



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

Chairman's Statement

Introduction
I am pleased to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the half year ended 30 June 2022.

Operating Environment
The half-year period saw the relaxation of the bulk of COVID-19 induced restrictions, allowing the corporate world to slowly transition to a post-crisis mode whilst the subsequent reopening of borders and airspaces, resulted in a noticeable recovery in the tourism, hospitality, and aviation sectors.

In Zimbabwe, provisional figures indicate that tourist arrivals more than doubled during the first five months of 2022, compared to the same period of 2021. Destinations such as Victoria Falls further benefitted through hosting business conferences and major sporting events, which also boosted activity across the value chains. Furthermore, activity in the mining sector remained fairly active, buoyed by ongoing investments in new operations in the lithium, iron & steel and gas subsectors, as well as resuscitation and expansion of existing mines. Additionally, government driven infrastructure projects, among them roads, dams and airports construction projects, continued in earnest, supported by the Government's public sector investments programs. Although these continued to crowd-in the private sector thereby widening business opportunities for the financial services and related sectors.

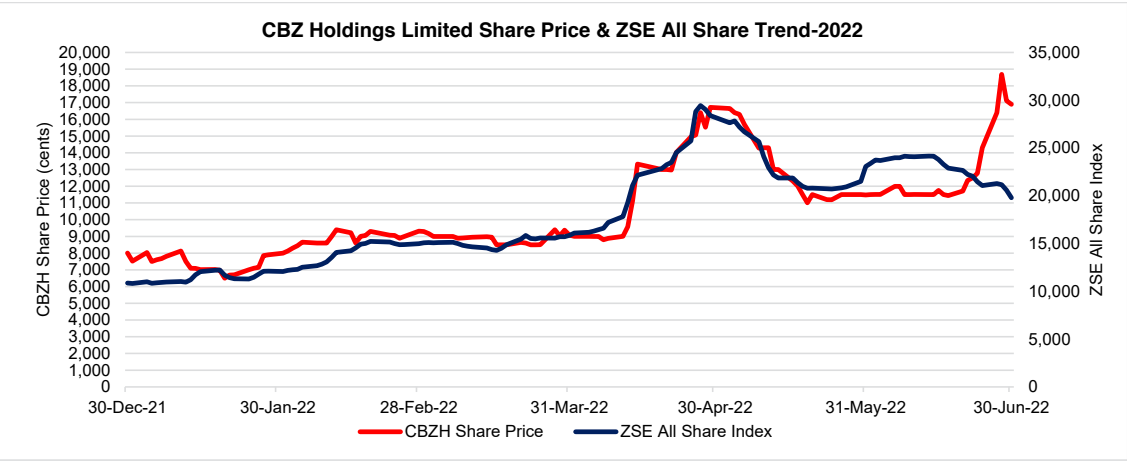
However, the period was also characterised with an increase in downside risks. These included external factors such as rising global inflation and interest rates and firming prices of key raw materials such as fuel, fertilisers and agricultural commodities, which translated into higher domestic production costs, and thus, rising inflationary pressures. Internal factors such as adverse expectations, currency depreciation and general uncertainties also inhibited economic activity during the period under review.

In spite of these macroeconomic conditions, the Group continued to deliver on its value proposition and commitment to its various stakeholders.

Environmental, Social & Governance
Sustainability has become an integral part of our operations as a Group. This is largely borne out of the need to responsibly generate a good return for shareholders and all our stakeholders. CBZ Holdings is dedicated to promoting economic growth and human development that is both sustainable and inclusive, as well as ensuring that our business operations have beneficial effects on society, the environment, and the bottom line. For us, embracing Sustainability and ESG concepts as value drivers has shown us that we are socially responsible partners who consider not just our own interests but those of the society in which we operate. To achieve a net beneficial effect, we make intentional and deliberate trade-offs.

In order to have the greatest possible positive effect, we will keep working to improve our knowledge of our environmental and social implications. Currently, the Group is analyzing and reorganizing its governance structures and procedures in order to ensure that they are in line with worldwide best practices for ESG risk management. In order to better identify and manage our portfolio exposure to climate-risk, we are implementing systems throughout the Group and working towards standardizing our reporting.

Share Price Performance
Activity on the capital markets remained fairly strong, with the introduction of Exchange Traded Funds "ETFs" widening the investment options and opportunities on the Zimbabwe Stock Exchange. The CBZH share price rose by 110.4% from ZW\$8,032 at the beginning of the year to close the first half of the year at ZW\$16,900. Meanwhile, the ZSE benchmark index registered a 79.98% growth. CBZH ended the half year with a market capitalisation of ZW\$88.3 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2021 to June 2022.



Overview of the Group's performance

The table below summarises the Group's financial performance for the half year ended 30 June 2022.

	REVIEWED		UNAUDITED		AUDITED	UNAUDITED
	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL	RESTATED	HISTORICAL
	30 JUNE 2022 ZWL\$ M	30 JUNE 2021 ZWL\$ M	30 JUNE 2022 ZWL\$ M	30 JUNE 2021 ZWL\$ M	31 DEC 2021 ZWL\$ M	31 DEC 2021 ZWL\$ M
Key Financial Highlights						
Profit after taxation	17 452.1	7 072.6	37 884.0	3 837.6	16 872.0	16 164.2
Total comprehensive income	23 286.2	5 944.1	52 725.9	4 131.6	20 706.7	20 101.6
Total assets	462 255.9	425 878.5	441 899.1	137 502.0	416 605.7	182 570.9
Total equity	102 646.1	63 521.9	83 436.2	13 676.6	78 359.9	29 710.3
Total deposits	288 680.3	291 808.7	288 680.3	100 084.4	287 600.9	131 374.1
Total advances	182 893.6	144 309.5	182 893.6	49 495.2	122 377.6	55 901.3
Other statistics						
Basic earnings per share (cents)	6 686.59	2 709.78	14 514.08	1 470.16	3 232.43	3 096.43
Non-interest income to total income (%)	77.6	80.0	85.3	81.3	54.3	55.7
Cost to income ratio (%)	27.5	46.1	20.9	42.0	40.2	34.8
Return on assets (%)	13.6	6.6	32.0	9.1	6.2	11.9
Return on equity (%)	35.2	22.5	100.3	62.0	24.0	79.3
Growth in deposits (YTD %)	0.4	27.2	119.7	53.5	25.4	101.5
Growth in advances (YTD %)	49.5	39.3	227.2	68.1	18.1	89.9
Growth in PAT (YOY %)	146.8	(35.5)	887.2	9.9	(5.5)	170.6

Outlook
Going forward, sectors such as mining and construction are expected to remain fairly strong and resilient, whilst recovery in the tourism and aviation sectors may be further accelerated by pent-up demand as tourists travel far and stay longer. The Group will continue to closely monitor these developments in order to better meet the expectations of its customers, employees, shareholders and all stakeholders.

The anticipated introduction of an investment instrument to assist holders to store value in gold coins, announced by the RBZ on June 24, 2022, is an opportunity we will actively participate in as a financial institution. The Central Bank also put in place additional measures to curb inflation and stabilize the economy. We remain optimistic that these steps will help keep the deteriorating economic situation in check and provide the much needed relief.

Appreciation
Our valued clients remain the core of our success and we highly appreciate their continued partnerships with us. I would like to thank fellow Directors of the Board, the Boards of Subsidiary Companies, Management and Staff for their strong commitment to the CBZ brand and their desire to participate in the growth of the country's economy.


Marc Holtzman
Group Chairman
31 August 2022

Statement of Directors' Responsibilities

The Directors are responsible for the oversight of Group's interim condensed consolidated financial statements preparation, to ensure that the statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards (IFRS). The Directors 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 Group interim condensed 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 interim condensed consolidated financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IAS 34
- 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 IFRS and local legislation
The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20 and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

The interim condensed 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 a review opinion on this historic 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 interim condensed consolidated financial statements on a going concern basis is 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 interim condensed consolidated financial statements. These interim condensed consolidated 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. GUMBO
GROUP CFO
31 August 2022


DR : B. MUDAVANHU
GROUP CEO
31 August 2022

Auditor's Statement

The interim condensed consolidated inflation adjusted financial results of CBZ Holdings Limited, and its subsidiaries and the interim condensed inflation adjusted financial results for CBZ Bank Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). An unmodified review conclusion has been expressed for both CBZ Holdings Limited and CBZ Bank Limited.

The auditor's review conclusion is available for inspection at the Company's registered office. The engagement partner responsible for this review is Themba Mudidi (PAAB Practicing Certificate Number 0437).

The interim condensed inflation adjusted financial results for CBZ Life Limited ("CBZ Life"), CBZ Insurance (Private) Limited ("CBZ Life") and CBZ Asset Management (Private) Limited t/a Datvest ("Datvest"), for the half year ended 30 June 2022 have not been audited or reviewed by Messrs KPMG Chartered Accountants (Zimbabwe).



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Consolidated Statement of
Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
NOTES					
Interest income	2	22 389 401	11 622 857	14 398 892	3 760 864
Interest expense	2	(1 883 524)	(5 668 184)	(1 107 124)	(1 807 263)
Net interest income		20 505 877	5 954 673	13 291 768	1 953 601
Non-interest income	3	73 090 093	26 243 607	78 895 621	9 276 171
Net underwriting income	4	612 777	612 675	261 946	183 359
Total income		94 208 747	32 810 955	92 449 335	11 413 131
Operating expenditure	5	(25 887 031)	(15 115 214)	(19 277 869)	(4 798 928)
Operating income		68 321 716	17 695 741	73 171 466	6 614 203
Transfer to reserves		(528 456)	(186 994)	(343 001)	(64 135)
Credit loss expense	14	(22 857 913)	(4 149 516)	(22 857 913)	(1 423 199)
Charge for impairment on insurance assets	14	(81 433)	(20 226)	(81 433)	(6 937)
Monetary loss		(14 923 209)	(897 517)	-	-
Profit before taxation		29 930 705	12 441 488	49 889 119	5 119 932
Taxation	6.1	(12 478 586)	(5 368 916)	(12 005 136)	(1 282 308)
Profit after tax for the period		17 452 119	7 072 572	37 883 983	3 837 624
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains/ (Losses) on property revaluations		6 815 096	(1 292 269)	14 472 595	166 129
Gains/(Losses) on equity instruments at FVOCI		64 121	(76 007)	2 703 980	188 121
Deferred income tax relating to components of other comprehensive income	6.3	(1 103 973)	131 783	(2 393 512)	(49 245)
		5 775 244	(1 236 493)	14 783 063	305 005
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of foreign subsidiary	30.7	58 870	108 021	58 870	(11 014)
Other comprehensive income for the period net of tax		5 834 114	(1 128 472)	14 841 933	293 991
Total comprehensive income for the period		23 286 233	5 944 100	52 725 916	4 131 615
Profit for the period attributable to:					
Equity holders of parent		17 452 546	7 072 747	37 882 904	3 837 231
Non-controlling interests	30.5	(427)	(175)	1 079	393
		17 452 119	7 072 572	37 883 983	3 837 624
Total comprehensive income for the period attributable to:					
Equity holders of parent		23 282 881	5 944 566	52 717 057	4 131 146
Non-controlling interests	30.5	3 352	(466)	8 859	469
Total comprehensive income for the period		23 286 233	5 944 100	52 725 916	4 131 615
Earnings per share (cents)					
Basic	7.1	6 686.59	2 709.78	14 514.08	1 470.16
Fully Diluted	7.1	6 686.59	2 709.78	14 514.08	1 470.16
Headline	7.1	2 426.90	3 140.90	10 671.57	1 431.25

