
Other liabilities	–	–	–	–	–	–	8 467 292	8 467 292
Current tax payable	–	–	–	–	–	–	667 592	667 592
Life Fund	–	–	–	–	–	–	92 765	92 765
Investment contract liabilities	–	–	–	–	–	–	14 625	14 625
Deferred taxation	–	–	–	–	–	–	2 286 125	2 286 125
Lease Liability	–	–	–	–	–	–	21 144	21 144
Equity	–	–	–	–	–	–	11 064 180	11 064 180
Total liabilities and equity	**57 097 770**	**1 550 113**	**1 477 467**	**4 486 013**	**570 215**	**5 337**	**23 166 730**	**88 353 645**
Interest rate repricing gap	**(37 939 161)**	**11 603 924**	**82 007**	**5 739 939**	**2 872 139**	**2 198 324**	**15 442 828**	**–**
Cumulative gap	**(37 939 161)**	**(26 335 237)**	**(26 253 230)**	**(20 513 291)**	**(17 641 152)**	**(15 442 828)**	**–**	**–**

37.6 Exchange rate risk

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

Supervision is at Board level through the Board Risk Management Committee which covers ALCO processes by way of strategic policy and benchmarking reviews and approval. The management Assets and Liabilities Committee (ALCO) which meets on a monthly basis reviews performance against set benchmarks embedded under acceptable currencies, currency positions as well as stop loss limits.

At 31 December 2021, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the year would have been ZWL$ 209 056 537 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies. The foreign currency position for the Group as at 31 December 2021 is as below:

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED

Postion expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	39 562 931	12 930 133	23 884 890	2 135 204	29 189	583 474	41
Money market assets	24 353 610	7 218 751	16 464 916	669 943	–	–	–
Financial securities	964 517	964 517	–	–	–	–	–
Loans and advances to customers	55 901 268	18 274 659	37 602 439	23 967	203	–	–
Insurance assets	1 190 063	1 190 063	–	–	–	–	–
Equity investments	5 422 039	5 422 039	–	–	–	–	–
Land inventory	5 951 662	5 951 662	–	–	–	–	–
Other assets	37 716 801	16 475 466	12 829 918	7 351 058	418 880	635 389	6 090
Current tax receivable	37 186	37 186	–	–	–	–	–
Intangible assets	304 137	304 137	–	–	–	–	–
Investment properties	6 169 958	6 169 958	–	–	–	–	–
Property and equipment	9 109 091	9 109 091	–	–	–	–	–
Deferred taxation	3 619 425	3 619 425	–	–	–	–	–
	190 302 688	**87 667 087**	**90 782 163**	**10 180 172**	**448 272**	**1 218 863**	**6 131**
Equity & Liabilities							
Deposits	131 374 141	49 775 096	78 876 544	2 626 020	21 816	74 665	–
Insurance liabilities	970 497	970 497	–	–	–	–	–
Other liabilities	16 296 146	12 520 394	600 937	1 957 733	419 566	647 017	150 499
Current tax payable	522 562	522 562	–	–	–	–	–
Life Fund	397 799	397 799	–	–	–	–	–
Investment contract liabilities	62 542	62 542	–	–	–	–	–
Deferred taxation	4 848 456	4 848 456	–	–	–	–	–
Lease Liability	36 270	36 270	–	–	–	–	–
Equity	35 794 275	35 794 275	–	–	–	–	–
Total equity and liabilities	**190 302 688**	**104 927 891**	**79 477 481**	**4 583 753**	**441 382**	**721 682**	**150 499**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED

Postion expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	31 749 011	3 780 860	26 485 316	651 735	76	583 135	247 889
Money market assets	12 189 860	6 702 103	4 490 195	997 562	–	–	–
Financial securities	1 579 852	1 579 852	–	–	–	–	–
Loans and advances to customers	47 319 306	44 087 778	3 191 517	39 781	223	5	2
Insurance assets	977 400	977 400	–	–	–	–	–
Equity investments	3 092 310	3 092 011	–	–	–	299	–
Land Invetory	5 951 994	5 951 994	–	–	–	–	–
Other assets	36 587 936	16 121 332	20 026 919	428 397	10 179	1 109	–
Current tax receivable	867	867	–	–	–	–	–
Intangible assets	198 558	198 558	–	–	–	–	–
Investment properties	4 417 649	4 417 649	–	–	–	–	–
Property and equipment	7 704 327	7 445 175	187 701	71 329	–	122	–
Deferred taxation	741 785	741 785	–	–	–	–	–
Total assets	**152 510 855**	**95 097 364**	**54 381 648**	**2 188 804**	**10 478**	**584 670**	**247 891**
Equity & Liabilities							
Deposits	104 779 611	53 840 489	47 816 426	2 792 071	39 861	225 683	65 081
Insurance liabilities	888 887	888 887	–	–	–	–	–
Other liabilities	13 934 417	6 463 361	1 302 767	6 156 290	4 811	7 114	74
Current tax payable	1 073 069	1 073 069	–	–	–	–	–
Life Fund	149 108	149 108	–	–	–	–	–
Investment contract liabilities	23 508	23 508	–	–	–	–	–
Deferred taxation	3 303 826	3 303 826	–	–	–	–	–
Lease Liability	33 986	33 986	–	–	–	–	–
Equity	28 324 443	28 324 443	–	–	–	–	–
Total equity and liabilities	**152 510 855**	**65 776 234**	**49 119 193**	**8 948 361**	**44 672**	**232 797**	**65 155**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	39 562 931	12 930 133	23 884 890	2 135 204	29 189	583 474	41
Money market assets	24 353 610	7 218 751	16 464 916	669 943	–	–	–
Financial securities	964 517	964 517	–	–	–	–	–
Loans and advances to customers	55 901 268	18 274 659	37 602 439	23 967	203	–	–
Insurance assets	1 162 033	1 162 033	–	–	–	–	–
Equity investments	5 422 039	5 422 039	–	–	–	–	–
Land inventory	552 094	552 094	–	–	–	–	–
Other assets	37 217 108	9 891 925	12 829 918	7 351 058	418 880	635 389	6 089 938
Current tax receivable	37 186	37 186	–	–	–	–	–
Intangible assets	213 757	213 757	–	–	–	–	–
Investment properties	6 169 958	6 169 958	–	–	–	–	–
Property and equipment	7 395 991	7 395 991	–	–	–	–	–
Deferred taxation	3 618 424	3 618 424	–	–	–	–	–
	182 570 916	**73 851 467**	**90 782 163**	**10 180 172**	**448 272**	**1 218 863**	**6 089 979**
Equity & Liabilities							
Deposits	131 374 141	49 775 096	78 876 544	2 626 020	21 816	74 665	–
Insurance liabilities	930 419	930 419	–	–	–	–	–
Other liabilities	15 963 342	12 187 590	600 937	1 957 733	419 566	647 017	150 499
Current tax payable	522 562	522 562	–	–	–	–	–
Life Fund	397 799	397 799	–	–	–	–	–
Investment contract liabilities	62 542	62 542	–	–	–	–	–
Deferred taxation	3 573 573	3 573 573	–	–	–	–	–
Lease liability	36 270	36 270	–	–	–	–	–
Equity	29 710 268	29 710 268	–	–	–	–	–
Total equity and liabilities	**182 570 916**	**97 196 119**	**79 477 481**	**4 583 753**	**441 382**	**721 682**	**150 499**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	TOTAL	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 752 126	2 352 200	16 477 405	405 466	47	362 788	154 220
Money market assets	7 583 721	4 169 603	2 793 501	620 617	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	29 438 930	27 428 488	1 985 550	24 749	139	3	1
Insurance assets	608 073	608 073	–	–	–	–	–
Equity investments	1 923 830	1 923 644	–	–	–	186	–
Land Inventory	470 639	470 639	–	–	–	–	–
Other assets	20 503 312	7 770 350	12 459 419	266 520	6 333	690	–
Current tax receivable	540	540	–	–	–	–	–
Intangible assets	87 202	87 202	–	–	–	–	–
Investment properties	2 748 368	2 748 368	–	–	–	–	–
Property and equipment	3 790 193	3 628 966	116 775	44 376	–	76	–
Deferred taxation	463 832	463 832	–	–	–	–	–
Total assets	**88 353 645**	**52 634 784**	**33 832 650**	**1 361 728**	**6 519**	**363 743**	**154 221**
Equity & Liabilities							
Deposits	65 186 915	33 495 976	29 748 205	1 737 041	24 799	140 405	40 489
Insurance liabilities	553 007	553 007	–	–	–	–	–
Other liabilities	8 467 292	3 819 297	810 495	3 830 035	2 993	4 426	46
Current tax payable	667 592	667 592	–	–	–	–	–
Life Fund	92 765	92 765	–	–	–	–	–
Investment contract liabilities	14 625	14 625	–	–	–	–	–
Deferred taxation	2 286 125	2 286 125	–	–	–	–	–
Lease Liability	21 144	21 144	–	–	–	–	–
Equity	11 064 180	11 064 180	–	–	–	–	–
Total equity and liabilities	**88 353 645**	**52 014 711**	**30 558 700**	**5 567 076**	**27 792**	**144 831**	**40 535**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNDERLYING CURRENCY

	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	219 801	312 380	199	4 746	41
Money market assets	151 519	98 013	–	–	–
Loans and advances to customers	346 037	3 506	1	–	–
Other assets	118 067	1 075 460	2 855	5 169	6 090
Total assets	**835 424**	**1 489 359**	**3 055**	**9 915**	**6 131**
Liabilities					
Deposits	725 862	384 187	149	607	–
Other liabilities	5 530	286 416	2 860	5 263	150 499
Total liabilities	**731 392**	**670 603**	**3 009**	**5 870**	**150 499**
Net position	**104 032**	**818 756**	**46**	**4 045**	**(144 368)**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNDERLYING CURRENCY

	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	201 468	72 538	–	3 610	154 220
Money market assets	34 156	111 028	–	–	–
Loans and advances to customers	24 277	4 428	1	–	1
Other assets	152 341	47 680	57	7	–
Property and equipment	1 428	7 939	–	–	–
Total assets	**413 670**	**243 613**	**58**	**3 617**	**154 221**
Liabilities					
Deposits	363 730	310 757	222	1 397	40 489
Other liabilities	9 910	685 193	27	44	46
Total liabilities	**373 640**	**995 950**	**249**	**1 441**	**40 535**
Net position	**40 030**	**(752 337)**	**(191)**	**2 176**	**113 686**

37.7 Operational risk

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

37.7.1 Operational risk management framework

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

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

37.8 Strategic risk

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

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

37.9 Regulatory risk

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

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

37.10 Reputation risk

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

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

37.11 Money-laundering risk

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

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

37.12 Insurance risk

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

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

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

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

37.13 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Long term)	AA-(zw)	A+	A+	A	A	A	A	A+	A+	A+	A+

CBZ Life Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Financial strength)	A-(zw)	A(zw)-	A-	A-	BBB+	BBB+	BBB+	-	-	-	-

CBZ Insurance Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating(Claims paying ability)	BBB-(zw)	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-	-	-	-

CBZ Asset Management Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Manager quality)	MQ2(zw)	MQ2(zw)	MQ2(zw)	A	A	A	A	-	-	-	-

37.13.2 Reserve Bank Ratings

CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION

	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank (current)	2	1	3	2	2	2	2
CBZ Bank (previous)	1	1	2	1	1	2	2

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

CBZ Bank Limited
Risk Matrix Summary

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

KEY

Level of inherent risk

Low – reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate – could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak – risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
Acceptable – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk
Low Risk – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
Moderate Risk – risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

Direction of Overall Composite Risk Rating

Increasing– based on the current information composite risk is expected to increase in the next twelve months.
Decreasing– based on current information composite risk is expected to decrease in the next twelve months.
Stable – based on the current information composite risk is expected to be stable in the next twelve months.

38. COMPLIANCE AND REGULATORY RISK

During the year, the Group was fined ZWL$ 1,820,000 and ZWL$ 70,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Interim Financial Statements after the set statutory deadline of 31 August 2021 and for breaching section 18 (3) of the Banking Act, respectively.

39. GOING CONCERN

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

Impact of Covid-19

The Covid-19 pandemic has been one of the biggest shocks to the global economy and society in recent times. The consequences of the disease outbreak were unprecedented and felt around the world. The world of work was profoundly affected by the pandemic. In addition to the threat to public health, the economic and social disruption threatened the long-term livelihoods and wellbeing of millions. The pandemic heavily affected labour markets, economies and enterprises, including global supply chains, leading to widespread business disruptions. As a result, various governments responded by imposing lockdown measures which had the unintended consequence of affecting business activities across all economic sectors. Supply chain disruptions which affected business production cycles, were highly prevalent. Aid agencies and fiscal support provided essential relief to the public and business community.

The Group continued to leverage on its strong capital and balance sheet positions, great understanding of the local markets, extensive investment in Information Technology infrastructure and a culture of innovation to provide the much-needed support and be a source of resilience to its employees, clients and other stakeholders. In 2021, improved vaccine uptake, declining infection levels and relaxed Covid-19 related restrictions from level 4 to level 2 particularly towards the end of the year, enabled resumption of economic and business activity on a large scale.

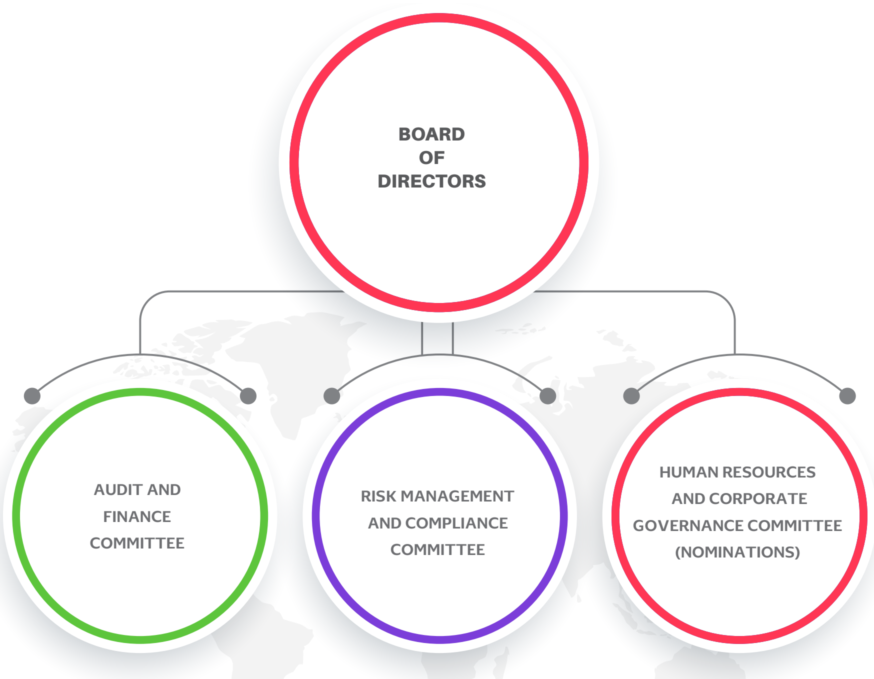
In 2022, global economies are likely to start the gradual transition towards co-existing with Covid-19, implying reduced disruptions and potentially improved business activity. However, the major downside risks include the possibility of extended supply chain disruptions, rising global inflationary pressures as well as disparate monetary and fiscal policies as countries transition to the next normal at different levels and scales.

