Integrated Annual report **2021**

Partners for Success

Banking | Insurance | Investments | Agro-Business


cbz
WELCOME
cbz Bank
cbz Capital
DAT VEST

REGISTERED HEAD OFFICE

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P O Box 11 Harare
Zimbabwe
Tel:+263 4 782869/72; +263 772 146157
+263 4 749048
Email: info@fts-net.com
www.fts-net.com

LEGAL PRACTITIONERS

Mawere & Sibanda Legal Practitioners
3rd Floor Chiyedza House
1st Street/ Kwame Nkrumah Avenue
P.O Box CY 1376
Causeway
Harare, Zimbabwe

AUDITORS

KPMG Chartered Accountants (Zimbabwe)
Mutual Gardens
100 The Chase (West), Emerald Hill
Harare
Tel: +263 (242) 302600
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DIRECTORS

Mr. M. L. Holtzman - **Chairman**
Mrs. R. L Gaskin Gain - **Non Executive**
Mr. E. U Mashingaidze - **Non Executive**
Mr.L. C. Gerken - **Non Executive**
Mr. E. E. Galante - **Non Executive**
Dr. B. Mudavanhu - **Executive**
Mr. T. Gumbo - **Executive**

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About this report

About this report

In this report, we discuss the steps that we have taken to move closer to achieving our strategic goals throughout 2021. Our financial and non-financial performance is analysed in relation to the strategic value drivers we have identified. The material that is provided focuses primarily on the medium to long term. This report conducts an analysis of the opportunities and risks to delivering long-term, sustainable shared value for our stakeholders.

Our Integrated Thinking Framework

Integrated thinking is embodied in our core purpose, which is to prosper by keeping our clients at the centre of everything we do. We do this by providing our clients with a comprehensive suite of products to build and manage wealth in banking insurances, investments and agro-business as their Partner for Success across all of the market segments in which we are active. We are long-term investors that use a methodology called a "Thematic Growth Strategy" to concentrate on high-quality chances for growth. When we do this, we take into consideration how the choices we make impact the society and environment.

Compliance & Regulatory Reporting Requirements

The Group aims to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures the continued minimum compliance with the 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); Companies and Other Business Entities Act (Chapter 24:31) and the South African King reports. As a listed entity, CBZ has developed a Group Governance Code asper requirements. The Governance Code has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with all of the provisions of the Code throughout the year ended 31 December 2021.

LEADERSHIP INSIGHTS: PERFORMANCE REVIEW AND OUTLOOK

Group Chairman's Statement

> "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."

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.

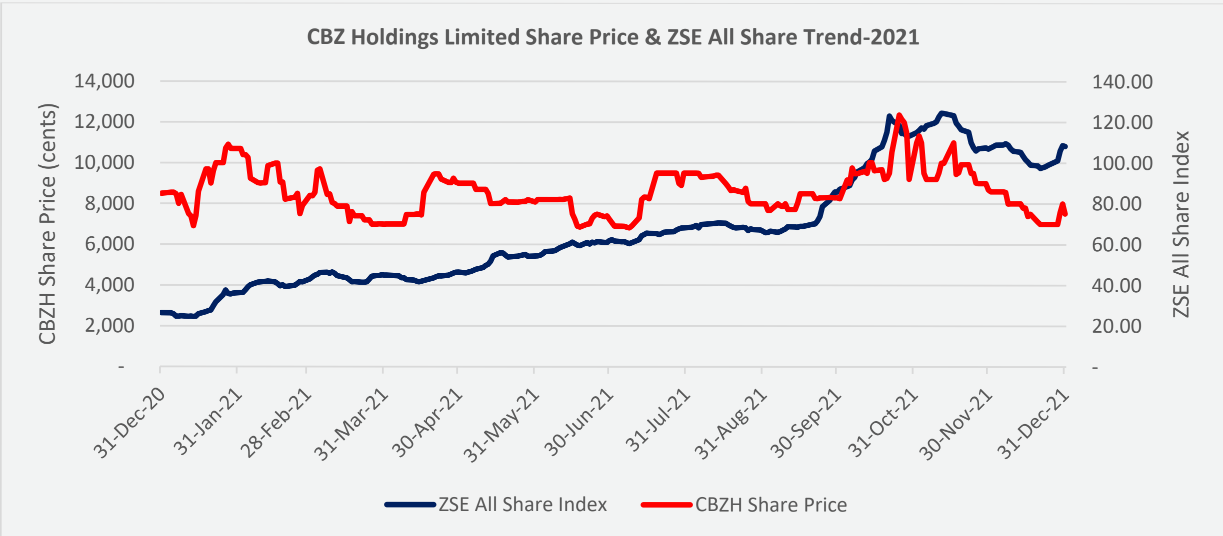
In 2021, the Group continued to partner with the communities in various initiatives including health, education and welfare. In the Health sector, CBZ Holdings donated Personal Protective Equipment (PPE) to major provincial hospitals namely Parirenyatwa Group of Hospitals, Sally Mugabe Hospital, Wilkins 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

Marc Holtzman
Group Chairman

06 June 2022

Group Chief Executive Officer's Review

> "In line with our growth ambitions, we are actively looking at enhancing our scale and product offering in our subsidiaries. ."

Introduction

2021 demanded that we showed the same resilience we displayed in navigating 2020 as the pandemic-induced economic and social challenges persisted. The investments we made in prior years in business continuity lessened the business impact of the pandemic on our staff and customers as they leveraged on our technology platforms. Despite the headwinds, we continued on our path to becoming one of the largest and most diversified financial services group in the country. We made important steps to help strengthen our business model in the face of a business world that is changing at a fast pace.

Strategic Update

In line with our growth ambitions, we are actively looking at enhancing our scale and product offering in our subsidiaries. Therefore, The Group continues to scout the local and regional markets for strategic acquisitions and/or alliances which complement the strategic aspirations of the Group. We are witnessing the benefits of the changes made to the Group's Target Operating model in better strategic execution capacity. The Group is committed to building a technology driven sustainable business leveraging on the capabilities of people to deliver positive environmental and social impact for all its stakeholders.

Digital transformation journey

Our continued survival in an ever-evolving competitive landscape requires continuous investments in technology to drive operational efficiency and enhance our customer offerings, service and experience. With digitalisation changing consumer behaviour and the rise of disruptive technologies, it has become imperative for our business to truly embrace the latest digital technologies and innovations to deliver the best possible experience for customers. We achieve this by providing digital convenience to our customers to meet their evolving needs and expectations, thereby fortifying our position as their trusted Partner for Success.

We have witnessed a significant increase in the number of our customers using our mobile platforms and merchants taking up our point-of-sale machines among other notable improvements as a result of the investment we continue to make in enhancing the features and stability of our digital platforms. Our investments in technology and the digital platforms also saw us respond faster to the demands for reduced contact and increased accessibility by our customers.

Financial performance

Despite the impact that COVID-19 had on our customers, the business managed to still post a commendable set of results. Our Total income for the year was 81% higher than the prior year driven largely by significant growth in interest income on loans and fee and commission. Operating expenses for the year were higher largely to due to staff costs and expenditure associated to our response to the COVID-19 pandemic. I'm pleased to note that the quality of our earnings are improving year on year as a result of an increase in active customers and usage of our digital platforms. To enhance our credit portfolio quality, we are selectively growing our book and proactively managing our credit risk. Reflective of the relatively high inflationary environment, profit after tax was 5% lower due to a significant monetary loss. The priority moving ahead would be to preserve and grow capital through growing our foreign currency earning and deposits, which would ultimately enhance the Group's balance sheet.

Sustainability focus

As the world around us continues to change and become more conscious of the impact that corporate citizens like the CBZ Group have on society and the environment a lot of emphasis on sustainability matters have to be documented and reported. Going forward, a larger portion of our attention and resources will be devoted to ensuring that the Environmental, Social, and Governance (ESG), Sustainable Development Goals (SDGs), and African Agenda 2063 are incorporated into our business strategy and practises.

Appreciation

We would like to express our gratitude to the Board, Management and staff for their unwavering dedication to the CBZ values throughout this challenging period. Lastly, we would like to thank our customers for their loyalty to the CBZ brand and we commit to delivering on our promise.

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Dr. Blessing Mudavanhu

Group Chief Executive Officer

6 June 2022

OUR STORY: MOTIVATED BY DIVERSITY

CBZ Holdings at a glance

Group Overview

To comprehend the core of CBZ Holdings' journey, we must start with its inception and foundation - its defining birthmarks.

The Government of Zimbabwe and Bank of Credit and Commerce International Holdings Limited established the Bank of Credit and Commerce Zimbabwe Limited (BCCZ) in 1980 as a joint venture (BCCIH). In 2004, a new vision was chosen, spurring the formation of CBZ Holdings (CBZH) as an institution ready to provide all customer segments a one-stop-shop for financial services. A primary goal of ours as a CBZ Holdings is to build a diverse portfolio of market-leading companies capable of generating long-term profits, an enticing return on equity, and strong dividends. Our strategy is founded on solid business principles and outstanding financial performance to alter lives and create a positive impact on our communities and stakeholders

OUR JOURNEY

200

04

In 2005

In 2006...

05

We made a promise to protect your most prized possessions through offering innovative and valuable short term insurance solutions.

2006

2007

06

We acquired Beverley Building Society, further diversifying our services to offer mortgage-finance products.

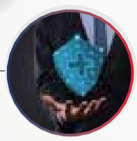
In 2007...

In 2010...

07

We made a commitment to always be there for you and your loved ones through our Life Assurance solutions.

2010



2016

08

Driven by technology to enhance convenience for our customers' we launched Zimbabwe's first innovative and fully integrated financial services mobile application, CBZ Touch.

In 2016...

In 2017...

09

Backed by a solid foundation hinge on financial stability and prudent foresight we introduced an Insurance Broking and Risk Advisory Services Unit.

2017

10

In 2

#StrengtheningPartnerships

In 1980...

01

Our journey began.

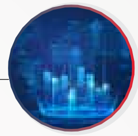
1980

In 1998...

02

We were listed on the Zimbabwe Stock Exchange.

1998



In 2004...

03

CBZ Holdings Limited was established to become the financial services provider of choice.

2004

5

We grew our investments portfolio and acquired Datvest Asset Management.

5...

d

2019

0

We established CBZ Agro-Yield to improve national food security for the people of Zimbabwe. We also began a major drive towards financial inclusion by offering microfinance solutions, through Red Sphere Finance.

2019...

In 2020...

11

We set up CBZ Capital a suite to offer investment and structured finance solutions.We also set up CBZ Digital to drive the Business into the future.

2020

cbz Holdings

Integrated Financials
Business by numbers

POS ACQUIRING
COUNT (NUMBER OF TRANSACTIONS)

	2021	2020
POS Acquiring ZWL	42,2mil	19,6mil
POS Acquiring USD	83 000	60 000

POS ACQUIRING
VALUE OF TRANSACTIONS

	2021	2020
POS Acquiring ZWL	ZWL 138bil	ZWL 15,9bil
POS Acquiring USD	USD 10mil	USD 7mil

NUMBER OF POS MACHINES
COUNT (NUMBER OF TRANSACTIONS)

	2021	2020
Number of POS Machines	22 246	12 492

CBZ TOUCH
(NUMBER OF USERS)

	2021	2020
USERS	716,524	635,529

INTERNET BANKING
(NUMBER OF USERS)

	2021	2020
USERS	44,206	32,132

CBZ TOUCH

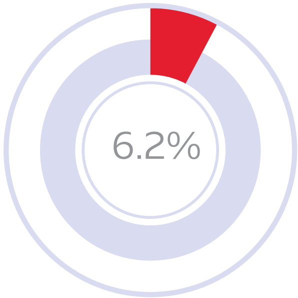
CBZ Touch	COUNT (NUMBER OF TRANSACTIONS)	VALUE OF TRANSACTIONS
2021	15.6mil	ZWL53.7bil
2020	12.9mil	ZWL17.7bil

INTERNET BANKING

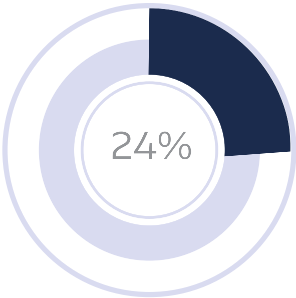
Internet Banking	COUNT (NUMBER OF TRANSACTIONS)	VALUE OF TRANSACTIONS
2021	2mil	ZWL396.7bil
2020	2.6mil	ZWL74.8bil

Key statistics and ratios
inflation adjusted

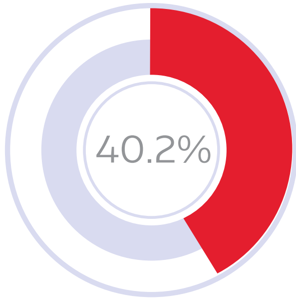
Key Ratios



Return on Assets



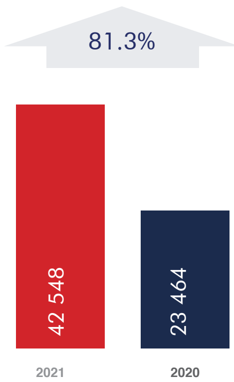
Return on Equity



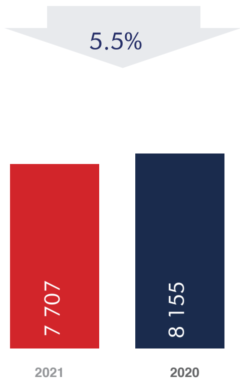
Cost to Income

Income Diversification

Key Statistics

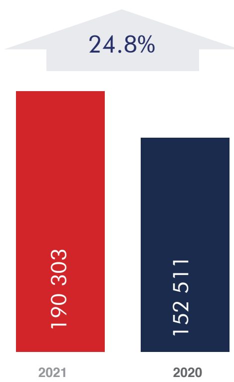


Total Income
(ZWL$ million)

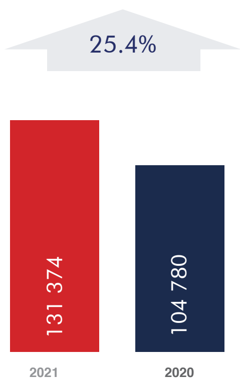


Profit after tax
(ZWL$ million)

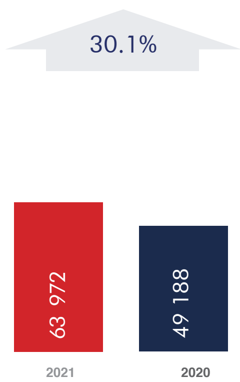
Basic earnings per share
(ZWL$ cents)



Total assets
(ZWL$ million)



Total deposits
(ZWL$ million)



Gross advances
(ZWL$ million)

Compelling Competitive Advantages:
key attributes that differentiate us

CBZ Holdings has a unique combination of attributes which differentiate the Group from peers in the market.

Local roots, global perspective

- CBZH Group has a rich local heritage and keen understanding of the local market which has endeared the Group with all its stake-holders.
- The rich experience of our leadership team gives the Group a global perspective to running the business and access to global best prac-tices and standards

Diversity & Scale

- CBZH is one of the largest and most diversified financial services groups in the country, offering comprehensive solutions in Banking, Insurance, Investment management and Agriculture.
- Our scale allows us to participate in projects that have a significant tangible national impact.
- We have growth ambitions to be a significant player in every market segment we participates in locally and to expand our footprint beyond the local market.
- This growth will be achieved through organic growth and strategic acquisitions and/or alliances.

C
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- The Group has
most experienc
senior manager
the financial se
- We have have
continues to at
the best and m
talent in the reg
level to drive th
ambitions of th
- Through carefu
development p
retention strate
Group is deter
all its key staff

Our
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some of the
ced and diverse
ment teams in
rvices sector.
harnessed and
tract some of
ost passionate
gion at every
ne growth
e organisation.
ully planned
rograms and
egies, the
mined to retain

Governance & Risk Management

- The Group has a set of comprehensive corporate governance and risk management practices.
- The Group is deeply committed to excellence in corporate governance.
- The Group is amongst the leading entities in the local market in the implementation of the ESG framework and Integrated reporting.
- Positioning the Group for sustained success

Technology platforms

- We have invested in technology platforms to improve customer experience and we continue to invest in innovative products and services
- Our technology platforms allow the previously unbanked population access to a wide variety of financial services.

Our strategic themes

Sustainable Businesses

- Perfect composite business model
- Employ enhanced Capital allocation decision criteria
- Fully integrated business model with a seamless one client journey
- Best-in-breed products across businesses
- A powerful, globally recognised brand

People and Culture

- Right people in right roles
- Future-fit learning agenda
- Build and nurture an entrepreneurial culture
- Nurture an inclusive work environment
- Strong Purpose and Values

Financial & Social Impact

- Quality earnings growth with sustainable levels of cash and ROE
- Align business strategy with the needs of individuals and the society in order to lead with purpose
- Achieve the highest ESG ratings across selected indexes and Rating agencies

Technology and Digital Transformation

- Perfect composite business model
- Employ enhanced Capital allocation decision criteria
- Fully integrated business model with a seamless one client journey
- Best-in-breed products across businesses
- A powerful, globally recognised brand

Group Structure

cbz Properties

CBZ PROPERTIES (Private) Limited
100%
Property ownership, development and management

cbz Insurance

CBZ INSURANCE (Private) Limited
98.4%
Short term insurance

cb

cbz Custodial Services

cb

CBZ Holdings Limited is a diversifie
the Zimbabwe Stock Exchange
Zimbabwe and employing 1 249 s
Banking, Insurance (long and shor
Business (CBZ Agro Yield) and Ri
has a significant property portfol
Properties (P

red Sphere Finance
A Member of the cbz Group

Redsphere
100%
Micro finance

cbz Bank

CBZ BANK LIMITED
100%
Commercial banking and mortgage financing

DAT

CBZ LIFE LIMITED
100%
Long term insurance

CBZ building Society
100%
Mortgage financing

CBZ ASSET MANAGEMENT MAURITIUS
100%
Fund management
and advisory services

CBZ Digital

ed financial services Group, listed on (ZSE) with operations throughout staff. The Group has subsidiaries in rt term), Asset Management, Agro sk Advisory. In addition, the Group io managed by its subsidiary, CBZ rivate) Limited.

CBZ Risk Advisory Services (Private) Limited
100%
Insurance broking and
Advisory services

CBZ Asset Management (Private) Limited
T/A DATVEST
100%
Fund management
and advisory services

CBZ Capital
100%
Private Equity

CBZ AGRO YIELD
100%
Agriculture based financing

Our purpose

Our purpose is to have a positive impact on the financial lives of our customers and to generate wealth and value for all our stakeholder with the understanding that they are essential for our success.

Stakeholders	What are they?	Expectations	How do we meet our stakeholders' expectations?
Employees	Our mission is to have a positive impact on the financial lives of our customers and to generate wealth and value for all our stakeholder with the understanding that they are essential for our success.	Safe, secure and inclusive working environment Fair pay Equal opportunities for career advancement.	We ensure that pay is fair and in line with market trends We provide a safe working environment for all staff
Customers	The foundation of our business and our source of deposits and revenue. More than 1,100,000 active customers	Efficient service Reliable online and offline access points Responsible and transparent banking	New product development Continuous investment in our service delivery infrastructure Financial inclusion
Investor community	Current/prospective shareholders Investment analysts Rating agencies >10,000 local and international shareholders	Sustainable business Achieve minimum expected ROE Responsible corporate citizen through ESG framework implementation	We continue to grow our market share through organic growth and M&A transactions so we maintain and grow our market share The group continues to diligently work on customer solutions
Regulators	Reserve Bank of Zimbabwe ZSE / SEC IPEC	Sound governance and risk management practices Compliance with all laws and regulations Financial inclusion	We have instituted strong governance and risk management culture across all our subsidiaries Our target operating has been redesigned a sound control environment
Society	The general public Communities Civic organisation/NGO Media Local suppliers	Contribution the development of communities through poverty alleviation initiatives. Active participation in the achievement of UN SDG goals	Implementing the ESG framework and its principles. Financial inclusion through wider access to financial services products.
Planet	The natural environment we and our stakeholders live in	Positive contribution to the reduction of the nation's carbon footprint	Implementing the ESG framework and its principles. Funding of sustainable energy solutions. Actively reducing our organisation's carbon footprint as an organisation.

KPIs	Channels and frequency of communication	Quality of relationship
Staff attrition rate Employee engagement index No of Learning and Development hours	Regular communication and as required when there are key events	Good
Brand perception score (BPS) Customer satisfaction index (SCI) Net promoter score (NPS)	Online: On transaction activity and monthly statements	Good
Revenue and NAV growth ROE Dividend paid Share price performance Cost to income ratio Non-performing loans ratio	AGMs Analysts' briefings Online investor relations section of the group website	Good
Capital adequacy ratio Non-Performing Loans ratio Liquidity coverage Regulatory fines Tax paid	Periodic returns, Feedback sessions Half-yearly / Full year earnings publication Special meetings for specific approvals	Good
CSR spend Amount spent on responding to national disasters, education and poverty reduction initiatives. Procurement benefiting local	Regular Social media, Radio and TV updates	Good
Financing availed to renewable energy development projects. % reduction in our own fossil fuels energy consumption		Work in progress with ESG & sustainability guidelines implementation underway.

Beyond Financial Capital:
How we create value for our stakeholders

Inputs to value creation: The 6 Capitals

KPIs for our inputs as at 1 January 2021 (ZWL$'000)

Financial Capital

- Our strong balance sheet
- Strong Capital position and support from our shareholders
- Funding and deposits from our investors and customers

- Equity: **$28,324,443**
- Deposits: **$104,779,611**
- Gross Loans & advances: **$49,188,223**
- CAR **19.09%**

Human Capital

- Our entrepreneurial culture
- Experienced leadership team from diverse backgrounds
- Engaged and well qualifies employees
- Equitable reward structure

- Number of employees: **1,314**
- % of female employees: **42%**
- Compensation to staff: **$5,110,396**

Intellectual Capital

- Strong brand equity and reputation
- Innovative Digital banking platforms
- Our compelling customer value proposition
- Our policies, controls and guidelines

- We continue to invest in our digital platforms and improve on our processes to improve customer experience.
- A wide product portfolio which most competitor cannot match

Inputs to value creation: The 6 Capitals

KPIs for our inputs as at 1 January 2021 (ZWL$'000)

Manufactured Capital

- Our wide branch network
- Robust technology infrastructure

KPIs:

- Property and equipment: **7,704,327**
- Number of branches: **47**
- Number of ATMs: **60**
- Number of POS Machines: **12,492**

Social and Relationship Capital

- Our strong relationships with our customers
- Strategic partnerships and service providers

KPIs:

- More than **950,000** active Retail banking customers.
- Good relationships with all our stakeholders

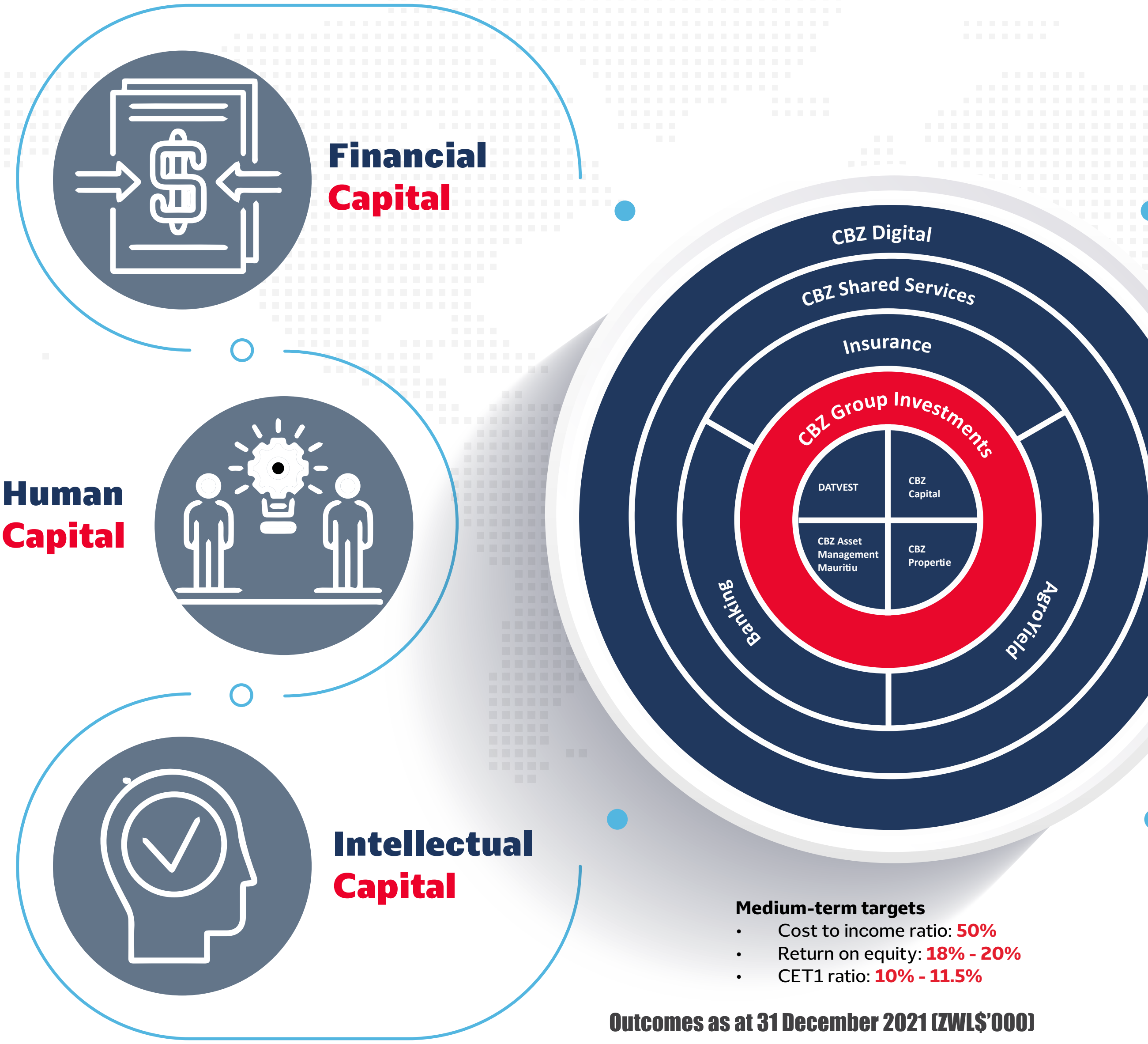
Natural Capital

- Consumption of energy, water and other natural resources
- Our influence in the consumption of natural resources through our business activities.