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2022

REVIEWED INFLATION ADJUSTED											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** 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 30 JUNE 2021											
Opening balance	589 053	3 599 675	-	-	1 173 078	1 725 123	8 299 106	46 611 388	61 997 423	9 712	62 007 135
Profit for the period	-	-	-	-	-	-	-	7 072 747	7 072 747	(175)	7 072 572
Other comprehensive income for the period	-	-	-	-	(1 163 435)	(72 767)	108 021	-	(1 128 181)	(291)	(1 128 472)
Dividend paid	-	-	-	-	-	-	-	(4,429,331)	(4,429,331)	-	(4,429,331)
Inter-category transfer	-	-	-	-	7 145 788	874 385	(8 020 173)	-	-	-	-
Closing balance	589 053	3 599 675	-	-	7 155 431	2 526 741	386 954	49 254 804	63 512 658	9 246	63 521 904
30 JUNE 2022											
Opening balance	589 053	3 599 675	-	1 247 722	11 055 998	3 515 205	459 179	57 883 501	78 350 333	9 573	78 359 906
Profit for the period	-	-	-	-	-	-	-	17 452 546	17 452 546	(427)	17 452 119
Other comprehensive income for the period	-	-	-	-	5 707 514	63 951	58 870	-	5 830 335	3 779	5 834 114
Shares issued during the period	-	-	1 000 000	-	-	-	-	-	1 000 000	-	1 000 000
Closing balance	589 053	3 599 675	1 000 000	1 247 722	16 763 512	3 579 156	518 049	75 336 047	102 633 214	12 925	102 646 139
UNAUDITED HISTORICAL											
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** 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
30 JUNE 2021											
Opening balance	5 220	33 876	-	-	2 810 911	913 712	171 378	7 126 176	11 061 273	2 907	11 064 180
Profit for the period	-	-	-	-	-	-	-	3 837 231	3 837 231	393	3 837 624
Other comprehensive income for the period	-	-	-	-	126 043	178 886	(11 014)	-	293 915	76	293 991
Dividend paid	-	-	-	-	-	-	-	(1 519 170)	(1 519 170)	-	(1 519 170)
Inter-category transfer	-	-	-	-	82 066	10 042	(92 108)	-	-	-	-
Closing balance	5 220	33 876	-	-	3 019 020	1 102 640	68 256	9 444 237	13 673 249	3 376	13 676 625
30 JUNE 2022											
Opening 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
Profit for the period	-	-	-	-	-	-	-	37 882 904	37 882 904	1 079	37 883 983
Other comprehensive income for the period	-	-	-	-	12 207 700	2 567 583	58 870	-	14 834 153	7 780	14 841 933
Shares issued during the period	-	-	1 000 000	-	-	-	-	-	1 000 000	-	1 000 000
Closing balance	5 220	33 876	1 000 000	569 951	17 998 410	4 531 593	135 899	59 147 419	83 422 368	13 816	83 436 184

** Shares awaiting allotment reserve (Refer to note 30.9)

* Foreign currency translation reserve

Consolidated Statement of Financial Position

As at 30 June 2022

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
NOTES					
Cash & cash equivalents	9	100 970 755	86 610 150	100 970 755	39 562 931
Money market assets	10	12 589 056	53 314 296	12 589 056	24 353 610
Financial securities	11	894 879	2 111 496	894 879	964 517
Loans and advances to customers	12	182 893 601	122 377 616	182 893 601	55 901 268
Insurance assets	13	1 523 633	2 605 255	1 375 684	1 162 033
Equity investments	17	11 487 130	11 869 788	11 487 130	5 422 039
Land inventory	16	12 607 620	13 029 225	786 249	552 094
Other assets	15	83 971 544	82 568 648	79 749 199	37 217 108
Current tax receivable		36 988	81 407	36 988	37 186
Intangible assets	22	580 123	665 810	171 999	213 757
Property and equipment	20	27 278 706	19 941 387	22 494 057	7 395 991
Investment properties	21	19 221 361	13 507 113	19 221 361	6 169 958
Deferred tax asset	23.1	8 200 460	7 923 552	9 228 174	3 618 424
TOTAL ASSETS		462 255 856	416 605 743	441 899 132	182 570 916
LIABILITIES					
Deposits	24	288 680 252	287 600 886	288 680 252	131 374 141
Insurance liabilities	25	1 504 515	2 124 587	1 286 501	930 419
Other liabilities	26	45 750 224	35 675 103	45 724 494	15 963 342
Current tax payable		2 520 562	1 143 979	2 520 562	522 562
Life fund	27.1	774 724	870 851	774 724	397 799
Investment contract liabilities	28.1	155 504	136 915	155 504	62 542
Deferred tax liability	23.2	20 141 957	10 614 115	19 238 932	3 573 573
Lease liability	20.1b	81 979	79 401	81 979	36 270
		359 609 717	338 245 837	358 462 948	152 860 648
EQUITY					
Share capital	30.1	589 053	589 053	5 220	5 220
Share premium	30.2	3 599 675	3 599 675	33 876	33 876
Revaluation reserve	30.3	16 763 512	11 055 998	17 998 410	5 790 710
Shares awaiting allotment reserve	30.9	1 000 000	-	1 000 000	-
Share based payment reserve	30.8	1 247 722	1 247 722	569 951	569 951
Fair value reserve	30.6	3 579 156	3 515 205	4 531 593	1 964 010
Retained earnings	30.4	75 336 047	57 883 501	59 147 419	21 264 515
Foreign currency translation reserve	30.7	518 049	459 179	135 899	77 029
Equity attributable to equity holders of the parent		102 633 214	78 350 333	83 422 368	29 705 311
Non-controlling interest	30.5	12 925	9 573	13 816	4 957
TOTAL EQUITY		102 646 139	78 359 906	83 436 184	29 710 268
TOTAL LIABILITIES AND EQUITY		462 255 856	416 605 743	441 899 132	182 570 916

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

Consolidated Statement of Cash Flows

For the half year ended 30 June 2022

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	29 930 705	12 441 488	49 889 119	5 119 932
Non-cash items:				
Monetary loss	14 923 209	897 517	-	-
Depreciation	771 726	539 018	372 091	142 161
Amortisation of intangible assets	83 040	67 118	42 966	17 446
Write off of property and equipment	2 728	235 460	415	-
Write off of intangible assets	7 479	-	3 599	-
Write down of land inventory	-	27 214	-	8 985
Fair value adjustments on investment properties	(6 857 873)	1 240 083	(13 558 805)	(141 195)
Write off of right of use asset and lease liability	-	306	-	92
Fair value adjustments on financial instruments	2 141 659	(7 595 923)	(1 745 397)	(2 792 532)
Expected credit loss expense	22 857 913	4 149 516	22 857 913	1 423 199
Impairment on insurance assets	81 433	20 226	81 433	6 937
Unrealised exchange gains on foreign currency position	(48 210 300)	(315 448)	(48 210 300)	(108 192)
Loss/ (Profit) on disposal of investment properties	494 730	(8 079)	222 062	(2 720)
Unearned premium reserve movement	67 692	(21 418)	205 252	9 962
Incurred But Not Reported (IBNR) claims provisions	35 581	13 395	35 581	4 594
Deferred commission movement	(21 805)	(66 494)	(20 276)	(23 068)
Profit on sale of property and equipment	(1 690)	(225)	(1 282)	(75)
Transfer to reserves	528 456	186 994	343 001	64 135
Interest on lease liability	3 762	5 365	2 719	1 753
Operating cash flows before changes in operating assets and liabilities	16 838 445	11 816 113	10 520 091	3 731 414
Changes in operating assets and liabilities				
Deposits	21 632 029	101 260 777	13 331 915	32 370 243
Loans and advances to customers	(148 040 587)	(64 398 015)	(83 219 025)	(20 586 247)
Life assurance investment contract liabilities	71 329	43 740	71 329	13 469
Money market assets	30 703 817	(19 802 671)	18 922 900	(6 330 360)
Financial securities	114 511	62 549	70 218	20 858
Insurance assets	(86 873)	328 681	(43 573)	37 764
Insurance liabilities	364 164	(111 164)	199 551	(33 808)
Land inventory	421 605	(307 316)	(234 155)	(99 278)
Other assets	67 771 510	(28 815 409)	44 432 901	(7 720 983)
Other Liabilities	13 282 311	34 460 658	5 384 048	10 773 990
	(13 766 184)	22 721 830	(1 083 891)	8 445 648
TAXATION				
Corporate tax paid	(2 844 015)	(4 147 673)	(2 341 988)	(1 373 193)
Net cash inflow from operating activities	228 246	30 390 270	7 094 212	10 803 869
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	658 807	202 281	315 843	63 271
Investment in equities during the period	(2 063 456)	(347 817)	(1 846 496)	(114 213)
Equity investments disposed during the period	368 578	160 778	230 782	53 533
Purchase of investment property	(9 913)	(177 782)	(30 503)	(56 991)
Proceeds on disposal of property and equipment	2 464	336	1 584	105
Purchase of property and equipment	(1 301 709)	(637 725)	(1 002 530)	(176 780)
Purchase of intangible assets	(580)	(8 426)	(555)	(2 540)
Net cash outflow from investing activities	(2 345 809)	(808 355)	(2 331 875)	(233 615)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares awaiting allotment	1 000 000	-	1 000 000	-
Lease liability principal repayment	(30 018)	(23 144)	(15 516)	(7 122)
Interest on lease liability paid	(3 761)	(5 365)	(2 719)	(1 753)
Dividend paid	-	(4 429 331)	-	(1 519 170)
Net cash inflow/ (outflow) from financing activities	966 221	(4 457 840)	981 765	(1 528 045)
Net (Decrease)/ Increase in cash and cash equivalents	(1 151 342)	25 124 075	5 744 102	9 042 209
Cash and cash equivalents at beginning of the period	86 610 150	69 504 115	39 562 931	19 752 126
Exchange gains on foreign cash balances	55 663 722	1 943 731	55 663 722	666 660
Inflation effects on cash and cash equivalents	(40 151 775)	(10 674 682)	-	-
Cash and cash equivalents at end of the period	100 970 755	85 897 239	100 970 755	29 460 995

Accounting Policies

For the half year ended 30 June 2022

1. GROUP ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for new standards and amendments adopted effective 1 January 2022 (see 1.1c). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2021 annual report, which is available at the Company registered offices.