The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern. Despite the foregoing, the Group has assessed that Covid-19 will not have an inhibiting impact on its ability to continue operating as a

Corporate Governance

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

GOVERNANCE STRUCTURE



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

THE BOARD OF DIRECTORS

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

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

Retirements and Appointment of New Directors
During the course of the period the Group effected the following Board Changes:

Board Retirements during 2021

NAME	STATUS	BOARD	DATE OF RETIREMENT
Peter Zimunya	Executive Director	CBZ Bank	31 December 2021

Board Appointments during 2021

NAME	STATUS	BOARD	DATE OF APPOINTMENT
Darly Archibald	Non–Executive Director	CBZ Agro–Yield	4 February 2021
Muneshkhumar Bhabubai Narotam	Non–Executive Director	CBZ Life	4 February 2021
Kamal Khalfan	Executive Director	CBZ Life	1 September 2021

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

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

BOARD COMMITTEES

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

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

The Boards of Directors of the various units as at 31 December 2021 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman M.L*	Holtzman M L*	Mhlanga N*	Tshuma H*	Matika ATK*	Magorimbo L*	R Snow*	Jinnah J*	Parham W D*	Bhamre P*
Mashingaidze E.U	Shangwa ET	Moyo MTV	Munesh Narotam	Chitiga WR	Ndlovu N	C Makwiranzou	Dr Mudavanhu B	Mazike P S	Dr Mudavanhu B
Galante E.E	Dr Marufu MPA	Joshi H G	Kamal Khalfan	Dr Mudavanhu B	Marandu N	M. Sinyoro	Gumbo TL	Archibald A D	Gumbo T L
Gerken L.C	Dr Beddies CH	Mukanganga C	Dr Mudavanhu B	Gumbo T L	Dr Mudavanhu B	Dr B Mudavanhu	Ali D**	Dr Mudavanhu B	
Gaskin Gain R	Shah JG	Dr Mudavanhu B	Gumbo T L	Mharadze J***	Gumbo TL	T L Gumbo		Gumbo TL	
Dr Mudavanhu B**	Dr Mudavanhu B	Gumbo T L	Mutizwa J ***		Chinyani T***	J F Smith		Chigodora W**	
Gumbo T L**	Gumbo T L	Smith J F				H Bvumburai**			
	Zimunya P**	Muzadzi T**							
	Nyazema L **								

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

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

	AUDIT & FINANCE	SPECIAL AUDIT & FINANCE	HR & CORPORATE GOVERNANCE	RISK MANAGEMENT & COMPLIAMCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	4	11	4	4	4	23	4
Holtzman M.L	*	*	4	*	4	4	4
Gerken L C	4	11	*	4	4	19	4
Gaskin Gain R	*	*	4	4	4	8	4
Mashingaidze E U	4	11	4	*	4	19	4
Galante E E	4	11	*	*	4	15	4
Dr Mudavanhu B **	4	11	4	4	4	23	4
Gumbo T L**	4	11	*	4	4	19	4

NB **Special Äudit Committee Meetings were a result of the recruitment process for External Auditors**

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

CBZ BANK LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	AUDIT & FINANCE	RISK MANAGEMENT & COMPLIANCE	CREDIT	SPECIAL CREDIT	LOANS REVIEW	MAIN BOARD	TOTAL COMMITTEES	TOTAL MAIN BOARD
Meetings Held	*4*	*4*	*4*	*9*	*4*	*4*	*25*	*13*
Holtzman M L*	*	*	4	9	–	4	13	13
Marufu M P A	*	*	4	9	*	4	13	13
Shangwa E T	4	4	4	9	*	4	21	13
Beddies C H	4	4	*	*	*	4	8	13
Shah J G	4	*	*	*	4	4	8	13
Dr Mudavanhu B	4	*	4	*	*	4	8	13
Gumbo T L	4	4	*	*	4	4	12	13
Zimunya P**	4	4	4	9	4	4	25	13
Nyazema L**	4	4	4	9	4	4	2 5	1 3

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

CBZ ASSET MANAGEMENT (PRIVATE) LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	AUDIT & COMPLIANCE	INVESTMENTS & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Number of meetings held	*3*	*4*	*4*	*7*	*4*
Mhlanga N*	3	4	4	7	*4*
Moyo M T V	*	4	4	7	*4*
Mukanganga C F	3	4	4	7	*4*
Heena J J	3	4	4	7	*4*
Dr B Mudavanhu	3	4	4	7	*4*
Gumbo T L	3	4	4	7	*4*
Smith J F	3	4	4	7	4
Muzadzi T**	3	4	4	7	*4*

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

CBZ LIFE LIMITED BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	INVESTMENTS & RISK	HR & REMUNERATION	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings held	*4*	*4*	*4*	*4*	*12*	*4*
H Tshuma	4	4	4	4	12	4
M B Narotam	4	4	4	4	12	4
K.M. Khalfan	1	1	1	1	3	1
Dr Mudavanhu, B	–	1	1	1	2	1
T L Gumbo	3	3	3	3	9	3

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

CBZ PROPERTIES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings held	*4*	*4*
Snow R	4	4
Makwiranzou C	4	4
Sinyoro M	3	3
Dr Mudavanhu B	2	2
Gumbo T L	3	3
Smith J F	4	4
Bvumburai H**	4	4

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

CBZ INSURANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	HR & REMUNERATION	INVESTMENTS & RISK	AUDIT & FINANCE	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	*4*	*4*	*4*	*4*	*12*	*4*
Matika A K T	4	4	*	4	8	4
Chitiga W	*	4	4	4	8	4
Dr Mudavanhu B	1	1	1	1	3	1
Gumbo T L	3	3	3	3	9	3

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

RED SPHERE FINANCE BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	*4*	*4*
Jinnah J	4	4
Dr B Mudavanhu	2	2
Gumbo T L	4	4
J F Smith	4	4
Ali D**	4	4

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

CBZ RISK ADVISORY SERVICES BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	AUDIT & RISK	MAIN BOARD	TOTAL COMMITTEES	TOTAL BOARDS
Meetings Held	*3*	*4*	*3*	*4*
L Magorimbo	*	4	–	4
N Ndlovu	3	4	3	4
N Marandu	3	4	3	4
J F Smith	3	4	3	4
Dr B Mudavanhu	1	2	1	2
T L Gumbo	3	4	3	4

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

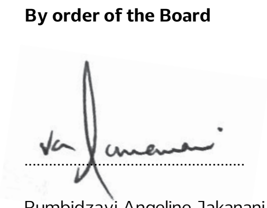
CBZ AGRO YIELD BOARD ATTENDANCE REGISTER (JANUARY TO DECEMBER 2021)

NAME	MAIN BOARD	TOTAL BOARDS
Meetings Held	*4*	*4*
Parham W D	3	3
Mazike P S	4	4
D. Archibald	3	3
Dr Mudavanhu B	3	3
Gumbo T L	3	3
Chigodora W**	4	4
Mhungu S**	4	4

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

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

By order of the Board



Rumbidzayi Angeline Jakanani
GROUP LEGAL CORPORATE SECRETARY

06 June 2022

cbz Bank

AUDITED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		AUDITED		UNAUDITED	
	NOTES	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Interest income	2.1	22 893 258	10 505 422	18 319 915	4 977 938
Interest expense	2.2	(2 486 877)	(1 429 286)	(1 942 323)	(574 657)
Net interest income		**20 406 381**	**9 076 136**	**16 377 592**	**4 403 281**
Non-interest income	3	10 958 086	16 675 435	9 583 262	9 808 837
Total income		**31 364 467**	**25 751 571**	**25 960 854**	**14 212 118**
Operating expenditure	4	(10 888 476)	(6 027 192)	(8 756 557)	(2 590 816)
Operating income		**20 475 991**	**19 724 379**	**17 204 297**	**11 621 302**
Credit loss expense	12.1	(1 901 845)	(860 931)	(1 901 845)	(535 614)
Monetary loss		(8 610 623)	(2 872 228)	-	-
Profit before taxation		**9 963 523**	**15 991 220**	**15 302 452**	**11 085 688**
Taxation	5	(4 618 396)	(3 498 790)	(3 735 056)	(2 402 272)
Profit for the period after tax		**5 345 127**	**12 492 430**	**11 567 396**	**8 683 416**
Other comprehensive income					
Items that will not be reclassified to Profit or Loss in subsequent periods					
Gains on property revaluations		754 555	197 633	1 736 839	1 681 465
Gains on equity instruments at FVOCI		341 908	29 572	478 354	164 428
Deferred income tax relating to components of other comprehensive income	5.3	(203 621)	(50 333)	(453 264)	(423 880)
		892 842	**176 872**	**1 761 929**	**1 422 013**
Total comprehensive income for the period		**6 237 969**	**12 669 302**	**13 329 325**	**10 105 429**
Profit for the period attributable to:					
Equity holders of parent		**5 345 124**	**12 492 431**	**11 567 396**	**8 683 416**
Total comprehensive income for the period attributable to:					
Equity holders of parent		**6 237 969**	**12 669 302**	**13 329 325**	**10 105 429**
Earnings per share (cents)					
Basic	6.1	1 044 34	2 440 80	2 260 06	1 696 58
Fully Diluted	6.1	1 044 34	2 440 80	2 260 06	1 696 58

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		AUDITED		UNAUDITED	
	NOTES	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	RESTATED HISTORICAL 31 DEC 2020 ZWL$ 000
ASSETS					
Cash & cash equivalents	8	37 277 189	30 962 072	37 277 189	19 262 545
Money market assets	9	24 314 545	11 515 354	24 314 545	7 164 089
Financial securities	10	964 517	1 579 851	964 517	982 879
Loans and advances to customers	11	63 572 666	39 925 020	63 572 666	24 838 696
Equity investments	15	735 413	339 027	735 413	210 920
Land inventory	14	5 133 279	5 175 036	440 259	412 622
Other assets	13	25 291 730	35 809 841	24 964 083	22 271 338
Intangible assets	20	215 630	178 647	159 618	84 723
Investment properties	19	1 023 538	1 169 611	1 023 538	727 654
Property and equipment	18	5 549 770	4 752 585	4 029 578	2 087 815
TOTAL ASSETS		**164 078 277**	**131 407 044**	**157 481 406**	**78 043 281**
LIABILITIES					
Deposits	22	127 880 147	102 014 413	127 880 147	63 466 593
Other liabilities	23	5 689 641	2 777 638	5 364 041	1 529 631
Current tax payable		501 970	424 956	501 970	264 380
Deferred taxation	21	2 667 501	2 413 153	1 428 625	1 807 974
Lease liability		15 856	21 317	15 856	13 262
		136 755 115	**107 651 477**	**135 190 639**	**67 081 840**
EQUITY					
Share capital	25.1	229 231	229 231	5 118	5 118
Share premium	25.2	748 926	748 926	16 722	16 722
Revaluation reserve	25.3	2 604 412	2 036 383	2 615 114	1 307 622
Retained Earnings	25.4	23 155 038	20 480 285	19 004 826	9 437 429
Fair value reserve	25.5	585 555	260 742	648 987	194 550
Total Equity		**27 323 162**	**23 755 567**	**22 290 767**	**10 961 441**
TOTAL LIABILITIES AND EQUITY		**164 078 277**	**131 407 044**	**157 481 406**	**78 043 281**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	*FCTR ZWL$ 000	Fair value reserve ZWL$ 000	Retained earnings ZWL$ 000	Total ZWL$ 000
31 Dec 2020							
Opening balance	229 231	748 926	105 449	1 873 232	213 946	8 328 305	11 499 089
Profit for the period	–	–	–	–	–	12 492 431	12 492 431
Total comprehensive income for the period	–	–	148 778	–	28 094	–	176 872
Transfer from other category	–	–	1 782 156	(1 873 232)	18 702	72 374	–
Dividend paid	–	–	–	–	–	(412 825)	(412 825)
Closing balance	**229 231**	**748 926**	**2 036 383**	**–**	**260 742**	**20 480 285**	**23 755 567**
31 Dec 2021							
Opening balance	229 231	748 926	2 036 383	–	260 742	20 480 285	23 755 567
Profit for the period	–	–		–	–	5 345 127	5 345 127
Other comprehensive income for the period	–	–	568 029	–	324 813	–	892 842
Dividend paid	–	–	–	–	–	(2 670 374)	(2 670 374)
Closing balance	**229 231**	**748 926**	**2 604 412**	**–**	**585 555**	**23 155 038**	**27 323 162**

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	*FCTR ZWL$ 000	Fair value reserve ZWL$ 000	Retained earnings ZWL$ 000	Total ZWL$ 000
31 Dec 2020							
Opening balance	5 118	16 722	301 889	47 096	37 874	597 313	1 006 012
Profit for the period	–	–	–	–	–	8 683 416	8 683 416
Other comprehensive income for the period	–	–	1 265 807	–	156 206	–	1 422 013
Dividend paid	–	–	–	–	–	(150 000)	(150 000)
Inter category transfer	–	–	(260 074)	(47 096)	470	306 700	–
Closing balance	**5 118**	**16 722**	**1 307 622**	**–**	**194 550**	**9 437 429**	**10 961 441**
31 Dec 2021							
Opening balance	5 118	16 722	1 307 622	–	194 550	9 437 429	10 961 441
Profit for the period	–	–	–	–	–	11 567 397	11 567 397
Other comprehensive income for the period	–	–	1 307 492	–	454 437	–	1 761 929
Dividend paid	–	–	–	–	–	(2 000 000)	(2 000 000)
Closing balance	**5 118**	**16 722**	**2 615 114**	**–**	**648 987**	**19 004 826**	**22 290 767**

** FCTR - Foreign Currency Translation Reserve*

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**9 963 523**	**15 991 220**	**15 302 452**	**11 085 688**
Non cash items:		-		
Depreciation	421 744	257 673	207 367	96 302
Amortisation of intangible assets	53 431	25 146	33 101	14 034
Monetary Loss	8 610 623	2 872 228	-	-
Impairment land inventory	91 268	1 315	12 658	818
Fair value adjustments on properties	(99 073)	(204 345)	(515 047)	(566 523)
Fair value adjustments on financial instruments	(14 318)	312	(17 112)	-
Expected credit loss expense	1 901 845	860 931	1 901 845	535 614
Unrealised loss on foreign currency exchange	(535 627)	(11 180 419)	(535 627)	(6 955 714)
Profit on disposal of investment properties	-	(615)	-	(303)
(Profit)\loss on sale of property and equipment	(1 817)	(1 098)	(1 840)	17 972
Write off IFRS 16	-	(1 412)	-	(879)
Write offs intangible asset	-	482	-	175
Interest on lease liability	1 292	1 203	1 047	540
Operating cash flows before changes in operating assets and liabilities	**20 392 891**	**8 622 621**	**16 388 844**	**4 227 724**
Changes in operating assets and liabilities				
Deposits	78 093 052	39 358 175	64 308 620	11 975 066
Loans and advances to customers	(54 894 589)	(97 860 583)	(40 020 119)	(19 342 777)
Financial securities	(3 961)	6 982 596	9 957	200 003
Money market assets	(21 959 998)	13 805 855	(16 918 350)	(4 200 550)
Land inventory	(49 510)	(462 270)	(40 295)	(289 204)
Other assets	(3 615 276)	130 466 118	(2 773 476)	6 898 985
Other Liabilities	10 772 640	(91 542 085)	3 834 615	1 351 018
Net cash flow before corporate tax	**8 342 358**	**747 806**	**8 400 952**	**(3 407 459)**
TAXATION				
Corporate tax paid	(4 947 825)	(1 983 609)	(4 330 079)	(910 704)
Net cash inflow/(outflow) from operating activities	**23 787 424**	**7 386 818**	**20 459 717**	**(90 439)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	-	1 986	-	978
Purchase of investment property	-	(123 498)	-	(44 873)
Net change in investments	(40 160)	-	(29 027)	-
Proceeds on disposal of property and equipment	1 934	477 537	1 934	292 938
Purchase of property and equipment	(454 591)	(762 559)	(403 687)	(377 969)
Purchase of intangible assets	(90 414)	-	(107 996)	-
Net cash outflow from investing activities	**(583 231)**	**(406 534)**	**(538 776)**	**(128 926)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(2 670 374)	(412 825)	(2 000 000)	(150 000)
Lease liability payment	(13 198)	(18 653)	(10 182)	(5 502)
Interest on lease liability	(1 292)	(1 203)	(1 047)	(540)
Net cash outflow from financing activities	**(2 684 864)**	**(432 681)**	**(2 011 229)**	**(156 042)**
Net increase/ (decrease) in cash and cash equivalents	**20 519 329**	**6 547 603**	**17 909 712**	**(375 407)**
Cash and cash equivalents at beginning of period	30 962 072	16 787 972	19 262 545	2 328 287
Exchange gains on foreign cash balances	104 932	27 823 068	104 932	17 309 665
Infaltion effects on cash	(14 309 144)	(20 196 571)	-	-
Cash and cash equivalents at end of period	**37 277 189**	**30 962 072**	**37 277 189**	**19 262 545**

NOTES TO THE INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. INCORPORATION ACTIVITIES