KPIs:

- Availed facilities to staff for the procurement of home solar systems for backup as some worked from home due to COVID-19 and to reduce their grid electricity consumption.

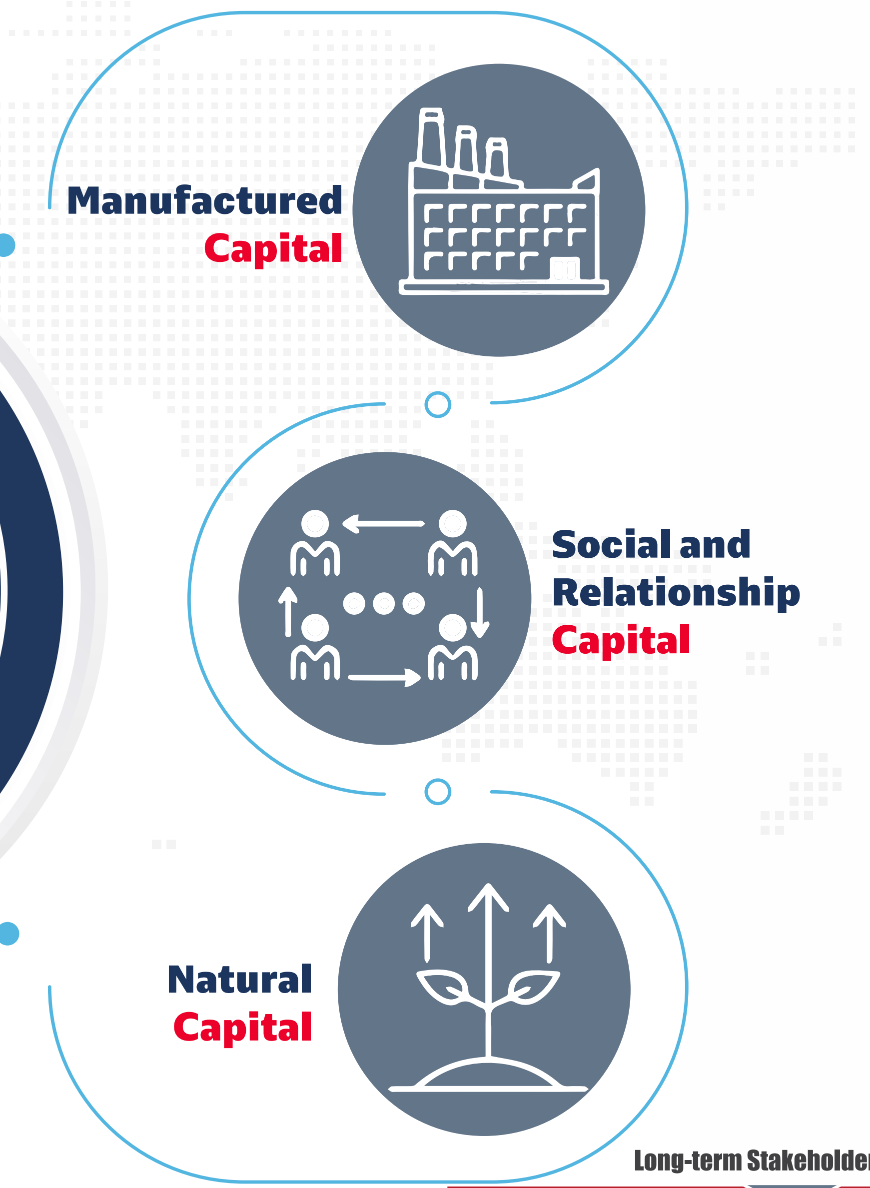
Beyond Financial Capital:
How we create value for our stakeholders



Medium-term targets
- Cost to income ratio: **50%**
- Return on equity: **18% - 20%**
- CET1 ratio: **10% - 11.5%**

Outcomes as at 31 December 2021 (ZWL$'000)

Financial Capital	Human Capital	Intellectual Capital	Manufactured Capital	Social Relatio Capital
Revenue growth: **81.3%** CTI :**40.2%** (2020: **38.2%**) Equity: **$35,794,275** (2020: **28,320,007**) ROE: **24%** (2020: **33.5%**) CAR: **12.68%** Share price movement: **(11.8%)** Dividend: **$191.57**/ share (2020: **$461.87**)	Salaries and benefits paid: **$10,133,686** (2020: **$5,110,396**) Number of employees:**1,249** % of female employees: **43%**	Key skills hired and retained Increased brand equity:BPS: **5.96** (2020: **5.75**) NPS: **23** (2020: **11**) CSI: **81%** (2020: **79%**) Continuous Technology platforms upgrades	Branches: **35** (2020: **47**) ATMs: **51** (2020: **60**) Number of POS machines **22,246** Number of mobile banking users: **716,524**	Brand equity New customers new customers Education and development. The group cont invest in a num initiatives to up communities. Supported a wi of local supplie



...nship	Natural Capital
...s: >100,000 ...s ...skills ...tinued to ...ber of CSR ...lift ...de variety ...rs	Credit extended to Renewable energy projects

Long-term Stakeholder impact

	Employees	Clients	Shareholders	Regulators	Society
Employees	+	+	+	+	+
Clients	+	+	+	+	+
Shareholders	+	+	+	+	+
Regulators	+	+	+	+	+
Society	+	+	+	+	+

Key: + Positive

Our latest innovations

CBZ Bank

Accelerated by the COVID-19 pandemic, the rapid growth in mobile payment systems such as the Quick Response Code technology led the business to launch CBZ Pay. CBZ Pay is a VISA on mobile service that allows clients to transact at any merchant by simply scanning a Quick Response Code using their smartphone. In addition to that, to tap into the growing tech-savvy millennials, CBZ Bank unveiled the CBZ Smartkey, an extension of the CBZ Touch App that allows clients to do their convectional banking transactions while chatting with friends on social media.

Furthermore, the bank also joined the mobile app zero-rating revolution to allow clients to enjoy easy access to financial services at no cost at all. It's also noteworthy that in line with the groups thrust on digitisation CBZ Touch was revamped as part of the digital transformation journey. The revamp was a refresh of the app interface and aesthetic look to reflect a modern and futuristic outlook. New key security features such as the biometric log-in and the six-digit PIN were also introduced in the third quarter of 2021.

CBZ Risk Advisory Services

Agriculture is considered the backbone of Zimbabwe's economy, transforming the livelihoods of many households, particularly, the medium-to-large scale commercial farmers. In support of this sector, CBZ Risk Advisory services launched the Farm Comprehensive Cover, an insurance product that allows farmers to insure crops, farm equipment and livestock at more affordable rates.

Additionally, the business introduced several sector-specific insurance products, including the Legal Sector Cover, Health Care Cover, and Construction and Engineering Cover. Broadly, these sector-specific customer value propositions were tailor-made to target the thriving sectors of the economy, especially those that are on a recovery path and with the potential to unlock economic growth.

CBZ Agro Yield

Launching the Ezzy Tap product was CBZ Agro Yield's endeavour to both improve their operating efficiency and provide a more streamlined experience for their customers, who include both farmers and input providers. By utilising API integration technology, this product gives farmers the ability to order or redeem inputs from a network of registered farming input suppliers using either a mobile app or a CBZ Agro Yield POS machine. This functionality is made possible by the product's use of API integration technology. The ability to manage accounts, make payments, and monitor inputs in real time are just some of the distinctive benefits that this tool offers to farmers. In addition to the farming input providers or merchants, some of the important capabilities that are offered by Ezzy Tap include order creation, inventory monitoring and management, and management of stock.

CBZ Insurance
CBZ Insurance took advantage of the group parental benefit in order to launch their Premium Finance product as a stress-relieving strategy for their short-term corporate clients that needed short-term insurance. Premium Finance is a short–term credit facility with a tenor of up to ten months that is made available through CBZ Bank to CBZ Insurance corporate clients in order to facilitate the payment of insurance premiums in accordance with the regulatory requirement.

Our online presence

We have made efforts to enhance our online voice through the use of social media in order to better engage with both our existing and potential clients. We are currently active on four different platforms, including Facebook, Twitter, LinkedIn, and Instagram, and we have a total of 200,000 followers across all of these sites. We collaborate with a variety of digital partners that, in addition to sharing our material through their own online channels, help us expand the scope of our audience reach. The content we produce receives approximately 1.5 million impressions each month on average. The redesigned website that we have helps to improve our online visibility and supports the efforts that we are making to acquire new customers by enabling the submission of account opening applications online. Customers also have the option of submitting feedback as well as inquiries, all of which are sent directly to our Contact Center so that they can receive prompt reply. +/- 1,500 unique visitors per month are counted by our analytics platform.

Operating context: Market drivers influencing our business model

Our capacity to generate value for our stakeholders is directly influenced by the operating environment. The ability of our company to successfully anticipate, manage, and react to shifts in the operating environment is critical to the success of our value creation efforts.

The COVID-19 pandemic

Although the COVID-19 pandemic constraints continued to inhibit activity during the year 2021, the overall impact was somewhat 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" by the International Monetary Fund "IMF" in August 2021. This, undoubtedly, boosted liquidity and foreign currency reserves for the global lender's member countries.

Meanwhile, we continued to prioritise the fundamental responsibility of ensuring the safety and well-being of our employees. More than 50% of the employees received both doses of the vaccination directly or indirectly though the organisation, whilst all employees continued to receive hygiene and personal protective equipment. A fraction of the employees continued with remote working under the comprehensive work from home strategy that we introduced at the onset of the pandemic in 2020. This was complemented with mental health and wellness campaigns aimed at providing advice to employees on staying healthy and productive.

We also steadfastly upheld our promise to offer convenience and satisfaction to our wide range of customers - leveraging on our investment in technology, human capital and manufactured capital to deliver tailor-made services and solutions. In the corporate banking segment, we supported our clients who were directly impacted by the COVID-19 pandemic through, among other initiatives, debt restructuring. However, the overall impact of the pandemic on our capital and liquidity ratios remained minimal given the low levels of direct exposure to the most impacted sectors, earnings growth, enhanced liquidity management and the huge capital buffers in the banking segment. In the retail banking space, our branches stayed open during the hard lockdown periods, and this was done in full observance of the COVID-19 protocols and guideline. In the insurance segment, our insurance broking and advisory unit managed to negotiate for premium discounts and to get extended credit terms on premium payments to ease the burden and cost pressures on our clients that were affected by the pandemic, especially those in the tourism sector. The Group also undertook several support initiatives, including, but not limited to donations of personal protective equipment to (marketing to provide).

In 2022, the transition from pandemic to endemic will result in the emergence of new risks and opportunities for the global, regional and domestic economies. Global risks include protracted supply chain constraints and rising inflationary pressures. In Zimbabwe, the reduction in business opportunities for companies that had pivoted on the COVID-19 pandemic is likely to be outweighed by the resumption and scaling up of operations in sectors such as tourism and hospitality that had virtually shut down due to the pandemic.

Macroeconomic environment

According to the International Monetary Fund "IMF", "the economic recovery in sub-Saharan Africa surprised on the upside in the second half of 2021, prompting a significant upward revision in estimated growth from 3.7% to 4.5%".

In Zimbabwe, growth prospects were largely uplifted by better than anticipated agricultural output, recoveries in the manufacturing and mining sectors as well as resilience in the financial services sector. Government infrastructure investment programs also added significantly to the projects pipeline in the construction and water subsectors, whose elevated activities also crowded in more private sector players from the down and upstream industries.

In 2022, just like most emerging market economies, Zimbabwe is expected to be affected by global developments such as the Russia-Ukraine crisis, rising global inflation and monetary tightening in most sub-Saharan Africa and advanced economies. However, the key drivers of economic activity, namely mining, construction, manufacturing and agriculture are expected to remain in-tact, with the mining sector further benefiting from firm commodity prices. We are also encouraged by the level of private and public sector interest in the agricultural sector, one of the key sectors of the Zimbabwean economy, and we continue to strengthen our ability to effectively participate in the next frontier industry. Intra and extra African trade and investment flows are expected to be accelerated by the further operationalisation of the African Continental Free Trade Area (AfCFTA) and the launch of continental payments platforms and gateways.

Sustainable development, technological transformation, food security and minerals of the future will continue to shape the Zimbabwean macroeconomic environment and our strategy execution.

Competition, Technological change & Digital Transformation

The pace of innovation has accelerated tremendously in recent years as technological advancements continue to put solutions in the hands of agile players such as Fintechs. This, together with the shifting customer tastes, preferences and behaviours requires a rethink of business models. In fact, in order to better serve customers and remain relevant, traditional service providers need to make further investment towards digital transformation focusing on enhancing service delivery, optimising costs and exploring new income lines. This includes adoption of new technologies such as cloud computing as well as fostering greater interoperability of platforms across various sectors and service providers. Additionally, emerging technologies such as Blockchain broadly offers further opportunities to unlock more ways of better serving customers. Although scalability remains a major challenge within the Fintech space, collaboration between Fintechs and traditional service providers remains one of the ways to through which the sector could better meet the ever-changing customer needs, including providing end to end digital sales and services.

In Zimbabwe, the central bank driven Fintech Regulatory Sandbox continues to provide the platform for enhancing collaboration between players and regulatory authorities and in the process foster speed to market. The authorities are also exploring the Central Bank Digital Currency, and we continue to closely monitor developments around this innovation with a view to better understand its impact on our operations and how we could better participate in its operationalisation.

The adoption of technologies and digital solutions has, however, brought about new risks, chief among them cyber-risks. Whilst this presents challenges to the Group with regards to prevention of cyber-risks, it also offers opportunities for the Group's subsidiaries in the insurance segment to offer attendant risk management solutions to our clients.

In 2022, the key trends are likely to revolve around branch model redefinition, enhancement of digital capabilities, secure transactions and risk mitigation tools and products.

Regulatory change, risk management & governance

The spectrum of our operations and our strong links with the global economies through correspondent banking relationships and strategic alliances demand that we maintain a high level of compliance with local and international regulations in order to maintain a sound international standing. Our operations are governed and influenced by several laws, regulations and codes, with the topical ones being those regulations focusing on consumer protection and anti-money laundering.

The regulatory landscape continued to evolve during the year 2021, and it is expected to evolve further in 2022 and beyond. The section below outlines the material regulatory items and their impact on our operations.

Data Protection Act [Chapter 11:22]
The Act was promulgated in December 2021, and it applies to matters relating to access to information, protection of privacy of information and processing and storage of data wholly or partly by automated means. It shall be interpreted as being in addition to and not in conflict or inconsistent with the Protection of Personal Information Act [Chapter 10:27]. These laws largely control the processing, holding and security of personal data, which requires enhanced management in view of increasing risks around cybersecurity and data breaches.

Designated Systemically Important Financial Institutions
Our banking entity, CBZ Bank, is a designated Domestic Systemically Important Financial Institution. This brings with it significant ramifications in terms of capital, liquidity, resolution, recovery planning and reporting.

Regulatory Minimum Capital Requirements
The Reserve Bank of Zimbabwe requires Tier 1 banks, the category in which our banking entity falls, to maintain minimum capital equivalent to US$30 million in local currency. In the microfinance industry, the minimum capital was set at the equivalent to US$25 000 for credit only microfinance institutions. Although the deadline for complying with the minimum capital level was extended to 31 December 2022 so as to give institutions more time to raise the capital, our banking subsidiaries are already adequately capitalised with considerable capital buffers.

Going forward, we believe that the higher minimum capital levels with strengthen the financial sector and enhance its ability to underwrite more and bigger transactions thereby help in driving job creation and economic growth.

Climate Change

Climate related and environmental factors are becoming more salient, with the World Economic Forum noting in its 2021 Global Risks Report that environmental risks now account for 4 of the 5 top global risks. It is no surprise therefore that regulators, investors, pressure groups, the media and global citizens are increasingly paying attention to risk and opportunities that are related to climate change. The risks that dominate concerns include natural disasters, extreme weather, environmental damage and climate action failure.

Although the climate change agenda is complex and poses many dilemmas, our commitment is to minimise the impact of our activities on the environment through, among other initiatives:

- Actively reducing waste and pursuing a green environment in our operations.
- Complying with applicable environmental legislation.
- Promoting environmental awareness amongst employees.
- Incorporating environmental considerations into the Group's risk management processes.

We believe that financial service providers like ourselves play key role in climate action by embedding climate change considerations into their strategies. To this end, we are pursuing sustainability certification, through which we are realigning existing, and developing new strategic elements such as policies and procedures; creating benchmarks; and developing targets to enable tracking and reporting of impact and progress in pursuing environmental sustainability.

Some of the new guidelines that we will develop during the year 2022 and beyond include, but not limited to, environmental and climate risk framework, carbon footprint policy, environmental policy, supplier code of conduct and alignment of operations to the Green House Gas "GHG" Protocol. These initiatives should assist us in effectively managing climate related risks, identify opportunities for alleviation of environmental impacts as well as to better cope with climate related shocks to economic, social and natural systems.

Transformation with a sustainable development context

Fulfilling stakeholder needs in a manner that preserves the environment and natural resources for future generations is the cornerstone of sustainable development. The United Nations set sustainable development as a global priority through the 17 Sustainable Development Goals "SDGs". The SDGs provide a common framework for private and public sector interventions in driving societal transformation towards inclusion, equality and sustainability. In Zimbabwe, our principal market, the SDGs are complemented by the African Union's Agenda 2063, the National Financial Inclusion Strategy (2016-2020) and the National Development Strategy. Additionally, the Reserve Bank of Zimbabwe is currently working on a successor National Financial Inclusion Strategy in which financial inclusion is expected to remain an imperative, whereas financial literacy will gain more prominence.

Thus, during the year 2022, we will expedite our efforts to create systems, frameworks and platforms that enable our various business units to drive sustainable development in their areas of operations. Already in the banking space, the banking unit is undergoing a sustainability certification process, through which it will seek pursue initiatives that specifically address SDGs 1, 2, 8 and 9.

"Although the climate change agenda is complex and poses many dilemmas, our commitment is to minimise the impact of our activities on the environment through, among other initiatives"

Recognising our achievements

Buy Zimbabwe Exceptional Decade Awards 2021

Runner up in Buy Zimbabwe customer services award of the Decade
Runner up in Buy Zimbabwe CSR award of the Decade

Global Finance Award

Best Bank in Zimbabwe 2021 award by Global Finance Magazine

MAZ Awards

SuperBrand – Banking Sector Category
5th place overall, Business to Business category

Institute of Corporate Directors Governance awards

Mr. Marc Holtzman The 1st Runner Up - Board Chairperson of the year
Dr Blessing Mudavanhu - CEO of the Year Award 2020 Director of the Year - Large & Listed Companies
Dr Blessing Mudavanhu – Overall winner CEO of the Year Award 2020 Director of the Year - Large & Listed Companies

The Insurance Survey Awards

CBZ Risk Advisory Services - 2nd Runner up – Best Insurance Broker award

10th Annual Service Excellence Awards

Winner Banking Sector category

ZAMFI Awards

Red Sphere Finance - Most Profitable and Sustainable MFI of the year

2021 Zimbabwe Agricultural Show Award

1st prize for the 2021 Best Stand under the Financial Institutions that exhibited the best adaption measures/innovations in respond to the COVID -19 pandemic (2021 Zimbabwe Agricultural Show Stand award)

2021 Chartered Governance and Accountancy Institute in Zimbabwe Awards

Best Risk Management Disclosures (Banking Institutions) (1st Prize) – CBZ Bank Limited
Best Board Governance Practices Disclosures (1st Prize) – CBZ Bank Limited
Overall Best Corporate Governance Disclosures (Banking Institutions) (First Overall Prize) – CBZ Bank Limited
Best Shareholders Treatment Disclosures – (Listed Companies) (1st Prize) – CBZ Holdings Limited
Overall Best Corporate Governance Disclosures (Listed Companies) (First Overall Prize) – CBZ Holdings Limited

Beyond Lending

Making a good difference

The COVID-19 pandemic posed significant challenges globally. As mentioned earlier in the report the Group made a positive contribution to its ecosystem and stakeholders by supporting vulnerable communities, the education and health sectors and the environment.

The mission, which will continue into the future, is not only to provide contributions where they are needed, but also to improve people's lives and the economy as a whole via sustainable empowerment and development. The guiding philosophy that underpins the Group's strategy is to guarantee that the organisation capacitates the whole CBZ ecosystem to achieve overall sustainability. In this sense, the CBZ Holding's Sustainability Strategy and Roadmap will serve as our primary compass and pillar of direction. A key quality that has been exhibited by the Group is agility in creating the desired effect and impact in its sphere of influence. Our stakeholders remain an integral part of the way we conduct our day to day business all in a bid to provide the best possible value.

Interacting with stakeholders: needs and expectations

The Group by offering financial services over the years has established close lifelong relationships with both the communities in which we work and the environment. Our capacity to produce and preserve value is directly proportional to the quality of the connections we maintain with one another, as well as the breadth and depth of the actions and contributions we undertake on their behalf. We generate and preserve value for our stakeholders by catering to their requirements and living up to their expectations, while seeking out ways to cut down on value depreciation.

Our Response to Sustainability Matters

CBZ Holding Limited's operations take place in a global village, in which the company's activities and those of its subsidiaries have a major impact on the ecosystems in which those operations take place. CBZ Holdings has, over the course of our company's history, gradually come to the realisation that the company's success depends not only on addressing climate change, diversity, and disclosures, but also on integrating net-zero, sustainable development goals, and environmental, social, and governance (ESG) ambitions into our business strategy.

When considering sustainability, the Group's primary focus is on achieving predetermined objectives and delivering on our larger strategic thrust without jeopardising the organization's capacity to function well into the foreseeable future. The most important step in achieving this goal is to ensure that all of the available natural, social, and financial resources are used in the most effective and ethical way possible. Our concerns for the preservation of the environment, social equality, economic progress, and the proper governance of the Group are all ingrained in our perspective on Sustainability. Given these circumstances, the Group integrates sustainability and environmental, social, and governance (ESG) concerns into the day-to-day operations throughout. Concerns pertaining to Environmental, Social, and Governance are an essential component of the global sustainability agenda. The Group has already begun the sustainability and ESG certification processes, and major steps have been taken and documented.

The Group has adopted a more comprehensive ESG Framework and incorporated ESG concepts into our operational procedures. This is intended to keep us at the forefront of social change by using all of our business platforms to accomplish our goals and execute our strategy in a manner that is sustainable. Our strategy for achieving sustainability is premised on our Sustainability Strategy, which outlines the manner in which we incorporate sustainable practises into organisational decision-making. To help achieve this, we are proactively identifying and reducing ESG risks that are material to our organisation and maximising on ESG business possibilities, and fostering stronger connections with clients and industry participants. The Group is aligning ESG positions and priorities across the organisation and looking to demonstrate leadership and influence in the regard.

The Group Board approved the implementation of the Environmental Management Policy, the lays out the specific sectors and activities that the organisation will not support as they are either hazardous to the environment, dangerous, or socially unacceptable. The following is a list of some of the most important interventions that have previously been adopted and are now being enforced:

- A specific Environmental and Social Impact Assessment questionnaire is completed for every application for facilities by All Lending Units.
- The Bank added a section in its Credit Proposal specifically capturing the Sustainability, Environmental & Social Risks. It is

now mandatory that every credit application considered by all lending authorities up to the Board shall only be considered when it meets all the key environmental and social aspects.

- Risk Management reports to Management and to the Board, including Sustainability & Environmental risks as permanent Risk Log items that are tracked and reviewed monthly (for Management) and quarterly (for the Board).
- The Compliance, Audit and Risk Functions regularly review projects financed by the Group and its subsidiaries as set out in the Environmental Management Policy.
- Operationally, the Group has also drastically reduced its usage of paper, with the branch operations having mostly gone paper-thin, whilst some services are now completely paperless.

Contributing and delivering on the 17 SDGs with a specific focus on Zimbabwe

We endorse the goals of the United Nations Sustainable Development Goals, with a particular emphasis on Zimbabwe and Africa. The group views itself as responsible corporate citizen and therefore has to play its part in the achievement of National Development Goals (NDGs), African Agenda 2063 and 17 Sustainable Development Goals (SDGs). Resultantly as the group focuses on this a sustainability strategy has been put in place and it takes a holistic on all matters sustainability and ESG. The Group is in the process of accreditation and affiliation to various bodies whose vision and goals align with the Group's intent. Through CBZ Bank the Group has also taken keen interest in Sustainability accreditations championed by the Reserve Bank of Zimbabwe and German based sustainability focused entity. It is through these efforts and other operational initiatives the group will be playing a significant and visible role in ensuring that we play our part in the Zimbabwe.

A process is also ongoing whereby the Group is mapping its medium to long term goals in alignment with ESG standards and SDGs. This is all in effort to ensure our efforts are measurable and transparent to all stakeholders.