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20 and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019. The consolidated financial results have been adjusted to take into account the impact of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

a) Basis of consolidation

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

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

b) Use of judgements and estimates

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

c) New standards, interpretations and amendments adopted by the Group

i. Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations 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 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of 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. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

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

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

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

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. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the interim condensed consolidated financial statements of the Group, as there were no modifications of the Group's financial instruments during the period.

v. IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

vi. Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets),

The amendment clarifies that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract, like direct labour and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract).

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

Date	Indices	Percentage (%) movement	Conversion Factors
30 June 2022	8,707.35		1.0000
31 December 2021	3,977.46	119%	2.1892
30 June 2021	2,986.44	192%	2.9156
30 June 2020	1,445.21	502%	6.0250

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 given below.

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 2021 and 30 June 2021 were restated by applying the change in the index from the date of last re-measurement to 30 June 2022.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 30 June 2022. Property and equipment is restated by applying the change in the index from the date of transaction to 30 June 2022.
- 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 30 June 2022.
- 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 inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

The historical cost information has been shown as supplementary information for the benefit of users. 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.

Notes to the Reviewed Inflation Adjusted Consolidated Financial Results

For the half year ended 30 June 2022

1.4 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group For the half year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 31 August 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.

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
2. INTEREST				
Interest Income				
Bankers acceptances	290 145	55 607	174 902	17 721
Overdrafts	2 525 656	5 159 357	1 435 685	1 562 341
Loans	15 056 775	3 679 511	9 860 627	1 294 901
Mortgage loans	277 032	178 853	183 017	57 444
Staff loans	168 214	116 121	106 902	37 126
Securities investments	350 319	560 826	231 922	179 563
Other investments	3 721 260	1 872 582	2 405 837	611 768
	22 389 401	11 622 857	14 398 892	3 760 864
Interest expense				
Call deposits	41 637	61 464	28 942	19 666
Savings deposits	397 088	3 234 520	131 439	1 024 116
Money market deposits	1 337 189	2 313 021	864 377	744 734
Other offshore deposits	103 848	53 814	79 647	16 994
Lease liability	3 762	5 365	2 719	1 753
	1 883 524	5 668 184	1 107 124	1 807 263
NET INTEREST INCOME	20 505 877	5 954 673	13 291 768	1 953 601
3. NON-INTEREST INCOME				
Net income from trading securities	197 987	15 278	119 020	7 957
Fair value adjustments on financial instruments	(2 141 659)	7 595 923	1 745 397	2 792 532
Fair value adjustments on investment properties	6 857 873	(1 240 083)	13 558 805	141 195
Net income from foreign currency dealing	1 245 735	891 254	881 126	286 076
Unrealised exchange gains on foreign currency position	48 210 300	315 448	48 210 300	108 192
Agro business income	8 327 887	9 446 450	7 251 249	3 015 630
Commission and fee income	10 971 500	8 727 413	7 035 140	2 767 253
Profit on disposal of property and equipment	1 690	225	1 282	75
(Loss)/ Profit on disposal of investment property	(494 730)	8 079	(222 062)	2 720
Bad debts recovered	22 472	39 422	14 111	12 504
Property sales	(416 415)	153 088	114 566	51 018
Lease income	144 593	111 633	103 368	18 056
Other operating income	162 860	179 477	83 319	72 963
	73 090 093	26 243 607	78 895 621	9 276 171
Included in unrealised exchange gains on foreign currency position, are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agro business segments. Commission and fee income largely comprises income earned from banking operations.				
4. UNDERWRITING INCOME (NET)				
Gross premium insurance	1 730 038	1 469 636	1 267 301	480 138
Reinsurance	(576 339)	(698 794)	(469 916)	(229 178)
Net written premium	1 153 699	770 842	797 385	250 960
Unearned premium	(67 692)	21 418	(205 252)	(9 962)
Net earned premium	1 086 007	792 260	592 133	240 998
Net commission(a)	(35 513)	(5 117)	(20 482)	(4 66)
Net claims (b)	(437 717)	(174 468)	(309 705)	(57 173)
	612 777	612 675	261 946	183 359
(a) Net Commissions				
Commission received	150 881	160 333	94 243	52 700
Commission paid	(208 199)	(231 944)	(135 001)	(76 234)
Deferred acquisition costs	21 805	66 494	20 276	23 068
	(35 513)	(5 117)	(20 482)	(4 66)
(b) Net Claims				
Gross claims incurred	818 142	334 288	532 380	107 573
Reinsurance claims	(472 821)	(209 523)	(304 268)	(63 258)
Incurred but not yet reported claims	35 581	13 395	35 581	4 594
Gross outstanding claims	204 148	202 968	149 410	65 425
Reinsurance share of outstanding claims	(147 333)	(166 660)	(103 398)	(57 161)
	437 717	174 468	309 705	57 173
5. OPERATING EXPENDITURE				
Staff costs	19 585 234	8 330 369	15 351 717	2 715 117
Administration expenses	5 227 316	5 819 277	3 397 903	1 883 697
Audit fees	124 075	78 617	97 355	25 550
Depreciation	771 726	539 018	372 091	142 161
Write off of property and equipment	2 728	235 460	415	-
Write down of land inventory	-	27 214	-	8 985
Amortisation of intangible assets	83 040	67 118	42 966	17 446
Property cost of sales	85 433	17 835	11 823	5 880
Write off intangible assets	7 479	-	3 599	-
Write offs of right of use asset and lease liability	-	306	-	92
	25 887 031	15 115 214	19 277 869	4 798 928
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	16 173	60 537	9 968	19 352
Pension and retirement benefits for past and present directors	58 833	40 772	36 259	13 034
Salaries and other benefits	1 322 719	419 043	815 197	133 956
	1 397 725	520 352	861 424	166 342
Short term employment benefits	1 338 892	479 580	825 165	153 308
Post employment benefits	58 833	40 772	36 259	13 034
	1 397 725	520 352	861 424	166 342
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	4 331 625	4 774 509	4 331 625	1 637 559
Deferred income tax	8 146 961	594 407	7 673 511	(355 251)
Income tax expense	12 478 586	5 368 916	12 005 136	1 282 308
6.2 Tax rate reconciliation				
Notional tax	%	%	%	%
Aids levy	24.00	24.00	24.00	24.00
Non-deductible expenses	0.72	0.72	0.72	0.72
Exempt income	41.27	19.13	3.90	5.16
Tax credit	(22.09)	(0.68)	(2.96)	(4.82)
Effect of rebasing tax bases	(0.70)	(0.02)	(0.83)	(0.01)
Effect of special tax rate	0.12	-	0.09	-
Effective tax rate	(1.63)	-	(0.85)	-
	41.69	43.15	24.06	25.05
Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess pension costs and disallowable donations.				
6.3 The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.				
Revaluation of property and equipment	1 104 633	(128 693)	2 258 735	40 023
Unlisted equities	(660)	(3 090)	134 777	9 222
Total taxation relating to components of other comprehensive income	1 103 973	(131 783)	2 393 512	49 245
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:				

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

7.1	Annualised earnings per share (ZWL cents)				
	Basic	6 686.59	2 709.78	14 514.08	1 470.16
	Fully Diluted	6 686.59	2 709.78	14 514.08	1 470.16
	Headline	2 426.90	3 140.90	10 671.57	1 431.25
7.2	Earnings				
	Basic (earnings attributable to holders of parent)	17 452 546	7 072 747	37 882 904	3 837 231
	Fully Diluted	17 452 546	7 072 747	37 882 904	3 837 231
	Headline	12 668 784	8 198 002	27 853 648	3 735 668
	Number of shares used in calculations (weighted)				
	Basic	522 016	522 016	522 016	522 016
	Fully diluted	522 016	522 016	522 016	522 016
	Headline	522 016	522 016	522 016	522 016
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	522 016	522 016	522 016
	Weighted average number of shares used for basic EPS	522 016	522 016	522 016	522 016
	Potentially dilutive shares employee share options	-	-	-	-
	Weighted average number of shares used for diluted EPS	522 016	522 016	522 016	522 016
7.4	Headline Earnings				
	Profit attributable to ordinary shareholders	17 452 546	7 072 747	37 882 904	3 837 231
	Adjusted to exclude re-measurements				
	Impairment on property and equipment	2 728	235 460	11 823	-
	Write off of right of use asset and lease liability	-	306	-	92
	Write off of intangible assets	7 479	-	3 599	-
	Write down of land inventory	-	27 214	-	8 985
	Disposal gain on property and equipment	(1 690)	(225)	(1 282)	(75)
	Profit/(loss) on disposal of investment property	494 730	(8 079)	222 062	(2 720)
	Gains/(loss) on investment properties valuation	(6 857 873)	1 240 083	(13 558 805)	(141 195)
	Tax relating to remeasurements	1 570 864	(369 504)	3 293 347	33 350
	Headline earnings	12 668 784	8 198 002	27 853 648	3 735 668
	8.	DIVIDENDS			
Cash dividends on ordinary shares declared and paid:					
Final Dividend		-	4 429 331	-	1 519 170
		-	4 429 331	-	1 519 170
Interim paid per share (Cents)		-	-	-	-
Final dividend paid per share (cents)		-	849.00	-	291.02
Dividends are paid on shares held at the record date net of treasury shares held on the same date.					
Proposed dividend on ordinary shares:					
Interim		-	1 457 813	-	500 000
Interim dividend per share (cents)	-	279.27	-	95.78	
Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 30 June 2022.					