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

1.1 Basis of preparation

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
2.	**NET INTEREST INCOME**				
2.1	**Interest income**				
	Bankers acceptances	210 411	-	179 682	-
	Overdrafts	3 511 222	3 915 751	2 643 623	1 853 159
	Loans	16 181 167	5 621 687	13 066 517	2 689 901
	Staff loans	109 642	47 856	91 165	24 532
	Securities investments	457 113	479 367	353 521	178 662
	Other investments	2 423 703	440 761	1 985 407	231 684
		22 893 258	**10 505 422**	**18 319 915**	**4 977 938**
2.2	**Interest expense**				
	Call deposits	2 527	995	2 098	313
	Savings deposits	301 861	188 398	233 044	75 700
	Money market deposits	2 139 953	1 112 542	1 674 222	451 128
	Other offshore deposits	41 244	126 148	31 912	46 976
	Lease liability	1 292	1 203	1 047	540
		2 486 877	**1 429 286**	**1 942 323**	**574 657**
3	**NET NON-INTEREST INCOME**				
	Fair value adjustments on financial instruments	14 318	(312)	17 112	-
	Fair value adjustments on properties	99 073	204 345	515 047	566 523
	Net income from foreign currency dealing	704 834	818 290	552 040	374 583
	Unrealised profit on foreign currency exchange	1 080 962	11 180 419	1 080 962	6 955 714
	Realised profit on foreign currency exchange	535 627	-	535 627	-
	Commission and fee income	8 191 181	4 042 231	6 582 624	1 714 760
	Profit/(loss) on disposal of property and equipment	1 817	1 098	1 840	(17 972)
	Profit on disposal of investment property	-	615	-	303
	Bad debts recovered	38 543	290 477	30 280	171 568
	Property sales	33 771	35 794	28 379	5 134
	Lease income	48 088	32 912	38 538	15 902
	Other operating income	209 872	69 566	200 813	22 322
		10 958 086	**16 675 435**	**9 583 262**	**9 808 837**
4	**OPERATING EXPENDITURE**				
	Staff costs	5 743 846	3 231 925	4 790 429	1 381 638
	NSSA	34 721	15 954	28 480	7 212
	Pension	239 424	124 227	194 379	55 454
	Administration expenses	2 907 857	1 487 228	2 379 693	670 256
	Zimswitch fees	596 696	275 591	478 445	105 891
	Licence fees	628 743	510 384	494 642	212 915
	Property Management fees	4 593	1 868	3 010	894
	Insurance	135 243	53 643	109 695	22 278
	Audit fees	29 571	39 448	23 825	23 313
	Depreciation	421 744	257 673	207 367	96 302
	Amortisation of intangible assets	53 431	25 146	33 101	14 034
	Property cost of sales	1 339	3 720	833	515
	Impairment of Land inventory	91 268	1 315	12 658	818
	Write off IFRS 16	-	(1 412)	-	(879)
	Write off of Intangible assets	-	482	-	175
		10 888 476	**6 027 192**	**8 756 557**	**2 590 816**
	Remuneration of directors and key management personnel (included in staff costs)				
	Fees for service as directors	15 606	20 756	12 094	6 315
	Pension for past and present directors	10 645	5 783	8 249	1 916
	Salaries and other benefits	165 782	83 126	128 473	30 481
		192 033	**109 665**	**148 816**	**38 712**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
5.	**TAXATION**				
5.1	**Analysis of tax charge in respect of the profit or loss**				
	The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
	Current income tax charge	4 567 669	2 328 526	4 567 669	1 163 983
	Deferred income tax	50 727	1 170 264	(832 613)	1 238 289
	Income tax expense	**4 618 396**	**3 498 790**	**3 735 056**	**2 402 272**
5.2	**Income tax rate reconciliations**	**%**	**%**	**%**	**%**
	Notional tax	24.00	24	24.00	24.00
	Aids levy	0.72	0.72	0.72	0.72
	Non-deductible expenses	22.86	16	0.49	13.92
	Exempt income	(1.19)	(19)	(0.77)	(16.96)
	Tax credit	(0.04)	-	(0.03)	(0.01)
	Effective tax rate	**46.35**	**22**	**24.41**	**21.67**

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

5.3	**Analysis of tax effects in respect of other comprehensive income**				
	The following constitutes the major components of deferred tax expense recognised in the statement of comprehensive income.				
	Deferred tax expense on revaluation gains	186 525	48 854	429 347	415 659
	Deferred tax expense on fair value adjustment on financial assets	17 096	1 479	23 917	8 221
	Total taxation relating to components of other comprehensive income	**203 621**	**50 333**	**453 264**	**423 880**

6. EARNINGS PER SHARE

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

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
6.1.	**Earnings per share (cents)**				
	Basic	1 044.34	2 440.80	2 260.06	1 696.58
	Fully Diluted	1 044.34	2 441.80	2 260.06	1 696.58
6.2.	**Earnings**				
	Basic (earnings attributable to holders of parent)	5 345 127	12 492 430	11 567 396	8 683 416
	Fully Diluted	5 345 127	12 492 430	11 567 396	8 683 416
6.3.	**Number of shares used in calculations (weighted)**				
	Basic	511 818	511 818	511 818	511 818
	Fully diluted	511 818	511 818	511 818	511 818
7.	**DIVIDENDS**				
	Cash dividend on ordinary shares declared and paid:				
	Final dividend	2 670 374	412 825	2 000 000	150 000
8.	**CASH AND CASH EQUIVALENTS**				
	Cash & bank	8 811 216	12 604 573	8 811 216	7 841 729
	Balances with Foreign bank balances	16 084 027	5 227 730	16 084 027	3 252 346
	Balances and settlement accounts with RBZ	8 954 110	12 302 387	8 954 110	7 653 728
	RBZ Statutory reserve	3 441 426	827 382	3 441 426	514 742
	Gross cash and cash equivalents	**37 290 779**	**30 962 072**	**37 290 779**	**19 262 545**
	ECL	(13 590)	-	(13 590)	-
	Net cash and cash equivalents	**37 277 189**	**30 962 072**	**37 277 189**	**19 262 545**

The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL

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

	RBZ Statutory Reserves	3 441 426	827 382	3 441 426	514 742
	Amounts secured as guarantees or collateral	1 226 834	486 844	1 226 834	302 882
	Total Restricted cash and cash equivalents	**4 668 260**	**1 314 226**	**4 668 260**	**817 624**
9.	**MONEY MARKET ASSETS**				
	Money market assets are non-credit financial assets securities with an original maturity of one year or less.				
	Treasury Placements	5 973 828	8 358 333	5 973 828	5 200 000
	Savings bonds	17 122 869	3 155 076	17 122 869	1 962 878
	Bankers acceptances	1 252 864	-	1 252 864	-
	Accrued interest	41 522	21 769	41 522	13 544
	Total gross money market	**24 391 083**	**11 535 178**	**24 391 083**	**7 176 422**
	Expected credit loss	(76 538)	(19 824)	(76 538)	(12 333)
	Total net money market	**24 314 545**	**11 515 354**	**24 314 545**	**7 164 089**
9.1	**Maturity analysis**				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	18 889 806	11 535 178	18 889 806	7 176 422
	Between 3 and 6 months	5 501 277	-	5 501 277	-
		24 391 083	**11 535 178**	**24 391 083**	**7 176 422**
10.	**FINANCIAL SECURITIES**				
	Financial securities are non credit financial assets with an original maturity of more than 1 year.				
	Treasury bills	958 426	1 555 596	958 426	967 789
	Accrued interest	20 500	33 907	20 500	21 095
	Total gross financial securities	**978 926**	**1 589 503**	**978 926**	**988 884**
	Expected credit loss	(14 409)	(9 652)	(14 409)	(6 005)
	Total net financial securities	**964 517**	**1 579 851**	**964 517**	**982 879**
10.1	**Maturity analysis**				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	10 109	9 257	10 109	5 759
	Between 3 and 6 months	45 733	9 084	45 733	5 651
	Between 6 and 12 months	-	6 789	-	4 224
	Between 1 and 5 years	148 616	100 865	148 616	62 752
	Above 5 years	774 468	1 463 508	774 468	910 498
		978 926	**1 589 503**	**978 926**	**988 884**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

11.	**LOANS AND ADVANCES TO CUSTOMERS**				
	Overdrafts	7 935 375	21 769 929	7 935 375	13 543 804
	Commercial loans	52 651 232	15 995 193	52 651 232	9 951 148
	Staff loans	1 484 033	1 576 660	1 484 033	980 893
	Interest accrued	3 817 036	1 508 836	3 817 036	938 697
	Total gross advances	**65 887 676**	**40 850 618**	**65 887 676**	**25 414 542**
	Allowance for Expected Credit Loss (ECL)	(2 315 010)	(925 598)	(2 315 010)	(575 846)
	Total net advances	**63 572 666**	**39 925 020**	**63 572 666**	**24 838 696**
11.1	**Maturity analysis**				
	Less than 1 month	10 268 933	3 995 839	10 268 933	2 485 946
	Between 1 and 3 months	3 846 063	19 300 546	3 846 063	12 007 517
	Between 3 and 6 months	8 201 456	2 447 904	8 201 456	1 522 924
	Between 6 months and 1 year	38 453 327	8 973 275	38 453 327	5 582 576
	Between 1 and 5 years	4 214 171	4 760 069	4 214 171	2 961 399
	More than 5 years	903 726	1 372 985	903 726	854 180
		65 887 676	**40 850 618**	**65 887 676**	**25 414 542**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	%	RESTATED 31 DEC 2020 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2020 ZWL$ 000	%
11.2	**Sectoral Analysis**								
	Private	4 101 799	6%	2 143 055	5%	4 101 799	6%	1 333 267	5%
	Agriculture	35 641 362	54%	19 201 534	48%	35 641 362	54%	11 945 920	48%
	Mining	4 604 709	7%	4 960 072	12%	4 604 709	7%	3 085 827	12%
	Manufacturing	2 734 941	4%	1 312 444	3%	2 734 941	4%	816 516	3%
	Distribution	10 511 470	16%	9 446 319	23%	10 511 470	16%	5 876 872	23%
	Construction	38 984	-	10 107	-	38 984	-	6 288	-
	Transport	75 128	-	104 372	-	75 128	-	64 933	-
	Communication	-	-	4 692	-	-	-	2 919	-
	Services	3 843 576	6%	1 652 822	4%	3 843 576	6%	1 028 276	4%
	Financial organisations	4 335 707	7%	2 015 201	5%	4 335 707	7%	1 253 724	5%
		65 887 676	**100%**	**40 850 618**	**100%**	**65 887 676**	**100%**	**25 414 542**	**100%**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
11.3	**Loans to directors and key management personnel**				
	Opening balance	316 425	95 123	196 859	13 192
	Advances made during the period	652 740	696 310	505 840	211 859
	Monetary adjustment	(135 249)	(382 349)	-	-
	Repayment during the period	(27 438)	(92 659)	(21 265)	(28 192)
	Day one loss adjustment	(280 641)	-	(155 597)	-
	Balance at end of the year	**525 837**	**316 425**	**525 837**	**196 859**
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	1 260 235	244 349	784 034	33 888
	Advances made during the period	704 674	2 738 987	546 087	833 360
	Monetary Adjustment	(384 812)	(1 449 604)	-	-
	Repayments during the period	(122 983)	(273 497)	(95 307)	(83 214)
	Day one loss adjustment	(498 918)	-	(276 618)	-
	Balance at end of the year	**958 196**	**1 260 235**	**958 196**	**784 034**
11.4	**Allowance for Expected Credit Loss (ECL)**				
	Opening balance	925 598	726 883	575 846	91 617
	Credit loss expense on loans and advances	1 748 710	829 274	1 748 710	515 919
	Monetary Adjustment	(346 981)	(402 056)	-	-
	Amounts written off during the period	(12 317)	(228 503)	(9 546)	(31 690)
	Closing balance	**2 315 010**	**925 598**	**2 315 010**	**575 846**

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 205	19 738	–	–	–	–	64 205	19 738
Financial securities	8 405	9 568	–	–	–	–	8 405	9 568
Loans and advances to customers	(277 334)	755 336	1 684 564	49 353	341 480	24 585	1 748 710	829 274
Financial guarantees	(205)	(508)	–	–	–	–	(205)	(508)
Other commitments	62 551	–	–	–	–	–	62 551	–
Lease receivables	(44)	71	(43)	563	18 266	2 225	18 179	2 859
Expected credit loss expense	**(142 422)**	**784 205**	**1 684 521**	**49 916**	**359 746**	**26 810**	**1 901 845**	**860 931**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Money market assets	64 205	12 280	–	–	–		64 205	12 280
Financial securities	8 405	5 953	–	–	–		8 405	5 953
Loans and advances to customers	(277 334)	469 920	1 684 564	30 704	341 480	15 295	1 748 710	515 919
Financial guarantees	(205)	(316)	–	–	–	–	(205)	(316)
Other commitments	62 551	–	–	–	–	–	62 551	–
Lease receivables	(44)	44	(43)	350	18 266	1 384	18 179	1 778
Expected credit loss expense	**(142 422)**	**487 881**	**1 684 521**	**31 054**	**359 746**	**16 679**	**1 901 845**	**535 614**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
13.	**OTHER ASSET**				
	Prepayments and deposits	1 180 860	460 258	853 213	279 176
	Other receivables	24 179 860	35 349 583	24 179 860	21 992 162
	Gross other assets	**25 360 720**	**35 809 841**	**25 033 073**	**22 271 338**
	ECL	(68 990)	-	(68 990)	-
	Net other assets	**25 291 730**	**35 809 841**	**24 964 083**	**22 271 338**

Included in other receivables is an amount of ZWL$17 274 104 650 (2020:ZWL$15 304 770 460) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of US$1:ZWL$1.

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
14.	**LAND INVENTORY**				
	Opening Balance	5 175 036	4 714 081	412 622	124 236
	Additions	50 850	465 990	41 128	289 719
	Disposals	(1 339)	(3 720)	(833)	(515)
	Impairment	(91 268)	(1 315)	(12 658)	(818)
	Closing balance	**5 133 279**	**5 175 036**	**440 259**	**412 622**
15 .	**EQUITY INVESTMENTS**				
	Opening balance	339 027	302 061	210 920	41 892
	Investment in equities during the period	40 160	7 706	29 027	4 600
	Fair value adjustments - Profit or loss	14 318	(312)	17 112	-
		735 413	**339 027**	**735 413**	**210 920**

16. CATEGORIES OF FINANCIAL ASSETS

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
	AUDITED INFLATION ADJUSTED			
31 DEC 2021				
Cash and cash equivalents	-	-	37 277 189	37 277 189
Financial securities	-	-	964 517	964 517
Money Market Assets	-	-	24 314 545	24 314 545
Loans and advances to customers	-	-	63 572 666	63 572 666
Equity investments	21 712	713 701	-	735 413
Other assets	-	-	24 179 860	24 179 860
TOTAL ASSETS	**21 712**	**713 701**	**150 308 777**	**151 044 190**
31 DEC 2020				
Cash and cash equivalents	-	-	30 962 072	30 962 072
Money Market assets	-	-	11 515 354	11 515 354
Financial securities	-	-	1 579 851	1 579 851
Loans and advances to customers	-	-	39 925 020	39 925 020
Equity investments	7 394	331 633	-	339 027
Other assets	-	-	35 349 583	35 349 583
TOTAL ASSETS	**7 394**	**331 633**	**119 331 880**	**119 670 907**
	UNAUDITED HISTORICAL			
31 DEC 2021 AUDITED INFLATION ADJUSTED				
Cash and cash equivalents	-	-	37 277 189	37 277 189
Money Market assets	-	-	24 314 545	24 314 545
Financial securities	-	-	964 517	964 517
Loans and advances to customers	-	-	63 572 666	63 572 666
Equity investments	21 712	713 701	-	735 413
Other assets	-	-	24 179 860	24 179 860
TOTAL ASSETS	**21 712**	**713 701**	**150 308 777**	**151 044 190**
31 DEC 2020				
Cash and cash equivalents	-	-	19 262 545	19 262 545
Money market assets	-	-	7 164 089	7 164 089
Financial securities	-	-	982 879	982 879
Loans and advances to customers	-	-	24 838 696	24 838 696
Equity investments	4 600	206 320	-	210 920
Other assets	-	-	21 992 162	21 992 162
TOTAL ASSETS	**4 600**	**206 320**	**74 240 371**	**74 451 291**

17. FAIR VALUE MEASUREMENT

17.1 The following table presents items of the Statement of Financial Position of the Bank which are recognised at fair value:

AUDITED INFLATION ADJUSTED

	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Equity investments	21 712	7 394	–	–	713 701	331 634	735 413	339 028
Land and Buildings	–	–	3 431 538	2 858 429	–	–	3 431 538	2 858 429
Investment properties	–	–	1 023 538	1 169 611	–	–	1 023 538	1 169 611
Total assets at fair value	**21 712**	**7 394**	**4 455 076**	**4 028 040**	**713 701**	**331 634**	**5 190 489**	**4 367 068**

UNAUDITED HISTORICAL	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Equity investments	21 712	4 600	–	–	713 701	206 320	735 413	210 920
Land and Buildings		–	3 431 538	1 778 325	–	–	3 431 538	1 778 325
Investment properties		–	1 023 538	727 654	–	–	1 023 538	727 654
Total assets at fair value	**21 712**	**4 600**	**4 455 076**	**2 505 979**	**713 701**	**206 320**	**5 190 489**	**2 716 899**

The fair values of the non-listed equities which have been classified as level 3 investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Liquidity discount • GDP Growth	The fair values would increase/ decrease if : • The GDP growth was higher or lower • The Liquidity discount was higher or lower

If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL$ 919 899 and the Statement of Financial Position would be ZWL$692 224 higher or lower than the reported position.

18. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

RESTATED 31 DEC 2021	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers ZWL$ 000	Equipment ZWL$ 000	Furniture & fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
COST									
Opening balance	–	3 030 776	33 447	229 399	1 501 263	464 028	291 512	703 037	6 253 462
Right of use assets	–	9 900							9 900
Additions	–	66 027	–	–	272 147	63 536	4 600	48 281	454 591
Revaluation gain	–	536 557	–	–	–	–	–	–	536 557
Disposals	–	–	–	–	(221)	(7)	(40)	–	(268)
Transfers(PPE Intercategories)	–	1 738	3 149	1 709	82 126	10 183	11 547	(110 452)	–
Closing balance	**–**	**3 644 998**	**36 596**	**231 108**	**1 855 315**	**537 740**	**307 619**	**640 866**	**7 254 242**
Accumulated depreciation									
Opening balance	–	67 913	24 322	195 856	694 518	353 230	165 038	–	1 500 877
Right of use assets	–	58 657	–	–	–	–	–	–	58 657
Charge for the period	–	217 999	282	1 221	114 100	27 483	2 003	–	363 088
Disposals	–	–	–	–	(114)	(6)	(31)	–	(151)
Revaluation	–	(217 999)	–	–	–	–	–	–	(217 999)
Closing balance	**–**	**126 570**	**24 604**	**197 077**	**808 504**	**380 707**	**167 010**	**–**	**1 704 472**
Net Book Value	**–**	**3 518 428**	**11 992**	**34 031**	**1 046 811**	**157 033**	**140 609**	**640 866**	**5 549 770**
31 DEC 2020									
COST									
Opening balance	453 536	2 976 316	33 447	224 378	1 151 052	453 578	287 725	480 071	6 060 103
Right of use assets	–	53 664	–	–	–	–	–	–	53 664
Additions	–	–	–	89	179 235	4 627	3 306	575 302	762 559
Revaluation surplus	10 523	5 057	–	–	–	–	–	–	15 580
Disposals	(464 059)	–	–	–	(372)	(17)	(78)	(12 302)	(476 828)
Transfers to intangible assets	–	–	–	–	–	–	–	(157 355)	(157 355)
Write offs	–	(4 261)	–	–	–	–	–	–	(4 261)
Transfers(PPE Intercategories)	–	–	–	4 932	171 348	5 840	559	(182 679)	–
Closing balance	**–**	**3 030 776**	**33 447**	**229 399**	**1 501 263**	**464 028**	**291 512**	**703 037**	**6 253 462**
Accumulated depreciation & impairment									
Opening balance	–	49 977	24 042	194 422	647 859	348 557	160 788	–	1 425 645
Right of use assets	–	17 936	–	–	–	–	–	–	17 936
Charge for the year	–	182 052	280	1 434	46 981	4 684	4 306	–	239 737
Disposals	–	–	–	–	(322)	(11)	(56)	–	(389)
Revaluation	–	(182 052)	–	–	–	–	–	–	(182 052)
Closing balance	**–**	**67 913**	**24 322**	**195 856**	**694 518**	**353 230**	**165 038**	**–**	**1 500 877**
Net Book Value	**–**	**2 962 863**	**9 125**	**33 543**	**806 745**	**110 798**	**126 474**	**703 037**	**4 752 585**

UNAUDITED HISTORICAL

31 DEC 2021	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers ZWL$ 000	Equipment ZWL$ 000	Furniture & fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
COST									
Opening balance	–	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972
Right of use asset	–	8 696	–	–	–	–	–	–	8 696
Additions	–	66 027	–	–	237 752	58 643	3 921	37 344	403 687
Revaluation gain	–	1 605 300	–	–	–	–	–	–	1 605 300
Disposals	–	–	–	–	(178)	(7)	(33)	–	(218)
Transfers(PPE Intercategories)	–	1 305	2 364	1 204	53 866	6 679	8 670	(74 088)	–
Closing balance	**–**	**3 459 652**	**3 111**	**8 601**	**503 031**	**79 986**	**21 777**	**86 279**	**4 162 437**
Accumulated depreciation									
Opening balance	–	6 880	576	4 748	31 886	8 810	4 257	–	57 157
Right of use asset	–	9 291	–	–	–	–	–	–	9 291
Charge for the period	–	131 539	176	706	49 597	14 885	1 171	–	198 074
Disposals	–	–	–	–	(90)	(6)	(28)	–	(124)
Revaluation	–	(131 539)	–	–	–	–	–	–	(131 539)
Closing balance	**–**	**16 171**	**752**	**5 454**	**81 393**	**23 689**	**5 400**	**–**	**132 859**
Net Book Value	**–**	**3 443 481**	**2 359**	**3 147**	**421 638**	**56 297**	**16 377**	**86 279**	**4 029 578**
31 DEC 2020									
Cost									
Opening balance	62 900	396 757	747	5 413	35 013	10 647	7 387	31 632	550 496
Right of use Asset	–	18 278	–	–	–	–	–	–	18 278
Additions	–	–	–	23	87 477	1 953	1 497	287 019	377 969
Revaluation surplus	243 800	1 367 507	–	–	–	–	–	–	1 611 307
Disposals	(306 700)	–	–	–	(58)	(2)	(13)	(4 191)	(310 964)
Transfers to intangible assets	–	–	–	–	–	–	–	(97 896)	(97 896)
Write offs	–	(4 218)	–	–	–	–	–	–	(4 218)
Transfers(PPE Intercategories)	–	–	–	1 961	89 159	2 073	348	(93 541)	–
Closing balance	**–**	**1 778 324**	**747**	**7 397**	**211 591**	**14 671**	**9 219**	**123 023**	**2 144 972**
Accumulated depreciation & impairment									
Opening balance	–	1 373	537	4 357	14 918	7 824	3 636	–	32 645
Right of use assset	–	7 085	–	–	–	–	–	–	7 085
Charge for the year	–	70 158	39	391	17 013	987	629	–	89 217
Disposals	–	–	–	–	(45)	(1)	(8)	–	(54)
Transfers / Acquisitions	–	(1 578)	–	–	–	–	–	–	(1 578)
Revaluation	–	(70 158)	–	–	–	–	–	–	(70 158)
Closing balance	**–**	**6 880**	**576**	**4 748**	**31 886**	**8 810**	**4 257**	**–**	**57 157**
Net Book Value	**–**	**1 771 444**	**171**	**2 649**	**179 705**	**5 861**	**4 962**	**123 023**	**2 087 815**

Properties were revalued on an open market basis by an professional valuer, as at 31 December 2021 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

In determining the market values of the subject properties, the following was considered:

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

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

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

Adjustments were made to the following aspects:

- Age of property - state of repair and maintenance
- Aesthetic quality - quality of fixtures and fittings
- Structural condition - location
- Accommodation offered - size of land.

The maximum useful lives of property and equipment are as follows:

- Motor vehicles 3 - 5 years
- Computer equipment 5 years
- Leasehold improvements 10 years
- Furniture and fittings 10 years
- Buildings 40 years

The carrying amount of buildings would have been ZWL$807 763 276(2020: ZWL$ 828 475 155) had they been carried at cost.

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

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
18.1a Right of Use Assets				
Opening balance	135 647	104 180	12 538	3 985
Additions	9 900	53 664	8 696	18 278
write offs	-	(4 261)	-	(2 640)
Depreciation	(58 657)	(17 936)	(9 291)	(7 085)
	86 890	**135 647**	**11 943**	**12 538**
At cost	213 459	203 559	29 692	19 418
Accumulated depreciation	(126 569)	(67 912)	(17 749)	(6 880)
	86 890	**135 647**	**11 943**	**12 538**

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
18.1b Lease liability				
Opening Balance	21 317	28 869	13 262	4 004
Additiions	9 900	53 664	8 696	18 278
Interest	1 292	1 203	1 047	540
Exchange loss	4 080	-	4 080	-
Write offs	-	(5 674)	-	(3 518)
Repayment	(14 491)	(19 856)	(11 229)	(6 042)
Monetary adjustment	(6 242)	(36 889)	-	-
	15 856	**21 317**	**15 856**	**13 262**
18.1c Lease liability maturity analysis				
Less than one year	1 139	931	1 139	579
One to 3 months	2 279	1 862	2 279	1 158
3 to six months	3 418	2 793	3 418	1 737
6 to twelve months	6 786	4 801	6 786	2 987
One to five years	3 022	15 224	3 022	9 471
	16 644	**25 611**	**16 644**	**15 932**
18.1d Amounts recognised in statement of profit or loss				
Interest on lease liabilities	**1 292**	**1 203**	**1 047**	**540**
18.1e Amounts recognised in statement of cash flow				
Total cashoutflow for leases	**14 490**	**19 856**	**11 229**	**6 042**
19. INVESTMENT PROPERTIES				
Opening balance	1 169 611	843 139	727 654	116 933
Additions	-	123 498	-	44 873
Disposals	-	(1 371)	-	(675)
Interclass transfer	(245 146)	-	(219 163)	-
Fair valuation gain	99 073	204 345	515 047	566 523
Closing balance	**1 023 538**	**1 169 611**	**1 023 538**	**727 654**

Investment property pertains to commercial and residential properties leased to third parties. The carrying amount of Investment properties is the fair value of the properties as at 31 December 2021 as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar property.

	Valuation technique	Significant observable inputs	Range
Office and Retail properties	Implicit investment approach	Comparable rentals per month, per square meter	ZW$ 1 133– ZW$ 140 000
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZW$ 1 568 – ZW$ 10 000

In arriving at the market value for property, the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property, its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use, location, size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas, being rentals achieved for comparable properties as at 31 December 2021. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

The rental income derived from investments properties amounted to ZWL$ 48 087 683 (2020: ZWL$ 32 912 041) with direct operating expenses amounting to ZWL$4 593 275 (2020: ZWL$1 867 858)

If the fair value adjustment had been 5% up or down the Bank's profit would have been ZWL$ 4 785 167 higher or lower the reported

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
20. INTANGIBLE ASSETS				
At cost	514 268	423 854	212 018	104 021
Accumulated amortisation	(298 638)	(245 207)	(52 400)	(19 298)
	215 630	**178 647**	**159 618**	**84 723**
Movement in intangible assets				
Opening balance	178 647	46 920	84 723	1 036
Additions	90 414	-	107 996	-
Transfer from property and equipment	-	157 355	-	97 896
Write offs	-	(482)	-	(175)
Amortisation charge	(53 431)	(25 146)	(33 101)	(14 034)
Closing balance	**215 630**	**178 647**	**159 618**	**84 723**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets are amortisedover their useful life of 3 years.

21. DEFERRED TAXATION

Deferred tax liability

Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.

The deferred tax liability balances included in the statement of financial position are comprised of:

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Intangible assets	18 421	30 485	13 098	(5 649)
Unrealised exchanged gains	2 964 466	2 564 681	1 938 511	1 805 939
Equity investments	34 451	16 656	34 451	10 362
Property and equipment	756 915	815 127	547 648	277 319
Tax claimable impairments	(615 260)	(228 808)	(615 259)	(142 349)
Investment properties	102 352	56 092	102 352	34 896
Other	(593 844)	(841 080)	(592 176)	(172 544)
Closing balance	**2 667 501**	**2 413 153**	**1 428 625**	**1 807 974**
22. DEPOSITS				
Call deposits	445 934	129 229	445 934	80 398
Savings and other deposits	112 816 592	84 523 772	112 816 592	52 585 078
Money market deposits	13 929 145	16 307 496	13 929 145	10 145 441
Lines of credit	423 627	817 079	423 627	508 332
Accrued interest	264 849	236 837	264 849	147 344
	127 880 147	**102 014 413**	**127 880 147**	**63 466 593**
Deposits by type				
Retail	7 712 689	5 297 176	7 712 689	3 295 551
Corporate	105 566 659	79 379 505	105 566 659	49 384 657
Money market	14 179 173	16 513 589	14 179 173	10 273 658
Lines of credit	421 626	824 143	421 626	512 727
	127 880 147	**102 014 413**	**127 880 147**	**63 466 593**

Lines of credit relate to borrowings from foreign banks or financial institutions. These borrowings have an average tenure of 2.8 years and average interest rates of 9.2% and are secured by a variety of instruments which include liens over bank, accounts, guarantees, treasury bills and sub borrower securities.

22.1 Settlement of legacy liabilities and nostro gap accounts

lIncluded in the deposits balance above are amounts that are denominated in USD amounting to US$145 044 224 (December 2020: US$ 167 966 227) (being legacy liabilities of US$50 833 318 (December 2020: US$52 986 052) and nostro gap accounts of US$94 210 906 (December 2020: US$114 980 175)) which are shown at ZW$15 761 375 643 (December 2020: ZW$13 737 386 593). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ as detailed in Note 26.7 to the financial statements wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US$35 432 702 (December 2020: US$7 267 292) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

The Bank has however identified key risks attendant to the legacy liabilities and nostro gap accounts, which risks and respective mitigating strategies are described in detail in the Inflation Adjusted Financial results, which are available for inspection at the Company's Registered Offices.

22.2 Sectoral analysis	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	%	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	%	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	%	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000	%
Private	10 630 391	5%	4 906 315	8%	10 630 391	5%	3 052 383	8%
Agriculture	4 743 814	4%	4 547 837	4%	4 743 814	4%	2 829 363	4%
Mining	4 719 923	2%	2 369 777	4%	4 719 923	2%	1 474 318	4
Manufacturing	12 256 436	11%	10 971 613	10%	12 256 436	11%	6 825 809	10%
Distribution	16 081 110	16%	15 817 353	13%	16 081 110	16%	9 840 507	13%
Construction	3 518 265	3%	3 149 451	3%	3 518 265	3%	1 959 379	3%
Transport	2 405 456	2%	2 153 296	2%	2 405 456	2%	1 339 638	2%
Communication	1 844 837	1%	844 479	1%	1 844 837	1%	525 379	1%
Services	68 650 684	53%	54 019 481	53%	68 650 684	53%	33 607 333	53%
Financial organisations	2 718 601	3%	3 128 706	2%	2 718 601	3%	1 946 473	2%
Financial and investments	310 630	-	106 105	-	310 630	-	66 011	-
	127 880 147	**100%**	**102 014 413**	**100%**	**127 880 147**	**100%**	**63 466 593**	**100%**

22.3 Maturity analysis	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Less than 1 month	115 794 688	88 846 394	115 794 688	55 274 325
Between 1 and 3 months	4 749 408	2 662 278	4 749 408	1 656 293
Between 3 and 6 months	6 898 550	2 374 716	6 898 550	1 477 391
Between 6 months and 1 period	220 343	7 206 241	220 343	4 483 245
Between 1 and 5 periods	214 786	916 204	214 786	570 001
More than 5 periods	2 372	8 580	2 372	5 338
	127 880 147	**102 014 413**	**127 880 147**	**63 466 593**

Maturity analysis is based on the remaining period from 31 December 2021 to contractual maturity.