Playing a leading role in Zimbabwe's sustainability and growth: Case in point

In this day and age, the environmental and social impact of conducting business cannot be underestimated. As a result, the company is constantly looking into new ways to ensure that whatever impact we have on our environment and all of our stakeholders is positive and transformative for their lives.

During the period of time under consideration, CBZ Bank improved its responsible lending practices, which now involve screening all lending initiatives with regard to their potential effects on the environment and society. The bank retains the discretion to lend to or not lend to entities that have a negative impact, both environmentally and socially, and reserves the right to make this decision based on the nature of the impact. The Group, acting through the Bank, has not only taken the stance that it will only deny credit to entities that have an effect on the environment and society, but it has also taken on the role of providing advisory services regarding responsible business practices. As was mentioned earlier, the Bank has enrolled in a process to receive accreditation for its commitment to sustainability. This process also has far reaching implications for the group as a whole.

There have been significant efforts made during the year under review by the Group's investment cluster to explore financing opportunities and financial products that can channel resources towards opportunities that drive the sustainability agenda in Zimbabwe. These efforts were made through the investment cluster. The funding of the sustainability agenda is the single most difficult obstacle that the group must overcome, and going forward, the group will look for opportunities through its subsidiaries to help alleviate this obstacle.

The country is not immune to the effects of climate change, particularly in regard to its ability to maintain a stable supply of food and energy. In light of this, the organisation has worked to ensure that food security is improved within the country. This has been accomplished by capitalising on the locally available food generation capacity, as well as by not only funding agriculture through the Bank but also playing an active role through Agro-yield. Going forward, the focus will be on incorporating as much technology as possible into agriculture as the country transitions to precision agriculture.

Overall, the group is focusing on leveraging extensively on the group synergies in order to ensure that sustainability and growth are realised not only for the group but also for the country as a whole. This is the case in all aspects of sustainability.

Our Response to the COVID-19 pandemic & Employee Welfare

The COVID-19 Pandemic prompted CBZ Holdings to re-evaluate the company's policies regarding the health of its employees. The following actions were taken by us in accordance with our business continuity plans as well as the guidelines provided by the World Health Organization and the Ministry of Health:

Medical cover A review of medical aid coverage was conducted, and resulted in the inclusion of the provision of COVID-19 treatment for employees and their beneficiaries. Because of this, our staff members were able to receive medication delivered to their homes, maintain regular consultations with the doctor, and, if necessary, be hospitalised.

Vaccination – In collaboration with CIMAS Medical Aid, the Group started a vaccination drive for its staff members. Employees who had been vaccinated against COVID-19 were eligible to receive a vaccination bonus upon presenting a valid vaccination card.

Covis-19 Facilitates -Availability of an exclusive COVID-19 isolation and admission facility for all staff and dependants was bolstered by the Group's partnership with CIMAS. The business secured revolving oxygen tanks for any emergencies nationwide for employees as part of the COVID-19 recovery strategies.

Flexi-working – The Group embarked on flexi-working for all functions, which enabled us to decongest the offices and have not more than 50% of staff per office in line with the provisions of the Ministry of health. In line with Business Continuity Management (BCM) protocol, staff continued to provide services to our market with the assistance of the business, effective hybrid working model.

Provision of Masks and site checks - The business provided all staff with surgical masks on a monthly basis and all front line staff were provided with N95 masks to protect them and our customers from the virus. Enforcement of spot check protocols were done through installation of temperature check machines as well as sanitizer dispensers at all entry points nationwide.

Employee Wellness

As part of our 'People Strategy', there is a need to both enhance and support the wellbeing of our staff. We believe that the wellbeing of our workers is an essential component in establishing an atmosphere that nurtures the employees' inner well-being, which in turn inspires performance, innovation, and creativity on their part. The following initiatives have been taken up to promote the health and happiness of our staff members:

Total Health Management: Provisions of awareness programs to enable employees to cope and self-manage themselves and families across various health issues. These programs were digital and covered issues such as breast cancer, diabetes awareness, prostate cancer, gynaecological issues and hypertension.

Mental Health Support: Provision of counselling service for staff in order to balance mental fitness for the to support employee productive, reduce absentiseem and manage anxiety caused by the effects of the pandemic, bereavement, social issues and alcohol abuse to mention a few.

COVID-19 Awareness: We provided employees with valid updates on the status of the pandemic as provided by the Ministry of Health, to ensure they were equipped with accurate information.

Investment in agriculture

The increasingly unpredictable macro-economic and geo-political environment has provided the Group through CBZ Agro-Yield with an opportunity to rethink its business approach and processes. As an agro-financing unit, its goal is not only to provide financing options to farmers but to serve as a catalyst to sustainable farming operations, good agronomic practices (GAP) as well as ensure food security.

Supporting small scale agriculture schemes
Evidence has shown that small-scale farmers who band together into groups with similar aspirations and concerns tend to outperform those farmers who pursue their endeavours on an individual basis. CBZ Agro-Yield has taken an active role in ensuring that small scale farmers are organised into groups so that they may have access to targeted infrastructure funding and technical assistance. The unit has launched a US$241 million irrigation financing scheme, and thanks to the partnership of the government of Zimbabwe through the Ministry of Finance and Economic Development (Liquidity Support Provider) and the Ministry of Lands, Agriculture, Water, and Rural Resettlement (Implementation Partner), 150 small scale farmers have benefited from centre pivots.

Partnerships
The worldwide pandemic caused by the COVID-19 virus and other economic disputes throughout the world have destabilised supply networks, which has caused local industries to concentrate their attention on where they get their raw materials from. It is anticipated that farmers would be the greatest beneficiaries of individualised contractual arrangements made by manufacturing enterprises, as well as the largest beneficiaries of favourable pricing as a result of import parity benchmarking.

CBZ Agro-Yield formed partnerships with enterprises that manufacture edible oils, which resulted in the provision of financial and technical aid to carefully chosen farmers. In 2021, the organisation formed a partnership with Cicada Africa to provide financial assistance to small-scale landholders. While CBZ Agro-Yield was responsible for providing the finance, CICADA was in charge of providing the necessary technical assistance, which resulted in a recovery rate of one hundred percent.

Launch of Blueberry Scheme in Shamva

In 2021 saw the finalisation of a pilot project, which will see the establishment of a blueberry farm near Shamva. The land that has been set aside for the project comes equipped with the necessary infrastructure, which will result in the reduction of start-up expenses. Resultantly because of this scheme, Agro-Yield will become an exporter of high-value crops, which will generate foreign currency for the business and go a long way in value preservation.

Infrastructure projects

The National Development Strategy 1 ("NDS"), which will run from 2021 to 2025 and has been established by the government of Zimbabwe, aims to promote faster, inclusive, broad-based, and sustainable economic development. In this respect, a total of 14 national objectives have been defined. Some of these priority include social protection, economic development and stability, food and nutrition security, the digital economy, infrastructure and utilities, and international re-engagement. The Sustainable Development Goals (SDGs), Africa Agenda 2063, and the SADC Regional Indicative Strategic Development Plan were taken into account while developing these objectives.

It is anticipated during the NDS 1 period, the successful delivery of infrastructure will be essential to the achievement of National Priorities and the general advancement of socioeconomic conditions. This will comprise restoring essential infrastructure services, as well as expanding vital areas, with the primary focus being on key industries like as energy, transportation, water and sanitation, housing, health, education, and information and communication technology. In this context, the Group is committed to supporting the NDS 1 initiatives and will continue to collaborate with the government and other organisations that have a similar outlook in order to strengthen this national pillar. During the year 2021, a number of different efforts were carried out, as will be detailed below;

- Co-advisory services as well as a lease financing credit amounting to US$5.6 million were provided for the Mbudzi Interchange Project,
- Initiated and made significant progress towards unlocking funding for the upgrade of the country's toll infrastructure. Also supported road construction players.
- Supported the farm mechanization program through the John Deere, Belarus and Baine New Holland schemes.
- Evaluated a variety of renewable energy projects with the intention of provide on-balance-sheet, off-balance-sheet, and risk-sharing financing options.,
- Initiated and made significant pace for an energy project within the mining sector space.

The Group intends to continue working toward the goal of rehabilitating and improving the infrastructure of the nation by using its robust balance sheet as well as its solid connections with both the government and development finance institutions.

Delivering on our employees: Employee engagement

Our employees are the most valuable asset we have as the CBZ Group, and they help us drive and build our company. As a result, we place a high priority on ensuring that our company is a Great Place to Work. We make it a priority to hear what worries our workers and to address those concerns.

During the time financial year under review, we conducted a review of the compensation offered to our personnel in order to ensure that we maintain a competitive advantage and that our employees earn a remuneration that allows them to have a respectable and comfortable life. In turn, this motivates our staff to accomplish the goals of our corporate mission.

Our Human Capital Framework:
How we manage our people

CBZ Holdings is an organisation that values high levels of productivity in the workplace. We are conscious of the fact that the members of our staff constitute a valuable resource for ensuring the continued success of the organisation. The following initiatives provided support to our human capital framework:

Talent Development – The business reorganised the Learning and Development department and established a talent development function in order to support all talent development programmes and the high performance work culture throughout the Group.

Performance Management – We embarked on the review and update of the Strategic Performance Management system, using the Balanced Scorecard Principles, in order to support our high performance work culture.

Leadership Development – In partnership with the John Maxwell Institute, leadership development training was implemented to support, promotions, new joiners and evolved roles within the management groups.

Our indicators

Our employee indicators include revenue per employee, number of employee misconducts, outstanding leave days per employee, and sick leave taken.

2022 Key priorities

- Support sustainable business growth through optimum resourcing of roles.
- Enhance on boarding for transformative employee experience.
- Digitise the HR function and processes to improve operational efficiencies.
- Continuous support to employees and their families against COVID-19

Being a responsible corporate citizen:
SI initiatives

Education CSR Pillar:	
Tariro Trust; **Makomborero Trust** **Donation of laptops and desktops to Manicaland State University of Applied Sciences (MSUAS)**	2021 CSR initiative included paying school fees for 30 orphaned girl learners from Tariro - Hope and Health for Zimbabwe's Orphans. Makomborero Trust operates a boarding house in Bluff Hill, Harare and currently accommodates 19 A - Level students from disadvantaged communities who are enrolled at different schools in Harare. Laptops and the desktops were donated to MSUAS as a way of enabling the learners to access education remotely through e-learning to support the initiatives that were introduced by tertiary institutions due to the COVID – 19 pandemic which resulted in the closure of schools across the world.

Philanthropy CSR Pillar

Rural Primary Schools and Charity Homes; **Epworth Traditional Midwifes**	We also donated hand sanitisers to rural schools and charitable organisations which included the following: - Murwira Primary School in Bikita, Nyazvikari Primary School in Chipinge, Tanyaradzwa Children's home from Mrewa, Danai Children's Home, Tirivanhu Children's home etc. The Group also donated hand sanitizers, plastic buckets, mutton cloth, laundry soap and washing powder to a group of Traditional Midwifes who assisted less privileged pregnant members of the highly populated dormitory town of Epworth in giving safe home child deliveries during the COVID – 19 induced lockdown period.
ZRP Borrowdale Station construction of office block, toilets and septic tank	CBZ's thrust is to give back to the communities that we operate in through improving the standards of living within the communities. The Group donated building material towards the construction of an office block at ZRP Borrowdale Station. The proposed structure would comprise of three offices, two toilets and a septic tank. As a responsible corporate citizen, donating to this worthy cause will assist in develop better working conditions for our police forces

Health CSR Pillar:

Personal Protective Equipment (PPEs) (USD50, 000) **Donated 45 laptops CSR Initiative to Mpilo Hospitals (ZWL$4,637,250)**	CBZ donated Personal Protective Equipment (PPEs) to major hospitals in the country namely Parirenyatwa Group of Hospitals, Sally Mugabe Hospital, Wilkins Hospital, Chiredzi General Hospital and United Bulawayo Hospital. The PPEs included, N95 masks, 3 tier disposable face masks, plastic aprons and surgical gloves. The Group donated 45 x laptops to Mpilo Hospital doctors and pharmacists whose belonging were destroyed by fire that broke out from one of the residential unit. The laptops would help in settling in these doctors and pharmacists to be and help patients whose numbers continued to increase because of the COVID – 19 pandemic.

SHAREHOLDER INFORMATION

Analysis of Shareholders

Industry	Holders	% of Holders	Shares	% of Shares
COMPANIES	365	3.35	125,759,091	24.06
INDIVIDUALS	10,305	94.54	24,947,199	4.90
NON RESIDENTS	73	0.67	123,028,583	23.54
PENSION FUND	77	0.71	129,335,727	24.75
NOMINEES	37	0.34	116,306,939	22.25
INVESTMENTS TRUSTS & PROPERTY COMPANIES	28	0.26	536,626	0.10
INSURANCE	15	0.14	2,101,943	0.40
Total	**10,900**	**100**	**522,016,108**	**100**

Range	Holders	% of Holders	Shares	% of Shares
0 - 5,000	9,933	91.13	7,656,518	1.46
5,001 - 10,000	408	3.74	2,323,499	0.57
10,001 - 25,000	317	2.91	4,940,547	0.95
25,001 - 100,000	173	1.59	8,518,037	1.63
100,001 - 200,000	23	0.21	3,373,953	0.65
200,001 - 500,000	20	0.18	6,288,891	1.20
Above 500,000	26	0.24	488,914,663	93.54
Total	**10,900**	**100**	**522,016,108**	**100**

CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2021

Account Name	Shares	% of Total
AKRIBOS WEALTH MANGRS NOMINEES	114,091,456	21.86
GOVERNMENT OF ZIMBABWE	110,000,000	21.07
LIBYAN FOREIGN BANK (NEW NON RESIDENT) THE	96,609,470	18.51
NATIONAL SOCIAL SECURITY AUTHORITY	94,844,811	18.17
PUBLIC SERVICE PF	26,332,241	5.04
BLMH INTERNATIONAL HOLDINGS	15,670,453	3
KAJA TRADING LIMITED	10,462,687	2
STANBIC NOMINEES (PVT) LTD	4,627,083	0.89
LOCAL AUTHORITIES PENSION FUND	4,604,552	0.88
QUANTAFRICA WEALTH MANAGEMENT	4,192,905	0.80
TOTAL	**481,435,658**	**92.22**
OTHER SHAREHOLDERS	**40,580,450**	**7.78**
SHARES IN ISSUE	**522,016,108**	**100**

Shareholder's Calendar

Financial Year End
31 December 2022

Anticipated dates

Half year results to 30 June 2022
August 2022

Full year results to 31 December 2022
March 2023

Annual report & Annual General Meeting
May 2023

ACTUARY`S REPORTS

CBZ Insurance (Private) Limited
Independent Actuary`s Report

As at 31 December 2021

ACTUARY`S REPORT AS AT 31 DECEMBER 2021
STATUTORY INSTRUMENT 183 OF 2009
INSURANCE (AMENDMENT) REGULATIONS

INDEPENDENT ACTUARY'S OPINION

I, James Olubayi, of Atchison Actuarial Services (Private) Limited, in my capacity as the Appointed Actuary, certify that, as at 31 December 2021, This Actuarial Valuation for CBZ Insurance Company has been prepared in accordance with the Guidelines to the Insurance Industry on Actuarial Valuations issued by the Insurance and Pensions Commission in Zimbabwe as well as generally accepted actuarial principles.

I further certify that, as at 31 December 2021, CBZ Insurance Company:

Had enough solvency capital to meet the prescribed minimum regulatory requirement in accordance with the Insurance Act and IPEC guidelines.
Disclosed technical provisions that were calculated in accordance with the prevailing Guidelines and generally accepted actuarial principles; and had enough appropriate assets in terms of the profile of its liabilities.

....
James Olubayi
In my capacity as

Actuary to CBZ Insurance (Private) Limited

24 June 2022

CBZ Life Limited Actuary`s Report

As at 31 December 2021

ACTUARY`S REPORT AS AT 31 DECEMBER 2021
STATUTORY INSTRUMENT 183 OF 2009
INSURANCE (AMENDMENT) REGULATIONS, 2009 (No. 14)

Certificate as to the solvency of CBZ Life as at 31 December 2021

The following table shows the results of the actuarial valuation of CBZ Life on the Published Reporting Basis in respect of the year ended 31 December 2021.

	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Total Assets	1 509 185 326	523 153 869
Current and other Liabilities	(249 433 206)	(80 806 241)
Policyholder Liabilities	(397 799 483)	(92 764 857)
Investment Contracts	(62 542 053)	(14 624 922)
Excess Assets	**799 410 584**	**334 957 849**

The following table shows the results of the actuarial valuation of CBZ Life on the Statutory Reporting Basis in respect of the year ended 31 December 2021.

	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Total Admissible Assets	1 205 149 225	408 190 362
Current and other Liabilities	(249 433 206)	(80 806 243)
Policyholder Liabilities	(397 799 483)	(92 764 857)
Investment Contracts	(62 542 053)	(14 624 922)
Excess Assets	**495 374 483**	**219 994 340**
Minimum Capital Requirements	**75 000 000**	**75 000 000**

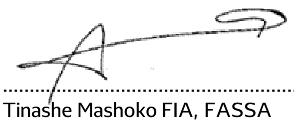
For statutory valuation purposes, all assets in excess of the admissibility requirements in terms of Statutory Instrument 95 of 2017 must be treated as inadmissible. SI 95 of 2017 requires insurers to hold $75 million capital after excluding inadmissible assets and imposing haircuts on others.

The Company had admissible assets that exceeded actuarial and current liabilities as at 31 December 2021 by $495.4 million. The ratio of the Company's excess assets to the minimum capital requirement of $75 million as at 31 December 2021 was 664%.

I hereby certify that, to the best of my knowledge and belief, at 31 December 2021, the value of the admissible assets in respect of all classes of life business carried out by CBZ Life Limited exceeded the amount of liabilities in respect of those classes of insurance by 664% of the minimum requirement of ZWL 75 000,000 subject to my comment above.

	31 DEC 2021 ZWL$ 000	31 DEC 2020 ZWL$ 000
Excess Assets per Published Accounts	**802 085 075**	**334 957 849**
Less: Inadmissible assets	**304 036 101**	**114 963 607**
Plant and Equipment	6 585 190	4 618 634
Intangible Assets	-	-
Discount 20% on listed equity	85 266 546	17 144 513
Discount 20% on Investment Property	143 609 100	62 059 613
Discount 20% on property under PPE	46 434 986	19 680 127
Deferred Commission	-	-
Intercompany Assets	18 896 612	10 600 295
Prepayments	-	860 425
Deferred Reinsurance Commission	-	-
Investments at CBZ Bank Excess for one Bank	-	-
Premium Debtors	3 243 667	-
Excess Assets per Statutory Valuation	**498 048 974**	**219 994 242**

For and on Behalf of AAC



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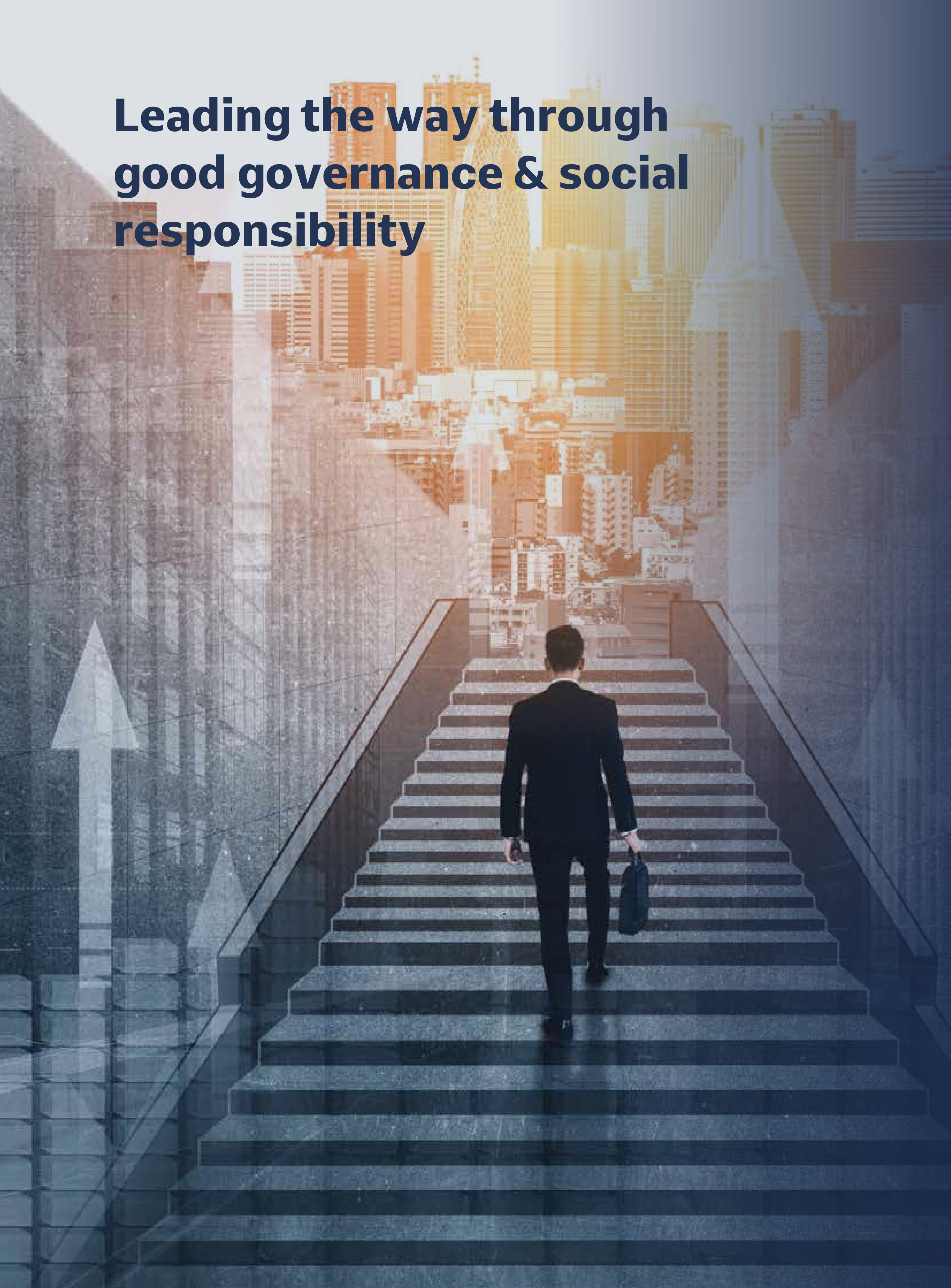
Tinashe Mashoko FIA, FASSA

In my capacity as Revaluation Actuary

CORPORATE GOVERNANCE

Leading the way through good governance & social responsibility



Our Approach to Corporate Governance

Integrity, strong ethical values, and professionalism are core to CBZ Holdings Limited's operations. The Board understands it is responsible to all its stakeholders and is dedicated to good governance standards. The Board is responsible to shareholders, but also to consumers, workers, suppliers, regulators, and the community. In a climate of rising change and complexity, management strives to combine shareholder and stakeholder governance expectations with the requirement for competitive financial returns.

Statement of Compliance
We aim to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures the continued minimum compliance with the 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); Companies and Other Business Entities Act (Chapter 24:31) and the South African King reports. As a listed entity, CBZ has developed a Group Governance Code as per requirements. The Governance Code has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with all of the provisions of the Code throughout the year ended 31 December 2021.

Our Governance Framework
The Board is ultimately responsible for ensuring effective governance, which is supported by a structure that the Board has determined to be suitable for the needs of the organisation. The Audit and Finance Committee, the Risk Management & Compliance Committee, and the Human Resources & Corporate Governance Committee (this committee also serves as the Nomination Committee) are the Board's three primary committees. The Board maintains certain subjects for its own preservation. The websites of the Company and each of these Committees each include their formalised terms of reference.

Our Group Executive Team

Dr Blessing Mudavanhu
Capacity: Group Chief Executive Officer

Tawanda Gumbo
Capacity: Group Chief Finance Officer

Nyasha Mangwiza
Capacity: Group Chief Human Resources Officer

Jack Smith
Capacity: Deputy CEO Investments Cluster

Matilda Nyathi
Capacity: Group Executive Marketing and Corporate Affairs

Rumbidzayi Jakanani
Capacity: Group Company Secretary and Corporate Governance Executive

Lawrence Nyazema
Capacity: Managing Director CBZ Bank

Clemence Chimwanda
Capacity: Group Chief Risk Officer

Our Group Board

Marc Lawrence Holtzman

Capacity: Chairman

Age: 62

Qualifications
Bachelor of Arts Degree in Economics from Lehigh University.

Profile

Mr Holtzman is the current Chairman of the Board of Directors of the Bank of Kigali, the largest financial institution in Rwanda. He has served as a member of the Board of Directors since 2009.

Previously, Mr. Holtzman was Chairman of Meridian Capital HK, a private equity firm with investments in natural resources, real estate, food, agriculture and transportation. Prior to joining Meridian, Mr. Holtzman served as Vice Chairman of Barclays Capital and as Vice Chairman of ABN Amro Bank. Previously, as co-founder and President of MeesPierson EurAmerica (a firm which was acquired by ABN Amro) and as a Senior Advisor to Salomon Brothers.

Mr. Holtzman also currently serves as a member of the Board of Directors of Tele-Tech, the world's leading provider of analytics-driven technology-enabled services and FAT Brands (NASDAQ:FAT), a global franchisor of leading restaurant brands.

From 2012 to 2015, Mr. Holtzman served on the Board of Directors of FTI Consulting Inc., a global financial and strategic consulting firm, and Sistema, Russia's largest private company listed on the London Stock Exchange. In addition, Mr. Holtzman served as a member of the Board of Trustees of the United States Space Foundation from 2004 to 2010. From 2003 through 2005, Mr. Holtzman was President of the University of Denver where he was responsible for the development of the Rocky Mountain Center for Homeland Security.