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
9.	CASH AND CASH EQUIVALENTS				
	Cash	15 644 652	37 486 914	15 644 652	17 123 769
	Balances with foreign banks	17 504 659	35 197 255	17 504 659	16 077 868
	Balances with the Reserve Bank of Zimbabwe	62 969 573	6 078 428	62 969 573	2 776 585
	RBZ Statutory reserve	4 851 871	7 847 553	4 851 871	3 584 709
		100 970 755	86 610 150	100 970 755	39 562 931

10.	MONEY MARKET ASSETS					
	Interbank Placements	7 563 722	13 162 259		7 563 722	6 012 433
	RBZ Savings bonds	4 073 279	37 484 944		4 073 279	17 122 869
	Bankers acceptances	1 381 401	2 742 738		1 381 401	1 252 864
	Accrued interest	52 276	93 749		52 276	42 824
	Total gross money market assets	13 070 678	53 483 690		13 070 678	24 430 988
	Allowance for expected credit loss	(481 622)	(169 394)		(481 622)	(77 378)
	Total net money market assets	12 589 056	53 314 296		12 589 056	24 353 610
10.1	Maturity analysis					
	The maturity analysis of money market assets is shown below.					
	Between 0 and 3 months	12 239 077	41 431 106		12 239 077	18 925 449
	Between 3 and 6 months	827 469	12 047 346		827 469	5 503 146
	Above 12 months	4 132	5 238		4 132	2 393
		13 070 678	53 483 690		13 070 678	24 430 988

11.	FINANCIAL SECURITIES			
	Treasury bills	895 330	2 098 162	895 330 958 426
	Accrued interest	13 378	44 878	13 378 20 500
	Total gross financial securities	908 708	2 143 040	908 708 978 926
	Allowance for expected credit loss	(13 829)	(31 544)	(13 829) (14 409)
	Total net financial securities	894 879	2 111 496	894 879 964 517

11.1	Maturity analysis				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	-	22 128	-	10 108
	Between 3 and 6 months	9 299	100 118	9 299	45 733
	Between 6 and 12 months	3 312	-	3 312	-
	Between 1 and 5 years	46 756	325 346	46 756	148 616
	Above 5 years	849 341	1 695 448	849 341	774 469
		908 708	2 143 040	908 708	978 926

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

12.	LOANS AND ADVANCES TO CUSTOMERS				
	Overdrafts	18 211 075	6 178 191	18 211 075	2 822 156
	Commercial loans	68 650 802	44 143 396	68 650 802	20 164 405
	Staff loans	3 768 766	4 120 987	3 768 766	1 882 439
	Mortgage advances	3 685 346	2 361 281	3 685 346	1 078 617
	Agro business loans	109 460 421	68 692 783	109 460 421	31 378 399
	Interest accrued	9 482 069	14 550 152	9 482 069	6 646 411
	Total gross loans and advances to customers	213 258 479	140 046 790	213 258 479	63 972 427
	Allowance for expected credit loss	(30 364 878)	(17 669 174)	(30 364 878)	(8 071 159)
	Total net advances	182 893 601	122 377 616	182 893 601	55 901 268

		REVIEWED		AUDITED		UNAUDITED			
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000		HISTORICAL 31 DEC 2021 ZWL\$ 000	
			%		%		%		%
12.1	Sectoral analysis:								
	Private	14 444 291	7	14 032 239	10	14 444 291	7	6 409 832	10
	Agriculture	130 461 648	61	70 803 615	51	130 461 648	61	32 342 613	51
	Mining	16 102 943	8	10 315 365	7	16 102 943	8	4 711 989	7
	Manufacturing	12 536 397	6	6 082 073	4	12 536 397	6	2 778 250	4
	Distribution	26 855 752	13	25 103 001	18	26 855 752	13	11 466 881	18
	Construction	1 844 353	1	263 250	-	1 844 353	1	120 251	-
	Transport	926 934	-	192 597	-	926 934	-	87 977	-
	Communication	12	-	-	-	12	-	-	-
	Services	9 218 433	4	12 268 378	9	9 218 433	4	5 604 112	9
	Financial organisations	867 716	-	986 272	1	867 716	-	450 522	1
		213 258 479	100	140 046 790	100	213 258 479	100	63 972 427	100

12.2	Maturity analysis				
	Less than 1 month	19 782 388	11 423 024	19 782 388	5 217 960
	Between 1 and 3 months	6 230 841	8 487 260	6 230 841	3 876 923
	Between 3 and 6 months	67 713 469	18 126 188	67 713 469	8 279 920
	Between 6 months and 1 year	77 633 332	85 824 081	77 633 332	39 203 860
	Between 1 and 5 years	22 729 722	12 851 852	22 729 722	5 870 639
	More than 5 years	19 168 727	3 334 385	19 168 727	1 523 125

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

12.3	Loans to directors and key management				
	Opening balance	1 367 516	776 159	624 672	220 574
	Advances made during the period	1 416 195	1 643 481	872 808	581 778
	Monetary adjustment	(1 257 101)	(550 192)	-	-
	Repayment during the period	(75 920)	(501 932)	(46 791)	(177 680)
	Closing balance	1 450 690	1 367 516	1 450 689	624 672

Loans to employees					
Included in advances are loans to employees: -					
Opening balance	2 753 473	3 502 674	1 257 768		995 414
Advances made during the period	2 037 499	1 879 728	1 255 720		665 407
Monetary adjustment	(3 646 161)	(1 490 333)	-		-
Repayments during the period	(317 066)	(1 138 596)	(195 409)		(403 053)
Closing balance	827 745	2 753 473	2 318 079		1 257 768

12.4	Allowance for Expected Credit Loss (ECL)				
	Opening balance	17 669 174	4 091 385	8 071 159	1 162 716
	Credit loss expense on loans and advances	22 309 758	15 152 976	22 309 758	6 921 777
	Monetary adjustment	(9 588 027)	(1 538 652)	-	-
	Amounts written off during the period	(26 027)	(36 535)	(16 039)	(13 334)
	Closing balance	30 364 878	17 669 174	30 364 878	8 071 159

12.5	Collateral				
	Cash cover	1 018 843	215 892	1 018 843	98 618
	Government Guarantee	87 065 133	55 604 126	87 065 133	25 399 589
	Registered Marketable Commodities	28 709 602	-	28 709 602	-
	Mortgage bonds	11 341 252	20 139 127	11 341 252	9 199 417
	Notarial general covering bonds	19 807 691	21 170 178	19 807 691	9 670 394
		147 942 521	97 129 323	147 942 521	44 368 018

13.	INSURANCE ASSETS				
	Reinsurance unearned premium reserve	270 638	466 082	169 237	191 731
	Reinsurance receivables	462 241	1 094 276	462 241	499 858
	Deferred acquisition costs	146 105	183 842	87 643	73 617
	Insurance premium receivables	762 744	950 807	774 658	437 825
	Suspended premium	(2 962)	(15 977)	(2 962)	(7 298)
	Impairment provision	(115 133)	(73 775)	(115 133)	(33 700)
		1 523 633	2 605 255	1 375 684	1 162 033

13.1	Reinsurance unearned premium reserve				
	Opening balance	466 082	693 995	191 731	197 223
	Written premiums	641 458	1 674 600	413 557	642 738
	Premiums earned during the period	(836 902)	(1 902 513)	(436 051)	(648 230)
	Closing balance	270 638	466 082	169 237	191 731

13.2	Impairment provision on insurance assets				
	Opening balance	73 775	56 754	33 700	16 129
	Charge for impairment on insurance receivables	81 433	42 597	81 433	19 458
	Monetary adjustment	(40 075)	(25 576)	-	-
	Amounts written off during the period	-	-	-	(1 887)
	Closing balance	115 133	73 775	115 133	33 700

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:

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
16.	LAND INVENTORY				
	Opening balance	13 029 225	13 029 952	552 094	470 639
	Additions	244 048	401 926	239 463	135 868
	Disposals	(665 653)	(202 851)	(5 308)	(41 755)
	Write off	-	(199 802)	-	(12 658)
	Closing balance	12 607 620	13 029 225	786 249	552 094
17	EQUITY INVESTMENTS				
	Opening balance	11 869 788	6 769 605	5 422 039	1 923 830
	Investment in equities during the period	2 063 457	2 089 512	1 846 496	917 227
	Investment disposed during the period	(368 578)	(226 231)	(230 782)	(75 513)
	Fair value adjustments - Profit or loss	(2 141 659)	2 271 570	1 745 397	1 561 872
	Fair value adjustments - Other comprehensive income	64 122	965 332	2 703 980	1 094 623
		11 487 130	11 869 788	11 487 130	5 422 039
17.1	Investments in Equities				
	Unlisted investments	6 555 167	4 853 612	6 555 167	2 217 097
	Listed investments	4 931 963	7 016 176	4 931 963	3 204 942
		11 487 130	11 869 788	11 487 130	5 422 039
	Equity investment designated at fair value through profit or loss	4 931 963	7 016 176	4 931 963	3 204 942
	Equity investment designated at fair value through other comprehensive income	6 555 167	4 853 612	6 555 167	2 217 097
		11 487 130	11 869 788	11 487 130	5 422 039

		REVIEWED		AUDITED		UNAUDITED		
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	%	RESTATED 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 30 JUNE 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2021 ZWL\$ 000
17.2	Investment in subsidiaries							
	CBZ Bank Limited	2 141 354	100	2 141 354	100	21 840	100	21 840
	CBZ Asset Management (Private) Limited	194 915	100	194 915	100	1 988	100	1 988
	CBZ Building Society	-	100	-	100	-	100	-
	CBZ Insurance (Private) Limited	416 613	98.4	416 613	98.4	23 615	98.4	23 615
	CBZ Properties (Private) Limited	468 586	100	468 586	100	4 779	100	4 779
	CBZ Life Assurance (Private) Limited	136 090	100	136 090	100	1 388	100	1 388
	CBZ Asset Management Mauritius	8 715	100	8 715	100	89	100	89
	CBZ Risk Advisory Services (Private) Limited	131 882	100	131 882	100	1 345	100	1 345
	Red Sphere Finance (Private) Limited	962 733	100	962 733	100	250 520	100	250 520
	CBZ Agro Yield (Private) Limited	21 609	100	21 609	100	1 000	100	1 000
		4 482 497		4 482 497		306 564		306 564

18.	CATEGORIES OF FINANCIAL ASSETS	At fair value	At fair value	At amortised	Total
		through	through	cost	carrying
		profit or loss	OCI		amount
		ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000

AUDITED INFLATION ADJUSTED								
31 DEC 2021								
	Balances with banks and cash	-	-	-	-	86 610 150	86 610 150	
	Money Market assets	-	-	-	-	53 314 296	53 314 296	
	Financial securities	-	-	-	-	2 111 496	2 111 496	
	Loans and advances to customers	-	-	-	-	122 377 616	122 377 616	
	Equity investments	7 016 176		4 853 612		-	11 869 788	
	Other assets	-	-	-	-	76 346 529	76 346 529	
	TOTAL ASSETS	7 016 176		4 853 612		340 760 087	352 629 875	

UNAUDITED HISTORICAL								
30 JUNE 2022								
	Balances with banks and cash	-	-	-	-	100 970 755	100 970 755	
	Money market assets	-	-	-	-	12 589 056	12 589 056	
	Financial securities	-	-	-	-	894 879	894 879	
	Loans and advances to customers	-	-	-	-	182 893 601	182 893 601	
	Equity investments	4 931 963		6 555 167		-	11 487 130	
	Other assets	-	-	-	-	74 826 680	74 826 680	
	TOTAL ASSETS	4 931 963		6 555 167		372 174 971	383 662 101	

UNAUDITED HISTORICAL								
31 DEC 2021								
	Financial assets	-	-	-	-	-	-	-
	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	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	

19. FAIR VALUE MEASUREMENT

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

INFLATION ADJUSTED								
	Level 1		Level 2		Level 3		Total carrying amount	
	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	4 931 963	7 016 176	-	-	6 555 167	4 853 612	11 487 130	11 869 788
Land and buildings	-	-	20 794 014	14 492 706	-	-	20 794 014	14 492 706
Investment properties	-	-	19 221 361	13 507 113	-	-	19 221 361	13 507 113
Total assets at fair value	4 931 963	7 016 176	40 015 375	27 999 819	6 555 167	4 853 612	51 502 505	39 869 607

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	
	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	4 931 963	3 204 942	-	-	6 555 167	2 217 097	11 487 130	5 422 039
Land and buildings	-	-	20 794 014	6 620 170	-	-	20 794 014	6 620 170
Investment properties	-	-	19 221 361	6 169 958	-	-	19 221 361	6 169 958
Total assets at fair value	4 931 963	3 204 942	40 015 375	12 790 128	6 555 167	2 217 097	51 502 505	18 212 167

There were no transfers between Level 1 and Level 2 during 2022.