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
23. OTHER LIABILITIES				
Revenue received in advance	374 621	309 424	49 021	2 678
Sundry creditors	1 295 747	812 687	1 295 747	505 599
Accruals	173 014	165 803	173 014	103 152
Suspense	2 209 048	831 249	2 209 048	517 148
Provisions	1 637 211	658 475	1 637 211	401 054
	5 689 641	**2 777 638**	**5 364 041**	**1 529 631**
24. CATEGORIES OF FINANCIAL LIABILITIES				
The Bank's financial liabilities are carried at amortised cost are as follows:				
Deposits	127 880 147	102 014 413	127 880 147	63 466 593
Other liabilities	5 315 020	2 468 214	5 315 020	1 526 953
Leases	15 856	21 317	15 856	13 262
	133 211 023	**104 503 944**	**133 211 023**	**65 006 808**
25. EQUITY				
25.1 Share capital				
Authorised				
600 000 000 ordinary shares of ZWL$ 0.01 each	**6 000**	**6 000**	**6 000**	**6 000**
Issued and fully paid 511 817 951 ordinary shares at ZWL$ 0.01 each	**229 231**	**229 231**	**5 118**	**5 118**
25.2 Share premium				
Opening balance	748 926	748 926	16 722	16 722
Closing balance	**748 926**	**748 926**	**16 722**	**16 722**
25.3 Revaluation reserve				
Opening balance	2 036 383	105 449	1 307 622	301 889
Net revaluation gain	568 029	148 778	1 307 492	1 265 807
Inter category transfer	-	1 782 156	-	(260 074)
Closing balance	**2 604 412**	**2 036 383**	**2 615 114**	**1 307 622**
25.4 Retained earnings				
Opening balance	20 480 285	8 328 305	9 437 429	597 313
Profit for the year	5 345 127	12 492 431	11 567 397	8 683 416
Inter category transfer	-	72 374	-	306 700
Dividend paid	(2 670 374)	(412 825)	(2 000 000)	(150 000)
	23 155 038	**20 480 285**	**19 004 826**	**9 437 429**
25.5 Fair value reserve				
Opening balance	260 742.00	213 946	194550	37 874
Intercategory transfer	-	18702	-	470
Other comprehensive income	324813	28 094	454437	156 206
	585 555	**260 742**	**648 987**	**194 550**
25.6 Foreign currency translation reserve				
Opening balance	-	1 873 232	-	47 096
Intercategory transfer	-	(1 873 232)	-	(47 096)
	-	-	-	-

26. RELATED PARTY DISCLOSURES

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

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

Loans and advances to Directors' companies

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

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
(a) Deposits from directors and key management personnel				
Closing balance	25 956	35	25 956	22
(b) Balances with group company				
Amounts due from group companies	-	-	-	-
Deposits held for group Companies	80 378	14 909	80 378	9 295
(c) Balances with fellow subsidiaries				
Amounts due from fellow subsidiaries*	40 047 991	2 620 553	40 047 991	1 633 761
Deposits held for fellow subsidiaries	698 929	426 366	698 929	265 814
(d) Transactions with group companies				
Interest income on amounts due from group companies	13 799 614	76 095	10 881 618	47 441
Interest expense on amounts due to group companies	18 635	4 807	15 693	2 997
Non – interest income from group companies	87 226	865	70 386	539
Costs charged by group companies	1 211 961	30 616	955 829	19 087

27. RISK MANAGEMENT

27.1 Risk overview

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

27.2 Bank risk management framework

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

27.3 Credit risk

27.3.1 Credit risk exposure

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

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Bank Balances with foreign banks	16 084 027	5 227 730	16 084 027	3 252 346
Bank Balances with RBZ	12 395 536	13 129 769	12 395 536	8 168 200
Money market assets	24 314 545	11 515 355	24 314 545	7 164 089
Financial securities	964 517	1 579 852	964 517	982 879
Loans and advances to customers	63 572 666	39 925 020	63 572 666	24 838 696
Other assets	24 179 860	35 798 326	24 179 860	22 271 341
Total	**141 511 151**	**107 176 052**	**141 511 151**	**66 677 551**
Financial guarantees	167 379	115 333	167 379	71 752
Loan Commitments	3 901 505	1 356	3 901 505	843
Total	**4 068 884**	**116 689**	**4 068 884**	**72 595**

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

The Bank held cash and cash equivalents of ZWL$ 28 820 826 780(2020: ZWL$19 695 607 745) (excluding notes and coins) as at 31 December 2021 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

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

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000 Gross maximum exposure	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000 Net maximum exposure (not covered by mortgage security)	RESTATED 31 DEC 2020 ZWL$ 000 Gross maximum exposure	RESTATED 31 DEC 2020 ZWL$ 000 Net maximum exposure (not covered by mortgage security)	HISTORICAL 31 DEC 2021 ZWL$ 000 Gross maximum exposure	HISTORICAL 31 DEC 2021 ZWL$ 000 Net maximum exposure (not covered by mortgage security)	HISTORICAL 31 DEC 2020 ZWL$ 000 Gross maximum exposure	HISTORICAL 31 DEC 2020 ZWL$ 000 Net maximum exposure (not covered by mortgage security)
Private	4 101 799	909 520	2 143 055	–	4 101 799	909 520	1 333 267	–
Agriculture	35 641 362	8 069 291	19 201 534	4 311 303	35 641 362	8 069 291	11 945 920	2 682 206
Mining	4 604 709	4 266 181	4 960 072	1 865 838	4 604 709	4 266 181	3 085 827	1 160 801
Manufacturing	2 734 941	1 145 786	1 312 444	401 739	2 734 941	1 145 786	816 516	249 936
Distribution	10 511 470	5 183 093	9 446 319	201 580	10 511 470	5 183 093	5 876 872	125 410
Construction	38 984	–	10 107	10 107	38 984	–	6 288	6 288
Transport	75 128	–	104 372	63 876	75 128	–	64 933	39 740
Communication	–	–	4 692	4 692	–	–	2 919	2 919
Services	3 843 576	2 987 726	1 652 822	1 293 904	3 843 576	2 987 726	1 028 276	804 981
Financial organisations	4 335 707	4 262 707	2 015 201	1 959 568	4 335 707	4 262 707	1 253 724	1 219 113
Gross value at 30 Dece	**65 887 676**	**26 824 304**	**40 850 618**	**10 112 607**	**65 887 676**	**26 824 304**	**25 414 542**	**6 291 394**

	AUDITED INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	AUDITED RESTATED 31 DEC 2020 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2020 ZWL$ 000
Collateral analysis				
Government guarantee	33 436 386	18 859 646	33 436 386	11 733 219
Cash cover	87 000	2 092 836	87 000	1 302 024
Collateral (mortgage security)	7 657 536	3 934 829	7 657 536	2 447 990
Registered Marketable Commodities	8 363 438	-	8 363 438	-
Other forms of security including Notarial General Covering Bonds (NGCBs) cessions etc.	10 888 641	17 076 020	10 888 641	10 623 565
	60 433 001	**41 963 331**	**60 433 001**	**26 106 798**

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

28. Credit quality per class of financial assets

a. Loans and advances to customers

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	12 662 734	14 077 180	68 176	494 888	–	–	12 730 910	14 572 068
Special mention	"4a – 7c"	7 066 266	25 722 684	45 463 127	471 950	–	–	52 529 393	26 194 634
Non–performing	"8 – 10"	–	–	–	-	627 373	83 916	627 373	83 916
Total		**19 729 000**	**39 799 864**	**45 531 303**	**966 838**	**627 373**	**83 916**	**65 887 676**	**40 850 618**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	12 662 734	8 757 887	68 176	307 887	–	–	12 730 910	9 065 774
Special mention	"4a – 7c"	7 066 266	16 002 945	45 463 127	293 616	–	–	52 529 393	16 296 561
Non–performing	"8 – 10"	–	–	–	–	627 373	52 207	627 373	52 207
Total		**19 729 000**	**24 760 832**	**45 531 303**	**601 503**	**627 373**	**52 207**	**65 887 676**	**25 414 542**

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

GROSS CARRYING AMOUNT — AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	39 799 864	17 498 241	966 838	372 284	83 916	244 227	40 850 618	18 114 752
New assets originated or purchased (excluding write offs)	45 078 307	72 155 796	5 468	6 623 238	–	26 189	45 083 775	78 805 223
Transfers from Stage 1	(47 184 094)	(1 637 139)	46 680 723	1 326 259	503 371	310 880	–	–
Transfers from Stage 2	1 262 225	5 150 680	(1 415 248)	(5 501 212)	153 023	350 532	–	–
Transfers from Stage 3	62 139	435	324	110 870	(62 463)	(111 305)	–	–
Amounts paid off	(4 250 409)	(2 264 982)	(341 467)	(816 473)	(9 220)	(579 183)	(4 601 096)	(3 660 638)
Amounts written off	–	–	–	–	(9 545)	(104 157)	(9 545)	(104 157)
Monetary adjustment	(15 039 032)	(51 103 167)	(365 335)	(1 148 128)	(31 709)	(53 267)	(15 436 076)	(52 304 562)
Gross loans and advances to customers	**19 729 000**	**39 799 864**	**45 531 303**	**966 838**	**627 373**	**83 916**	**65 887 676**	**40 850 618**
Expected credit loss allowance	(425 981)	(799 532)	(1 580 722)	(80 931)	(308 307)	(45 135)	(2 315 010)	(925 598)
Net loans and advances to customers	**19 303 019**	**39 000 332**	**43 950 581**	**885 907**	**319 066**	**38 781**	**63 572 666**	**39 925 020**

GROSS CARRYING AMOUNT — UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	24 760 832	2 426 793	601 503	71 276	52 207	84 889	25 414 542	2 582 958
New assets originated or purchased (excluding write offs)	45 078 307	21 954 022	5 468	2 015 177	–	7 855	45 083 775	23 977 054
Transfers from Stage 1	(47 184 094)	(498 114)	46 680 723	403 526	503 371	94 588	–	–
Transfers from Stage 2	1 262 225	1 567 139	(1 415 248)	(1 673 791)	153 023	106 652	–	–
Transfers from Stage 3	62 139	132	324	33 733	(62 463)	(33 865)	–	–
Amounts paid off	(4 250 409)	(689 140)	(341 467)	(248 418)	(9 220)	(176 221)	(4 601 096)	(1 113 779)
Amounts written off	–	–	–	–	(9 545)	(31 691)	(9 545)	(31 691)
Gross loans and advances to customers	**19 729 000**	**24 760 832**	**45 531 303**	**601 503**	**627 373**	**52 207**	**65 887 676**	**25 414 542**
Expected credit loss allowance	(425 981)	(497 415)	(1 580 722)	(50 349)	(308 307)	(28 082)	(2 315 010)	(575 846)
Net loans and advances to customers	**19 303 019**	**24 263 417**	**43 950 581**	**551 154**	**319 066**	**24 125**	**63 572 666**	**24 838 696**

ECL RECONCILIATION — AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	799 532	190 815	80 931	141 650	45 135	407 401	925 598	739 866
New assets originated or purchased	1 955 248	1 703 074	220	597 004	–	24 881	1 955 468	2 324 959
Transfers from Stage 1	(1 914 841)	(282 676)	1 680 060	114 544	234 781	168 132	–	–
Transfers from Stage 2	16 818	206 707	(78 275)	(511 767)	61 457	305 060	–	–
Transfers from Stage 3	1 693	36	255	2 947	(1 948)	(2 983)	–	–
Amounts written off	–	–	–	–	(9 545)	(104 157)	(9 545)	(104 157)
Repayments	(130 352)	(79 274)	(71 887)	(101 812)	(4 520)	(461 196)	(206 759)	(642 282)
Monetary adjustment	(302 117)	(939 150)	(30 582)	(161 635)	(17 053)	(292 003)	(349 752)	(1 392 788)
Closing Balance	**425 981**	**799 532**	**1 580 722**	**80 931**	**308 307**	**45 135**	**2 315 010**	**925 598**

ECL RECONCILIATION — UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Opening balance	497 415	26 464	50 349	19 645	28 082	49 572	575 846	95 681
New assets originated or purchased	1 955 248	518 175	220	181 642	–	7 459	1 955 468	707 276
Transfers from Stage 1	(1 914 841)	(86 007)	1 680 060	34 851	234 781	51 156	–	–
Transfers from Stage 2	16 818	62 892	(78 275)	(155 709)	61 457	92 817	–	–
Transfers from Stage 3	1 693	11	255	897	(1 948)	(908)	–	–
Amounts written off	–	–	–	–	(9 545)	(31 691)	(9 545)	(31 691)
Repayments	(130 352)	(24 120)	(71 887)	(30 977)	(4 520)	(140 323)	(206 759)	(195 420)
Closing Balance	**425 981**	**497 415**	**1 580 722**	**50 349**	**308 307**	**28 082**	**2 315 010**	**575 846**

b. Financial Securities

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	1 589 503	–	–	–	–	978 926	1 589 503
Total		**978 926**	**1 589 503**	**–**	**–**	**–**	**–**	**978 926**	**1 589 503**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	978 926	988 884	–	–	–	–	978 926	988 884
Total		**978 926**	**988 884**	**–**	**–**	**–**	**–**	**978 926**	**988 884**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	1 589 503	8 572 016	–	–	–	–	1 589 503	8 572 016
Maturities during the year	(9 958)	(657 345)	–	–	–	–	(9 958)	(657 345)
Monetary adjustment	(600 619)	(6 325 168)	–	–	–	–	(600 619)	(6 325 168)
Gross financial securities	**978 926**	**1 589 503**	**–**	**–**	**–**	**–**	**978 926**	**1 589 503**
ECL allowance	(14 409)	(9 652)	-	-	-	-	(14 409)	(9 652)
Net financial securities	**964 517**	**1 579 851**	**–**	**–**	**–**	**–**	**964 517**	**1 579 851**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	988 884	1 188 886	–	–	–	–	988 884	1 188 886
Maturities during the year	(9 958)	(200 002)	–	–	–	–	(9 958)	(200 002)
Gross financial securities	**978 926**	**988 884**	**–**	**–**	**–**	**–**	**978 926**	**988 884**
ECL allowance	(14 409)	(6 005)	–	–	–	–	(14 409)	(6 005)
Net financial securities	**964 517**	**982 879**	**–**	**–**	**–**	**–**	**964 517**	**982 879**

c. **Money market**

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 391 083	11 535 178	–	–	–	–	24 391 083	11 535 178
Total		**24 391 083**	**11 535 178**	**–**	**–**	**–**	**–**	**24 391 083**	**11 535 178**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	24 391 083	7 176 422	–	–	–	–	24 391 083	7 176 422
Total		**24 391 083**	**7 176 422**	**–**	**–**	**–**	**–**	**24 391 083**	**7 176 422**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount	11 535 178	1 561 252	–	–	–	–	11 535 178	1 561 252
New assets originated or purchased (excluding write offs)	24 391 082	11 986 313	–	–	–	–	24 391 082	11 986 313
Maturities during the year	(7 176 421)	(1 311 769)	–	–	–	–	(7 176 421)	(1 311 769)
Monetary adjustment	(4 358 756)	(700 618)	–	–	–	–	(4 358 756)	(700 618)
Gross money market assets	**24 391 083**	**11 535 178**	**–**	**–**	**–**	**–**	**24 391 083**	**11 535 178**
ECL allowance	(76 538)	(19 824)	–	–	–	–	(76 538)	(19 824)
Net money market assets	**24 314 545**	**11 515 354**	**–**	**–**	**–**	**–**	**24 314 545**	**11 515 354**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying amount at beginning of period	7 176 422	216 526	–	–	–	–	7 176 422	216 526
New assets originated or purchased (excluding write offs)	24 391 082	7 176 422	–	–	–	–	24 391 082	7 176 422
Maturities during the year	(7 176 421)	(216 526)	–	–	–	–	(7 176 421)	(216 526)
Gross money market assets	**24 391 083**	**7 176 422**	**–**	**–**	**–**	**–**	**24 391 083**	**7 176 422**
ECL allowance	(76 538)	(12 333)	–	–	–	–	(76 538)	(12 333)
Net money market asset	**24 314 545**	**7 164 089**	**–**	**–**	**–**	**–**	**24 314 545**	**7 164 089**

d. **Financial guarantees**

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

INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	115 333	–	–	–	–	167 379	115 333
Total		**167 379**	**115 333**	**–**	**–**	**–**	**–**	**167 379**	**115 333**

HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Internal rating grade									
Performing	"1 – 3c"	167 379	71 752	–	–	–	-	167 379	71 752
Total		**167 379**	**71 752**	**–**	**–**	**–**	**-**	**167 379**	**71 752**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying opening balance	559 096	594 050	–	–	–	–	559 096	594 050
New assets originated or purchased (excluding write offs)	167 379	235 827	–	–	–	–	167 379	235 827
Guarantees Expired	(71 752)	(270 781)	–	–	–	–	(71 752)	(270 781)
Monetary adjustment	(487 344)	(443 763)	–	–	–	–	(487 344)	(443 763)
Gross financial guarantees	**167 379**	**115 333**	**–**	**–**	**–**	**–**	**167 379**	**115 333**
Expected credit loss allowance	(376)	(934)	–	–	–	–	(376)	(934)
Net financial guarantees	**167 003**	**114 399**	**–**	**–**	**–**	**–**	**167 003**	**114 399**

HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020	31 DEC 2021	31 DEC 2020
Gross carrying opening balance	71 752	82 388	–	–	–	–	71 752	82 388
New assets originated or purchased (excluding write offs)	167 379	71 752	–	–	–	–	167 379	71 752
Guarantees Expired	(71 752)	(82 388)	–	–	–	–	(71 752)	(82 388)
Gross financial guarantees	**167 379**	**71 752**	**–**	**–**	**–**	**–**	**167 379**	**71 752**
Expected credit loss allowance	(376)	(581)	–	–	–	–	(376)	(581)
Net financial guarantees	**167 003**	**71 171**	**–**	**–**	**–**	**–**	167 003	71 171

29. Liquidity risk

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

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

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

29.1 CONTRACTUAL LIQUIDITY GAP ANALYSIS

AUDITED INFLATION ADJUSTED

AUDITED 31 DEC 2021	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	37 277 189	–	–	–	–	–	37 277 189
Money market assets	17 345 667	1 635 614	6 562 627	–	–	–	25 543 908
Financial securities	14 871	–	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	10 931 759	4 838 258	12 937 041	41 546 939	5 623 576	1 329 640	77 207 213
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Other liquid assets	6 905 128	17 274 732	–	–	–	–	24 179 860
Total assets	**72 476 967**	**23 804 880**	**19 576 444**	**41 673 210**	**5 794 795**	**2 711 406**	**166 037 702**
Liabilities							
Deposits	115 978 628	4 871 046	6 929 713	237 110	255 294	3 891	128 275 682
Other liabilities	–	5 364 041	–	–	–	–	5 364 041
Current tax payable	–	501 970	–	–	–	–	501 970
Lease Liabilities	1 067	2 114	3 123	6 739	2 813	–	15 856
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Commitments	3 901 505	–	–	–	–	–	3 901 505
Total liabilities	**119 883 553**	**10 795 447**	**6 954 471**	**327 608**	**261 463**	**3 891**	**138 226 433**
Liquidity gap	**(47 406 586)**	**13 009 433**	**12 621 973**	**41 345 602**	**5 533 332**	**2 707 515**	**27 811 269**
Cumulative liquidity gap	**(47 406 586)**	**(34 397 153)**	**(21 775 180)**	**19 570 422**	**25 103 754**	**27 811 269**	**27 811 269**
AUDITED 31 DECEMBER 2020							
Assets							
Balances with banks and cash	30 962 072	–	–	–	–	–	30 962 072
Money market assets	9 937 817	1 577 537	–	–	–	–	11 515 354
Financial securities	–	9 201	9 029	6 748	100 251	1 454 622	1 579 851
Loans and advances to customers	3 903 703	18 871 852	2 391 460	8 766 368	4 650 310	1 341 327	39 925 020
Financial guarantees	1 786	47 837	55 165	10 545	–	–	115 333
Other liquid assets	–	35 349 583	–	–	–	–	35 349 583
Total assets	**44 805 378**	**55 856 010**	**2 455 654**	**8 783 661**	**4 750 561**	**2 795 949**	**119 447 213**
Liabilities							
Deposits	88 846 394	2 662 278	2 374 716	7 206 241	916 204	8 580	102 014 413
Other liabilities	–	2 777 638	–	–	–	–	2 777 638
Current tax payable	–	424 956	–	–	–	–	424 956
Lease liabilities	842	2 546	2 578	3 583	11 768	–	21 317
Financial guarantees	1 786	47 837	55 165	10 545	–	–	115 333
Total liabilities	**88 849 022**	**5 915 255**	**2 432 459**	**7 220 369**	**927 972**	**8 580**	**105 353 657**
Liquidity gap	**(44 043 644)**	**49 940 755**	**23 195**	**1 563 292**	**3 822 589**	**2 787 369**	**14 093 556**
Cumulative liquidity gap	**(44 043 644)**	**5 897 111**	**5 920 306**	**7 483 598**	**11 306 187**	**14 093 556**	**14 093 556**

HISTORICAL

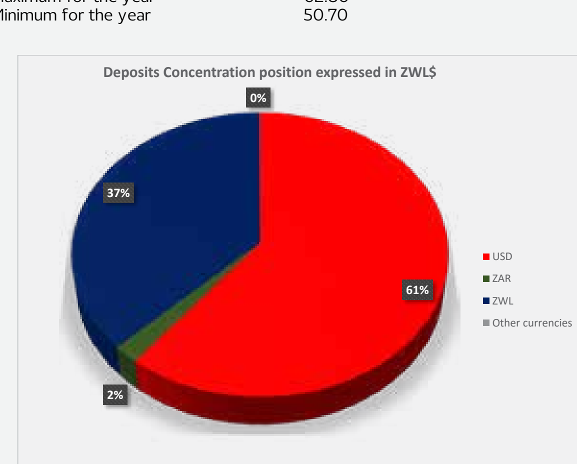
UNAUDITED 31 DEC 2021	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	37 277 189	–	–	–	–	–	37 277 189
Money market assets	17 345 667	1 635 614	6 562 627	–	–	–	25 543 908
Financial securities	14 871	–	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	10 931 759	4 838 258	12 937 041	41 546 939	5 623 576	1 329 640	77 207 213
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Other liquid assets	6 905 128	17 274 732	–	–	–	–	24 179 860
Total assets	**72 476 967**	**23 804 880**	**19 576 444**	**41 673 210**	**5 794 795**	**2 711 406**	**166 037 702**
Liabilities							
Deposits	115 978 628	4 871 046	6 929 713	237 110	255 294	3 891	128 275 682
Other liabilities	–	5 364 041	–	–	–	–	5 364 041
Current tax payable	–	501 970	–	–	–	–	501 970
Lease Liability	1 067	2 114	3 123	6 739	2 813	–	15 856
Financial guarantees	2 353	56 276	21 635	83 759	3 356	–	167 379
Commitments	3 901 505	–	–	–	–	–	3 901 505
Total liabilities	**119 883 553**	**10 795 447**	**6 954 471**	**327 608**	**261 463**	**3 891**	**138 226 433**
Liquidity gap	**(47 406 586)**	**13 009 433**	**12 621 973**	**41 345 602**	**5 533 332**	**2 707 515**	**27 811 269**
Cumulative liquidity gap	**(47 406 586)**	**(34 397 153)**	**(21 775 180)**	**19 570 422**	**25 103 754**	**27 811 269**	**27 811 269**
UNAUDITED 31 DECEMBER 2020							
Assets							
Balances with banks and cash	19 262 545	–	–	–	–	–	19 262 545
Money market assets	6 182 650	981 439	–	–	–	–	7 164 089
Financial securities	–	5 724	5 617	4 198	62 371	904 969	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	24 838 696
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Other liquid assets	–	21 992 162	–	–	–	–	21 992 162
Total assets	**27 874 930**	**34 749 899**	**1 527 745**	**5 464 610**	**2 955 486**	**1 739 453**	**74 312 123**
Liabilities							
Deposits	55 274 326	1 656 293	1 477 391	4 483 246	569 999	5 338	63 466 593
Other liabilities	–	1 529 631	–	–	–	–	1 529 631
Current tax payable	–	264 380	–	–	–	–	264 380
Lease liabilities	524	1 585	1 604	2 229	7 320	–	13 262
Financial guarantees	1 111	29 761	34 320	6 560	–	–	71 752
Total liabilities	**55 275 961**	**3 481 650**	**1 513 315**	**4 492 035**	**577 319**	**5 338**	**65 345 618**
Liquidity gap	**(27 401 031)**	**31 268 249**	**14 430**	**972 575**	**2 378 167**	**1 734 115**	**8 966 505**
Cumulative liquidity gap	**(27 401 031)**	**3 867 218**	**3 881 648**	**4 854 223**	**7 232 390**	**8 966 505**	**8 966 505**

The table above shows the cash flows of the Bank's non-derivative on and off balance sheet financial assets and liabilities on the basis of their earliest possible contractual maturity and the related year gaps. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest year in which the guarantee could be called.

The Bank carries out static statement of financial position analysis to track statement of financial position growth drivers, the pattern of core banking deposits, statement of financial position structure, levels and direction of the Bank's maturity mismatch and related funding or liquidity gap. The Asset and Liability Management Committee (ALCO) comes up with strategies through its monthly meetings to manage these liquidity gaps.

Details of the liquidity ratio for the Bank at the reporting date and during the reporting year were as follows:

	%
At 31 December 2020	62.30
At 31 December 2021	51.35
Average for the year	59.98
Maximum for the year	62.80
Minimum for the year	50.70



29.2 Concentration & Counterparty Risk

Concentration risk describes the level of risk in the Bank's liabilities when they are concentrated in few counterparties. The impact on the Bank's liquidity is significant if any one of the counterparties makes a call on the liabilities.

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Bank, assuming no adequate monetary assets denominated in the same currency, significant exchange loss will be experienced and the significant local currency balances will be required to expunge the associated liabilities. An analysis of the concentration of the Bank's deposits is shown below;

Included in the USD deposits are legacy liabilities and nostro gap accounts amounting to US$145 044 224 (2020: US$167 966 227). These liabilities contribute 12.33% (2020: 21.62%) to the Bank's total deposits.

30. INTEREST RATE RISK

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

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

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

AUDITED INFLATION ADJUSTED

31 DEC 2021	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
Assets								
Balances with banks and cash	16 438 881	–	–	–	–	–	20 838 308	37 277 189
Money market assets	3 084 215	1 587 782	5 501 275	–	–	–	14 141 273	24 314 545
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 728	–	63 572 666
Equity investments	–	–	–	–	–	–	735 413	735 413
Land inventory	–	–	–	–	–	–	5 133 279	5 133 279
Other assets	–	–	–	–	–	–	25 291 730	25 291 730
Intangible assets	–	–	–	–	–	–	215 630	215 630
Investment properties	–	–	–	–	–	–	1 023 538	1 023 538
Property and equipment	–	–	–	–	–	–	5 549 770	5 549 770
Total assets	27 487 125	5 433 845	13 748 464	38 453 328	4 362 787	1 663 787	72 928 941	164 078 277
Equity & Liabilities								
Deposits	101 487 167	4 749 408	6 898 550	220 343	214 786	2 372	14 307 521	127 880 147
Other liabilities	–	–	–	–	–	–	5 689 641	5 689 641
Current tax payable	–	–	–	–	–	–	501 970	501 970
Deferred taxation	–	–	–	–	–	–	2 667 501	2 667 501
Lease liability	1 067	2 114	3 123	6 739	2 813	–	–	15 856
Equity	–	–	–	–	–	–	27 323 162	27 323 162
Total liabilities and equity	101 488 234	4 751 522	6 901 673	227 082	217 599	2 372	50 489 795	164 078 277
Interest rate repricing gap	(74 001 109)	682 323	6 846 791	38 226 246	4 145 188	1 661 415	22 439 146	–
Cumulative gap	(74 001 109)	(73 318 786)	(66 471 995)	(28 245 749)	(24 100 561)	(22 439 146)	–	–

AUDITED INFLATION ADJUSTED

31 DEC 2020	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
Assets								
Balances with banks and cash	18 868 226	–	–	–	–	–	12 093 846	30 962 072
Money market assets	9 937 816	1 577 538	–	–	–	–	–	11 515 354
Financial securities	–	9 200	9 029	6 748	100 252	1 454 622	–	1 579 851
Loans and advances to customers	3 903 703	18 871 851	2 391 460	8 766 368	4 650 310	1 341 328	–	39 925 020
Equity investments	–	–	–	–	–	–	339 027	339 027
Land Inventory	–	–	–	–	–	–	5 175 036	5 175 036
Other assets	–	–	–	–	–	–	35 809 841	35 809 841
Intangible assets	–	–	–	–	–	–	178 647	178 647
Investment properties	–	–	–	–	–	–	1 169 611	1 169 611
Property and equipment	–	–	–	–	–	–	4 752 585	4 752 585
Total assets	**32 709 745**	**20 458 589**	**2 400 489**	**8 773 116**	**4 750 562**	**2 795 950**	**59 518 593**	**131 407 044**
Equity & Liabilities								
Deposits	100 989 745	50 851	689 557	277 030	7 230	–	–	102 014 413
Other liabilities	–	–	–	–	–	–	2 777 638	2 777 638
Current tax payable	–	–	–	–	–	–	424 956	424 956
Deferred taxation	–	–	–	–	–	–	2 413 153	2 413 153
Lease Liability	842	2 547	2 578	3 583	11 767	–	–	21 317
Equity	–	–	–	–	–	–	23 755 567	23 755 567
Total liabilities and equity	**100 990 587**	**53 398**	**692 135**	**280 613**	**18 997**	**–**	**29 371 314**	**131 407 044**
Interest rate repricing gap	**(68 280 842)**	**20 405 191**	**1 708 354**	**8 492 503**	**4 731 565**	**2 795 950**	**30 147 279**	**–**
Cumulative gap	**(68 280 842)**	**(47 875 651)**	**(46 167 297)**	**(37 674 794)**	**(32 943 229)**	**(30 147 279)**	**–**	**–**

UNAUDITED HISTORICAL

31 DEC 2021	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
Assets								
Balances with banks and cash	16 438 881	–	–	–	–	–	20 838 308	37 277 189
Money market assets	3 084 215	1 587 782	5 501 275	–	–	–	14 141 273	24 314 545
Financial securities	10 109	–	45 733	–	148 616	760 059	–	964 517
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 728	–	63 572 666
Equity investments	–	–	–	–	–	–	735 413	735 413
Land inventory	–	–	–	–	–	–	440 259	440 259
Other assets	–	–	–	–	–	–	24 964 083	24 964 083
Intangible assets	–	–	–	–	–	–	159 618	159 618
Investment properties	–	–	–	–	–	–	1 023 538	1 023 538
Property and equipment	–	–	–	–	–	–	4 029 578	4 029 578
Total assets	**27 487 125**	**5 433 845**	**13 748 464**	**38 453 328**	**4 362 787**	**1 663 787**	**66 332 070**	**157 481 406**
Equity & Liabilities								
Deposits	101 487 166	4 749 408	6 898 550	220 343	214 786	2 372	14 307 522	127 880 147
Other liabilities	–	–	–	–	–	–	5 364 041	5 364 041
Current tax payable	–	–	–	–	–	–	501 970	501 970
Deferred taxation	–	–	–	–	–	–	1 428 625	1 428 625
Lease liability	1 067	2 114	3 123	6 739	2 813	–	–	15 856
Equity	–	–	–	–	–	–	22 290 767	22 290 767
Total liabilities and equity and reserves	**101 488 233**	**4 751 522**	**6 901 673**	**227 082**	**217 599**	**2 372**	**43 892 925**	**157 481 406**
Interest rate repricing gap	**(74 001 108)**	**682 323**	**6 846 791**	**38 226 246**	**4 145 188**	**1 661 415**	**22 439 145**	**–**
Cumulative gap	**(74 001 108)**	**(73 318 785)**	**(66 471 994)**	**(28 245 748)**	**(24 100 560)**	**(22 439 145)**	**–**	**–**

UNAUDITED HISTORICAL

31 DECEMBER 2020	Less than one month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non–interest bearing ZWL$ 000	Total ZWL$ 000
Assets								
Balances with banks and cash	12 253 299	–	–	–	–	–	7 009 246	19 262 545
Money market assets	6 182 650	981 439	–	–	–	–	–	7 164 089
Financial securities	–	5 724	5 617	4 198	62 371	904 969	–	982 879
Loans and advances to customers	2 428 624	11 740 813	1 487 808	5 453 852	2 893 115	834 484	–	24 838 696
Equity investments	–	–	–	–	–	–	210 920	210 920
Land Inventory	–	–	–	–	–	–	412 622	412 622
Other assets	–	–	–	–	–	–	22 271 338	22 271 338
Intangible assets	–	–	–	–	–	–	84 723	84 723
Investment properties	–	–	–	–	–	–	727 654	727 654
Property and equipment	–	–	–	–	–	–	2 087 815	2 087 815
Total assets	**20 864 573**	**12 727 976**	**1 493 425**	**5 458 050**	**2 955 486**	**1 739 453**	**32 804 318**	**78 043 281**
Equity & Liabilities								
Deposits	62 829 112	31 636	428 997	172 350	4 498	–	–	63 466 593
Other liabilities	–	–	–	–	–	–	1 529 631	1 529 631
Current tax payable	–	–	–	–	–	–	264 380	264 380
Deferred taxation	–	–	–	–	–	–	1 807 974	1 807 974
Lease Liability	524	1 585	1 604	2 229	7 320	–	–	13 262
Equity	–	–	–	–	–	–	10 961 441	10 961 441
Total liabilities and equity	**62 829 636**	**33 221**	**430 601**	**174 579**	**11 818**	**–**	**14 563 426**	**78 043 281**
Interest rate repricing gap	**(41 965 063)**	**12 694 755**	**1 062 824**	**5 283 471**	**2 943 668**	**1 739 453**	**18 240 892**	**–**
Cumulative gap	**(41 965 063)**	**(29 270 308)**	**(28 207 484)**	**(22 924 013)**	**(19 980 345)**	**(18 240 892)**	**–**	**–**

31. Foreign exchange risk

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

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

At 31 December 2021 if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant post tax profit for the period would have been ZWL$494 940 865 higher or lower respectively than the reported position update.