Previously, Mr. Holtzman served in the Cabinet of Governor Bill Owens as Colorado's first Secretary of Technology. In addition, Mr. Holtzman was Chairman of Colorado's Information Management Commission and Co-Chairman of the Governor's Commission on Science and Technology. He helped guide Colorado's economic transformation into a fully diversified technology hub.

Mr. Holtzman is passionate about his work with the Point Foundation, a UK based charity, and is a long-time supporter and former Trustee of the Colorado Animal Rescue Shelter.

Dr Blessing Mudavanhu

Capacity: Non Independent Executive Director

Age: 50

Qualifications
- Ph.D. Mathematics, University of Washington, USA M.S.
- Financial Engineering, University of California at Berkeley, USA
- M.S. Applied Mathematics, University of Washington, USA B.S.
- Masters in Financial Engineering – University of California at Berkeley (USA)
- Honours Degree in Mathematics, University of Zimbabwe

Profile

Dr Mudavanhu has over 15 years' experience in the regional and international financial services markets and he brings with him a wealth of knowledge and experience in risk management.

Dr Mudavanhu, upon completion of his studies, joined American International Group (AIG) in New York as a Senior Risk Analytics Associate. Following his time at AIG, Dr Mudavanhu joined Bank of America Merrill Lynch as Director in Global Risk Management encompassing New York City, London, Mexico City and Sao Paulo. In 2009 he joined African Banking Corporation (BancABC) as Group Chief Risk Officer and served as Acting Group Chief Executive Officer for 2 years. BancABC had operations in Botswana, Mozambique, Tanzania, Zambia, Zimbabwe and a minority interest in a large Nigerian Bank. Dr Mudavanhu left BancABC in January 2017 to set up Dura Capital LLC in Johannesburg.

Edward E Galante

Capacity: Board Director. (Independent Non-Executive Director)

Age: 63

Qualification
B.A. College of Notre Dame (History / Philosophy)

Profile

Edward is the co-founder and Executive Director of Mangwana Capital (Private) Limited, an investment advisory firm, licensed with the Securities Exchange Commission of Zimbabwe which is focused on advisory and corporate finance services. He is also a co-founder and co- manager of Mangwana Opportunities (Private) Limited, a private equity company which is focused on making investments in Zimbabwe in agriculture, mining and import substitution businesses.

Ted is the founder of Houses For Africa (Zimbabwe) (Private) Limited, Mortgage Management Services (Private) Limited and Zimbabwe Mortgage Company (Private) Limited. Through his leadership, his companies completed over 5 000 units of high and medium density housing in Zimbabwe. In addition, he developed over 2 400 residential medium density stands in Zimbabwe. He has also been active in the development of commercial real estate in Zimbabwe. Edward has been instrumental in structuring and raising institutional funding; he designed and sold the first mortgage backed securities issue in Zimbabwe.

From 2009 to 2012 Edward was an Executive Director of Chartwell Capital Group (Pty) Limited in Johannesburg, a boutique merchant bank regulated by the South African Reserve Bank. Together with the Chartwell executive, he built the housing finance business of Chartwell Capital which eventually re-focused its business and became Chartwell Housing Finance Solutions (Pty) Limited.

Before emigrating to Zimbabwe in 1992, Edward was the Founder and CEO of Edward E Galante Investments Inc. a wholly owned real estate and development company. He worked for E.F. Hutton and Company where he held various positions in institutional sales, corporate finance and syndicate, and prior to that for Tuttle and Noroian Investment Managers.

Edward is the Chapter Champion and founding Chairman of the Young President's Organisation (YPO) chapter in Harare, and the immediate past YPO Africa Gold Regional Chairman. During his two-year term as YPO Gold Regional Chairman, his region won the "Best of the Best" region globally from YPO International.

Edward Ushemazoro Mashingaidze

Capacity: Board Director. (Independent Non-Executive Director)

Age:66

Qualifications

Student: Doctor of Business Administration (DBA) with the University of Liverpool, UK.
Master of Research and a Master of Business Administration (MBA)-International Business from University of Liverpool
Bachelor of Commerce (Economics) from the University of South Africa.

Profile

Edward U. Mashingaidze has been instrumental in the start-up, growth and expansion of EnergyDAS (Private) Limited. He manages and provides leadership for EnergyDAS's large-scale high-tech projects that involve multiple stakeholders and organisations. He coordinates specialist engineering teams working on advanced technical implementation throughout Africa. He has over 20 years' extensive experience in the processing industry having worked for TA Holdings Limited from 1986 to 1996 as Managing Director of United Refineries (Private) Limited. Edward also spent 15 years as Managing Director of a distributor of Komatsu earth moving equipment in the mining and construction industry.

Louis C. Gerken

Capacity: Board Director. (Independent Non-Executive Director)

Age: 69

Qualifications
- MBA from the Southern Methodist University Graduate School of Business,
- Master's Degree in International Business from the American Graduate School
- Bachelor's Degree in Economics from the University of Redlands.

Profile

Lou founded San Francisco Bay Area-Based, Gerken Capital Associates ("GCA"), in 1989. GCA is an alternative asset fund management firm, with particular focus on emerging markets private equity/venture capital. Prior to forming GCA, Lou was the Managing Director and Group Head of Prudential Securities Technology Investment Banking Division.

Earlier, Lou was a General Partner to Prudential Securities' four venture capital SEC-registered funds with $336 million under management ("Prutech"). As one of the largest U.S. Venture Capital Funds, Prutech was responsible for completing fifty IT and bio-tech sector early and expansion stage investments, and was one of the first venture capital funds to pioneer corporate partnering as a co-investment strategy.

Prior to Prudential, Lou was associated with Montgomery Securities' Venture Capital Funds, and Wells Fargo Capital Markets where he developed one of the first U.S. fund of funds. Earlier, Mr. Gerken was Founder of TCG International, a telecommunications consulting engineering practice responsible for the deployment of international Fortune 500 telecom/datacom projects. Prior to TCG, Lou was a Senior Research Analyst and Portfolio Manager with GT Capital Management, a London-based emerging markets investment management firm. Lou started his career with the Bank of California Trust Department as an Investment Officer and Research Analysts responsible for the technology and financial sectors, as well as all privately-held holdings.

As a recognised authority in finance and economics, alternative investments, and the emerging markets, Lou has been a frequent keynote speaker at major industry conferences. Mr. Gerken is the author of The Little Book of Venture Capital Investing: Empowering Economic Growth and Investment Portfolios published by John Wiley & Sons, Inc. He is also author to Privatization: The Road to Reinvigorating Economies to be published by Morgan James Publishing.

Tawanda L. Gumbo

Capacity: Board Director. (Executive Director)

Age: 51

Qualifications

Bachelor of Accounting Science - (BCompt), University of South Africa
Chartered Accountant (South Africa) - Institute of Chartered Accountants South Africa
Chartered Accountant (Zimbabwe) - Institute of Chartered Accountants Zimbabwe

Profile

Tawanda is a Chartered Accountant (South Africa & Zimbabwe) with 30 years of professional experience, 20 of them as a Deloitte partner in various African practices. He is a co-founder and chief adviser to private equity businesses and recently served as an Audit Executive Partner in Deloitte Southern Africa where he was responsible for business development across Africa.

He is the outgoing CEO for the Deloitte West Africa cluster, a role which he held for over five years based in Nigeria. He has served as a member of the Deloitte Africa Exco, and as a board member of the Deloitte Southern Africa cluster. Tawanda also served as the CEO of Deloitte Central Africa cluster for 8 years prior to joining Deloitte in West Africa.

Tawanda is a past President of the Institute of Chartered Accountants of Zimbabwe and has served as the deputy chairperson and member of the Zimbabwe Stock Exchange monitoring panel. He has also served on the council for the Pan African Federation of Accountants (PAFA) and as an Exco member of the predecessor accounting body ECSAFA covering 29 Anglophone African countries.

Tawanda brings depth and rigor to the CBZ Holdings Executive Team through his experience of executing many mandates across the continent.

Rebecca Louisa Gaskin Gain

Capacity: Board Director. (Independent Non-Executive Director)

Age: 55

Qualifications

Bachelor of Arts (History), Honors Program, from the Wake Forest University
Juris Doctor Degree from the Emory University School of Law
She completed the third year curriculum for her Juris Doctor Degree at the Columbia University School of Law
Foundations in Finance program at the Insead-Amsterdam Institute of Finance
Complemented her professional experience with the Islamic Finance curriculum of the Insaniah University of Malaysia,
intensive Arab Language program at the Yemen College of Middle Eastern Studies.

Profile

Rebecca has more than 30 years' experience in the emerging markets and 25 years of experience in Africa. She is a lawyer by profession and was admitted to the New York State Bar Association in 1990. Following completion of her clerkship at the Appellate Division +ory roles. In 2000, she was the first female appointed by the Standard Bank Group to serve as Chief Executive Officer for a Group subsidiary, Standard Bank Congo, a position that she held for three years. In 2003, she was the first female appointed to the Group's Africa Executive Committee. In the domain of foreign direct investment, Rebecca understands the range of complex issues involved with negotiating and implementing investment conventions with governments, and related project finance agreements with developers, investors and financial institutions.

Most recently, Rebecca provided business development support to Nexant Inc's energy advisory and government service operations. She was the Lead Transaction Advisor in Djibouti from 2015 to 2018, with the responsibility to originate and drive priority projects in energy and related pipeline infrastructure projects under the United States initiative, Power Africa. She also served as the Senior Energy Advisor to Power Africa for Somalia and led the due diligence of the Electricity Supply Industry in Somalia and Somaliland in 2017.

In 1989 she completed the third year curriculum for her Juris Doctor Degree at the Columbia University School of Law, where she also served as Research Assistant to Rifkind Professor of Finance and Law, Louis Lowenstein, for Sense and Nonsense in Corporate Finance (1990).

Rumbidzayi A Jakanani

Capacity: Group Legal Corporate Secretary

Age: 44

Qualifications
Bachelor of Law (Honors) Degree – University of Zimbabwe
Master of Law in International Economic Law - University of Warwick UK
Master of Business Administration Degree in Strategic Management – National University of Science and Technology

Profile

Rumbidzayi is a lawyer by profession and an experienced governance officer. She undertook her legal training with Stumbles and Rowe Legal Practitioners and joined CBZ in 2005 in her capacity as Manager Corporate Governance and Compliance. In 2009, she was appointed as Legal Corporate Secretary for CBZ Bank Limited then elevated to her appointment as Group Legal Corporate Secretary, CBZ Holdings Limited, in 2012. With her 16 years of diversified and uninterrupted experience providing expert in house counsel, corporate governance and company secretarial duties, she has facilitated corporate processes, securing favourable company terms and acquisitions. Rumbidzayi offers strong governance and leadership skills and provides guidance to the Board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interests of the Company. She holds a Masters of Laws in International Economic Law from the University of Warwick (UK), an MBA in Strategic Management from the National University of Science and Technology and a Bachelors (Honours) Degree in Law from the University of Zimbabwe.

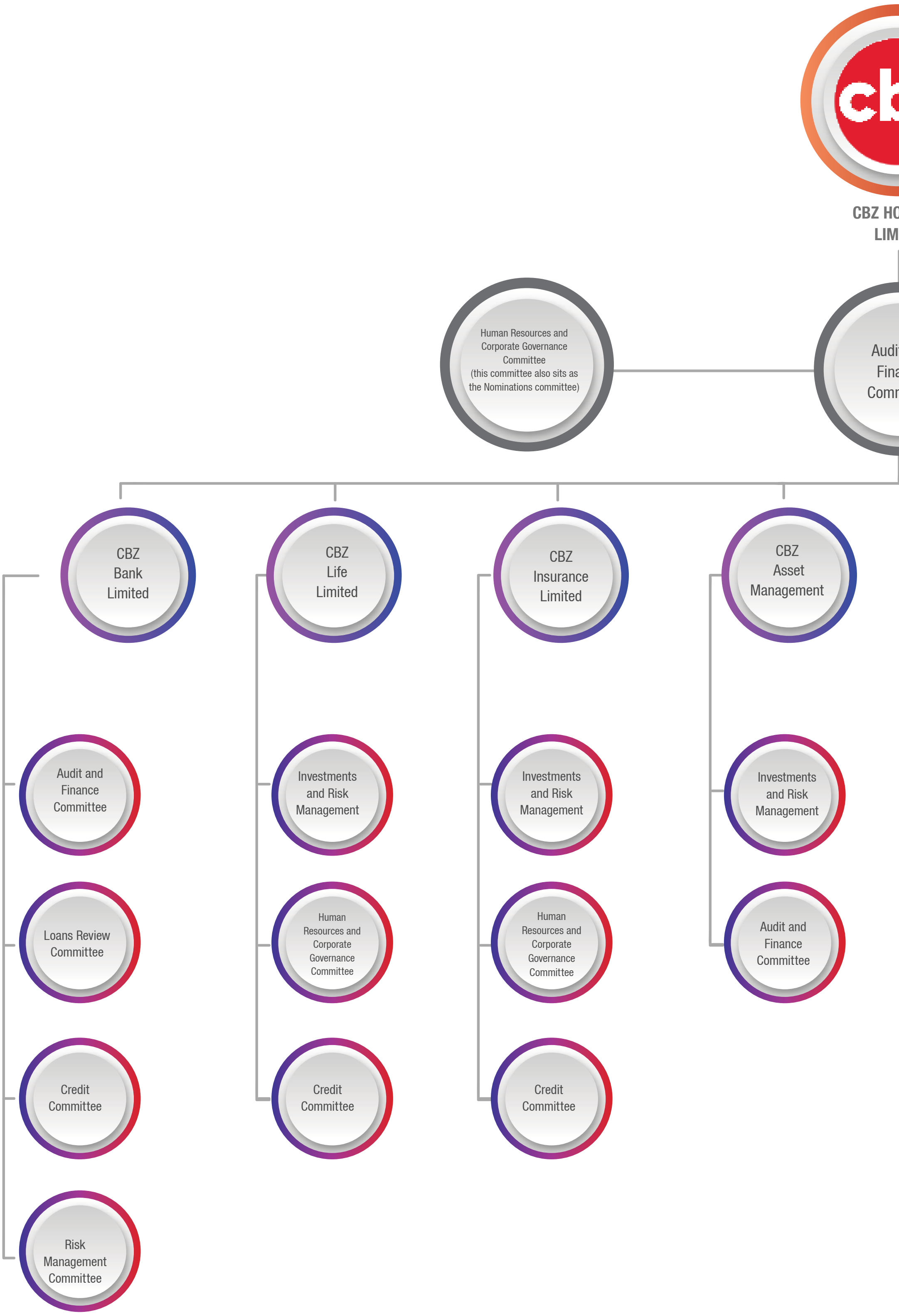
Board responsibility and key focus areas

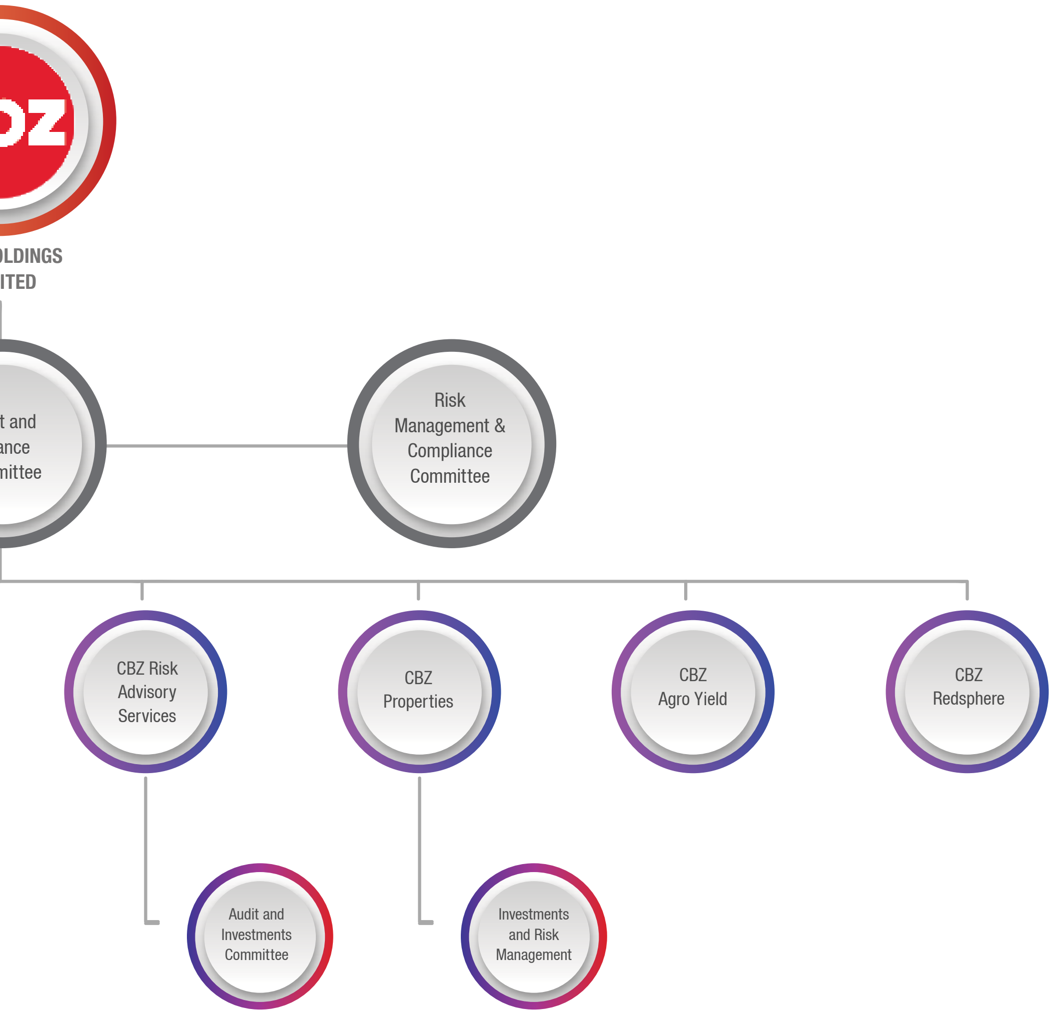
The principal duty of the Board of Directors is that of trusteeship, with the overarching goal of preserving and boosting the value of the company's shareholders via the provision of strategic direction to the business. The Board of Directors is legally obligated to fulfil its fiduciary duty by ensuring that the Company has well-defined objectives that are in line with maximising shareholder value and advancing the company's expansion. The Board performs its responsibilities with care, expertise, and dedication, and it does so while maintaining its own independent judgement.

The Board of Directors is responsible for establishing strategic objectives and pursuing responsibility for ensuring that these goals are met. In addition, the Board of Directors gives directions and carries out the necessary controls to make sure that the Company is managed in a way that satisfies the hopes and requirements of all of its stakeholders as well as the norms and standards of society. Formalized, distinct, and well-defined, the responsibilities of Non-Executive Chairman and Chief Executive Officer are both essential to the organization's success. Because of the way that tasks are split up at the top of the organisation, there is a healthy balance of authority and power; no one person is in complete control of the company's decision-making at any one time.

The non-executive directors have substantial commercial experience as well as specialised talents in a variety of fields, such as accounting, finance, law, risk management, retailing, and human resources. Because of this, they are able to participate in the process of decision-making with the ability to provide advice and judgement that is impartial and independent. The board of directors gets together for at least four meetings per calendar year. Between regularly planned meetings, there is the potential for additional meetings to be called in order to discuss certain business matters.

Our board structure and mandates: Board committees





The Group is currently governed by 10 Boards and 19 Board committees.

There are a total of 35 Board Members throughout the Group. CBZ Digital Board is inactive and has not convened since inception although it has retained Mr Prasad as Chairman. The Group continues to pay Mr Prasad retainer fees for the ongoing activities he is involved in the Group.

CBZ Capital Board is yet to be constituted.

The Role of 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 primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. The Board has a fiduciary responsibility to ensure that the Company has clear goals and measurable objectives to promote a healthy corporate culture aligned with strategy, shareholder value and the Company's growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The roles of the Chairman and the Chief Executive Officer are formalised, separate and clearly defined. This division of responsibilities at the helm of the Company ensures a balance of authority and power, with no one individual having unrestricted decision-making powers. The non-executive directors have extensive business experience and specialist skills across a range of sectors, including accounting, finance, law, risk management, retailing and human resources. This enables them to provide balanced and independent advice and judgement in the decision-making process. The Board meets at least four times a year. Additional meetings can be convened to consider specific business issues which may arise between scheduled meetings.

Board Diversity

The Board promotes diversity at board level focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Board strives to have an appropriate balance of diversity to ensure robust governance, decision making and strong technical input. Our Board is diverse in terms of age, race, ethnicity, tenure, country of origin, culture, educational background, skills, experience and knowledge. This provides a fertile environment for discussion, debate, input and challenge and thought outcomes.
The composition review considers rotation plans, tenure, succession, retirement, resignation, skills and outcomes of board evaluations. The Board has acknowledged and is focused on the promotion of the diversity attributes of gender. Currently the Board has one female independent non-executive director and 6 males, two of which are executive directors and the remaining are independent.

Board Charter

Our Board Charter is the foundation of our governance principles and practices. The Charter, which is reviewed annually, sets out the scope of authority, responsibility, composition and functioning of the Board. The Charter: -

- defines separate roles for the Group Chairman and Group Chief Executive Officer.
- Outlines a formal process for director induction, appointment and training
- Sets criteria for directors' independence and the assessment of such independence
- Outlines the Board's mandate and outlines matters reserved for the Board detailing that directors retain overall responsibility and accountability for:
- Ensuring the sustainability of the business;
- Approving strategic plans;
- Monitoring operational performance and management;
- Ensuring effective risk management and internal controls;
- Monitoring legislative, regulatory and governance compliance;
- Approval of significant accounting policies and annual financial statements;
- Selection, orientation and evaluation of directors;
- Ensuring appropriate remuneration policies and practices;
- Monitoring transformation and empowerment; and
- Promoting balanced and transparent reporting to shareholders

Size and Composition of the Board

The Board has an appropriate mix of directors to maintain its independence, and separate its functions of governance and management. The Board comprises of 7 directors being; 5 independent non-executive directors and two executive directors.

The Company's Board size is determined by: -

- Provisions in terms of the its Memorandum and Articles of Association
- Provisions in the Zimbabwe Corporate Governance Code (2014)
- Provisions in the Banking Amendment Act (2015)
- Provisions in terms of the RBZ Corporate Governance Guideline No. 01/2004/BSD
- Provisions in terms of the Banking Act [Chapter 24:20]
- Provisions in terms of the Companies and other Business Entities Act [Chapter 24:31]
- International best practice guided by King Reports and Codes of Governance

Availability of information to Board members

The Board has unrestricted access to all Company-related information, including that of employees. At board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Regular updates provided to the Board include: -

- Annual strategic and operating plans and budgets, capital budgets and updates;
- Quarterly results of operating Subsidiary Units;
- Dividend information
- Information on recruitment and remuneration of Executive Management;
- Materially important litigations, show cause, demand, prosecution and penalty notices;
- Any materially relevant defaults in financial obligations;
- Any issue that involves possible public or product liability claims of a substantial nature;
- Details of joint ventures, mergers and acquisitions of companies, or collaboration agreements;
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property (IP);
- Any significant development involving human resource management;
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business;
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services, such as non-payment of dividend and delays in share transfer.

Director Training and Professional Development

The coronavirus disease (COVID-19) pandemic and related lockdown and physical distancing measures caused not only unprecedented disruption in the provision of training and development but also catalyzed innovation in virtual training. As a result, access to training and skills development was maintained, albeit at a low note with board training and developmental initiatives focusing on enabling Directors to be suitably knowledgeable and skilled to carry out their role within the Board.

The Directors were trained in the following areas during the course of the year:
- Understanding and applying the Companies and Business Entities Act
- Zimbabwe Stock Exchange Listing rules and directors' responsibilities

In line with strategic imperatives, the Board acknowledges that a training programme achieves the following objectives: -
- To ensure that Directors are supported and enabled to meet the changing demands of the Company and its operating environment so that the Company achieves its strategic objectives;
- To facilitate professional and personal development through assisting Directors to broaden, deepen and thereby further enhance their existing skill base; and
- To provide an enabling environment where continuous learning and development takes place.

All Board members will need to become skilled in areas of environmental and social sustainability. Key focus on training in 2022 will be adopted to bolster their skills.

Board Meetings
In 2021 a minimum of four formal Board meetings were scheduled and individual attendance by directors at these meetings is presented in the report. The Board meets quarterly. Board meetings are scheduled well in advance according to a board calendar which is set and approved in advance. Additional board meetings, apart from those planned, are convened as circumstances dictate. The Board agenda and meeting structure focuses on strategy, risk management, performance monitoring, governance and related matters. This ensures that the Board's time and energy are appropriately applied. Directors may propose additional matters for discussion at board meetings. In advance of each meeting, the directors are supplied with comprehensive board reports.
Board meetings are conducted in a manner that promotes open communication, active participation and timely resolution of issues. Sufficient time is provided during board meetings for thoughtful discussions. Board meetings are facilitated, but not overly influenced by the Chairperson. Other executives such as the Group Chief Risk Officer, Chief Compliance Officer and the Group Human Resources Officer attend Board committee meetings by invitation. This provides the Board with an opportunity to engage directly with management on key issues and it also supports the Board succession planning activity.