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

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

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

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

If the fair value adjustment had been 5% up or down, the Group's Fair value r reserve would be ZWL\$ 16,873,871.61 and the Statement of Financial Position would be ZWL\$ 17,761,970 higher or lower than the reported position.

	REVIEWED 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
30 JUNE 2022									
COST									
Opening balance	1 810 384	13 173 382	200 113	757 003	4 811 421	1 586 536	1 003 915	1 448 239	24 790 993
Additions	-	-	-	1 001	91 709	10 076	16 613	1 182 310	1 301 709
Revaluation gain	868 584	5 457 051	-	-	(1 183)	(22)	(24)	-	6 325 635
Disposals	-	-	-	-	(865)	-	-	(1 229)	(1 229)
Transfers to intangible assets	-	-	-	-	-	-	-	(4 252)	(4 252)
Write offs	-	-	-	(123)	(6 054)	-	-	-	(6 177)
Transfers(PPE Intercategories)	-	-	-	35 967	-	-	-	(35 967)	-
Closing balance	2 678 968	18 630 433	200 113	793 848	4 895 893	1 596 590	1 020 504	2 590 330	32 406 679
Accumulated depreciation									
Opening balance	-	289 964	93 187	582 070	2 262 834	1 104 158	517 393	-	4 849 606
Charge for the period	-	555 280	6 189	22 315	130 975	34 930	22 037	-	771 726
Disposals	-	-	-	-	(423)	(16)	(16)	-	(455)
Write offs	-	-	-	(87)	(3 363)	-	-	-	(3 450)
Revaluation	-	(489 455)	-	-	-	-	-	-	(489 455)
Closing balance	-	355 789	99 376	604 298	2 390 023	1 139 072	539 414	-	5 127 972
Net Book Value	2 678 968	18 274 644	100 737	189 549	2 505 870	457 518	481 090	2 590 330	27 278 706

AUDITED INFLATION ADJUSTED								
31 DEC 2021								
COST								
Opening balance	1 411 516	10 851 638	193 219	698 800	3 972 703	1 399 526	907 406	1 650 449
Additions	-	233 073	-	54 462	669 587	164 880	72 308	199 668
Revaluation gain	398 868	2 113 514	-	-	(865)	(24)	(155)	(159 283)
Disposals	-	-	-	-	(10 589)	(138)	(922)	(160 327)
Write offs	-	(28 648)	-	-	(180 585)	22 292	25 278	(242 596)
Transfers(PPE Intercategories)	-	3 805	6 894	3 741	180 585	22 292	25 278	(242 596)
Closing balance	1 810 384	13 173 382	200 113	757 003	4 811 421	1 586 536	1 003 915	1 448 239
Accumulated depreciation								
Opening balance	-	107 397	81 409	554 338	1 960 062	1 017 614	498 324	-
Charge for the period	-	932 663	11 778	27 732	304 372	86 577	19 236	-
Disposals	-	-	-	-	(449)	(22)	(125)	-
Write offs	-	(5 422)	-	-	(1 151)	(11)	(42)	-
Revaluation	-	(744 674)	-	-	-	-	-	-
Closing balance	-	289 964	93 187	582 070	2 262 834	1 104 158	517 393	-
Net Book Value	1 810 384	12 883 418	106 926	174 933	2 548 587	482 378	486 522	1 448 239

UNAUDITED HISTORICAL									
	Land ZWL\$ 000	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computer ZWL\$ 000	Equipment ZWL\$ 000	Furniture & Fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022									
COST									
Opening balance	826 968	5 848 152	36 987	33 185	569 985	98 331	55 799	104 044	7 573 451
Additions	-	-	-	482	62 597	8 056	12 842	918 554	1 002 531
Revaluation gain	1 851 993	12 321 852	-	-	-	-	-	-	14 173 845
Disposals	-	-	-	(489)	-	(11)	(12)	-	(512)
Transfers to intangible assets	-	-	-	-	-	-	-	(4 252)	(4 252)
Write offs	-	-	-	(59)	(2 476)	-	-	-	(2 535)
Transfers(PPE Intercategories)	-	-	-	16 429	-	-	-	(16 429)	-
Closing balance	2 678 961	18 170 004	36 987	50 037	629 617	106 376	68 629	1 001 917	22 742 528
Accumulated depreciation									
Opening balance	-	29 089	1 996	10 202	97 824	28 977	9 373	-	177 461
Right of use asset	-	-	-	-	-	-	-	-	-
Charge for the period	-	307 543	461	4 596	50 363	4 611	4 517	-	372 091
Disposals	-	-	-	-	(189)	(10)	(10)	-	(209)
Write offs	-	-	-	(53)	(2 069)	-	-	-	(2 122)
Revaluation	-	(298 750)	-	-	-	-	-	-	(298 750)
Closing balance	-	37 882	2 457	14 745	145 929	33 578	13 880	-	248 471
Net Book Value	2 678 961	18 132 122	34 530	35 292	483 688	72 798	54 749	1 001 917	22 494 057

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
20.1a	Right of use assets				
	Opening balance	140 052	265 280	25 859	20 065
	Additions	-	85 988	-	28 607
	Write offs	-	(23 225)	-	(4 931)
	Depreciation charge for the period	(65 825)	(187 991)	(8 793)	(17 882)
		74 227	140 052	17 066	25 859
20.1b	Lease liability				
	Opening balance	79 401	74 401	36 270	21 144
	Additions	-	85 986	-	28 607
	Write-offs	-	(16 147)	-	(4 839)
	Interest	3 762	9 864	2 719	3 590
	Repayment	(33 779)	(60 765)	(18 235)	(21 294)
	Exchange loss on lease liability	61 225	19 840	61 225	9 062
	Monetary adjustment	(28 630)	(33 778)	-	-
		81 979	79 401	81 979	36 270
20.1c	Lease liability maturity analysis				
	Less than one month	7 219	4 766	7 219	2 177
	One to three months	15 854	11 662	15 854	5 327
	Three to six months	18 801	14 300	18 801	6 532
	Six to twelve months	21 052	25 473	21 052	11 636
	One to five years	28 883	30 493	28 883	13 929
		91 809	86 694	91 809	39 601
20.1d	Amounts recognised in Statement of Profit or Loss				
	Interest on lease liabilities	3 762	9 864	2 719	3 590
	Depreciation	65 825	187 991	8 793	17 882
		69 587	197 855	11 512	21 472
20.1e	Amounts recognised in statement of cash flow	33 779	60 765	18 235	21 294
21.	INVESTMENT PROPERTIES				
	Opening balance	13 507 113	9 671 003	6 169 958	2 748 368
	Additions	9 912	450 215	30 503	175 939
	Disposals	(1 153 537)	(160 410)	(537 905)	(54 704)
	Fair valuation gain	6 857 873	3 546 305	13 558 805	3 300 355
	Closing balance	19 221 361	13 507 113	19 221 361	6 169 958

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 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 30 June 2022.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter Capitalisation rate	ZWL\$ 679.19 – ZWL\$ 8 750.00 10%- 13%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 9 000.00 - ZWL\$ 31 050.00

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 30 June 2022. 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.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 258,130,255 higher or lower the reported position the Statement of Financial Position would be ZWL\$342,893,538 higher or lower than the reported position.

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
22.	INTANGIBLE ASSETS				
	At cost	1 411 110	1 475 951	275 044	273 836
	Accumulated amortisation	(830 987)	(810 141)	(103 045)	(60 079)
		580 123	665 810	171 999	213 757
	Movement in intangible assets				
	Opening balance	665 810	434 679	213 757	87 202
	Additions	580	227 206	555	119 761
	Transfer from property and equipment	4 252	159 282	4 252	46 156
	Write offs	(7 479)	(1 254)	(3 599)	(323)
	Amortisation charge	(83 040)	(154 103)	(42 966)	(39 039)
	Closing balance	580 123	665 810	171 999	213 757
	Intangible assets are carried at cost less accumulated amortisation charge. The intangible assets which comprise computer software are amortised over a period of 3 years.				
23.	DEFERRED TAXATION				
23.1	Deferred tax asset				
	Deferred tax asset is the amount of income taxes recoverable in future years in respect of deductible temporary differences unused tax losses and unused tax credits.				
	The deferred tax included in the Statement of Financial Position are comprised of:				
	Assessed losses	349 545	2 671 502	349 545	1 220 324
	Credit loss provisions	7 495 360	4 635 393	7 495 360	2 117 416
	Tax claimable impairments	56 257	123 159	56 257	56 258
	Other	299 298	493 498	1 327 012	224 426
	Closing deferred tax balance	8 200 460	7 923 552	9 228 174	3 618 424
23.2	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the Statement of Financial Position are comprised of:				
	Intangible assets	118 352	62 173	18 675	23 700
	Equity investments	309 318	302 999	309 318	138 408
	Property and equipment	3 486 231	1 830 920	2 682 883	590 449
	Investment properties	1 309 445	844 991	1 309 445	385 986
	Other	14 918 611	7 573 032	14 918 611	2 435 030
	Closing balance	20 141 957	10 614 115	19 238 932	3 573 573
24.	DEPOSITS				
	Call deposits	721 372	976 227	721 372	445 934
	Savings and demand deposits	241 045 823	254 618 811	241 045 823	116 308 152
	Money market deposits	40 353 888	30 498 851	40 353 888	13 931 669
	Lines of credit	6 433 511	927 393	6 433 511	423 627
	Accrued interest	125 658	579 604	125 658	264 759
		288 680 252	287 600 886	288 680 252	131 374 141
24.1	Deposits by type				
	Retail	19 736 831	19 809 494	19 736 831	9 048 843
	Corporate	220 155 953	235 852 152	220 155 953	107 735 669
	Money market	42 639 698	31 016 225	42 639 698	14 168 002
	Lines of credit	6 147 770	923 015	6 147 770	421 627
		288 680 252	287 600 886	288 680 252	131 374 141

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\$132 638 768(December 2021: US\$ 145 044 224) (being legacy liabilities of US\$50 682 524 (December 2021: US\$50 833 318) and nostro gap accounts of US\$81 956 244 (December 2021: US\$94 210 906)) which are shown at ZW\$48 901 378 339 (December 2021: ZW\$15 761 375 643). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ 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\$37 062 285 (December 2021: US\$35 432 702) 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. A report on the risks and respective mitigating strategies are available for inspection at the Company's Registered Offices.				