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED

	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	37 277 189	10 745 211	23 767 064	2 121 941	29 157	583 394	30 422
Money market assets	24 314 545	7 179 686	16 464 916	669 943	–	–	–
Financial securities	964 517	964 517	–	–	–	–	–
Loans and advances to customers	63 572 666	37 660 544	25 888 027	23 892	203	–	–
Equity investments	735 413	735 413	–	–	–	–	–
Land inventory	5 133 279	5 133 279	–	–	–	–	–
Other assets	25 291 730	3 917 822	12 827 361	7 346 956	417 999	635 241	146 351
Intangible assets	215 630	215 630	–	–	–	–	–
Investment properties	1 023 538	1 023 538	–	–	–	–	–
Property and equipment	5 549 770	5 549 770	–	–	–	–	–
	164 078 277	**73 125 410**	**78 947 368**	**10 162 732**	**447 359**	**1 218 635**	**176 773**
Equity & Liabilities							
Deposits	127 880 147	47 549 626	77 563 735	2 621 422	21 816	74 665	48 883
Other liabilities	5 689 641	5 093 178	542 733	36 041	1 972	15 717	–
Current tax payable	501 970	501 970	–	–	–	–	–
Deferred taxation	2 667 501	2 667 501	–	–	–	–	–
Lease Liability	15 856	15 856	–	–	–	–	–
Equity	27 323 162	27 323 162	–	–	–	–	–
Total equity and liabilities	**164 078 277**	**83 151 293**	**78 106 468**	**2 657 463**	**23 788**	**90 382**	**48 883**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

AUDITED INFLATION ADJUSTED

	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	30 962 072	2 794 602	25 968 273	1 613 071	–	583 096	3 030
Money market assets	11 515 354	7 025 159	4 490 195	–	–	–	–
Financial securities	1 579 851	1 579 851	–	–	–	–	–
Loans and advances to customers	39 925 020	34 182 128	5 698 656	44 013	223	–	–
Land inventory	5 175 036	5 175 036	–	–	–	–	–
Equity investments	339 027	292 328	–	–	–	46 699	–
Other assets	35 809 841	815 211	25 555 368	8 457 731	514 948	464 318	2 265
Intangible assets	178 647	178 647	–	–	–	–	–
Investment properties	1 169 611	1 169 611	–	–	–	–	–
Property and equipment	4 752 585	4 752 585	–	–	–	–	–
Total assets	**131 407 044**	**57 965 158**	**61 712 492**	**10 114 815**	**515 171**	**1 094 113**	**5 295**
Equity & Liabilities		–	–	–	–	–	–
Deposits	102 014 413	45 434 396	53 557 978	2 746 107	42 947	232 189	796
Other liabilities	2 777 638	1 700 062	872 158	201 027	1 261	609	2 521
Current tax payable	424 956	424 956	–	–	–	–	–
Deferred taxation	2 413 153	2 413 153	–	–	–	–	–
Lease Liability	21 317	21 317	–	–	–	–	–
Equity	23 755 567	23 755 567	–	–	–	–	–
Total equity and liabilities	**131 407 044**	**73 749 451**	**54 430 136**	**2 947 134**	**44 208**	**232 798**	**3 317**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL

	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	37 277 189	10 745 211	23 767 064	2 121 941	29 157	583 394	30 422
Money market assets	24 314 545	7 179 686	16 464 916	669 943	–	–	–
Financial securities	964 517	964 517	–	–	–	–	–
Loans and advances to customers	63 572 666	37 660 544	25 888 027	23 892	203	–	–
Equity investments	735 413	735 413	–	–	–	–	–
Land inventory	440 259	440 259	–	–	–	–	–
Other assets	24 964 083	3 590 175	12 827 361	7 346 956	417 999	635 241	146 351
Intangible assets	159 618	159 618	–	–	–	–	–
Investment properties	1 023 538	1 023 538	–	–	–	–	–
Property and equipment	4 029 578	4 029 578	–	–	–	–	–
	157 481 406	**66 528 539**	**78 947 368**	**10 162 732**	**447 359**	**1 218 635**	**176 773**
Equity & Liabilities							
Deposits	127 880 147	47 549 626	77 563 735	2 621 422	21 816	74 665	48 883
Other liabilities	5 364 041	4 767 578	542 733	36 041	1 972	15 717	–
Current tax payable	501 970	501 970	–	–	–	–	–
Deferred taxation	1 428 625	1 428 625	–	–	–	–	–
Lease liability	15 856	15 856	–	–	–	–	–
Equity	22 290 767	22 290 767	–	–	–	–	–
Total equity and liabilities	**157 481 406**	**76 554 422**	**78 106 468**	**2 657 463**	**23 788**	**90 382**	**48 883**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNAUDITED HISTORICAL

	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Assets							
Balances with banks and cash	19 262 545	1 738 615	16 155 735	1 003 546	–	362 764	1 885
Money market assets	7 164 089	4 370 588	2 793 501	–	–	–	–
Financial securities	982 879	982 879	–	–	–	–	–
Loans and advances to customers	24 838 696	21 265 850	3 545 325	27 382	139	–	–
Equity investments	210 920	181 867	–	–	–	29 053	–
Land inventory	412 622	412 622	–	–	–	–	–
Other assets	22 271 338	500 004	15 898 853	5 261 838	320 366	288 868	1 409
Intangible assets	84 723	84 723	–	–	–	–	–
Investment properties	727 654	727 654	–	–	–	–	–
Property and equipment	2 087 815	2 087 815	–	–	–	–	–
Total assets	**78 043 281**	**32 352 617**	**38 393 414**	**6 292 766**	**320 505**	**680 685**	**3 294**
Equity & Liabilities							
Deposits	63 466 593	28 266 264	33 320 217	1 708 445	26 719	144 453	495
Other liabilities	1 529 631	859 235	542 599	125 066	784	379	1 568
Current tax payable	264 380	264 380	–	–	–	–	–
Deferred taxation	1 807 974	1 807 974	–	–	–	–	–
Lease liability	13 262	13 262	–	–	–	–	–
Equity	10 961 441	10 961 441	–	–	–	–	–
Total equity and liabilities	**78 043 281**	**42 172 556**	**33 862 816**	**1 833 511**	**27 503**	**144 832**	**2 063**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

UNDERLYING CURRENCY

	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	218 717	310 440	199	4 746	30 422
Money market assets	151 519	98 013	–	–	–
Loans and advances to customers	238 235	3 495	1	–	–
Other assets	118 044	1 074 860	2 849	5 167	146 351
Total assets	**726 515**	**1 486 808**	**3 049**	**9 913**	**176 773**
Liabilities					
Deposits	713 781	383 514	149	607	48 883
Other liabilities	4 995	5 273	13	128	–
Total liabilities	**718 776**	**388 787**	**162**	**735**	**48 883**
Net position	**7 739**	**1 098 021**	**2 887**	**9 178**	**127 890**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2020

UNDERLYING CURRENCY

	USD	ZAR	GBP	EUR	Other foreign currencies in ZWL$ 000
Assets					
Balances with banks and cash	197 535	179 534	–	3 609	1 885
Money market assets	34 156	–	–	–	–
Loans and advances to customers	43 348	4 899	1	–	–
Other assets	194 394	941 343	2 874	2 874	1 409
Total assets	**469 433**	**1 125 776**	**2 875**	**6 483**	**3 294**
Liabilities					
Deposits	407 404	305 641	240	1 437	495
Other liabilities	6 634	22 374	7	4	1 568
Total liabilities	**414 038**	**328 015**	**247**	**1 441**	**2 063**
Net position	**55 395**	**797 761**	**2 628**	**5 042**	**1 231**

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

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

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

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

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

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

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

32.4 Reputation risk

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

- Continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders;
- Ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that;
- Stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.

32.5 Money laundering risk

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

- Adherence to Know Your Customer Procedures;
- Effective use of compliance enabling technology to enhance anti–money laundering program management, communication, monitoring and reporting;
- Development of early warning systems; and
- Integration of compliance into individual performance measurement and reward structures.

32.6 Risk and Credit Ratings

32.6.1 External Credit Rating

Rating Agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Global Credit Rating Co.(Short Term)	A+	A1	A1	A1-	A1-	A1-	A1	A1	A1	-	-	-
Global Credit Rating Co. (Long Term)	AA-	A+	A+	A	A	A	A	A+	A+	A+	A+	A

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

32.6.2 Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION

	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank Limited	2	1	3	2	2	2	2

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

CBZ Bank Limited
Risk Matrix Summary

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

KEY

Level of inherent risk

Low – reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate – could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
High – reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak – risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
Acceptable – management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
Strong – management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk
Low Risk – would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
Moderate Risk – risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

Direction of Overall Composite Risk Rating

Increasing– based on the current information composite risk is expected to increase in the next twelve months.
Decreasing– based on current information composite risk is expected to decrease in the next twelve months.
Stable – based on the current information composite risk is expected to be stable in the next twelve months.

33. CAPITAL MANAGEMENT

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

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

33.1 Capital Adequacy

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

	UNAUDITED 31 DEC 2021 ZWL$ 000	UNAUDITED 31 DEC 2020 ZWL$ 000
Risk Weighted Assets	**90 234 098**	**36 266 041**
Total Qualifying Capital	**18 784 313**	**9 964 879**
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	19 004 826	9 437 429
Exposure to insiders	(4 634 382)	(1 449 890)
	14 392 284	**8 009 379**
Less Tier 3	(2 954 423)	(1 087 631)
	11 437 861	**6 921 748**
Tier 2		
Revalauation reserves	2 615 114	1 307 622
Fair Value Reserve	648 987	194 551
General provisions	1 127 926	453 326
	4 392 027	**1 955 499**
Tier 3		
Capital allocated for market risk	802 177	284 107
Capital allocated to operations risk	2 152 246	803 525
	2 954 423	**1 087 632**
Capital Adequacy (%)		
Tier 1	12.68%	19.09%
Tier 2	4.87%	5.39%
Tier 3	3.27%	3.00%
Total	**20.82%**	**27.48%**

Regulatory capital consists of Tier 1 capital which comprises share capital share premium and revenue reserves including current period profit. The other component of the regulatory capital is Tier 2 capital which includes general provisions and revaluation reserves. The regulated minimum capital base required by the Central Bank is US$ 30 million (2020: ZWL$25 million) with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%

34. COMPLIANCE AND REGULATORY RISK

During the year, CBZ Bank was fined ZWL$ 1,820,000 and ZWL$ 70,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Interim Financial Statements after the set statutory deadline of 31 August 2021 and for breaching section 18 (3) of the Banking Act, respectively.

35. CORPORATE GOVERNANCE STATEMENT

The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.

36. DISCLOSURE POLICY

The Board is aware of the importance of balanced and understandable communication of the Bank's activities to stakeholders and strives to clearly present any matters material to a proper appreciation of the Bank's position. The interests and concerns of stakeholders are addressed by communicating information in a timely manner.

The Directors foster a mutual understanding of objectives shared between the Bank and its institutional shareholders by meeting with and making presentations to them on a regular basis. The Board welcomes and encourages the attendance of private shareholders at general meetings and gives them the opportunity to have questions addressed.

The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.

37. GOING CONCERN

For going concern assessment refer to CBZ Holdings note 39.

ABRIDGED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Gross written premium	**445 295**	**159 369**	**362 147**	**54 265**
Reinsurance premium	(24 308)	(4 442)	(21 415)	(2 287)
Net written premium	**420 987**	**154 927**	**340 732**	**51 978**
Unearned premium movement	(101 204)	(5 576)	(103 397)	(2 026)
Net earned premium	**319 783**	**149 351**	**237 335**	**49 952**
Net commission	(33 725)	(9 888)	(27 267)	(4 322)
Net claims	(142 364)	(25 075)	(119 857)	(8 713)
Underwriting profit	**143 694**	**114 388**	**90 211**	**36 917**
Operating expenditure	(362 074)	(273 434)	(289 520)	(98 195)
Transfer to reserves	(262 491)	(159 929)	(178 200)	(86 795)
Expected credit loss	(1 787)	425	(1 787)	264
Monetary gain	156 303	64 192	-	-
Operating profit	**(326 355)**	**(254 358)**	**(379 296)**	**(147 809)**
Investment and Other income	515 273	82 937	697 652	309 129
Interest from money market investments	1 413	998	1 185	276
Profit / (loss) before taxation	**190 331**	**(170 423)**	**319 541**	**161 596**
Taxation	(783)	(367)	(712)	(158)
Profit for the year	**189 548**	**(170 790)**	**318 829**	**161 438**
Other comprehensive income				
Gains on property revaluations	70 550	5 308	136 950	74 610
Exchange gains on equity instruments at FVOCI	(16 480)	(6 031)	8 708	1 740
Other comprehensive income for the year net of tax	**54 070**	**(723)**	**145 658**	**76 350**
Total comprehensive income	**243 618**	**(171 513)**	**464 487**	**237 788**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	RESTATED HISTORICAL 31 DEC 2020 ZWL$ 000
ASSETS				
Current assets				
Cash and cash equivalents	70 063	9 592	70 063	5 968
Money market assets	30 829	13 008	30 829	8 093
Equity investments	426 333	137 788	426 333	85 723
Insurance contract assets	12 814	4 738	12 429	2 947
Other receivables	18 897	18 846	18 897	11 724
Current tax receivable	449	-	449	-
	559 385	**183 972**	**559 000**	**114 455**
Non-current assets				
Property and equipment	254 785	198 587	232 175	98 401
Investment properties	718 046	498 764	718 046	310 298
	972 831	**697 351**	**950 220**	**408 699**
TOTAL ASSETS	**1 532 216**	**881 323**	**1 509 220**	**523 154**
EQUITY AND LIABILITIES				
Liabilities				
Life fund	397 800	149 108	397 800	92 765
Investment contract liabilities	62 542	23 508	62 542	14 625
Current tax payable	-	92	-	57
Other payables	249 434	129 794	249 434	80 749
	709 776	**302 501**	**709 776**	**188 196**
Equity				
Share capital				
Share premium	62 166	62 166	1 388	1 388
Revaluation reserve	177 283	106 733	230 013	93 063
Revenue reserves	605 502	415 955	557 596	238 767
Fair value reserve	(22 511)	(6 031)	10 448	1 740
	822 440	**578 822**	**799 444**	**334 958**
TOTAL EQUITY AND LIABILITIES	**1 532 216**	**881 323**	**1 509 220**	**523 154**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	FCTR ZWL$ 000	Fair Value reserve ZWL$ 000	Revenue reserve ZWL$ 000	Total ZWL$ 000
31 December 2020						
Opening balance	62 166	–	101 425	–	586 745	750 336
Total comprehensive income	–	5 308	–	(6 031)	(170 790)	(171 513)
Inter–category transfer	–	101 425	(101 425)	–	–	–
Closing balance	**62 166**	**106 733**	**–**	**(6 031)**	**415 955**	**578 822**
31 December 2021						
Opening balance	62 166	106 733	–	(6 031)	415 955	578 822
Total comprehensive income	–	70 550	–	(16 480)	189 548	243 618
Closing balance	**62 166**	**177 283**	**–**	**(22 511)**	**605 502**	**822 440**