Retirement and Appointment of New Directors

During the course of the year the Company experienced the following Board Changes:

Board Appointments during 2021

Name	Status	Board	Date of Appointment
M B Narotam	Independent Non-Executive Director	CBZ Life	4 February 2021
K M Khalfan	Independent Non-Executive Director	CBZ Life	1 September 2021
A D Archibald	Independent Non-Executive Director	CBZ Agro-Yield	

Board Retirement during 2021

Name	Status	Board	Date of Retirement
Peter Zimunya	**Executive Director**	CBZ Bank	31 December 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 Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines and the Banking Act.

BOARD COMMITTEES

In order to carry out its obligations effectively, the Board relies on the assistance of committees. The committees get together once every three months to discuss past performance and to provide direction to management on both operational and policy-related matters. Every committee operates in accordance with a set of written terms of reference, according to which certain responsibilities of the Board are distributed for the fulfilment of specifically outlined goals. In cases where it is deemed appropriate to do so, the Board of Directors and the committees of the Board may seek independent counsel at the cost of the Group.

During the year under consideration, the Board committees continued to play an essential part in the governance structure of the Company by carrying out their work in a manner that was both comprehensive and efficient in supporting the work of the Board. The Board of Directors has established and delegated specific roles and responsibilities to three standing committees in order to assist it in discharging its duties. These committees are the Risk Management Committee, the Human Resources and Corporate Governance Committee, and the Audit and Finance Committee (also sits as the Nominations Committee).

Committee	Members	Summary of Roles & Responsibilities
Audit & Finance	Mr. E. E. Galante Mr. E.U. Mashingaidze Mr. L. Gerken	The committee assists the Board in the discharge of its duties relating to the coordination of internal control management and risk management activities. This covers internal control systems and internal audit, recommending the appointment, reappointment or removal of external auditors, financial and integrated reporting, budget development and financial planning.
Human Resources & Corporate Governance (also sits as Nominations Committee)	Mr. E.U. Mashingaidze Mr. M.L. Holtzman Ms. R.L Gaskin Gain Dr. B. Mudavanhu	Sets, reviews and recommends overall remuneration policy and strategy Reviews and approves remuneration arrangements for executive directors and senior management Oversees matters of corporate governance for the Group and Board including formulating the governance framework Identification of non-executive director candidates for election to the Board and ensuring the integrity of the nomination process The committees also provides general oversight over strategic human resources and governance matters
Risk Management & Compliance Committee	Ms. R.L Gaskin Gain Mr. L.C. Gerken Dr. B. Mudavanhu Mr. T. Gumbo	The committee provides oversight of effectiveness of the systems of risk management and internal controls Review, approve and recommend to the Board for approval the methodologies used to identify, assess, measure, monitor and report on risks, Review, monitor and challenge the actual assessment and reporting of risks, trends and concentrations. Review and recommend to the Board, the risk strategy for the Group Monitor and express an opinion to the Board on the effectiveness of the Group risk management system. Develop and implement the Group Compliance framework .

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

CBZ Holdings

1. Marc Holtzman - **Board Chairman**
2. Edward Galante
3. Rebecca Gaskin Gain
4. Edward Mashingaidze
5. Louis Gerken
6. Dr. Blessing Mudavanhu - **Group CEO**
7. Tawanda Gumbo - **Group CFO**
8. Rumbidzayi A. Jakanani - **(Group Company Secretary & Governance Executive)**

CBZ Group EXCO

1. Dr. Blessing Mudavanhu - **Group CEO**
2. Tawanda Gumbo - **Group CFO**
3. Jack Smith - **Deputy CEO (Investments)**
4. Rumbidzayi A. Jakanani - **Group Company Secretary & Governance Executive**
5. Lawrence Nyazema - **Managing Director CBZ Bank**
6. Nyasha Mangwiza - **Group Chief HR Officer**
7. Matilda Nyathi- **Group Executive Marketing & Corporate Affairs**

CBZ Bank

1. Alex Marufu - **Acting Chairman**
2. Marc Holtman
3. Edwin Shangwa
4. Dr. Christian Beddies
5. Jiten Shah
6. Lawrance Nyazema- **Managing Director**

DATVEST

1. Never Mhlanga **- Chairman**
2. Conrad Mukanganga
3. Mirirai Moyo
4. Heena Joshi
5. Tendayi Muzadzi- **Managing Director**

Red Sphere Finance

1. Jamille Jinnah - **Chairman**
2. Walker Jabulani Ntini
3. Tsitsi Muriwo
4. Heena Joshi
5. Violet Masunda
6. Desmund Ali - **Managing Director**

CBZ Agro-Yield

1. Wayne Parham- **Chairman**
2. Percival Mazike
3. Walter Chigodora- **Managing Director**
4. Simbarashe Mhungu- **COO**

CBZ Risk Advisory Services

1. Livingstone Magorimbo- **Chairman**
2. Nomathema Ndlovu
3. Nhamo Marandu
4. Takawira Chinyani- **Principal Officer**

CBZ Insurance

1. Ambrose Matika- **Chairman**
2. Wiiberforce Chitiga
3. Jame Maradze - **Principal Officer**

CBZ Life

1. Henry Tshuma - **Chairman**
2. Munesh Narotam
3. Kamal Khalfan
4. Jonah Mutizwa - **Principal Officer**

CBZ Properties

1. Motsi Sinyoro - **Acting Chairman**
2. Dr. Caleb Makwiranzou
3. Robert Snow - **Managing Director**
4. Hasmon Bvumbirai- **General Manager**

CBZ Digital

1. Prasad Bhamre
2. Dr Blessing Mudavanhu
3. Tawanda Gumbo

CBZ Holdings Limited Board Committee and Board Attendance Register (January To December 2021)

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 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 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

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 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 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

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

Assessing the effectiveness of the board

An effective Board is the key driver of business growth and success; this is complemented where an organization has a structured program for Board self-evaluation. The Board provides the overall leadership and vision for the Company, setting its direction and major policies, appointing and supervising Executive Management, ensuring it complies with relevant laws and regulations as well as being accountable to the shareholders and stakeholders at large. The Board is ultimately responsible for the performance of the Company; hence it is important for the Board's performance to be regularly evaluated against agreed set criteria. In accordance with the Banking Act as read with the RBZ Corporate Governance Guidelines, the Board is to undertake an annual performance evaluation. The Board therefore undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and each director. The Board uses a detailed questionnaire, completed by each director, as the basis of these evaluations. This evaluation is aimed at determining how the Board's effectiveness can be improved. A final Board Evaluation Report compiled by external consultants is submitted to the Reserve Bank of Zimbabwe by 31 March of the following year. The Board Evaluation conducted in year 2021 covered the following assessments which were:

- Board self-evaluation
- Chairperson's assessment
- Individual Director Assessment
- Committee assessment

All categories were evaluated as strong.

Report of the Directors

We have the pleasure in presenting our report and the audited financial statements for the year ended 31 December 2021.

SHARE CAPITAL

The authorized and issued share capital of the Group is as follows:
Authorised: 1 000 000 000 ordinary shares

Issued and fully paid 522 016 108 ordinary shares

INCORPORATION, ACTIVITES AND RESULTS

The Group offers commercial banking, mortgage finance, asset management, short and long term insurance and other financial services and is incorporated in Zimbabwe.

Summarised below is breakdown of the application of profit after tax attributable to equity holders of the parent:-

	Inflation Adjusted		Historical	
	31 Dec 2021 ZWL$000	**31 Dec 2020 ZWL$000**	**31 Dec 2021 ZWL$000**	**31 Dec 2020 ZWL$000**
Dividend Payout	2 558 788	859 293	2 025 509	475 976
Retained for future growth	5 148 201	7 295 992	14 138 670	5 671 091
	7 706 989	**8 155 285**	**16 164 179**	**6 147 067**

Directorate as at 31 December 2021

Marc Holtzman (Chairperson)	Independent Non Executive Director
Louis Charles Gerken	Independent Non Executive Director
Mr Edward Ushemazoro Mashingaidze	Independent Non Executive Director
Ms Rebecca Loiuse Gaskin Gain	Independent Non Executive Director
Mr Edward Elio Galante	Independent Non Executive Director
Dr Blessing Mudavanhu*	Group Chief Executive Officer
Mr Tawanda Lloyd Gumbo*	Group Chief Finance Officer

*Executive

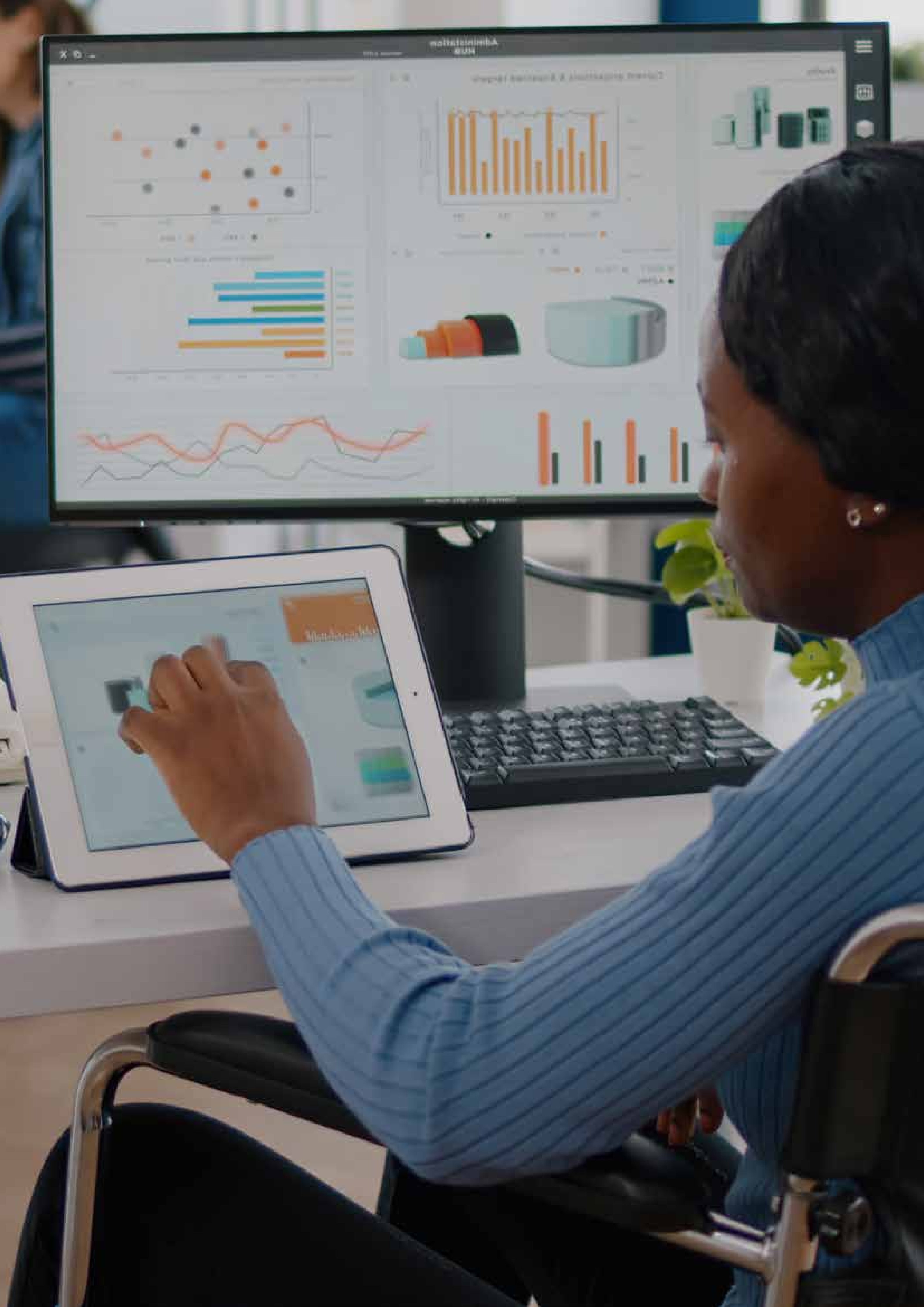
Rumbidzayi Angeline Jakanani — Group Legal Corporate Secretary

DIVIDEND ANNOUNCEMENT
The Board has decided to declare final dividend of ZWL$1 000 000 000 for the year ended 31 December 2021.

By Order of the Board

....
RUMBIDZAYI A. JAKANANI
GROUP LEGAL CORPORATE SECRETARY

06 JUNE 2021



FINANCIAL STATEMENTS

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

Independent Auditor's Report

KPMG
Mutual Gardens
100 The Chase (West)
Emerald Hill
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Zimbabwe
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Fax: +263 (242) 303699

Independent Auditors' Report

To the shareholders of CBZ Holdings Limited

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of CBZ Holdings Limited (the Group and Company) set out on pages 90 to 168, which comprise the inflation adjusted consolidated and company statements of financial position as at 31 December 2021, and the inflation adjusted consolidated and company statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and company statements of changes in equity and the inflation adjusted consolidated and company statements of cash flows for the year then ended, and the group and company accounting policies and notes to the inflation adjusted consolidated and company financial statements.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of CBZ Holdings Limited as at 31 December 2021, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31], the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06).

Basis for opinion

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

Key audit matters

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

(a) Valuation of investment and owner occupied property

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

Refer to:

- Group and company accounting policies - the investment properties accounting policy note 1.5, the property and equipment accounting policy note 1.6 and the significant accounting estimates and judgements note 1.3;
- Consolidated financial statements notes - the investment properties note 21, the property and equipment note 20 and the fair value measurement note 19; and
- Company financial statement notes - property and equipment company note 8.

Key audit matter	How the matter was addressed in our audit
The Group and the Company hold owner occupied properties that are measured at fair value in accordance with IAS 16, Property, Plant and Equipment ("IAS 16"). The Group also holds investment properties which are measured at fair value in accordance with IAS 40, Investment Property ("IAS 40"). As at reporting date the Group had owner occupied properties amounting to ZWL6.7 billion inflation adjusted, of which ZWL86,7 million inflation adjusted relates to the Company, and investment properties amounting to ZWL6.1 billion inflation adjusted relating to the Group. In the current year there was a change to the basis of determining the fair value estimate, in that property valuations were performed, by an internal professionally qualified appraiser ("internal appraiser"), directly in ZWL currency, compared to prior periods where valuations were in USD and translated to the local currency at the auction (official) rate. 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 key inputs and assumptions used in the valuations, such as, comparable market prices, rental rates per square meter and capitalisation rates are determined in an environment where there is limited market activity in the local currency. Given the change in basis for determining the fair value (from USD to ZWL valuation), the degree of complexity involved in determining the fair value of the owner occupied and investment properties, the significant judgement and estimation required in determining the key inputs and assumptions used in determining the fair values in the local property market with significant uncertainty arising from limited transactions activity, the valuation of the Group and the Company's owner occupied properties and the Group's investment properties was considered a key audit matter.	Our procedures included the following: • Evaluating the professional qualifications and competence of the registered internal appraiser, employed by management, who valued the Group and Company's properties; • Evaluating the professional competence, objectivity and independence of the external valuer engaged by management who performed an independent assessment of the reasonableness of the property values determined by the internal appraiser; • Evaluating the appropriateness of the valuation methodologies used by the internal appraiser, specifically in relation to the change in the basis of determining the fair value estimate, based on our knowledge of the industry and the requirements of IFRS 13, Fair Value Measurement ("IFRS 13)"; and challenging the inputs used to value properties including requesting market support in respect of the 2021 values in ZWL; • For a sample of property valuations, we validated the valuation inputs used by the internal appraiser, by comparing the inputs against inputs used by the independent valuer engaged by management. Where there were significant differences between the inputs, we evaluated the appropriateness of the fair value used by management; and • Assessing the adequacy of the disclosures in the financial statements in respect of the valuation of owner occupied and investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

(b) Valuation of unlisted investments

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

Refer to:

Group and company accounting policies - the financial assets accounting policy note 1.7 and the significant accounting estimates and judgements note 1.3;
Consolidated financial statements notes - the equity investments note 17 and the fair value measurement note 19; and
Company financial statement notes - the equities investment note 7(a) and 7(c).

Key audit matter	How the matter was addressed in our audit

The Group holds unlisted investments amounting to ZWL2.2 billion inflation adjusted which are measured at fair value, of which ZWL734 million inflation adjusted relates to the Company. Unlisted investments are shares that are not listed on a registered stock exchange therefore the prices are not quoted in any active market and are classified as level 3 financial instruments, in terms of IFRS 13, Fair value measurement ("IFRS 13"), in the fair value hierarchy.
 	
Where a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.
 	
We identified assessing the fair value of the unlisted investments as a key audit matter because the valuation methodologies, assumptions and inputs used by management include significant unobservable inputs.
	Our procedures included the following:
	
	• We used our own valuation specialist who assisted with:
	
	  • Evaluating and challenging the appropriateness of the methodologies applied, assumptions and inputs used in the valuation of the unlisted investments;
	  • Performing a sensitivity analysis to assess the impact on the calculated fair value of changes to the certain key inputs used in the valuation methodology; and
	  • For a sample, of unlisted investments, confirming the holding of the shares held directly with the investee and confirmed that the holding was appropriately considered in the determination of the fair value of the investments;
	  • Assessing whether the disclosures in the inflation adjusted financial statements appropriately reflected the Group's and Company's exposure to financial instrument valuation risk and the requirements of IFRS 13.

(c) Legacy debt accounting

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3; and legacy debts and nostro gap accounts note 1.32.
- Consolidated financial statements notes - other assets note 15.

Key audit matter	How the matter was addressed in our audit
The Group recorded a legacy debt receivable of ZWL17,2 billion inflation adjusted included in the other assets. The legacy debt arose in 2019 due to the change in currency from United States dollars (US$) to Zimbabwe dollars (ZWL). The Reserve Bank of Zimbabwe (RBZ) directed that legacy debt denominated in foreign currency be registered with the RBZ. The RBZ committed to settling registered legacy debt on a 1:1 basis and required that an equivalent amount (of the legacy debt) in ZWL be transferred to them. Given the degree of complexity involved in determining whether the legacy debt asset meets the definition of a financial asset in terms of IFRS 9, Financial Instruments ("IFRS 9"), this was considered to be a key audit matter.	Our procedures included the following: • With the assistance of our internal technical accounting team, assessing the appropriateness of the accounting treatment of the legacy debt by the Group in terms of the IFRS 9 recognition and measurement criteria; • Verifying actual receipts in relation to the legacy debt receivable; and • Evaluating the appropriateness of the legacy debt disclosures for compliance with the requirements of IFRS 9.

(d) Expected Credit Losses

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the impairment accounting policy note 1.9 ; and
- Consolidated financial statements notes - money market assets note 10; financial securities note 11; loans and advances to customers note 12 and credit risk note 37.3.

Key audit matter	How the matter was addressed in our audit
The Group assesses at each reporting date on a forward looking basis, the Expected Credit Losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. This assessment determines which grading/classification stage the instrument is in and the amount of ECL to recognise. As at reporting date, the Group assessed the ECL in respect of the following financial assets: gross loans and advances to customers of ZWL64 billion inflation adjusted, money market assets of ZWL24,4 billion inflation adjusted, financial securities ZWL978 million inflation adjusted to the Group. The Group's ECL model includes certain judgements and assumptions such as: • the credit rating allocated to the counterparties; • the probability of a loan becoming past due and subsequently defaulting (probability of default PD); • the determination of the Group's definition of default; • the magnitude of the likely loss if there is default (loss given default LGD); • the expected exposure in the event of a default (exposure at default EAD); • the criteria for assessing significant increase in credit risk (SICR); • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral; • the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product used in determining the expected credit losses in the loans and advances portfolios; The ECLs were calculated taking into account the guarantee and the promissory notes from the government. Due to the significance of the loans and advances to customers and money market assets to the Group and the level of judgement applied in determining the ECL, the expected credit loss on loans and advances, money market assets and financial securities was considered a key audit matter.	Our procedures included the following: • Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination, approval, monitoring and the grading of the loans and advances to customers for impairment provisioning; • Engaging our Financial Risk Management (FRM) specialists to evaluate the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models and reviewing the reasonability of the methodology updates within the Group's IFRS 9 ECL model and credit policies; • Using available external and independent information to challenge management's judgements and assumptions in determining ECLs; • Assessing the completeness, accuracy and validity of data and inputs used during the development and application of the ECL model; • For a sample of loans and advances, we evaluated the appropriateness of the credit rating through the performance of credit reviews and an analysis of the financial performance of selected entities; • Evaluated the collateral held for various exposures in terms of valuation of the collateral, enforceability and assessment of the value of collateral used for the LGD calculation; • Engaged valuation specialists to independently assess the impact of government guarantee and promissory notes on the ECLs; • With the assistance of valuation specialists, assessed adequacy of LGD and PD for Stage 3 ECLs; and • Assessing the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 9.

Other matter
The inflation adjusted consolidated and separate financial statements of the Group and Company as at and for the year ended 31 December 2020, were audited by another auditor who expressed a qualified opinion on those inflation adjusted consolidated and separate financial statements on 19 May 2021.

The 31 December 2020 audit opinion was qualified by the predecessor auditor on the basis of non-compliance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, IAS 21, The Effects of Changes in Foreign Exchange Rates in respect of the change in functional currency in 2020 and the related impact on the application of IAS 29, Financial Reporting in Hyperinflationary Economies and the non-compliance with IFRS 13, Fair Value Measurement in respect of the valuation of investment properties and owner occupied properties.

Other information
The directors are responsible for the other information. The other information comprises the information included in the document titled "CBZ Holdings Limited Group and Company Annual Report 2021" and including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical", but does not include the inflation adjusted consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the inflation adjusted consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the directors for the inflation adjusted consolidated and separate financial statements
The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with International Financial Reporting Standards and the manner required by the Companies and Other Business Entities Act [Chapter 24:31],the Banking Act (Chapter 24:20), the Building Societies act (Chapter 24:02), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

KPMG
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Themba Mudidi
Chartered Accountant
Registered Auditor
PAAB Practicing Certificate Number 0437

7 June 2022

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

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 1.1b, 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.

marc Holtzman

MARC HOLTZMAN
GROUP CHAIRMAN

06 JUNE 2022

T.L. GUMBO
GROUP CHIEF FINANCE OFFICER

06 JUNE 2022

DR . B. MUDAVANHU
GROUP CHIEF EXECUTIVE OFFICER

06 JUNE 2022

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 1.1b, unbundling of the Functional Currency Translation Reserve (FCTR).

CONSOLIDATED 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	**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.

GROUP ACCOUNTING POLICIES

The following paragraphs describe the main accounting policies of the Group. The same accounting policies are equally applicable to the Company, unless explicitly stated otherwise.

1 .1 a BASIS OF PREPARATION

The Group and company 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 account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Functional and presentation 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.

The assessment considered the parameters set in IAS 21 as follows:

a. The currency that mainly influences the sales prices for goods and services
b. The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
c. 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)
d The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained

In view of the aforementioned assessments outlined in IAS 21 guidelines, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL), consistent with the presentations made in the prior year financial statements. The amounts in the financial statements are rounded off to the nearest One thousand Zimbabwean dollars (ZWL'000), except where indicated otherwise.

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	448.59%	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 held at fair value 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 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 information.

Basis of consolidation.

The Group's consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries. In the separate financial statements of the Company, Investments in subsidiaries are held at cost.

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 Group 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 Group 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 date control was acquired and up to the date control ceased. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full.

Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated profit or loss and comprehensive income and within equity in the consolidated statement of Financial Position, separately from parent shareholders' equity.

1.1b UNBUNDLING OF THE FUNCTIONAL CURRENCY TRANSLATION RESERVE (FCTR)

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 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 holdersof 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.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Amended standards and interpretations
The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management made certain judgements and estimates that have a significant effect on the amounts recognised in the financial statements as stated below:

Fair value measurement principles
The fair value of financial instruments and other assets and liabilities measured at fair value, is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated using discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is market related at the reporting date for an instrument with similar terms and conditions.

The Group adopted the Directors valuation on its Investment properties, land inventory and owner occupied properties. The frequency of valuations depends on the changes in the fair values.

The Group's Valuations rely on available market evidence as input for calculating property fair values. This includes transaction prices for comparable properties, rents and capitalisation rates.

In view of the emergence of ZWL$ denominated evidence on the market, for the year ending 31 December 2021 the Group's properties were valued using a direct ZWL$ valuation. For the prior year where the market information available during the period under review was largely denominated in the US$ currency, valuations were done in USD, then translated to the functional currency ZWL$, using the closing interbank rate. As such, the valuers relied on US$ based evidence and produced valuations which are denominated in that currency. The Group adopted the approach of converting the resultant USD valuations at the Inter-Bank rate on the date of valuation, to calculate ZWL property values which were then included in the 2020 Financial Statements.

Expected Credit Loss
The Group reviews all financial assets, financial guarantees and letters of credit at the reporting date to assess whether there has been increase in credit risk for the purposes of expected credit loss expense calculation. In particular, judgement by Management is required on key concepts such as whether there has been a significant increase in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions on determining the probability of default. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

IFRS 9 requires the assessment of the Expected Credit loss (ECL) on all financial assets from initial recognition. The ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group records the expected loss expense through profit or loss. Refer to note 12.4 for more detail on the Expected Credit loss (ECL) expense on financial assets.

Assets and liabilities linked to Legacy Debts and nostro gap accounts
The Group held foreign currency denominated legacy debts and nostro gap accounts amounting to US$145 044 224 at 31 December 2021 (2020: US$167 966 227). These debts relate to liabilities denominated in US$ and are presented in deposits in the statement of financial position and in Note 20, and are classified as financial liabilities subsequently measured at amortised cost.