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	%	RESTATED 31 DEC 2021 ZWL\$ 000	%
24.3	Sectoral Analysis				
	Private	16 272 737	6	26 138 990	9
	Agriculture	11 891 506	4	10 385 035	4
	Mining	7 132 610	2	10 335 151	4
	Manufacturing	29 055 471	10	26 920 854	9
	Distribution	38 809 034	13	35 253 727	12
	Construction	8 307 393	3	7 702 095	3
	Transport	5 679 809	2	5 269 695	2
	Communication	1 904 850	1	4 038 901	1
	Services	166 847 485	58	155 559 740	54
	Financial organisations	2 523 509	1	5 346 975	2
	Financial and investments	255 848	-	649 723	-
		288 680 252	100	287 600 886	100
		288 680 252	100	288 680 252	100

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
24.4	Maturity analysis				
	Less than 1 month	254 907 138	261 172 553	254 907 138	119 301 857
	Between 1 and 3 months	22 538 219	10 398 424	22 538 219	4 749 930
	Between 3 and 6 months	2 211 559	15 072 143	2 211 559	6 884 853
	Between 6 months and 1 year	1 843 756	482 369	1 843 756	220 343
	Between 1 and 5 years	7 177 435	470 204	7 177 435	214 786
	More than 5 year	2 145	2 145	2 145	2 372
		288 680 252	287 600 886	288 680 252	131 374 141

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.

25.	INSURANCE LIABILITIES				
	Reinsurance payables (a)	302 310	456 120	302 310	208 353
	Gross outstanding claims (b)	561 563	822 339	561 563	375 639
	Gross unearned premium reserve (c)	571 111	725 567	379 846	297 395
	Deferred reinsurance acquisition reserve (d)	69 531	120 561	42 782	49 032
		1 504 515	2 124 587	1 286 501	930 419

25.1	Insurance contract provisions				
	(a) Reinsurance payables				
	Opening balance	456 120	668 205	208 353	189 895
	Premiums ceded during the period	641 458	1 674 604	413 557	642 739
	Reinsurance paid	(495 723)	(1 626 510)	(319 600)	(624 281)
	Monetary adjustment	(299 545)	(260 179)	-	-
	Closing balance	302 310	456 120	302 310	208 353
	(b) Gross outstanding claims provision				
	Opening balance	822 339	113 465	375 639	32 245
	Claims incurred	925 148	2 201 804	611 536	844 090
	Incurred but not yet reported claims provision	28 843	21 351	28 843	9 753
	Claims paid	(706 719)	(1 262 526)	(454 455)	(510 449)
	Monetary adjustment	(508 048)	(251 755)	-	-
	Closing balance	561 563	822 339	561 563	375 639
	(c) Gross unearned premiums reserve				
	Opening balance	725 567	990 131	297 395	281 382
	Written premiums	1 188 082	2 612 976	777 262	983 158
	Premiums earned during the period	(1 342 538)	(2 877 540)	(694 811)	(967 145)
	Closing balance	571 111	725 567	379 846	297 395

(d) Deferred reinsurance acquisition revenue				
	Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000	
	REVIEWED INFLATION ADJUSTED			
31 June 2022				
Opening balance	120 561	139 904		(19 344)
Written premiums	142 529	182 336		(39 808)
Earned during the period	(193 559)	(235 155)		41 596
Closing balance	69 531	87 085		(17 556)

		AUDITED INFLATION ADJUSTED			
Restated 31 Dec 2021					
	Opening balance	174 129	173 698	431	
	Written premiums	386 876	451 636	(64 760)	
	Earned during the period	(440 444)	(485 430)	44 985	
	Closing balance	120 561	139 904	(19 344)	

		Unearned commissions ZWL\$ 000	Deferred acquisition ZWL\$ 000	Net ZWL\$ 000
	UNAUDITED HISTORICAL			
31 June 2022				
	Opening balance	49 032	57 436	(8 404)
	Written premiums	89 528	117 283	(27 755)
	Earned during the period	(95 778)	(120 328)	24 550
	Closing balance	42 782	54 391	(11 609)
31 Dec 2021				
	Opening balance	49 485	49 363	122
	Written premiums	149 017	173 224	(24 207)
	Earned during the period	(149 470)	(165 151)	15 681
	Closing balance	49 032	57 436	(8 404)

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
26.	OTHER LIABILITIES				
	Revenue received in advance	222 866	939 232	197 136	96 231
	Sundry creditors	31 394 815	8 355 194	31 394 815	3 816 596
	Accruals	3 665 902	15 833 774	3 665 902	7 232 761
	Suspense	5 744 221	4 901 373	5 744 221	2 238 914
	Provisions	4 722 420	5 645 530	4 722 420	2 578 840
		45 750 224	35 675 103	45 724 494	15 963 342