HISTORICAL

	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	FCTR ZWL$ 000	Fair Value reserve ZWL$ 000	Revenue reserve ZWL$ 000	Total ZWL$ 000
31 December 2020						
Opening balance	1 388	15 903	2 550	–	77 329	97 170
Total comprehensive income	–	74 610	–	1 740	161 438	237 788
Inter–category transfer		2 550	(2 550)			–
Closing balance	**1 388**	**93 063**	**–**	**1 740**	**238 767**	**334 958**
31 December 2021						
Opening balance	1 388	93 063	–	1 740	238 767	334 958
Total comprehensive income	–	136 950	–	8 708	318 829	464 487
Closing balance	**1 388**	**230 013**	**–**	**10 448**	**557 596**	**799 444**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit /(Loss) before taxation	**190 330**	**(170 423)**	**319 541**	**161 596**
Adjust for:				
Depreciation	15 158	15 989	3 735	2 274
Amortisation	-	4 829	-	108
Unearned premium movement	101 204	5 576	103 397	2 026
Monetary gain/loss	(156 302)	(64 192)	-	-
Claims incurred but not reported	24 505	25	19 682	9
Deferred commission movement	(18 688)	(1 287)	(15 323)	(581)
Fair value adjustment on investment properties	(229 817)	(258 656)	(412 853)	(270 221)
Fair value adjustment on financial instruments	(185 534)	(14 851)	(212 342)	(34 301)
Loss on sale of property and equipment	-	463	-	(14)
Annuity reserve movement	262 491	159 929	178 200	86 795
Expected Credit loss	1 787	(29)	1 787	(18)
Impairment on insurance assets	-	(396)	-	(246)
Unrealised loss on foreign currency position	(2 895)	16 748	(1 612)	10 491
(Profit)/loss on disposal of investment properties	(69 981)	158 528	(47 536)	(8 947)
Operating profit before changes in operating assets and liabilities	**(67 742)**	**(147 747)**	**(63 324)**	**(51 029)**
Changes in operating assets and liabilities				
Other receivables	(457)	(19 651)	(8 300)	(11 483)
Insurance contract assets	8 740	2 628	5 841	(1 488)
Other payables	168 650	96 341	167 402	63 531
Money market assets	(24 233)	41 095	(29 395)	(726)
Financial securities	-	11 272	-	2 947
Life assurance investment contract liabilities	42 933	31 745	51 673	11 216
	195 633	**163 430**	**187 221**	**63 997**
Corporate tax paid	(1 324)	(200)	(1 218)	(91)
Net cash inflow from operating activities	**126 567**	**15 483**	**128 679**	**12 875**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments	(119 491)	(95 612)	(119 560)	(45 056)
Purchase of property and equipment	(806)	(8 679)	(560)	(3 183)
Proceeds on disposal of property and equipment	-	141	-	35
Proceeds on disposal of investment properties	134 764	125 327	95 808	48 315
Purchase of investment properties	(54 248)	(15 879)	(43 167)	(8 979)
Net cash outflow from investing activities	**(39 781)**	**5 298**	**(67 479)**	**(8 867)**
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	**86 786**	**20 781**	**61 200**	**4 010**
Cash and cash equivalents at the beginning of the year	9 592	13 607	5 968	1 887
Exchange gains on foreign cash balances	2 895	114	2 895	71
Effects of inflation on cash and cash equivalents	(29 210)	(24 910)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**70 063**	**9 592**	**70 063**	**5 968**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Gross written premium	**1 193 590**	**1 361 111**	**983 158**	**594 088**
Reinsurance premium	(764 946)	(848 947)	(642 737)	(403 031)
Net written premium	**428 644**	**512 164**	**340 421**	**191 057**
Unearned premium movement	16 744	(22 722)	(21 505)	(68 549)
Net earned premium	**445 388**	**489 442**	**318 916**	**122 508**
Net commission	(20 550)	(11 870)	(15 684)	(4 325)
Net claims	(194 941)	(106 003)	(159 924)	(50 292)
Technical result	**229 897**	**371 569**	**143 308**	**67 891**
Operating expenditure	(297 579)	(184 855)	(231 051)	(71 556)
Impairment loss	(11 026)	(24 432)	(11 026)	(15 214)
Underwriting profit	(78 708)	162 282	(98 769)	(18 879)
Other expense / (income)	70 667	(24 889)	109 065	42 314
Monetary Loss	(24 600)	(199 980)	-	-
Profit before taxation	**(32 641)**	**(62 587)**	**10 296**	**23 435**
Taxation	(19 201)	53 629	10 546	48 429
Profit for the year	**(51 842)**	**(8 958)**	**20 842**	**71 864**
Other comprehensive income				
Gains on property revaluations	81 443	5 363	136 932	74 594
Equity instruments fair value gains	(14 111)	(1 573)	4 102	6 466
Deferred income tax relating to components of other comprehensive income	(19 427)	(1 846)	(32 995)	(18 186)
Other comprehensive income for the year net of tax	**47 905**	**1 944**	**108 039**	**62 874**
Total comprehensive (loss)/income for the year	**(3 937)**	**(7 014)**	**128 881**	**134 738**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	RESTATED HISTORICAL 31 DEC 2020 ZWL$ 000
ASSETS				
Cash and cash equivalents	41 879	64 979	41 879	40 426
Investments- short term	21 691	-	21 691	-
Other receivables	15 150	20 929	2 737	2 822
Tax receivables	387	623	387	387
Premium receivables	341 838	476 263	341 838	296 299
Technical Assets				
Reinsurance receivables	178 459	23 495	178 459	14 617
Reinsurance claims outstanding	321 099	18 768	321 099	11 676
Defferred acquisition costs	63 906	79 344	57 434	49 362
Reinsurance unearned premium reserve	212 904	317 012	191 731	197 224
Listed equity investments	71 251	45 504	71 251	28 309
Investment property	130 085	71 152	130 085	44 266
Property and equipment	248 260	182 236	233 083	100 701
Intangible assets	6 655	4 861	3 791	132
Deferred tax	72 340	50 578	72 340	55 979
TOTAL ASSETS	**1 725 904**	**1 355 744**	**1 667 805**	**842 200**
LIABILITIES				
Other Payables	360 213	128 077	360 213	79 680
Deferred Tax	69 909	9 558	65 449	26 670
Technical Liabilities				
Reinsurance payables	208 352	305 231	208 352	189 894
Gross outstanding claims	349 978	26 259	349 978	16 337
Incurred but not reported claims	25 662	25 571	25 662	15 909
Unearned commission reserve	55 072	79 540	49 033	49 485
Gross unearned premium reserve	331 434	452 286	297 395	281 382
TOTAL LIABILITIES	**1 400 620**	**1 026 522**	**1 356 082**	**659 357**
EQUITY				
Share capital	3 499	3 499	78	78
Share premium	155 960	155 960	23 179	23 179
Revaluation Reserve	166 773	105 463	174 979	70 837
Fair value reserve	(15 499)	(2 093)	10 041	6 143
Retained earnings	14 551	66 393	103 446	82 606
TOTAL EQUITY	**325 284**	**329 222**	**311 723**	**182 843**
TOTAL LIABILITIES AND EQUITY	**1 725 904**	**1 355 744**	**1 667 805**	**842 200**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	Fair Value reserve ZWL$ 000	Revenue reserves ZWL$ 000	Total ZWL$ 000
31 December 2020						
Opening balance	3 499	66 245	–	–	75 350	246 519
Profit for the year	–	–	–	–	(8 958)	(8 958)
Other comprehensive income for the period	–	–	4 038	(2 093)	–	1 945
Rights Issue	–	89 715	–	–	–	89 715
Intercategory transfer	–	–	101 425		–	–
Closing balance	**3 499**	**155 960**	**105 463**	**(2 093)**	**66 392**	**329 221**
31 December 2021						
Opening balance	3 499	155 960	105 463	(2 093)	66 392	329 221
Profit for the period	–	–	–	–	(51 842)	(51 842)
Other comprehensive income for the period	–	61 310	(13 405)	–	47 905	
Closing balance	**3 499**	**155 960**	**166 773**	**(15 498)**	**14 550**	**325 284**

HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	Fair Value reserve ZWL$ 000	Revenue reserves ZWL$ 000	Total ZWL$ 000
31 December 2020						
Opening balance	78	1 479	11 555	–	10 742	26 405
Profit for the year	–	–	–	–	71 864	71 864
Other comprehensive income for the year	–	–	56 731	6 143	–	62 874
Rights issue	–	21 700	–	–	–	21 700
Intercategory transfer	–	–	2 550	–	–	–
Closing balance	**78**	**23 179**	**70 836**	**6 143**	**82 606**	**182 843**
31 December 2021						
Opening balance	78	23 179	70 837	6 143	82 606	182 843
Profit for the year	–	–	–	–	20 842	20 842
Other comprehensive income for the period	–	–	104 141	3 897	–	108 038
Closing balance	**` 78**	**23 179**	**174 978**	**10 040**	**103 448**	**311 723**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit /(loss) before taxation	**(32 640)**	**(62 588)**	**10 295**	**23 434**
Adjust for:	-	-	-	-
Depreciation	12 567	10 595	4 329	2 265
Armotisation	4 861	5 093	132	132
Monetary loss	24 600	199 980	-	-
Fair value adjustment - investment property	(46 446)	32 170	(77 258)	(20 674)
Fair value adjustment - listed investments	(10 797)	23 781	(16 958)	(10 041)
Expected credit loss expense	1 022	(29)	1 022	(4)
Impairment on insurance assets	10 004	24 461	10 004	15 218
Unrealised foreign exchange gains	(16 329)	(15 388)	(16 329)	(9 573)
Unearned premium reserve movement	(16 744)	22 722	21 505	68 549
Deferred commission movement	(9 031)	2 007	(8 523)	183
Incurred but not yet reported claims provision	9 753	22 102	9 753	13 751
Operating cash inflow before changes in operating assets and liabilities	**(69 180)**	**264 906**	**(62 028)**	**83 240**
Changes in operating assets and liabilities				
Increase in receivables	(527 222)	(721 507)	(458 214)	(386 667)
Decrease in money market assets	(18 573)	10 801	573 049	1 498
Decrease /(increase) in payables	671 974	561 314	(18 573)	341 074
Cash flow before changes in operating assets and liabilities	**56 999**	**115 514**	**34 234**	**39 145**
Corporate tax paid	(39)	(11)	(31)	(7)
Cash generated from operating activities	**56 960**	**115 503**	**34 203**	**39 138**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net acquisition of equity investments	(29 061)	(55 003)	(21 882)	(9 604)
Investment property	(12 486)	(42 793)	(8 561)	(19 347)
Purchase of property and equipment	(688)	(15 814)	(455)	(6 829)
Purchase of intangible assets	(3 116)	-	(3 116)	-
Net cash utilised in investing activities	**(45 351)**	**(113 610)**	**(34 014)**	**(35 780)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from rights issue	-	89 716	-	21 700
Net cash (paid)/ proceeds generated from financing activities	**-**	**89 716**	**-**	**21 700**
NET INCRESE IN CASH AND CASH EQUIVALENTS	**11 609**	**91 609**	**189**	**25 058**
Cash and cash equivalents at the beginning of the year	64 979	41 772	40 426	5 793
Exchange gains on foreign cash balances	1 265	15 388	1 264	9 573
Inflation effects on cash	(35 974)	(83 790)	-	
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	**41 879**	**64 979**	**41 879**	**40 424**

ABRIDGED INFLATION ADJUSTED FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
Revenue	533 273	160 988	561 283	164 159
Operating expenditure	(245 996)	(174 087)	(201 646)	(67 002)
Operating income/ (loss)	**287 277**	**(13 099)**	**359 637**	**97 157**
Monetary gain	12 488	50 174	-	-
Profit before taxation	**299 765**	**37 075**	**359 637**	**97 157**
Taxation	(60 288)	42 428	(53 620)	9 889
Profit for year the after taxation	**239 477**	**79 503**	**306 017**	**107 046**
Other comprehensive income	4 142	3 552	5 974	2 809
Total comprehensive income	**243 619**	**83 055**	**311 991**	**109 855**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
ASSETS				
Cash and cash equivalents	27 409	8 824	27 409	5 490
Money market assets	-	3 998	-	2 487
Equity investments	41 991	11 527	41 991	7 172
Other assets	37 876	25 431	37 876	15 821
Investment property	437 943	183 540	437 943	114 186
Intangible assets	1 341	314	923	37
Property and equipment	77 390	75 415	18 853	16 959
Deferred taxation	11 462	15 008	11 462	9 917
TOTAL ASSETS	**635 412**	**324 057**	**576 457**	**172 069**
LIABILITIES				
Current taxation	12 260	6 504	12 260	4 046
Other liabilities	73 314	34 164	73 314	21 255
Lease liability	19 383	26 015	19 383	16 185
Deferred taxation	35 413	-	33 926	-
TOTAL LIABILITIES	**140 370**	**66 683**	**138 883**	**41 486**
EQUITY				
Share capital	2 822	2 822	63	63
Share premium	86 214	86 214	1 925	1 925
Revenue reserves	400 457	166 931	426 803	125 786
Fair value reserve	5 549	1 407	8 783	2 809
TOTAL EQUITY	**495 042**	**257 374**	**437 574**	**130 583**
TOTAL LIABILITIES AND EQUITY	**635 412**	**324 057**	**576 457**	**172 069**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED

	Share capital ZWL$ 000	Share premium ZWL$ 000	Fair value reserve ZWL$ 000	Revenue reserves ZWL$ 000	Total ZWL$ 000
31 December 2020					
Opening balance	2 822	86 214	(2 145)	87 428	174 319
Profit for the period	–	–	–	79 503	79 503
Other comprehensive loss	–	–	3 552	–	3 552
Closing balance	**2 822**	**86 214**	**1 407**	**166 931**	**257 374**
31 December 2021					
Opening balance	2 822	86 214	1 407	166 931	257 374
Profit for the year	–	–	–	239 477	239 477
Other comprehensive income	–	–	4 142	–	4 142
Dividend paid	–	–	–	(5 951)	(5 951)
Closing balance	**2 822**	**86 214**	**5 549**	**400 457**	**495 042**

HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Fair value reserve ZWL$ 000	Revenue reserves ZWL$ 000	Total ZWL$ 000
31 December 2020					
Opening balance	63	1 925	–	18 740	20 728
Profit for the year	–	–	–	107 046	107 046
Other comprehensive income	–	–	2 809	–	2 809
Closing balance	**63**	**1 925**	**2 809**	**125 786**	**130 583**
31 December 2021					
Opening balance	63	1 925	2 809	125 786	130 583
Profit for the year	–	–	–	306 017	306 017
Other comprehensive income	–	–	5 974	–	5 974
Dividend paid	–	–	–	(5 000)	(5 000)
Closing balance	**63**	**1 925**	**8 783**	**426 803**	**437 574**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED 31 DEC 2021 ZWL$ 000	RESTATED 31 DEC 2020 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2020 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**299 765**	**37 075**	**359 637**	**97 157**
Adjust for:				
Fair value adjustments	(233 286)	14 360	(314 685)	(87 363)
Depreciation and amortisation	3 438	8 719	2 707	1 317
Monetary (gain) / loss	(12 488)	(50 174)	-	-
Expected credit losss expense	633	18	633	11
Unrealised (gain)/loss on foreign currency position	3 359	(896)	3 359	(558)
Loss / (profit) on sale of property and equipment	-	48	-	(75)
Profit on disposal of investment properties	(4 009)	-	(2 720)	-
Interest on lease liability	1 736	1 829	1 355	746
Operating cash inflow before changes in operating assets and liabilities	**59 148**	**10 979**	**50 286**	**11 235**
Changes in operating assets and liabilities				
Money market assets	3 511	(2 225)	2 499	(676)
Equity investments	(21 805)	(6 812)	(16 799)	(88)
Other assets	(28 831)	(40 497)	(22 699)	(13 862)
Other liabilities	51 261	81 030	52 059	17 495
	4 136	**31 496**	**15 060**	**2 869**
Corporate tax paid	(15 832)	(1 750)	(13 350)	(907)
Cash generated from operating activities	**47 452**	**40 725**	**51 996**	**13 197**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	12 498	-	9 152	-
Purchase of investment property	(33 887)	(18 847)	(27 224)	(5 983)
Proceeds on disposal of equipment	-	147	-	79
Purchase of equipment	(5 240)	(2 956)	(4 456)	(1 551)
Purchase of intangible assets	(1 158)	(188)	(1 004)	(38)
Net cash outflow from investing activities	**(27 787)**	**(21 844)**	**(23 532)**	**(7 093)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(5 951)	-	(5 000)	-
Lease liability repayment	(2 220)	(2 021)	(1 749)	(844)
Interest on lease liability	(1 736)	(1 829)	(1 355)	(746)
Net cash outflow from financing activities	**(9 907)**	**(3 850)**	**(8 104)**	**(1 590)**
NET INCREASE IN BALANCES WITH BANKS AND CASH	**9 758**	**15 031**	**20 360**	**4 514**
Balances with banks and cash at the beginning of the year	8 824	3 014	5 490	418
Exchange gains on foreign cash balances	1 559	896	1 559	558
Inflation effects on cash	7 268	(10 117)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE YEAR	**27 409**	**8 824**	**27 409**	**5 490**