The Reserve Bank of Zimbabwe (RBZ) committed to provide foreign currency funding in full to support the Group in financing legacy debts and nostro gap at an exchange rate of US$1:Z$1. In the prior period, the RBZ requested the Group to pay over the Zimbabwe dollar equivalent of legacy debt and nostro gap accounts at an exchange rate of US$1:Z$1. The Group recognised a foreign denominated asset for this amount and as at 31 December 2021, US$158 965 128 (2020: US$187 130 538) was receivable from the RBZ. This amount is presented as a receivable in other assets in the statement of financial position and in Note 15, and is classified as a financial asset subsequently measured at amortised cost.

During the period under review, amounts totalling US$28 165 410 (2020:US$7 267 292) were received from the RBZ against the RBZ financial asset and were utilised to settle legacy debt and nostro gap. The Group exercised judgement, in setting its expectation that the RBZ financial asset will be recovered and that the RBZ has the intention and ability to settle, on a gradual basis, the outstanding amounts. In light of amortised cost measurement, the Group estimated the timing and amount of the cashflows associated with the legacy debt and nostro gap financial liability and RBZ financial asset.

Estimation of property and equipment useful life
The determination of estimated useful life for property and equipment is carried out at each reporting date. At the end of each financial year, the Group's valuations department assesses all property taking into account the market values and physical status. The Group reassesses the estimated useful life for property and equipment at each reporting period. The reassessment takes into account physical status, technological trends and historical usage. Where the reassessment indicates a change in the useful life the change is treated as a change in accounting estimate and accounted for prospectively in line with IAS 8. Refer to accounting policy note 1.6 for the useful lives of property and equipment.

Estimation of property and equipment residual values
The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The estimated residual values of property and equipment are determined at each reporting date. The residual values are taken into account on depreciation calculation where Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to the estimated residual values. Where there has been a change on the residual value of an asset of property and equipment the change is accounted for prospectively as a change in accounting estimate. The average of 10% residual value has been determined from the general assessment save for land, buildings and software.

Valuation of unlisted equity investments

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discounts rates, cash flows, comparable prices, liquidity risk, credit risk and volatility.

Deferred tax
Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising out of the initial recognition of assets or liabilities and temporary differences on initial recognition of business combinations that affect neither accounting nor taxable profit are not recognised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Management exercised judgement on the extent to which the Group that will generate taxable profit against which the deductible temporary difference can be utilised.

Incurred but Not Reported (IBNR) reserve
The Group establishes IBNR reserve, to recognize the estimated cost of losses for events which have already occurred but which have not yet been reported. These reserves are established to recognize the estimated costs required to bring such claims to final settlement.
The incurred but not yet reported claims (IBNR) provision has been determined at 10% of net written premium for all products. This has been based on an industry regulated minimum.

i. IBNR on Short term insurance claims
For short-term insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. The provision has been determined using the Born-Huetter Ferguson ("BHF") method.

ii. IBNR on Life Assurance
This is based on 0.75 expected deaths per month per 1000 lives assured multiplied by the average sums assured. These expected claim payments are then decreased relative to the elapsed time on year-end on assumption that all claims should have been notified within 10 months from date of death. There are no reserves for staff loans as all deaths are notified immediately. Funeral claims are estimated at 70% of risk premiums assuming all claims will be reported within one month.

Life Fund
The life fund reserve is actuarially determined by a qualified independent actuary on a yearly basis. The reserve is determined by reviewing the products on offer, risk associated with each product. Assumptions and methods of determining the results are also reviewed.

Effective Interest rate
When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, excluding ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. In coming up with the effective interest rate, the Group makes significant judgement on credit rating of a specific customer, the security available to cover the exposure, the facility type and the tenure of the exposure.

Going concern
In assessing the Group's going concern in light of the COVID-19 Pandemic, management made judgements on how the Group Statement of Profit or Loss and the Statement of Financial Position items will be affected by the impact of the pandemic. (Refer to note 40 for a detailed assessment impact)

Uncertain Tax treatments
Income tax expense represents the sum of the tax currently payable and deferred tax. The Group uses judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision is based on which approach provides better predictions of the resolution of the uncertainty. The Company assumes that the taxation authority will examine amounts reported to it and will have full knowledge of all relevant information when doing so. Where the Group concludes that it is probable that a particular tax treatment will be accepted, it determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax files. If the Group concludes that it is probable that a particular tax treatment will be accepted, it uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of buildings that are used as branches. The Group typically exercises its option to renew these leases to avert the notable business disruption risks, which would be encountered if replacement assets are not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Determining the incremental borrowing rate to use as discount rate on initial recognition
The Group's incremental borrowing rate represents what the Group 'would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.' In applying the concept of 'similar security', the Group uses the right of-use asset granted by the lease and not the fair value of the underlying asset. The Group's rate represents the amount that would be charged to acquire an asset of similar value for a similar period. The Group estimates the IBR using observable inputs (such as market interest rates) and make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease). The Group applied judgement to estimate an incremental borrowing rate in the context of a right-of-use asset, especially when the value of the underlying asset differs significantly from the value of the right-of-use asset.

Property lease classification – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

1.4 FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in Zimbabwe Dollars (ZWL), which is also the Group's functional currency. Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing auction rate published by the Reserve Bank of Zimbabwe (RBZ) at the reporting date. The management established the auction foreign exchange rates as the appropriate spot rates during the period on the basis that the Group and its customers were able to buy and sell foreign currency at these official exchange rates, hence ascertaining the exchangeability principle in accordance with IAS 21. Non-monetary assets denominated in foreign currencies that are measured in terms of historical are translated using the exchange rate at the date of transaction while those at fair value are translated using the exchange rate at the date when the fair value was determined. All exchange gains/losses arising on the translation or settlement of foreign denominated monetary items are recognised in profit or loss.

1.5 INVESTMENT PROPERTIES

Recognition criteria
Investment properties are those properties held for earning rental income and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair values of investment properties are included in profit or loss in the period in which they arise, net of any corresponding tax effects.

The fair value assessments by the valuer take into account the following aspects:

- Age of property
- Aesthetic quality
- Structural condition
- Size of land
- Location

Transfers to and from investment properties
Transfers are made to or from investment property only when there is a change in use and a revaluation is done first before the transfer. If an investment property becomes more than 20% owner occupied where split is not possible, it is reclassified as property and equipment in accordance with IAS 16 (Property, plant and equipment) and its fair value at the date of its classification becomes its cost for subsequent accounting as property and equipment under IAS 16.

Derecognition
Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

1.6 PROPERTY AND EQUIPMENT

Recognition criteria
Work in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Gross carrying amount represents either cost or the revalued amount, in the case of revalued property. Property and equipment are depreciated over their estimated useful lives on a straight line basis such that the cost or valuations of the assets are reduced to their estimated residual values. The estimated useful lives at the end of this reporting period are:

Buildings	40 years
Computer and equipment	5 years
Furniture & Fittings	10 years
Leasehold improvements	10 years
Motor vehicles	3 – 5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The assets` residual values, useful lives and methods of depreciation are reviewed and adjusted, where appropriate, at each financial year end.

Freehold land and buildings are measured at fair value while subsequent additions between valuation dates are shown at cost**.** The frequency of valuations depends on the changes in the fair values these assets. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings. Any revaluation surplus is credited to the asset revaluation reserve except to the extent that it reverses a revaluation loss of the same asset previously recognised in profit or loss in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss except where a deficit directly offsets a previous surplus on the same asset. This deficit is directly offset against the surplus in the asset revaluation reserve. All other items of property and equipment are carried at cost.

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

Revaluation reserves are maintained as long as the Group still holds the assets. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

1.7 FINANCIAL ASSETS

Initial Recognition
A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets held by the Group include balances with banks and cash, money market assets, loans and advances, debt and equity investments and legacy debt related receivable from the RBZ.

Financial assets that are debt instruments in the scope of IFRS 9 (Financial instruments) are classified, at initial recognition, and subsequently measured at:

- Amortised Cost,
- Fair Value Through Other Comprehensive Income (FVOCI), or
- Fair Value Through Profit or Loss (FVPL),

When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, any directly attributable transaction costs. Transaction costs on all financial assets that are carried at fair value through profit or loss, they are accounted for as an expense. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement
For purposes of subsequent measurement, the Group's financial assets are classified in the following three categories:

i. Financial assets at amortised cost
The Group's financial assets are classified as subsequently measured at amortised cost under IFRS 9 if they meet both of the following criteria:

- Hold to collect business model test – The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows. The hold to collect business model does not require that financial assets are always held until their maturity. The Group's business model can still be to hold financial assets to collect contractual cash flows, even when sales of financial assets occur. Examples of these sales that would not contradict holding financial assets to collect contractual cash flows include selling the financial asset close to its maturity and selling the financial asset to realise cash to deal with an unforeseen need for liquidity.
- Solely payments of principal and interest (SPPI) contractual cash flow characteristics test – The contractual terms of the financial asset give rise to cash flows that are SPPI on the principal amount outstanding on a specified date. (I.e. the contractual cash flows are consistent with a basic lending arrangement).

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in the Group's interest income using the effective interest rate method. The Group's financial assets at amortised cost mainly include loans and advances to customers, financial securities, money market assets and trade receivables.

ii. Financial assets at fair value through comprehensive income
The Group measures its debt instruments at fair value through OCI if both of the following conditions are met:

- financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments measured at fair value through OCI, interest income and foreign exchange revaluation are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. However, the loss allowance is recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the Statement of Financial position. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments not held for trading as equity instruments designated at fair value through OCI. This election is made on an instrument by instrument basis. The Group's equity investments measured under this category are unquoted equities. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

iii. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

1.8 FINANCIAL LIABILITIES

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and deposits (including legacy debt and nostro gap).

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans, other borrowings and deposits are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.9 IMPAIRMENT

Financial assets
The Group assesses at each reporting date on a forward looking basis, the expected credit losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition. This assessment determines which grading/classification stage the instrument is in and the amount of ECL to recognise. Whether credit risk has significantly increased or not is determined based on the changes in default risk. Evidence of changes in default risk may include indications that the debtors or a group of debtors is experiencing significant difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets carried at amortised cost
The carrying amount of the financial asset in the Statement of Financial Position shall be reduced with the loss allowance for expected credit losses (ECL). The Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk of the financial asset since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as a loss allowance. The amount of the credit loss expense is measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The Group recognises credit loss even if it expects to be paid in full but later than when contractually due.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

The Group carries out significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually, significant since initial recognition. If it is determined that there is no significant increase in the credit risk since initial recognition, the Group recognizes 12-month expected credit losses. If it is determined that there is significant increase in the credit risk since initial recognition, the Group recognizes life time credit loss allowance.

If in a subsequent period, the amount of the Expected Credit Loss (ECL) decreases and the decrease can be due to credit risk the previously recognised loss allowance is reversed. Any subsequent reversal of the loss allowance is recognised in profit or loss to the extent that the carrying value of the asset does not exceed what the amortised cost would have been had the impairment is reversed.

Expected credit losses are also calculated for Bank and cash balances

Financial Assets carried at Fair Value through other comprehensive income (FVOCI)
The Group's equity investments measured at Fair Value through other comprehensive income are unlisted equity investments. No impairment loss is recognised on equity instruments as they are measured at fair value with gains and losses recognised through OCI and the fair value reserve.

Financial Assets carried at Fair Value through profit or loss (FVPL)
No impairment is recognised for financial assets measured at Fair value through profit or loss. Changes in fair value are recognised through profit and loss in as much as they affect the carrying amount of these assets. The Group has listed equity investments and these are measured at FVPL.

1.10 REVENUE RECOGNITION

The Group's major revenue items emanate from IFRS 9 (Financial instruments), IFRS 15 (Revenue from contract with customers) and IFRS 4 insurance Contracts and are recognised as follows:

a) Revenue within the scope of IFRS 15

The Group recognises revenue from contracts with customers under the scope of IFRS 15 as it transfers promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services excluding amounts collected on behalf of third parties. The Group applies the five step approach to revenue recognition under IFRS 15. The Group recognises revenue when a performance obligation is satisfied by transferring a promised good or service to the customer (which is when the customer obtains control of that good or service).

The Group satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time (typically for promises to transfer services to a customer) or at a point in time (typically for promises to transfer goods to a customer). Control includes the ability to prevent others from directing the use of and obtaining the benefits from the asset. The Group satisfies a performance obligation at a point in time unless it meets one of the following criteria, in which case, it is deemed to be satisfied over time:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the Group does not satisfy its performance obligation over time, it satisfies it at a point in time and revenue will be recognised when control is passed at that point in time. Factors that indicate the passing of control include the present right to payment for the asset or the customer has legal title to the asset or the Group has transferred physical possession of the asset.

When the revenue is recognised over time, the Group recognises the revenue in line with the pattern of transfer. The Group selects an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Whether the Group recognises revenue over the period during which it produces a product/services, or on delivery to the customer will depend on the specific terms of the contract.

The Group's major revenue items recognised under the scope of IFRS 15 are as follows:

i. Services rendered
The Group recognises revenue for services rendered at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for the services excluding amounts collected on behalf of third parties to customers based on the estimated outcome of the transactions. (These include project management fees and advisory income that is recognised over a period of time and net income from foreign currency dealing. The revenue is recognised by reference to the stage of completion of the transaction at the reporting date. The stage of completion is measured based on the amount of work performed. When the outcome cannot be reliably estimated, revenue is recognised only to the extent of the expenses incurred that are recoverable.

ii. Commission and fee income
The Group recognises revenue from commission and fee income including account maintenance fees, ledger fees, advisory income, Agro Inputs handling fees, ATM/ cash withdrawal fees and Point of sale income as the related services are performed. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

iii. Property sales
Revenue arising from the sale of land inventory is recognised as an amount that reflects the consideration to which the Group expects to be entitled to in exchange of the land inventory excluding amounts collected on behalf of third. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when control has been transferred upon signing of the sale agreement. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

Iv. Agro-business income
The Group records revenue from the provision of Agricultural inputs to its beneficiary contract farmers. The revenue is recognised when the control of agricultural inputs transfers to the beneficiary contract farmer, which generally occurs at the time of collection of inputs from the designated supplier, distributor or directly delivered to the beneficiary contract farmer's preferred location. The Group prices agricultural inputs at market price of such inputs. Once these criteria are met, the inputs debtor- asset is derecognized, where inputs were paid in advance and the gain or loss on such inputs is recorded upon the transfer of control of the agricultural inputs to the beneficiary farmer.

b) Revenue within the scope of IFRS 9

The Group's revenue items recognised under the scope of IFRS 9 are as follows:

i. Trading income
Net trading and dealing income includes gains or losses arising from disposals and changes in fair values of financial assets and liabilities held for trading. Net trading income also includes gains or losses arising from changes in foreign currency exchange rates

ii. Interest Income
Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

The gross carrying amount of the financial asset; or
The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets (POCI), the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.
For Financial assets that are not POCI, but have become credit impaired (or stage 3), interest income is calculated by applying the effective interest to their amortised cost (i.e. net of the expected credit loss provision).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

iii. Commission and fee income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

iv. Dividends
Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net trading income, net income from other financial instruments at FVTPL or other revenue based on the underlying classification of the equity investment.

Dividends on equity investments designated at FVOCI are recognised in P/L, unless if the dividend clearly represents a recovery of part of the cost of the investment.

c) The Group's revenue items recognised under the scope of IFRS 4 are as follows:

i. Premiums
Premiums written comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude taxes and levies based on premiums. Premiums written include adjustments to premiums written in prior accounting periods. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business. An estimate is made at the financial reporting date to recognise retrospective adjustments to premiums or commissions. The earned portion of premiums received, including unclosed business, is recognised as revenue. Premiums on unclosed business are brought into account, based upon the pattern of booking of renewals and new business. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten. Outward reinsurance premiums are recognised as an expense in accordance with the pattern or reinsurance service received. A portion of outwards reinsurance premiums is treated as prepayments.

Premiums that are not received after two months are transferred to Suspended income and therefore reducing the gross written premium. The premium receivables are netted off the suspended income balance at the reporting date.

ii. Commission receivable
Commission receivable relating to the unexpired portion of a risk is recognised at the reporting date calculated on a 1/365 basis.

1.11 BASIS OF ACCOUNTING FOR UNDERWRITING ACTIVITIES

Underwriting results are determined on an annual basis whereby the incurred cost of claims, commission and related expenses is charged against the earned premiums.

Claims
Claims represent the ultimate cost (net of salvage recoveries) of settling all claims arising from events that have occurred up to the reporting date. Claims incurred but not reported are claims arising out of events which have occurred by the reporting date but have not yet been reported at that date.

Unexpired risk provision
An unexpired risk provision is made for any deficiencies arising when unearned premiums, net of associated acquisition costs, are insufficient to meet expected claims and expenses likely to arise after the end of the financial year from contracts concluded before that date. The expected claims are calculated having regard to events that have occurred prior to reporting date position date. Unexpired risks, surpluses and deficits, are aggregated where business classes are managed together.

Liability adequacy test
At each reporting date, the liability adequacy test is performed to ensure the adequacy of the contract liabilities net of Deferred Acquisition Costs (DAC). In performing these tests, current best estimates of future contractual cash flows and claims handling and administration costs are used. Any deficiency is immediately charged to profit or loss initially by writing off the DAC and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision). Any DAC written off as a result of this test is not reinstated.

Insurance contracts
The Group issues contracts that transfer insurance risk and / or financial risk. Insurance contracts are those that transfer significant insurance risk. Significant insurance risk is defined as the risk of the Group paying benefits on the occurrence of an insured uncertain event. Insurance contracts are classified as short term and include motor, fire, accident, engineering, farming and marine. Premium is recognised over the term of the contract on a proportionate basis. Claims are charged to profit and loss based on an estimated liability for compensation. These claims are not discounted as settlement generally occurs within a reasonable period of the claim. Investment contracts are those that transfer financial risk with no significant insurance risk.

Insurance assets
These comprise reinsurance receivables, deferred acquisition costs and insurance premium receivables. Impairment on these assets is calculated using the general approach under IAS 39, Financial Instruments recognition and measurement.

Reinsurance contracts held
Contracts entered into by the Group with the re-insurers whereby the Group recovers losses on insurance contracts issued are classified as reinsurance contracts held. The benefits to which the Group is entitled under its reinsurance contracts are recognised as reinsurance assets. The assets consist of short term balances due from re-insurers (classified as reinsurance receivables). The amounts recoverable are measured consistently in accordance with the terms of the reinsurance contract.

Deferred Acquisition costs
Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned.

Lapses
Lapses relate to the termination of policies due to non-payment of premiums by policyholders. The subsidiary assesses the ability of an insured to settle outstanding amounts at each reporting date. Whenever circumstances or events indicate that the insured may not pay the outstanding amount, a lapse is effected and immediately recognised in profit or loss.

Reversals
Reversals relate to the voluntary termination of policies by policyholders. Reversals are recognised immediately in profit or loss on a pro-rata basis i.e. the unexpired term of a policy.

Premium taxes
Outstanding net amounts of levies recoverable from, or payable to, the taxation authorities are included as part of receivables or payables in the statement of financial position.

1.12 EMPLOYEE BENEFITS

Employee benefits are the considerations given by the Group in exchange for services rendered by employees. In summary such benefits are:

Short-term benefits
Benefits earned by employees under normal employment terms including salaries, wages, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay. These provisions are included in other liabilities in the Statement of Financial Position.

i) The Group and employees contribute towards the National Social Security Authority, a defined contribution fund. Costs applicable to this scheme are determined by the systematic recognition of legislated contributions.
ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee-administered fund. The costs are charged to the profit or loss as incurred.

Employee share option scheme
The Group's Employee Share Options Scheme ("ESOS") is a share-based, equity-settled employee compensation scheme. The ESOS allows the employees of the Group to acquire the shares of the Group upon fulfilling certain conditions.

The total fair value of share options granted to employees is recognised as an employee costs in profit or loss with the corresponding increase in the share option reserve in the equity section of the Group over the vesting period of the ESOS, taking into account the probability that the ESOS will vest.

The fair value of ESOS is measured at the grant date, taking into account, if relevant, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of the original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium account, or until the option expires, it will be transferred to the retained earnings of the Group. The proceeds received, net of any directly attributable transaction costs, are credited to equity when the options are exercised.

On cancellation of the Scheme, the Group account for the cancellation as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

1.13 TAXATION

Current taxation
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that were enacted or substantially enacted at reporting date

Capital gains tax
Deferred tax arising on valuation of investment property held for capital appreciation or sale of equity investment is computed at the applicable capital gains tax rates ruling at reporting date.

Value added tax
Revenue, expenses, and assets are recognised net of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable and receivables and payables that are stated with the amount of VAT included.

Deferred taxation
Deferred income tax is provided using the full liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

Deferred tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Changes in tax rates.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. If the tax rate increases, deferred taxes will also increase, i.e. deferred tax assets and liabilities will increase. Similarly, if the tax rate decreases, deferred taxes also decrease. The effect of the change in tax rates is shown separately on the tax rate reconciliation and is accounted for in the Statement of profit or loss.

1.14 CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events and principally consist of guarantees provided for third party obligations underwritten. Items are classified as commitments where the Group commits itself to future transactions or if the items will result in the acquisition of assets.

1.15 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components, for which discreet information is available. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

1.16 FIDUCIARY ACTIVITIES

The Group's Asset Management subsidiary acts as a trustee in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, post-employment benefit plans and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements as they are not assets and income of the Group.

1.17 FINANCIAL GUARANTEES

'Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions. Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of;

- the loss allowance determined in accordance with IFRS 9 and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15

Expected credit Losses arising from financial guarantees are included within provisions.

1.18 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

1.19 INTANGIBLE ASSETS

The Group's intangible assets mainly comprise of computer software. Intangible assets are recorded at cost less any accumulated amortisation and impairment. The estimated useful life at the end of the reporting period for computer software is 3 years. The intangible assets are recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. The intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1.20 LEASED ASSETS

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use Asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the Statement of Financial Position.

For Statement of Cash flows purposes, the Group has elected to classify cash flows from interest paid on the lease liabilities, as financing activities.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets. All leased assets valued at or below ZWL $540,000 qualify for the low value lease exemption. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.21 SHARE CAPITAL

Ordinary share capital

Ordinary shares are classified as equity.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are disposed the resulting surplus or deficit on the transaction is recognised directly in revenue reserve.

Cancellation of Treasury shares

When treasury shares are cancelled the Group's share capital and share premium is reduced with the effect of the cancellation. The resulting deficit on the transaction is recognised directly in revenue reserve.

1.22 REVALUATION RESERVE

The revaluation reserve represents all revaluation adjustments made to property and equipment.

1.23 RETAINED EARNINGS RESERVE

This reserve represents cumulative profits that have not been paid out as dividends.

1.24 SHARE PREMIUM

This represents capital raised through an issue of shares that exceeds the nominal value of the shares. This capital is not available for distribution to shareholders as dividends.

1.25 FAIR VALUE RESERVE

Fair value reserve represents changes in the fair value of unquoted equities that are irrevocably elected to be initially measured at fair value through other comprehensive income.

1.26 FUNCTIONAL CURRENCY TRANSLATION RESERVE

The Functional currency translation reserve represents the exchange rate gains or losses which were recognised on the date of change in Functional currency.

1.27 SHARE BASED PAYMENT RESERVE

Share based payment reserve represents movements arising from transacting with the entity's own shares, in equity settled share based payments.

1.28 RELATED PARTIES

The Group has related party relationships with its shareholders, subsidiaries, Directors and key management employees, and their close family members. Transactions with related parties are carried out on arm's length basis.

1.29 FAIR VALUE MEASUREMENT

The Group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable input have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for financial assets or financial liabilities is not actively traded the Bank establishes fair value by using valuation techniques. These techniques include the use of arm's length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.30 LAND INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the Average cost method. The Group first calculates all the costs of the whole area of land inventory (purchase price and development costs) including roads in order to ascertain the total costs of bringing the whole area of land inventory to its resalable condition. When the total costs are obtained it is then divided by the total size of the land inventory (stands) in square meters. This will result in obtaining the cost of the land inventory per square meter. When the individual stands are now sold the cost of each stand is the result of multiplying the size of the individual stand by the cost per square meter.

1.31 CASH AND CASH EQUIVALENTS

Balances with other banks and cash Cash and bank balances include cash on hand, deposits held at call with other banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown as liabilities. Cash and bank balances are carried at amortised cost in the statement of financial position.
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.32 LEGACY DEBTS & NOSTRO GAP ACCOUNTS

The undertaking by the Reserve Bank of Zimbabwe (RBZ) to provide US Dollars to assist in settling Legacy debt and Nostro gap accounts at an exchange rate of 1:1 was recognised as a government assistance. The resulting outstanding Legacy debt receivable was accounted for at the closing interbank rate. On the liability side the Legacy debts and Nostro gap accounts were treated as deposits and translated to the functional currency at the closing interbank rate.

Legacy debt receivables (RBZ Financial asset) are initially measured at fair value and subsequently at amortised cost as per the requirements of IFRS 9. This is in line with the measurement policy for the Group's monetary assets classified and measured at amortised cost. Subsequent measurement takes into account expected credit losses. Refer to detailed accounting policy note 1.7 on financial assets measured at amortised cost.

1.33 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group expect the standard to impact the Annual financial statements beginning on or after 1 January 2023 and projects to identify the impact will be started in the coming year.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

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**

* Interest Income and Interest expense is calculated using the Effective Interest Rate Method

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**

Other operating income consists of Dividend Income, Group Holiday Facility income and realised gains on foreign currency exchange gains

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)**

		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
(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**

*Included in staff costs above is an amount of ZWL$ 716,335,939 (Historical ZWL$ 469,840,238.59), representing share based employment costs which are linked to the Group's share price. These costs are settled in cash and do not have any bearing to the total number of outstanding shares at any point in time.