OPERATING SEGMENTS																				
The Group is comprised of the following operating segments:																				
	01		02		03		04		05		06		07		08					
Banking Operations		Mortgage Finance		Asset Management		Insurance Operations		Property Investments		Agro Business		Micro Finance		Other Operations						
Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.		Provides mortgage financing to its clients for both finance and commercial purposes.		Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.		Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.		Property investment arm of the Group.		Provides contract farming loans to farmers both individual and commercial		Provides financial services to the informal sector, SMEs, Civil Servants, small holder farmers and all those who are gainfully employed.		Other operations provided by the Group include equity investment by the Holding Company.						
The table below shows the segment operational results for the period ended 30 June 2022:																				
34.1 Segment operational results																				
INFLATION ADJUSTED																				
		Banking operations 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 period ended 30 June 2022		23 353 285		(578 185)		(16 741)		(16 300)		(29 693)		(2 129 319)		1 100 647		(1 182 498)		4 681		20 505 877
Net interest income for the period ended 30 June 2021		17 668 514		(1 009 964)		(13 770)		(14 100)		(1 892)		(9 786 978)		878 421		(1 768 822)		3 264		5 954 673
Non-interest income for the period ended 30 June 2022		36 143 571		(4 025 347)		903 940		1 568 681		2 745 698		38 887 434		36 126		6 010 004		(9 180 014)		73 090 093
Non-interest income for the period ended 30 June 2021		9 533 999		(317 168)		269 293		363 350		(315 706)		9 275 719		113 090		13 436 512		(6 115 482)		26 243 607
Net underwriting income for the period ended 30 June 2022		-		-		-		622 322		-		-		-		-		(9 545)		612 777
Net underwriting income for the period ended 30 June 2021		-		-		-		654 324		-		-		-		-		(41 649)		612 675
Total income for the period ended 30 June 2022		59 496 856		(4 603 532)		887 199		2 174 703		2 716 005		36 758 115		1 136 773		4 827 506		(9 184 878)		94 208 747
Total income for the period ended 30 June 2021		27 202 513		(1 327 132)		255 523		1 003 574		(317 598)		(511 259)		991 511		11 667 690		(6 153 867)		32 810 955
Depreciation and amortisation for the period ended 30 June 2022		458 808		188 467		5 542		54 185		8 015		64 907		18 227		48 469		8 146		854 766
Depreciation and amortisation for the period ended 30 June 2021		381 078		107 952		10 697		38 038		7 174		31 135		6 266		40 131		(16 335)		606 136
Impairment of assets for the period ended 30 June 2022		5 071 486		338 769		6 139		88 125		14 990		18 741 681		37 809		-		(1 359 653)		22 939 346
Impairment of assets for the period ended 30 June 2021		(2 599 799)		(144 759)		33		(20 225)		(10 406)		(1 364 121)		(30 465)		-		-		(4 169 742)
Results																				
Profit before taxation for the period ended 30 June 2022		13 470 234		(363 795)		1 415 663		1 129 491		2 648 612		12 818 029		(377 132)		4 513 990		(5 324 387)		29 930 705
Profit before taxation for the period ended 30 June 2021		9 309 786		(637 701)		63 497		50 668		(446 216)		(1 552 986)		589 820		10 303 988		(5 239 368)		12 441 488
Cash flows:																				
Used in operating activities for the period ended 30 June 2022		5 695 154		290 808		(108 773)		392 305		(372 140)		(159 787)		82 469		6 055 537		(11 647 327)		228 246
Used in operating activities for the period ended 30 June 2021		30 887 165		(229 961)		73 932		343 361		(118 494)		217 583		(234 120)		2 244 109		(2 793 305)		30 390 270
Used in investing activities for the period ended 30 June 2022		(1 249 752)		(15 587)		(88 053)		(111 288)		539 596		(13 958)		(7 695)		(1 399 071)		(1)		(2 345 809)
Used in investing activities for the period ended 30 June 2021		(594 237)		(13 039)		(49 916)		(133 845)		104 334		(58 578)		(28 579)		(150 499)		116 004		(808 355)
Used in financing activities for the period ended 30 June 2022		(1 976 437)		-		(4 051)		(99)		(3 916)		(966 653)		(95 621)		976 414		3 036 584		966 221
Used in financing activities for the period ended 30 June 2021		(4 559 325)		(1 309)		(4 569)		(1 425)		(3 687)		(302 880)		111 406		(4 429 331)		4 733 880		(4 457 840)
Total assets and liabilities																				
Reportable segment liabilities for the period ended 30 June 2022		306 994 224		21 131 821		3 947 567		3 845 105		1 995 701		97 082 180		214 965		6 099 359		(81 701 205)		359 609 717
Reportable segment liabilities for the period ended 31 Dec 2021		299 380 781		18 492 559		2 554 004		4 820 688		2 044 836		93 755 669		240 848		2 030 278		(85 073 826)		338 245 837
Total segment assets for the period ended 30 June 2022		375 210 829		21 859 654		3 260 255		8 292 439		8 527 128		111 179 520		1 180 743		17 474 390		(84 729 102)		462 255 856
Total segment assets for the period ended 31 Dec 2021		359 195 936		18 122 387		2 096 769		7 680 114		6 773 968		102 168 703		1 825 063		9 032 449		(90 289 646)		416 605 743
UNAUDITED HISTORICAL																				
		Banking operations 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 period ended 30 June 2022		15 461 893		(390 519)		(12 510)		(10 554)		(15 647)		(1 770 605)		687 258		(660 746)		3 198		13 291 768
Net interest income for the period ended 30 June 2021		5 715 339		(321 257)		(4 391)		(4 541)		(599)		(3 144 013)		283 878		(571 858)		1 043		1 953 601
Non-interest income for the period ended 30 June 2022		33 453 572		(2 045 908)		1 347 681		3 061 543		5 012 353		37 777 317		17 492		7 887 140		(7 615 569)		78 895 621
Non-interest income for the period ended 30 June 2021		3 236 433		74 764		113 827		209 065		54 469		2 920 796		36 277		4 679 502		(2 048 962)		9 276 171
Net underwriting income for the period ended 30 June 2022		-		-		-		278 289		-		-		-		-		(16 343)		261 946
Net underwriting income for the period ended 30 June 2021		-		-		-		195 321		-		-		-		-		(11 962)		183 359 -
Total income for the period ended 30 June 2022		48 915 465		(2 436 426)		1 335 170		3 329 277		4 996 706		36 006 712		704 751		7 226 393		(7 628 713)		92 449 335
Total income for the period ended 30 June 2021		8 951 772		(246 493)		109 436		399 845		53 871		(223 217)		320 155		4 107 644		(2, 059 882)		11 413 131
Depreciation and amortisation for the period ended 30 June 2022		249 627		117 884		1 966		11 671		1 420		18 325		5 166		6 363		2 635		415 057
Depreciation and amortisation for the period ended 30 June 2021		108 080		32 626		1 218		4 289		1 201		4 781		961		4 303		2 148		159 607
Impairment of assets for the period ended 30 June 2022		5 071 486		338 769		6 139		88 125		14 990		18 741 681		37 809		-		(1 359 653)		22 939 346
Impairment of assets for the period ended 30 June 2021		891 678		49 649		(11)		6 937		3 569		467 865		10 449		-		-		1 430 136
Results																				
Profit before taxation for the period ended 30 June 2022		32 669 123		(4 535 873)		1 041 530		2 010 244		4 695 596		14 025 117		344 412		3 162 645		(3 523 675)		49 889 119
Profit before taxation for the period ended 30 June 2021		4 956 509		(848 001)		44 938		101 968		(7 861)		(1 112 186)		246 411		3 476 396		(1 738 242)		5 119 932
Cash flows:																				
Used in operating activities for the period ended 30 June 2022		9 120 577		52 640		40 188		268 772		(6 002)		179 883		(6 696)		3 787 999		(6 343 149)		7 094 212
Used in operating activities for the period ended 30 June 2021		11 030 304		(63 329)		(16 456)		108 898		(38 397)		77 030		(25 802)		769 669		(1 038 048)		10 803 869
Used in investing activities for the period ended 30 June 2022		(964 478)		(12 077)		(48 361)		(127 851)		(1 245)		(10 541)		(5 524)		(1 409 255)		247 457		(2 331 875)
Used in investing activities for the period ended 30 June 2021		(162 280)		(3 184)		(15 534)		(45 449)		33 591		(20 164)		(33 088)		(19 611)		32 104		(233 615)
Used in financing activities for the period ended 30 June 2022		(1 509 837)		-		(2 719)		(2 649)		(2 649)		(958 596)		(52 769)		994 196		2 516 788		981 765
Used in financing activities for the period ended 30 June 2021		(1 505 136)		(1 288)		(1 461)		(456)		(1 265)		(102 413)		37 546		(1 350 341)		1 396 769		(1 528 045)
Total assets and liabilities																				
Reportable segment liabilities for the period ended 30 June 2022		306 337 950		21 131 821		3 942 769		3 697 242		1 978 716		97 049 745		186 481		5 897 588		(81 759 364)		358 462 948
Reportable segment liabilities for the period ended 31 Dec 2021		335 190 639		8 447 276		1 165 165		2 157 066		929 774		42 822 691		107 084		915 127		(38 874 174)		152 860 648
Total segment assets for the period ended 30 June 2022		357 714 652		20 871 278		3 109 240		8 022 927		8 077 560		110 512 553		1 095 758		12 370 061		(79 874 897)		441 899 132
Total segment assets for the period ended 31 Dec 2021		157 481 406		7 896 193		949 761		3 424 821		2 657 122		46 438 527		812 113		1 438 775		(38 527 802)		182 570 916

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
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022 31 DEC 2021
Loans to directors' companies	-	-	-	-	-

UNAUDITED HISTORICAL					
	Gross limits ZWL\$ 000		Utilised limits ZWL\$ 000		Value of security ZWL\$ 000
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022 31 DEC 2021
Loans to directors' companies	-	-	-	-	-

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.

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Transactions with Directors' companies				
Interest income	-	-	-	-
Commission and fee income	-	-	-	-
	-	-	-	-
36. CLOSING EXCHANGE RATES				
USD	366.2687	108.666	366.2687	108.666
ZAR	0.0443	0.1463	0.0443	0.1463
GBP	444.7235	146.6991	444.7235	146.6991
EUR	383.3002	122.9338	383.3002	122.9338

37. RISK MANAGEMENT

37.1 Risk overview

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

37.2 Group risk management framework

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

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

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

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

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

37.3 Credit risk

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

Credit risk management framework

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

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

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

Credit mitigation

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

37.3 (a) Credit risk exposure

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

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Balances with banks	85 326 103	49 123 236	85 326 103	22 439 162
Money market assets	12 589 055	53 314 294	12 589 055	24 353 609
Financial securities	894 879	2 111 496	894 879	964 517
Loans and advances to customers	182 893 601	122 377 616	182 893 601	55 901 268
Other assets	74 826 681	76 346 530	74 826 681	34 874 579
Total	356 530 319	303 273 172	356 530 319	138 533 135
Financial guarantees	179 042	366 422	179 042	167 379
Loan Commitments	2 227 010	9 403 734	2 227 010	4 295 562
Total	2 406 052	9 770 156	2 406 052	4 462 941

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\$85 326 103 388(2021: ZWL\$63 093 811 792) (excluding notes and coins) as at 30 June 2022 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			
	30 JUNE 2022 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)
Private	14 444 291	14 234 385	14 032 239	4 757 638	14 444 291	14 234 385	6 409 832	2 173 257
Agriculture	130 461 648	13 315 053	70 803 615	17 718 117	130 461 648	13 315 053	32 342 613	8 093 516
Mining	16 102 943	9 678 015	10 315 365	9 339 416	16 102 943	9 678 015	4 711 989	4 266 182
Manufacturing	12 536 397	19 819 122	6 082 073	2 508 334	12 536 397	19 819 122	2 778 250	1 145 790
Distribution	26 855 752	1 503 490	25 103 001	11 432 542	26 855 752	1 503 490	11 466 881	5 222 308
Construction	1 844 353	264	263 250	-	1 844 353	264	120 251	-
Transport	926 934	11	192 597	970	926 935	11	87 977	443
Communication	12	17 133 317	-	-	12	17 133 317	-	-
Services	9 218 433	1 135 846	12 268 379	6 879 307	9 218 432	1 135 846	5 604 112	3 142 421
Financial organisations	867 716	85 103 633	986 271	9 331 813	867 716	85 103 633	450 522	4 262 709
Gross value	213 258 479	161 923 136	140 046 790	61 968 137	213 258 479	161 923 136	63 972 427	28 306 626

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Collateral				
Government Guarantee	87 065 133	55 604 126	87 065 133	25 399 589
Cash cover	1 018 843	215 892	1 018 843	98 618
Collateral (mortgage security)	28 709 602	-	28 709 602	-
Other forms of security including Notarial				
General Covering Bonds	11 341 252	20 139 127	11 341 252	9 199 417
Notarial general covering bonds	19 807 691	21 170 178	19 807 691	9 670 394
	147 942 521	97 129 323	147 942 521	44 368 018

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 period 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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 260 775	46 597 161	1 090 610	151 182	-	-	50 351 385	46 748 343
Special mention	"4a - 7c"	45 095 823	16 377 810	22 293 636	15 159 447	-	-	67 389 459	31 537 257
Non-performing	"8 - 10"		-		-	95 517 635	61 761 190	95 517 635	61 761 190
Total		94 356 598	62 974 971	23 384 246	15 310 629	95 517 635	61 761 190	213 258 479	140 046 790

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 260 775	21 285 269	1 090 610	69 059	-	-	50 351 385	21 354 328
Special mention	"4a - 7c"	45 095 823	7 481 273	22 293 636	6 924 733	-	-	67 389 459	14 406 006
Non-performing	"8 - 10"	-	-	-	-	95 517 635	28 212 093	95 517 635	28 212 093
Total		94 356 598	28 766 542	23 384 246	6 993 792	95 517 635	28 212 093	213 258 479	63 972 427

(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		INFLATION ADJUSTED							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Opening balance		62 974 971	104 330 999	15 310 629	3 475 713	61 761 190	(7 056 582)	140 046 790	100 750 130
New assets originated or purchased (excluding write offs)		121 158 681	76 114 268	36 622 052	586 180	104 281 511	84 570 122	262 062 244	161 270 570
Transfers (from)/to Stage 1		(4 530 697)	(75 954 955)	3 652 104	22 493 299	878 593	53 461 656	-	-
Transfers to/(from) Stage 2		2 702 669	4 258 254	(7 216 590)	(4 735 444)	4 513 921	477 190	-	-
Transfers to/(from) Stage 3		111 595	200 614	14 177	4 247	(125 772)	(204 861)	-	-
Repayments during the period		(10 948 981)	(13 861 654)	(6 477 104)	(1 107 089)	(314 364)	(89 920)	(17 740 449)	(15 058 663)
Amounts written off		(2 068 506)	-	-	-	(26 026)	(29 190)	(2 094 532)	(29 190)
Monetary adjustment		(75 043 134)	(32 112 555)	(18 521 022)	(5 406 277)	(75 451 418)	(69 367 225)	(169 015 574)	(106 886 057)
Gross loans and advances to customers		94 356 598	62 974 971	23 384 246	15 310 629	95 517 635	61 761 190	213 258 479	140 046 790
ECL allowance		(3 980 921)	(1 962 246)	(1 443 177)	(1 590 004)	(24 940 780)	(14 116 924)	(30 364 878)	(17 669 174)
Net loans and advances to customers		90 375 677	61 012 725	21 941 069	13 720 625	70 576 855	47 644 266	182 893 601	122 377 616