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**

5.1. EMPLOYEE BENEFITS

Employee benefits are the consideration given by the Group in exchange for services rendered by employees. In summary such benefits are: -

Short term benefits

These are earned by employees under normal employment terms, including salaries and wages, bonuses and leave pay. These are expensed as earned and accordingly provisions are made for unpaid bonuses and leave pay.

Post-employment benefits

i) The Group and employees contribute towards the National Social Security Authority, a defined contribution fund. Costs applicable to this scheme are determined by the systematic recognition of legislated contributions.

ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee administered fund. The costs are charged to the statement of comprehensive income as incurred.

		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
	NSSA contributions	25 674	25 586	15 584	8,019
	Defined contribution scheme	150 274	196 519	100 258	61,481
6.	**TAXATION**				
6.1	**The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.**				
	Analysis of tax charge in respect of the profit for the period				
	Current income tax charge	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.

		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
6.3	**The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.**				
	Revaluation of property and equipment	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:

		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

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.

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.

	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
9. CASH AND CASH EQUIVALENTS				
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 and 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 balanc RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guideline urrently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.

	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
10. MONEY MARKET ASSETS				
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**

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

	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. FINANCIAL SECURITIES				
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 m urity.

	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. LOANS AND ADVANCES TO CUSTOMERS				
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
Mortgage 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 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
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 maturit

	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
12.3 Loans to directors and key management				
Included in advances are loans to Executive Directors and key management:-				
Opening balance	354 544	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	**624 672**	**354 545**	**624 672**	**220 574**
Loans to employees				
Included in advances are loans to employees: -				
Opening balance	1 599 998	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	**1 257 768**	**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				
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**

15. OTHER ASSETS

	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
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.

Also included in other assets is a ZWL3.5 billion government guarantee receivable and ZWL8.5 billion promissory notes receivable. These are accounted for at amortised cost in line with other Group's financial assets measured at amortised cost. Expected credit losses on the guarantee were determined in line with other financial assets held at amortised cost.

	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**

The Group's listed investments are mandatorily measured at Fair value through Profit or loss. The Group does not have any other financial assets that have been designated as such upon initial recognition.

	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 (10-20%) • GDP Growth (4-7%)	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**

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
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									
31 DEC 2021	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
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**

UNAUDITED HISTORICAL									
31 DEC 2020	Land ZWL$ 000	Leasehold Buildings ZWL$ 000	Motor improvements ZWL$ 000	vehicles ZWL$ 000	Computer ZWL$ 000	Furniture & Equipment ZWL$ 000	Work in Fittings ZWL$ 000	progress ZWL$ 000	Total ZWL$ 000
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,

		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
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

21.1 Lease income 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
Up to one year	95,817	62,241	95,817	38,722
Between 1 and 2 years	94,164	271,103	94,164	168,662
Between 2 and 3 years	156,185	30,283	156,185	18,840
Between 3 and 4 years	2,705	15,995	2,705	9,951
Between 4 and 5 years	2,705	630	2,705	392
	351,576	**380,252**	**351,576**	**236,567**

22. INTANGIBLE ASSETS

	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
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 profit or loss and other comprehensive income composed of:

	INFLATION ADJUSTED AUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		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
Opening balance	741,785	764,789	-	-	741,785	764,789
Assessed losses	1,176,671	16,275	-	-	1,176,671	16,275
Impairments and provisions	1,663,167	(90,655)	-	-	1,663,167	(90,655)
Tax claimable impairments	(31,739)	(104,511)	-	-	(31,739)	(104,511)
Other	69,541	155,887	-	-	69,541	155,887
Closing deferred tax balance	**3,619,425**	**741,785**	**-**	**-**	**3,619,425**	**741,785**

	HISTORICAL UNAUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		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
Opening balance	463,832	106,042	-	-	463,832	106,042
Assessed losses	1,196,077	20,640	-	-	1,196,077	20,640
Impairments and provisions	1,834,813	206,868	-	-	1,834,813	206,868
Intangible assets	(5,819)	5,819	-	-	(5,819)	5,819
Tax claimable impairments	1,512	28,047	-	-	1,512	28,047
Other	128,009	96,416	-	-	128,009	96,416
Closing deferred tax balance	**3,618,424**	**463,832**	**-**	**-**	**3,618,424**	**463,832**

	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
The deferred tax included in the Statement of Financial Position are comprised of:				
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 included in the statement of profit or loss and Other Comprehensive income comprised of:

	INFLATION ADJUSTED AUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		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
Opening balance	2,930,113	1,978,985	373,712	318,452	3,303,825	2,297,437
Impairments and provisions	-	(1,256)	-	-	-	(1,256)
Intangible assets	(6,438)	31,610	-	-	(6,438)	31,610
Prepayments	2	(836)	-	-	2	(836)
Equity investments	34,539	922	22,888	10,460	57,427	11,382
Property and equipment	(75,274)	(289,745)	236,526	44,801	161,252	(244,944)
Investment properties	(38,402)	(47,459)	-	-	(38,402)	(47,459)
Other	1,370,790	1,257,892	-	-	1,370,790	1,257,892
Closing deferred tax balance	**4,215,330**	**2,930,113**	**633,126**	**373,713**	**4,848,456**	**3,303,826**

	HISTORICAL UNAUDITED					
	Statement of profit or loss		Statement of Other Comprehensive income		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
Opening balance	1,652,797	134,289	633,328	125,663	2,286,125	259,952
Intangible assets	23,622	(11)	-	-	23,622	(11)
Prepayments	-	(9)	-	-	-	(9)
Equity investments	33,722	1,399	54,306	39,330	88,028	40,729
Property and equipment	(209,408)	(288,267)	518,926	468,336	309,518	180,069
Investment properties	121,960	198,586	-	-	121,960	198,586
Other	744,320	1,606,809	-	-	744,320	1,606,809
Closing deferred tax balance	**2,367,013**	**1,652,796**	**1,206,560**	**633,329**	**3,573,573**	**2,286,125**

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

i) The risk that a significant portion (or all) gets recalled for which the Group is unable to settle without immediate assistance from the Reserve Group of Zimbabwe

The Group draws comfort from the fact that as at 31 December 2021 it had cash and cash equivalents US$243 881 178 (2020: US$ 214 264 064) (this includes all foreign denominated balances after translation to US$) which amounts are greater than the total legacy debts of US$ 145 044 224.Therefore any liability calls can be funded from these balances.

While the Group acknowledges that the timing of outflows of these liabilities as well as the timing of available support from the Reserve Group of Zimbabwe is largely outside of their control management continues to actively engage the counterparties to influence both the timing and amount of the potential calls and also continues to actively manage the retention of foreign export proceeds to manage this exposure.

ii) The risk that no foreign currency or insufficient currency is made available from the Reserve Group thus making the guarantee void and the call falling back on the Group.

The Group acknowledges that in the event of a call of a portion (or all) of these liabilities at a time when support from the Reserve Group of Zimbabwe is not immediately available the Group would need to meet the repayments from its own resources. However the Group draws comfort from the fact that as at 31 December 2021 it had cash and cash equivalents of US$214 264 064 which amounts are greater than the total legacy debts of US$167 966 227.Therefore any liability calls will be funded from these balances.

iii) The risk on capital posed by the significant and continued depreciation of the local currency against the US dollar.

Given the current foreign currency shortages in the market and in the event that the required support from the Reserve Group of Zimbabwe is not available when the Group is potentially required to make a repayment of any of these debts the Group may be required to fund the repayment itself from its net assets. The amount required by the Group to fund any such repayment will move in line with any fluctuations of the ZWL: USD exchange rate.

The RBZ financial asset Note 15 and the Group's own foreign currency assets address the issue of foreign exchange risk as the value of these assets exceed the total of legacy liabilities and nostro gap accounts and other foreign denominated liabilities. The exchange losses on the foreign denominated liabilities are offset by the exchange gains on the RBZ financial asset and the other foreign denominated assets.

In the event that all the risks noted above materialise despite management's mitigating efforts and the debt is called in its entirety and the funding is not immediately available from the Reserve Group of Zimbabwe despite their guarantee the group would potentially have a significant gap in its liquidity and would be required to engage with its counterparties to negotiate repayment and to also engage with the Government of Zimbabwe for assistance in this regard. The potential liquidity gap can be derived from note 37.4 to the financial statements if one excludes the RBZ financial asset disclosed within Other Assets in the "less than one month" bucket.

	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	%
24.3 Sectoral Analysis								
Private	11 940 114	9	5 955 354	4	11 940 114	9	3 705 026	4
Agricultue	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
Distributiorn	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		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
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.

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**	**-**
(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

	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
	AUDITED INFLATION ADJUSTED		
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**

	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
	UNAUDITED HISTORICAL		
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		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
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**

All other liabilities are current and are expected to be realised within the next twelve months. Included in provisions is audit fees provision and leave pay provision

As at 1 January 2021, the Group had unearned revenue of ZWL$ 115 317 000, which comprised of deferred advisory fees, deferred guarantee commission and revenue received in advance. The increase in contract liabilities in 2021 was mainly due to the increase in deferred revenue coming from advisory and Agro based handling fees. All deferred revenue at the end of the previous year has been recognised as revenue in the current year.

27. LIFE FUND

27.1 Life Fund

	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
AUDITED INFLATION ADJUSTED					
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**

	Premium Reserve ZWL$ 000	Unearned Incurred But Not Reported ZWL$ 000	Annuities Reserve ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
UNAUDITED HISTORICAL					
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**	**269 075**	**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

	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
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**

Funds under management are the total market value of financial assets that the Group manages on behalf of its clients.

34. OPERATING SEGMENTS

The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance and other financial services and is incorporated in Zimbabwe and has other operations outside Zimbabwe. Management has organised its operating segments on the basis of products and services offered. 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 Mortagage 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 results for the year ended 31 December 2021. As at the end of the annual period ended 31 December 2021, there are no major individual customers contributing more than 10% of the total income.

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

	banking ZWL$ 000	Commercial finance ZWL$ 000	Mortgage management ZWL$ 000	Asset operations ZWL$ 000	Insurance investment ZWL$ 000	Property business ZWL$ 000	Agro Finance ZWL$ 000	Micro operations ZWL$ 000	Elimination of Other amounts ZWL$ 000	intersegment 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. No ECLS were recognised for these loans.

	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
	-	**372**	**-**	**127**
36. CLOSING EXCHANGE RATES				
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.

Non – performing loans and advances

The Group's credit policy also covers past due, default, impaired and non–performing loans and advances, as well as specific and portfolio impairments.

Past due refers to a loan or advance that exceeds its limit for fluctuating types of advances or is in arrears by 30 days or more.

Non-performing loans and advances is where, for example, a specific provision for impairment is raised against a credit exposure as a result of a decline in the credit quality or where an obligation is past due for more than 90 days or an obligor has exceeded a sanctioned limit for more than 90 days.

Non-performing loans and advances are defined as loans and advances where the Group has raised a specific provision for impairment. A specific provision for impairment is raised where an asset is classified as:

- Substandard, doubtful or loss under the prudential lending guidelines issued by the Regulatory authorities and where collateral held against the advance is insufficient to cover the total expected losses.
- Portfolio impairment, on the other hand, applies under loans and advances that have not yet individually evidenced a loss event i.e. advances classified as "Pass" and "Special Mention" under prudential lending guidelines issued by the Regulatory authorities. For such portfolios, the Group calculates and makes general provisions.

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.

Balances with foreign banks represent Bank balances and Short term Money market assets with foreign banks and are assessed for credit quality with reference to external credit ratings of the foreign counterparty banks as shown below:

	Rating Agency	Rating	2021 ZWL$ 000	2020 ZWL$ 000
African Export Import Bank	Fitch	BB-	8 219 353	24 608
Oddo BHF Aktiengesellschaft Bank	Fitch	BBB	3 667 595	815 333
First Rand bank South Africa	Fitch	BB-	3 383 795	2 599 118
Bank of China	Fitch	A	463 130	43 786
Aktif Yatirim Bank	Fitch	BB+	151 800	248 466
United Oversees Bank	Fitch	AA-	101 401	122 611
Bidvest Bank South Africa	Fitch	BB	57 749	-
CSC Bank	Fitch	BBB+	35 569	6 652
South African Reserve Bank	Fitch	BB+	3 635	53 537
Standard Chartered Botswana	Fitch	A+	-	6 191
BancABC	Fitch	B-	-	1 307 428

The balances disclosed in the table above represents the maximum credit exposure for each foreign counterpart bank.

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**

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December amounted to ZWL$ 42 574 198. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovery.

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.

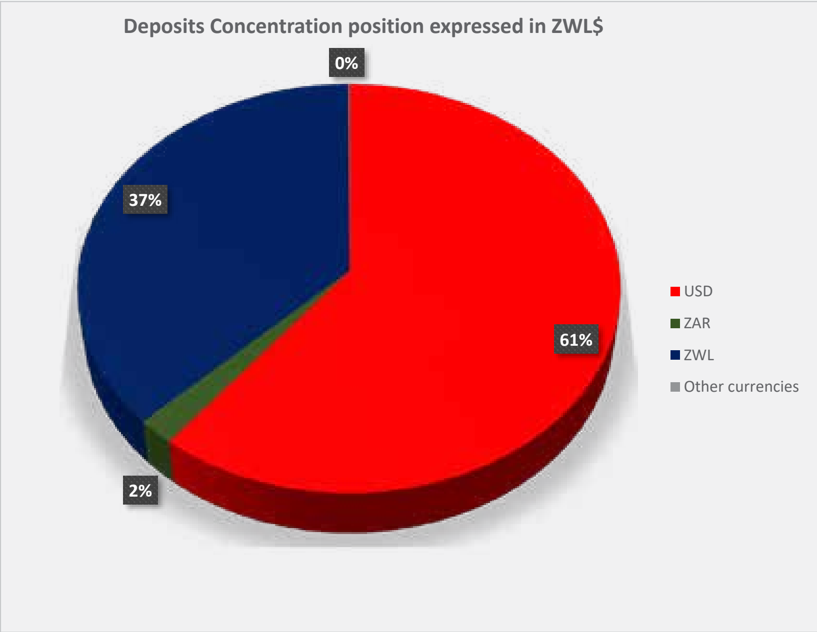
Details of the liquidity ratios for the relevant Group SBUs as at the reporting date and during the reporting year were as follows:

	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**	**–**
Cumulative gap	**(60,982,337)**	**(42,330,516)**	**(42,198,701)**	**(32,972,485)**	**(28,355,890)**	**(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)**	**–**	**–**

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	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	15 975 773	12 829 918	7 351 058	418 880	635 389	6 090
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	**79 935 315**	**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	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.

37.14 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		
Revaluation 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%

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 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 going concern.

The Directors have made the following assessment on the impact of COVID-19 to the Group as a 31 December and going into the year 2022

	Impact on the business
Interest Income	Interest income for the Group increased by 478.9% in 2021, from ZWL$3.34 billion in 2020 to ZWL$19.31 billion. The performance outturn was backed by interest on loans, which grew by 1,343% from the 2020 position. Going forward, the expectation is that interest income is unlikely to be affected by COVID-19. The Group continues to have a significant concentration in Agriculture Sector and the exposure under this sector, is protected by a government guarantee. The tobacco industry also had a decent season and the international gold price is currently firm, hence the Group's exposures in these sectors are adequately covered.
Non-interest income	Non-interest income for the group increased by 97.7% to ZWL$22.08 billion (2020 ZWL$11.17 billion). Commission fees and revenue from fair value adjustments were the main sources of non-interest income. Non-interest income has increased since the lockdown regulations were relaxed, owing to increased transactional volumes, as evidenced by growth in non-funded income excluding revaluation income and income from fair value adjustments, as well as an increase in the number of contract farmers, which translated to a higher uptake of inputs from suppliers, resulting in a surge in the margin on input purchases. Going forward, the Group will continue to encourage customers to maximise the use of digital channels for transactions. The incentive to use digital platforms for transactions has been favourably received by the Group's customers. The Group has also made sure that POS terminals in key services merchants are constantly monitored to ensure that they stay working as the lockdown is lifted.
Premium income	In 2021, the stringent efforts to limit the epidemic continued, affecting the ability of individuals and corporations to pay premiums. As a result, new business has decreased. The increasing risk on insurance policies exposed to COVID-19 as well as inflation-driven increases in sums insured drove up reinsurance costs. The majority of the Group's significant clients have been retained by effective relationship management with its brokers and agency channels. In addition, due to the erosion of clients' money, products have been repriced to improve affordability. Due to movement restrictions during this time, the coverage of some insurance plans was evaluated to reflect reduced risk exposure. More importantly, operational processes have been adjusted to promote the extensive use of technology to replace face to face interactions.
Claims, reinsurance and operating costs	The Group offers business interruption policies among other short term insurance products. The claims ratios for the products have been consistent with previous periods. This includes health and travel claims related to the pandemic, which maintained similar patterns. A number of claims were likely to be repudiated based on late notification due to extended lockdown. Operating costs increased significantly during the year. The increase was more driven by the inflationary impact rather than by COVID-19. The Group has extended claim notification periods to accommodate policyholders. The use of technology driven processes have been favoured to reduce operating costs. The Group also included a costs rationalization exercise to curb the impact of the costs and expense ratio.
Expected Credit Losses	ECLs have increased by 674.8% from ZWL$946.9 million in December 2020 to ZWL$7.34 billion in December 2021. The rise was sparked by a 89.9 percent growth in loans and advances, particularly corporate loans, which rose from ZWL$9.59 billion in 2020 to ZWL$48.57 billion in 2021. In the wake of the ongoing economic turbulences, the Group has taken a cautious approach to increasing provision coverage to account for increased risks, and it will continue to address underlying risks inherent to the business environment and modify the level of ECL accordingly. However due to the Group's concentrated exposure to the productive sector with good credit enhancements, the increase in ECLs due to the impact of COVID-19 has not been significant. This ratio is expected to continuously decrease for exposures in agriculture, while marginal increases are expected in other sectors. A modest portion of the book is not performing (as evidenced by the significantly low NPL ratios) and the appropriate provisions have been made; at the same time there is a very large part of the book that is of a very high credit quality.
Cash and Cash Equivalents	The Group's cash and cash equivalents increased by 100.3 percent to ZWL$39.56 billion at the end of 2021, from ZWL$19.75 billion at the end of 2020. The Group is currently able to meet the cash demands of customers.
Money Market Assets	COVID-19 has had no impact on the Group's money market assets. Money market assets have surged by 221 percent since December 31, 2020. The Group is now operating at full capacity, credit risk is minimal, and hence no significant decline in asset quality has been experienced.
Financial Securities	The COVID-19 pandemic has had no impact on financial securities. The value of Financial Securities has decreased by 1.9% due to maturities. Financial securities are considered to be relatively risk free, because of the counterparty involved that is, the Government.
Insurance assets	The growth in Premium receivables at 91.1% during the period was lower than the growth in gross written premiums (80%) due to aggressive collection strategies implemented during the reporting period. The receivables are susceptible to significant impairment due to decreased revenue and earnings because of forced COVID-19 related closures. Whilst the bulk of premium receivables and reinsurance assets receivable at 31 December 2021 had been received by 31st March 2022, reinsurers' payments had slowed towards the close of the year. The Group increased its engagements with reinsurers through periodic meetings, increased follow-ups and enforcement of treaty arrangements to improving response times. The Group encouraged its customers to make use of digital platforms for settlement of premiums to make it easy for clients to remit premium. The Group is constantly reviewing the capacity of reinsurance counterparties to reduce the risk of non-settlement of claims.

Loans and advances	Gross advances increased by 109% (from ZWL$30.60 billion to ZWL$63.97 billion) and net advances increased by 90 percent (from ZWL$29.44 billion on December 31, 2020 to ZWL$55.90 billion on December 31, 2021). The Group's gross advances are expected to continue increasing, given that the Group will be continuing with the Agro Yield farming programs.
Unquoted Equities	Investment values have not been considerably impacted because the majority of the Group's interests are in the financial services sector, which is considered crucial. Unquoted equities were worth 115.6% more at the end of December 2021 than they were in December 2020. The Group's unquoted investments are heavily weighted toward the critical banking and health-care counters. As a result, the Group anticipates a small increase in the value of unquoted equities in the future.
Property and equipment	Property prices have not been adversely affected by the COVID-19 pandemic as had been anticipated. Property and Equipment constituted 4.29% of the total assets of the Group as at 31 December 2020. As at 31 December 2021, Property and Equipment constituted 4.05% of total assets.
Intangible assets	Intangible assets do not constitute a significant amount on the statement of financial position of the Group (0.12% of total assets as at 31 December 2021). These are software packages being used by the Group for the day to day management of the business. As the business is continuing, there is no significant impact on the intangible assets as the software will continue to be in use.
Right of use of assets	The right of use assets has not been impacted. Judgements applied in arriving at the incremental borrowing rate have not changed.
Funds under management (FUM)	The COVID-19 pandemic and the associated economic crisis did not have a substantial impact on the Group's FUM which grew 235.7% in the 2021 financial year to close at ZWL38.38 billion. The growth of FUM was underpinned by fair value gains in equities and properties as well as new money from existing and new clients. The strategic asset allocation of the funds remain aligned to the prevailing market dynamics and therefore the management expects solid growth on the book going forward. The Group will also continue with efforts to diversify its client portfolios and revenue through alternative investment initiatives.
Land inventories	The Group's land inventory values have not been affected by COVID-19. As at 31 December 2021, there wasn't any write down of land inventory that was recorded. Land Inventory, constitutes 0.30% of total assets as at 31 December 2021 and hence any decline in value going forward is unlikely to have a significant impact.
Deposits	The Group's Deposits increased by 101.5% from 31 December 2020 largely due to an increase in the ZWL equivalent of deposit balances as a result of the depreciation of the local currency and deposit mobilisation efforts. The number and value of over-the-counter deposits have been on an increasing trend since January 2021 due to relaxation of lockdown measures which allowed business to operate and people to move during specified business hours. The Group is continuing to serve customers given that most of the branch network is operational.
Other Liabilities	The Group will continue to honour the obligations outstanding as at 31 December 2021.
Lease liabilities	The lease liabilities are unlikely be impacted during the 2022 financial year.
Taxation	The Group have put in place various measures to ensure business continuity as alluded to above. Company's tax payable decreased by 22.7% from ZWL$667.59 million as at December 2020 to ZWL$522.56 million. The business will therefore continue to honour the obligations outstanding as 31 December 2021. Taxation outstanding will also be settled in 2022.

COMPANY FINANCIAL STATEMENTS

COMPANY'S 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
Revenue	2	5 056 470	1 703 096	4 548 067	1 133 554
Operating expenditure	3	(5 061 305)	(1 598 459)	(3 306 907)	(704 534)
Operating profit		**(4 835)**	**104 637**	**1 241 160**	**429 020**
Monetary gain		1 125 040	672 571	-	-
Profit before tax		**1 120 205**	**777 208**	**1 241 160**	**429 020**
Taxation	4.1	4 963	(30 309)	1 008	(14 738)
Profit for the year after tax		**1 125 168**	**746 899**	**1 242 168**	**414 282**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Gains on property revaluation		11 065	3 848	19 833	12 094
Fair value gains (losses) on equity investments		(229 964)	122 310	130 843	466 719
Deferred income tax relating to other comprehensive income	4.3	8 763	(7 068)	(11 445)	(26 326)
Other comprehensive income for the year net of tax		**(210 136)**	**119 090**	**139 231**	**452 487**
Total comprehensive income for the year		**915 032**	**865 989**	**1 381 399**	**866 769**
Profit for the year attributable to:					
Equity holders of parent		1 125 168	746 899	1 242 168	414 282
Total profit for the year		**1 125 168**	**746 899**	**1 242 168**	**414 282**
Total comprehensive income attributable to:					
Equity holders of parent		915 032	865 989	1 381 399	866 769
Total comprehensive income for the year		**915 032**	**865 989**	**1 381 399**	**866 769**
Earnings per share (ZWL cents):					
Basic		215.54	143.89	237.96	79.82
Fully diluted		215.54	143.89	237.96	79.82

COMPANY'S 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
ASSETS					
Bank and Cash	5.2	33 028	-	33 028	-
Other assets	10	1 379 606	525 770	1 365 747	323 826
Investments in equities	7.1	3 461 774	2 189 835	3 461 775	1 362 370
Investments in subsidiaries	7.2	2 047 577	2 850 418	306 564	285 679
Intangible assets	8.1	155	270	22	40
Property and equipment	8	169 798	172 683	74 615	43 256
TOTAL ASSETS		**7 091 938**	**5 738 976**	**5 241 751**	**2 015 171**
LIABILITIES					
Overdraft	5.1	3 896 039	1 788 129	3 896 039	1 112 455
Other liabilities	11	813 861	435 696	813 861	271 061
Deferred taxation	9	25 035	73 772	12 744	37 320
Lease liability	8.3	14 574	25 144	14 574	15 643
TOTAL LIABILITIES		**4 749 509**	**2 322 741**	**4 737 218**	**1 436 479**
EQUITY AND RESERVES					
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	14	23 687	15 357	26 115	11 185
Retained earnings	12	(652 972)	780 648	(800 440)	(17 099)
Fair Value reserve	13	488 381	706 848	669 811	545 510
Share based payment reserve	**30.8	569 951	-	569 951	-
TOTAL EQUITY AND RESERVES		**2 342 429**	**3 416 235**	**504 533**	**578 692**
TOTAL LIABILITIES AND EQUITY		**7 091 938**	**5 738 976**	**5 241 751**	**2 015 171**

**Notes 30.1, 30.2 and 30.8 are consistent with the Group notes respectively

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED										
	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	*FCTR ZWL$ 000	Share based Payment reserve ZWL$ 000	Fair value reserve 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	1 721	391 449	–	209 945	893 042	3 409 539	–	3 409 539
Profit for the period	–	–	–	–	–	–	746 899	746 899	–	746 899
Total comprehensive income for the period	–	–	2 897	–	–	116 193	–	119 090	–	119 090
Inter category transfer	–	–	10 739	(391 449)	–	380 710	–	–	–	–
Dividend paid	–	–	–	–	–	–	(859 293)	(859 293)	–	(859 293)
Closing balance	**269 075**	**1 644 307**	**15 357**	**–**	**–**	**706 848**	**780 648**	**3 416 235**	**–**	**3 416 235**
31 Dec 2021										
Opening balance	269 075	1 644 307	15 357	–	–	706 848	780 648	3 416 235	–	3 416 235
Profit for the period	–	–	–	–	–	–	1 125 168	1 125 168	–	1 125 168
Other comprehensive income for the period	–	–	8 330	–	–	(218 467)	–	(210 137)	–	(210 137)
Share based payment	–	–	–	–	569 951	–	–	569 951	–	569 951
Dividend paid	–	–	–	–	–	–	(2 558 788)	(2 558 788)	–	(2 558 788)
Closing balance	**269 075**	**1 644 307**	**23 687**	**–**	**569 951**	**488 381**	**(652 972)**	**2 342 429**	**–**	**2 342 429**

*Refer to Group note 1.1b, Unbundling of the Functional Currency Translation Reserve (FCTR).

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	Revaluation reserve ZWL$ 000	*FCTR ZWL$ 000	Share based Payment reserve ZWL$ 000	Fair value reserve 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**	**1 811**	**9 842**	**–**	**92 555**	**44 596**	**187 900**	**–**	**187 900**
Profit for the period	–	–	–	–	–	–	414 282	414 282	–	414 282
Other comprehensive income for the period	–	–	9 104	–	–	443 383	–	452 487	–	452 487
Inter category transfer	–	–	270	(9 842)	–	9 572	–	–	–	–
Dividend paid	–	–	–	–	–	–	(475 977)	(475 977)	–	(475 977)
Closing balance	**5 220**	**33 876**	**11 185**	**–**	**–**	**545 510**	**(17 099)**	**578 692**	**–**	**578 692**
31 Dec 2021										
Opening balance	5 220	33 876	11 185	–	–	545 510	(17 099)	578 692	–	578 692
Profit for the period	–	–	–	–	–	–	1 242 168	1 242 168	–	1 242 168
Other comprehensive income for the period	–	–	14 930	–	–	124 301	–	139 231	–	139 231
Share based payment	–	–	–	–	569 951	–	–	569 951	–	569 951
Dividend paid	–	–	–	–	–	–	(2 025 509)	(2 025 509)	–	(2 025 509)
Closing balance	**5 220**	**33 876**	**26 115**	**–**	**569 951**	**669 811**	**(800 440)**	**504 533**	**–**	**504 533**

*Refer to Group note 1.1b, Unbundling of the Functional Currency Translation Reserve (FCTR).

COMPANY'S STATEMENT OF CASHFLOWS

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	**1 120 206**	**777 208**	**1 241 160**	**429 020**
Non-cash items:				
Depreciation	40 829	21 299	9 321	3 942
Monetary gain	(1 125 040)	(672 571)	-	-
Fair value adjustment on financial instruments	(808 625)	80 150	(1 277 921)	(310 331)
Unrealised loss or gain on foreign currency position	(134 820)	(34 517)	(134 820)	(21 474)
Amortisation of intangible assets	116	76	19	16
Write offs and impairment of property and equipment	856 115	-	19 115	-
Interest on lease liability	1 361	1 144	1 071	292
Operating cash inflow before changes in operating assets and liabilities	**(49 858)**	**172 789**	**(142 055)**	**101 465**
Changes in operating assets and liabilities				
Other assets	(184 829)	(1 088 863)	(893 426)	(331 296)
Other liabilities	(156 611)	2 229 319	539 277	266 292
	(341 440)	**1 140 456**	**(354 149)**	**(65 004)**
Corporate tax paid	**(33 929)**	**(11 988)**	**(32 359)**	**(7 309)**
Net cash (outflow)/ inflow from operating activities	**(425 227)**	**1 301 257**	**(528 563)**	**29 152**
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in equities during the period	(176 602)	(1 707 546)	(160 691)	(681 441)
Purchase of property and equipment	(26 754)	(23 511)	(20 765)	(9 185)
Net cash outflow from investing activities	**(203 356)**	**(1 731 057)**	**(181 456)**	**(690 626)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(2 558 788)	(859 293)	(2 025 509)	(475 977)
Lease liability payment	(6 468)	(7 230)	(5 044)	(2 888)
Interest on lease liability	(1 361)	(469)	(1 071)	(292)
Net cash outflow from financing activities	**(2 566 617)**	**(866 992)**	**(2 031 624)**	**(479 157)**
Net decrease in cash and cash equivalents	**(3 195 200)**	**(1 296 792)**	**(2 741 643)**	**(1 140 631)**
Cash and cash equivalents at the beginning of the year	(1 788 129)	65 552	(1 112 455)	9 091
Exchange gains on foreign cash balances	(8 912)	30 675	(8 911)	19 085
Inflation effects on cash and cash equivalents	1 129 231	(587 564)	-	-
Cash and cash equivalents at end of the year	**(3 863 011)**	**(1 788 129)**	**(3 863 011)**	**(1 112 455)**

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.

1.4 INCORPORATION AND ACTIVITIES

'The financial results of the Company for the year ended 31 Dec 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 06 June 2022. The Company has subsidiaries, which offer 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	**REVENUE**				
	Fair value adjustments on financial instruments	808 625	(80 150)	1 277 921	310 331
	Dividend income	2 845 491	1 100 539	2 132 151	560 157
	Interest received	31 106	167	28 893	75
	Other operating income	7 351	-	6 175	-
	Unrealised profit on foreign currency exchange	134 820	34 517	134 820	21 474
	Management fees	1 229 077	648 023	968 107	241 517
		5 056 470	**1 703 096**	**4 548 067**	**1 133 554**
3	**OPERATING EXPENDITURE**				
	Staff costs	2 123 336	663 875	1 617 683	266 257
	Other administration expenses	1 203 833	443 627	312 252	173 347
	Audit fees	19 285	7 900	18 577	4 866
	Depreciation	40 829	21 299	9 321	3 942
	Amortisation of Intangible assets	116	76	19	16
	Interest expense	1 673 906	461 682	1 349 055	256 106
		5 061 305	**1 598 459**	**3 306 907**	**704 534**

* Included in staff costs above is an amount of ZWL$716 335 939 (Historical ZWL$469 840 239), representing share based employment costs which are linked to the Group's share price. These costs are settled in cash and do not have any bearing to the total number of outstanding shares at any point in time.

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

	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
Short-term benefits	487 205	31 044	356 238	8 115
Post employment benefits	30 952	33 634	22 632	8 792
	518 157	**64 678**	**378 870**	**16 907**

4 TAXATION

4.1 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
Current tax	35 011	13 087	35 012	9 970
Deferred tax	(39 974)	17 222	(36 020)	4 768
Income tax expense/(income)	**(4 963)**	**30 309**	**(1 008)**	**14 738**

4.2 Tax rate reconciliation

	%	%	%	%
Notional tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.75	0.72	0.75
Non-deductible expenses	34.12	0.90	42.25	29.63
Exempt income	(61.20)	(26.05)	(70.30)	(49.70)
Effect on rebasing tax bases	1.92	(0.93)	3.22	(1.04)
Tax credit	0.00	0.01	0.00	(0.20)
Effective tax rate	**(0.44)**	**3.90**	**(0.08)**	**3.44**

Included in exempt income is income from interest and local dividend income.

Non-deductible expenses include expenditure on exempt income excess pension costs and disallowed expenses.

4.3 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	2 735	952	4 903	2 990
Unlisted equities	(11 498)	6 116	6 542	23 336
	(8 763)	**7 068**	**11 445**	**26 326**

		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
5.1	**BANK OVERDRAFT**				
	Bank Overdraft	3 896 039	1 788 129	3 896 039	1 112 455
5.2	**BANK AND CASH**				
	Cash at bank	33 028	-	33 028	-

6 EARNINGS PER SHARE

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

Diluted earnings per share amounts are 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 end of the year and the weighted average number of potentially dilutive ordinary shares.

The following reflects the income and share 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	215.54	143.89	237.96	79.82
	Fully diluted	215.54	143.89	237.96	79.82
6.2	**Earnings**				
	Basic earnings (earnings attributable to equity holders of parent)	1 125 168	746 899	1 242 168	414 282
	Fully diluted earnings	1 125 168	746 899	1 242 168	414 282
6.3	**Reconciliation of denominators used for calculating basic and diluted earnings per share:**				
	Weighted average number of shares	522 016	519 042	522 016	519 042
	Weighted average number of shares used for diluted EPS	522 016	519 042	522 016	519 042
7	**DIVIDENDS**				
	Interim dividend paid	535 500	246 764	506 339	121 520
	Final dividend proposed and paid	2 023 288	612 529	1 519 170	354 457
		2 558 788	**859 293**	**2 025 509**	**475 977**
	Interim dividend per share (Cents)	102.58	47.27	97.00	23.28
	Final dividend per share (Cents)	387.59	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.
The Dividend per share is calculated inclusive of treasury shares.

Proposed dividends on ordinary sharesProposed dividends on ordinary shares				
Final cash dividend	1 000 000	2 411 058	1 000 000	1 500 000
Final dividend paid per share (Cents)	191.57	461.87	191.57	287.37

Proposed Dividends on ordinary shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 December 2021

7.1	**EQUITIES INVESTMENTS**				
	Listed investments	2 727 356	1 241 963	2 727 356	772 667
	Unlisted investments	2 781 995	3 798 290	1 040 983	589 703
		5 509 351	**5 040 253**	**3 768 339**	**1 362 370**
	At cost	2 047 577	2 850 418	306 564	285 679
	At fair value through Other comprehensive income	734 418	947 873	734 419	304 024
	At fair value through profit or loss	2 727 356	1 241 962	2 727 356	772 667
		5 509 351	**5 040 253**	**3 768 339**	**1 362 370**

The valuation techniques applied in measuring the fair value of unquoted equities as well as the significant observable and unobservable inputs used are disclosed in note 19 of the group annual financial statements.

7.2 Investment in subsidiaries

	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	%
CBZ Bank Limited	978 157	100	978 157	100	21 840	100	21 840	100
CBZ Asset Management (Pvt) Ltd	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 (Pvt) Ltd	190 306	98.4	190 306	98.4	23 615	98.4	23 615	98.4
CBZ Properties (Pvt) Ltd	214 047	100	214 047	100	4 779	100	4 779	100
CBZ Life Assurance (Pvt) Ltd	62 166	100	62 166	100	1 388	100	1 388	100
CBZ Asset Management-Mauritius	3 982	100	3 982	100	89	100	89	100
CBZ Risk Advisory (Pvt) Ltd	60 243	100	60 243	100	1 345	100	1 345	100
Redsphere Finance	439 769	100	386 495	100	250 520	100	210 520	100
CBZ Agro Yield	9 872	100	9 872	-	1 000	100	1 000	-
	2 047 577		**2 850 418**		**306 564**		**285 679**	

7.3 Fairvalue hierarchy for equity investments measured at fairvalue

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	2 727 356	1 241 962	–	–	734 418	947 872	3 461 774	2 189 835
Total assets at fair value	**2 727 356**	**1 241 962**	**–**	**–**	**734 418**	**947 872**	**3 461 774**	**2 189 835**

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	2 727 356	772 667	–	–	734 418	589 703	3 461 774	1 362 370
Total assets at fair value	**2 727 356**	**772 667**	**–**	**–**	**734 418**	**589 703**	**3 461 774**	**1 362 370**

The fair values of the non-listed equities that have been classified as level three investments were derived using the same methodology disclosed in note 19 of the group annual financial statements. Investments in subsidiaries are held at cost in the separate financial statements of the company, Refer to note 1.1a.

8 PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

	Buildings	Leasehold Improvement	Motor vehicles	Computer and Equipment	Total
31 Dec 2021					
Cost					
Opening balance	114 531	43 092	9 729	74 914	242 266
Right of use asset	126	-	-	-	126
Additions	-	-	13 828	12 927	26 754
Revaluation gain	10 442	-	-	-	10 442
Closing balance	**125 099**	**43 092**	**23 557**	**87 840**	**279 588**
Accumulated depreciation					
Opening balance	13 125	5 654	8 921	41 883	69 583
Right of use asset	25 254	-	-	-	25 254
Charge for the year	622	5 066	2 823	7 064	15 575
Disposal	-	-	-	-	-
Revaluation	(622)	-	-	-	(622)
Closing balance	**38 380**	**10 720**	**11 744**	**48 946**	**109 789**
Net book value	**86 719**	**32 372**	**11 813**	**38 894**	**169 798**

AUDITED INFLATION ADJUSTED

	Buildings	Leasehold Improvement	Motor vehicles	Computer and Equipment	Total
31 Dec 2020					
Cost					
Opening balance	65 065	34 787	9 297	60 487	169 636
Right of use asset	46 359	-	-	-	46 359
Additions	-	8 305	432	14 427	23 164
Revaluation gain	3 107	-	-	-	3 107
Closing balance	**114 531**	**43 092**	**9 729**	**74 914**	**242 266**
Accumulated depreciation					
Opening balance	6 444	1 118	5 976	35 488	49 026
Right of use asset	6 681	-	-	-	6 681
Charge for the year	742	4 536	2 945	6 394	14 617
Revaluation	(742)	-	-	-	(742)
Closing balance	**13 125**	**5 654**	**8 921**	**41 882**	**69 583**
Net book value	**101 406**	**37 438**	**808**	**33 032**	**172 683**

UNAUDITED HISTORICAL	Buildings	Leasehold Improvement	Motor vehicles	Computer and Equipment	Total
31 Dec 2021					
Cost					
Opening balance	33 457	6 281	458	7 924	48 120
Right of use asset	82	-	-	-	82
Additions	-	-	9 595	11 170	20 765
Revaluation gain	19 384	-	-	-	19 384
Closing balance	**52 923**	**6 281**	**10 053**	**19 094**	**88 351**
Accumulated depreciation					
Opening balance	3 000	410	213	1 240	4 863
Right of use asset	5 130	-	-	-	5 130
Charge for the year	449	628	1 702	1 412	4 191
Revaluation	(449)	-	-	-	(449)
Closing balance	**8 130**	**1 038**	**1 915**	**2 652**	**13 735**
Net book value	**44 793**	**5 243**	**8 138**	**16 441**	**74 615**

UNAUDITED HISTORICAL	Buildings	Leasehold Improvement	Motor vehicles	Computer and Equipment	Total
31 Dec 2020					
Cost					
Opening balance	5 010	2 579	208	2 746	10 543
Right of use asset	16 577	-	-	-	16 577
Additions	-	3 702	250	5 178	9 130
Revaluation gain	11 871	-	-	-	11 871
Closing balance	**33 458**	**6 281**	**458**	**7 924**	**48 121**
Accumulated depreciation					
Opening balance	222	61	133	728	1 144
Right of use asset	2 778	-	-	-	2 778
Charge for the year	223	350	79	512	1 164
Revaluation	(223)	-	-	-	(223)
Closing balance	**3 000**	**411**	**212**	**1 240**	**4 865**
Net book value	**30 458**	**5 870**	**246**	**6 684**	**43 256**

The valuation techniques applied in determining the fair value of property and equipment are disclosed in note 19 of the Group consolidated annual financial statements.

Included in property and equipment are amounts relating to Right of use assets for buildings that are leased by the Company for periods more than one year. The information about the leases for which the Company is a lessee is presented below

		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
8.1	**Intangible assets**				
	At cost	347	347	56	56
	Depreciation	(192)	(77)	(34)	(16)
	Carrying amount	**155**	**270**	**22**	**40**
	Opening balance	271	-	40	-
	Additions	-	347	-	56
	Amortization charge	(116)	(76)	(18)	(16)
	Closing balance	**155**	**270**	**22**	**40**

Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets which comprise computer software are amortised over an estimated useful life of 3 years.

8.2 Right of use Assets

The Company leases its head office from CBZ Asset Management under finance leases. The building is used as the Head office by the Company.

	At cost	90 993	90 867	18 818	18 735
	Depreciation	(38 380)	(13 126)	(8 130)	(3 000)
	Carrying amount	**52 613**	**77 741**	**10 688**	**15 735**
	Opening balance	77 742	38 064	15 736	1 937
	Additions	126	46 359	83	16 577
	Amortization charge	(25 255)	(6 682)	(5 131)	(2 779)
	Closing balance	**52 613**	**77 741**	**10 688**	**15 735**
8.3	**Lease liability**				
	Opening Balance	25 144	14 089	15 643	1 954
	Additions	126	46 359	82	16 577
	Interest	1 361	1 144	1 071	292
	Exchange loss	3 893	-	3 893	-
	Monetary adjustment	(8 121)	(7 699)	-	-
	Repayment	(6 468)	(27 605)	(5 045)	(2 888)
	Interest paid	(1 361)	(1 144)	(1 071)	(292)
		14 574	**25 144**	**14 574**	**15 643**
8.3.1	**Lease Liability maturity analysis**				
	Less than one year	7 618	9 230	7 618	5 742
	One to five years	8 253	19 996	8 253	12 440
	Total Undiscounted Lease liabilities	**15 871**	**29 225**	**15 871**	**18 182**
8.3.2	**Amounts recognised in the statement of profit or loss**				
	Interest on Lease liabilities	1 361	1 144	1 071	292
	Expenses relating to short term leases	-	-	852	-
		1 361	**1 144**	**1 923**	**292**
8.3.3	**Amounts recognised in the statement of cash flows**				
	Total cash outflow for leases	**(7 829)**	**(28 749)**	**(6 116)**	**(3 180)**

9 DEFERRED TAXATION

9.1 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 included in the statement of profit or loss and other comprehensive income are comprised of:

Opening balance	73 773	49 483	37 320	6 226
Intangible assets	(19)	50	-	-
Equity investments	20 926	20 477	43 528	31 757
Property and equipment	5 602	3 855	5 844	(663)
Investment properties	(73 947)	-	(73 947)	-
Prepayments	(1 301)	(93)	-	-
Closing balance	**25 035**	**73 772**	**12 744**	**37 320**

9.2 Deferred tax liability (continued)

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

Impairments and provisions	(73 947)	-	(73 947)	-
Intangible assets	31	50	-	-
Equity investments	80 739	59 813	80 739	37 212
Property and equipment	18 211	12 609	5 953	108
Prepayments	-	1 301	-	-
Closing balance	**25 035**	**73 773**	**12 744**	**37 320**

		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
10	**Other Assets**				
	Intercompany balances				
	CBZ Bank Limited	80 378	-	80 378	-
	CBZ Building Society	1 039	-	1 039	-
	CBZ Insurance (Pvt) Ltd	6 557	-	6 557	-
	CBZ Properties (Pvt) Ltd	9 922	2 930	9 922	1 823
	CBZ Life Assurance (Pvt) Ltd	642	-	642	-
	CBZ Asset Management-Mauritius	676 893	457 485	676 893	284 617
	CBZ Risk Advisory (Pvt) Ltd	257	2 062	257	1 283
	Redsphere Finance	852	104	852	65
	CBZ Agro Yield	120 507	44 444	120 507	27 650
	Receivables	482 558	18 744	468 701	8 388
		1 379 606	**525 770**	**1 365 748**	**323 826**
11	**Other Liabilities**				
	Intercompany balances				
	CBZ Bank Limited	-	281 861	-	175 355
	CBZ Asset Management (Pvt) Ltd	1 361	3 351	1 361	2 085
	CBZ Building Society	-	21 122	-	13 141
	CBZ Insurance (Pvt) Ltd	-	1 082	-	673
	CBZ Life Assurance (Pvt) Ltd	-	2 221	-	1 382
	Sundry creditors and accruals	812 500	126 059	812 500	78 425
		813 861	**435 696**	**813 861**	**271 061**
12	**Retained earnings**				
	Opening balance	780 648	893 042	(17 099)	44 596
	Total comprehensive income for the year	1 125 168	746 899	1 242 168	414 282
	Dividends paid	(2 558 788)	(859 293)	(2 025 509)	(475 977)
		(652 972)	**780 648**	**(800 440)**	**(17 099)**
13	**Fair Value reserve**				
	Opening balance	706 848	209 945	545 510	92 555
	Inter category transfer	-	380 710	-	9 572
	Comprehensive income for the year	(218 467)	116 193	124 301	443 383
		488 381	**706 848**	**669 811**	**545 510**
14	**Revaluation reserve**				
	Opening balance	15 357	1 721	11 185	1 811
	Net revaluation gain	8 330	2 897	14 930	9 104
	Inter category transfer	-	10 739	-	270
		23 687	**15 357**	**26 115**	**11 185**

15 Going concern

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

Particular attention is given to the issues below:

a) Overdraft position

The company has a running overdraft facility with the bank which will be serviced regularly through dividends and management fees. Subsequent to year end ZWL$1.5 billion has already been received as dividend. Further to that, the group holds ZWL$2.7billion in level one equity investments at 31 December 2021. The net liability position for the company affects neither the operations nor going concern of the company. Additionally the facility is with CBZ Bank which is an entity within the CBZ Holdings Group. Therefore there are no going concern indicators from the overdraft facility.

b) 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 Company will continue to build on its strong investment portfolio through 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 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 overdraft position, management has assessed that COVID-19 will not have an inhibiting impact on its ability to continue operating as a going concern.

16 Accounting policies

The company accounting policies are consistent with those applied in the Group's financial statements.

Notice of an Annual General Meeting

Notice is hereby given that the Thirtieth **Annual General Meeting** of the Shareholders of CBZ Holdings Limited will be held **through a virtual platform https://polling.fts-net.com** on **22 July 2022 at 1600 hours** for the purpose of transacting the following business:

ORDINARY MATTERS

a) To note and approve the convening of the 30th Annual General Meeting through a virtual platform.

b) Financial Statements and Statutory Reports

To receive, consider, and adopt, if appropriate, the financial statements, and the reports of the Directors and Auditors for the year ended 31 December 2021.

c) To confirm the final dividend of **ZWL191.57 cents** per Ordinary Share as recommended by the Board.

d) To consider the payment of a final dividend to Members.

e) Directorate

i) In terms of the Company's Memorandum and Articles of Association, one third of the Directors are required, after serving a period of three years, to retire from the Board by rotation and that in terms thereof Messrs Marc Lawrence Holtzman, Louis Charles Gerken and Rebecca Gaskin Gain, are to retire and being eligible, offer themselves for reappointment.

(NOTE: The Directors will be re-elected through separate resolutions.)

f) Remuneration of Directors

To approve the remuneration of Directors for the past financial year.

(NOTE: In terms of Section 3 of Practice Note 4 issued by the ZSE on the 17th of January 2020, the Director's Remuneration Report shall be available for inspection by members at the registered office of the Company).

g) External Auditors

(i) To approve the remuneration to KPMG Chartered Accountants (Zimbabwe), the Company's Auditor for the past financial year's audit, in terms of Article 112 of the Articles of the Company.
(ii) To appoint auditors for the ensuing year until the conclusion of the next Annual General Meeting. KPMG Chartered Accountants (Zimbabwe), the current auditors of the Company have indicated their willingness to continue as auditors of the Company. KPMG Chartered Accountants (Zimbabwe) have served as auditors of the Company for one (1) financial period.

h). Any Other Business

To transact any other business as may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

RUMBIDZAYI ANGELINE JAKANANI
Group Legal Corporate Secretary

REGISTERED HEAD OFFICE
5 Campbell Road
Pomona
Borrowdale
Harare, Zimbabwe
Telephone: (263-4) 748 050 - 79
Email: info@cbzh.co.zw

22 June 2022

NOTES:-

Appointment of Proxy In terms of the Companies and Other Business Entities (Chapter 24:31). A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote and speak in his/her stead.

a. The proxy form must be delivered at the registered office of the Company not less than 48 hours before the meeting is scheduled to commence. A proxy need not be a member of the Company. Completed proxies can also be lodged with the Company's Transfer Secretaries at:- **First Transfer Secretaries, 1 Armagh, Avenue, Harare**

b. Shareholders can also submit their proxy forms through email, to info@fts-net.com and ftsgen@fts-net.com

ii. General Information

a) The minutes of the last Annual General Meeting held on 22 July 2021 are available for inspection at the Company's registered office.

b) Electronic copies of the Company's 2021 Annual Report comprising of the Directors Report, the Independent Auditor's Report and the consolidated and separate Company's financial statements for the year ended 31 December 2021, can be accessed on the Company's website https://www.cbz.co.zw Copies have been emailed to shareholders whose e-mail addresses are on record.

Directors:

Marc L Holtzman, Edward E. Galante, Rebecca Gaskin Gain, Louis C. Gerken, Edward U. Mashingaidze, Blessing Mudavanhu* (Group Chief Executive Officer), Tawanda L. Gumbo*(Group Chief Finance Officer)

* Executive Director

FORM OF PROXY

I/We...

Of..

Being a member of CBZ Holdings Limited and entitled to..............................votes hereby

appoint...Of...

Or failing him/her..as my/our proxy to vote for me/us and on

my/our behalf at the Annual General Meeting to be held through Zoom at **1600 hours** and at any adjournment thereof.

Signed by me this ___________________________ day of_________________________ 2022

Signature: _________________________________

NOTES:

1. Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person, whether a member of the Company or not, as his proxy to attend, vote and speak in his stead.
2. Proxy Forms should be forwarded to reach office of the Company at least 48 (forty-eight) hours before the time appointed for holding the meeting.
3. An instrument appointing a proxy shall be valid only for the one specified meeting for which it shall be submitted and any adjournment thereof.