GROSS CARRYING AMOUNT		UNAUDITED HISTORICAL							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Opening balance		28 766 542	29 649 453	6 993 792	870 427	28 212 094	81 765	63 972 428	30 601 645
New assets originated or purchased (excluding write offs)		74 670 639	26 403 578	22 570 390	81 498	64 269 410	11 753 953	161 510 439	38 239 029
Transfers (from)/to Stage 1		(2 792 289)	(24 280 678)	2 250 808	7 962 428	541 481	16 318 250	-	-
Transfers to/(from) Stage 2		1 665 665	1 361 243	(4 447 616)	(1 530 165)	2 781 951	168 922	-	-
Transfers to/(from) Stage 3		68 776	64 130	8 737	1 503	(77 513)	(65 633)	-	-
Repayments during the period		(6 747 906)	(4 431 184)	(3 991 865)	(391 899)	(193 746)	(31 833)	(10 933 517)	(4 854 916)
Amounts written off		(1 274 829)	-	-	-	(16 042)	(13 331)	(1 290 871)	(13 331)
Gross loans and advances to customers		94 356 598	28 766 542	23 384 246	6 993 792	95 517 635	28 212 093	213 258 479	63 972 427



ECL RECONCILIATION		UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	896 342	1 051 060	726 303	67 969	6 448 514	43 687	8 071 159	1 162 716	
New assets originated or purchased	2 858 340	1 591 692	2 605 542	4 011	17 360 402	5 546 427	22 824 284	7 142 130	
Transfers (from)/to Stage 1	430 357	(1 637 383)	(634 859)	815 015	204 502	822 368	-	-	
Transfers to/(from) Stage 2	33 917	21 558	(1 079 462)	(87 649)	1 045 545	66 091	-	-	
Transfers to/(from) Stage 3	1 129	1 939	7 737	738	(8 866)	(2 677)	-	-	
Amounts written off	-	-	-	-	(16 040)	(11 118)	(16 040)	(11 118)	
Amounts paid off	(239 164)	(132 524)	(182 084)	(73 781)	(93 277)	(16 264)	(514 525)	(222 569)	
Closing balance	3 980 921	896 342	1 443 177	726 303	24 940 780	6 448 514	30 364 878	8 071 159	

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 period 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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	908 708	2 143 040	-	-	-	-	908 708	2 143 040
Total		908 708	2 143 040	-	-	-	-	908 708	2 143 040

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	908 708	978 926	-	-	-	-	908 708	978 926
Total		908 708	978 926	-	-	-	-	908 708	978 926

(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		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	2 143 039	3 479 701	-	-	-	-	2 143 039	3 479 701	
Monetary adjustment	(1 037 982)	(1 308 531)	-	-	-	-	(1 037 982)	(1 308 531)	
Maturities during the period	(196 349)	(28 131)	-	-	-	-	(196 349)	(28 131)	
Gross financial securities	908 708	2 143 039	-	-	-	-	908 708	2 143 039	
ECL allowance	(13 829)	(31 544)	-	-	-	-	(13 829)	(31 543)	
Closing balance	894 879	2 111 495	-	-	-	-	894 879	2 111 496	

UNAUDITED HISTORICAL									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	978 927	988 884	-	-	-	-	978 927	988 884	
Maturities during the period	(70 219)	(9 958)	-	-	-	-	(70 219)	(9 958)	
Gross financial securities	908 708	978 926	-	-	-	-	908 708	978 926	
ECL allowance	(13 829)	(14 409)	-	-	-	-	(13 829)	(14 409)	
Closing balance	894 879	964 517	-	-	-	-	894 879	964 517	

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 period 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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	13 070 678	53 483 690	-	-	-	-	13 070 678	53 483 690
Total		13 070 678	53 483 690	-	-	-	-	13 070 678	53 483 690

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	13 070 678	24 430 988	-	-	-	-	13 070 678	24 430 988
Total		13 070 678	24 430 988	-	-	-	-	13 070 678	24 430 988

(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to money market assets is 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	53 483 690	26 729 651	-	-	-	-	53 483 690	26 729 651	
New assets originated or purchased (excluding write offs)	21 196 416	75 111 985	-	-	-	-	21 196 416	75 111 985	
Maturities during the period	(39 629 367)	(22 449 323)	-	-	-	-	(39 629 367)	(22 449 323)	
Monetary adjustment	(21 980 061)	(25 908 623)	-	-	-	-	(21 980 061)	(25 908 623)	
Gross money market assets	13 070 678	53 483 690	-	-	-	-	13 070 678	53 483 690	
ECL allowance	(481 622)	(169 392)	-	-	-	-	(481 622)	(169 394)	
Closing balance	12 589 056	53 314 298	-	-	-	-	12 589 056	53 314 296	

GROSS CARRYING AMOUNT		UNAUDITED HISTORICAL							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	24 430 987	7 596 204	-	-	-	-	24 430 987	7 596 204	
New assets originated or purchased (excluding write offs)	13 063 445	24 011 205	-	-	-	-	13 063 445	24 011 205	
Maturities during the period	(24 423 754)	(7 176 421)	-	-	-	-	(24 423 754)	(7 176 421)	
Gross money market assets	13 070 678	24 430 988	-	-	-	-	13 070 678	24 430 988	
ECL allowance	(481 622)	(77 378)	-	-	-	-	(481 622)	(77 378)	
Closing balance	12 589 056	24 353 610	-	-	-	-	12 589 056	24 353 610	

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 period 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

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	179 042	366 422	-	-	-	-	179 042	366 422
Total		179 042	366 422	-	-	-	-	179 042	366 422

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	179 042	167 379	-	-	-	-	179 042	167 379
Total		179 042	167 379	-	-	-	-	179 042	167 379

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

INFLATION ADJUSTED									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	366 420	252 482	-	-	-	-	366 420	252 482	
New assets originated or purchased (excluding write offs)	279 983	523 591	-	-	-	-	279 983	523 591	
Monetary adjustment	(222 901)	(185 200)	-	-	-	-	(222 901)	(185 200)	
Guarantees Expired	(244 460)	(224 453)	-	-	-	-	(244 460)	(224 453)	
Gross Guarantees	179 042	366 420	-	-	-	-	179 042	366 420	
ECL allowance	(543)	(823)	-	-	-	-	(543)	(823)	
Closing balance	178 499	365 597	-	-	-	-	178 499	365 597	

UNAUDITED HISTORICAL									
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	167 379	71 752	-	-	-	-	167 379	71 752	
New assets originated or purchased (excluding write offs)	91 925	167 377	-	-	-	-	91 925	167 377	
Guarantees expired during the period	(80 262)	(71 750)	-	-	-	-	(80 262)	(71 750)	
Gross Guarantees	179 042	167 379	-	-	-	-	179 042	167 379	
ECL allowance	(543)	(376)	-	-	-	-	(543)	(376)	
Closing balance	178 499	167 003	-	-	-	-	178 499	167 003	

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 30 June 2022.

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).

37.3.1 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 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.



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 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 exposure at default (EAD) and multiplied by the expected loss given efault (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 (LTECLs) 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 rate 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 30 JUNE 2022

REVIEWED 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	100 970 755	-	-	-	-	-	100 970 755
Money market assets	9 178 969	3 304 910	903 401	-	4 131	-	13 391 411
Financial securities	-	3 312	-	-	148 616	774 469	926 397
Loans and advances to customers	24 867 385	23 089 567	67 995 281	65 121 330	48 468 093	4 955 518	234 497 174
Insurance assets	53 262	-	42 924	-	-	-	96 186
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Current tax receivable	251	1 210	-	-	-	-	1 461
Other liquid assets	82 894 230	-	27 420	-	-	-	82 921 650
Total assets	217 968 947	26 409 427	68 992 485	65 262 390	48 620 840	5 729 987	432 984 076
Liabilities							
Deposits	256 320 317	22 538 219	2 287 491	1 843 756	7 177 435	2 145	290 169 363
Other liabilities	6 068 237	27 003 888	124 636	-	-	-	33 196 761
Current tax payable	109 292	2 402 834	-	-	-	-	2 512 126
Life Fund	774 724	-	12 838	-	27 817	-	815 379
Investment contract liabilities	155 504	-	-	-	-	-	155 504
Lease Liabilities	7 219	15 854	18 801	21 052	28 883	-	91 809
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Capital and Loan Commitments	2 398 633	-	-	-	-	-	2 398 633
Total liabilities	265 838 021	51 971 223	2 467 225	2 005 868	7 234 135	2 145	329 518 617
Liquidity gap	(47 869 074)	(25 561 796)	66 525 260	63 256 522	41 386 705	5 727 842	103 465 459
Cumulative liquidity gap	(47 869 074)	(73 430 870)	(6 905 610)	56 350 912	97 737 617	103 465 459	103 465 459

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
Restated							
Assets							
Balances with banks and cash	86 610 150	-	-	-	-	-	86 610 150
Money market assets	38 028 542	3 601 284	14 401 126	-	5 237	-	56 036 189
Financial securities	32 555	-	120 713	93 066	367 481	3 024 927	3 638 742
Loans and advances to customers	13 272 580	11 559 363	29 694 780	89 557 002	16 632 221	4 378 491	165 094 437
Insurance assets	1 162 992	378 594	507 851	-	-	-	2 049 437
Financial guarantees	5 151	123 198	47 363	183 363	7 347	-	366 422
Current tax receivable	1 830	81 407	-	-	-	-	83 237
Other liquid assets	7 932 103	37 856 896	2 565 036	6 527 292	35 318 272	-	90 199 599
Total assets	147 045 903	53 600 742	47 336 869	96 360 723	52 330 558	7 403 418	404 078 213
Liabilities							
Deposits	261 576 683	10 663 568	15 140 053	519 075	558 883	8 518	288 466 780
Insurance liabilities	767 076	255 691	255 691	-	-	-	1 278 458
Other liabilities	5 323 216	21 191 360	743 789	37 162 130	-	-	64 420 495
Current tax payable	-	1 143 979	-	-	-	-	1 143 979
Life Fund	870 851	-	-	-	-	-	870 851
Investment contract liabilities	136 915	-	-	-	-	-	136 915
Lease liability	4 766	11 662	14 300	25 473	30 493	-	86 694
Financial guarantees	5 151	123 198	47 363	183 363	7 347	-	366 422
Loan commitments	9 403 734	-	-	-	-	-	9 403 734
Total liabilities	278 088 392	33 389 458	16 201 196	37 890 041	596 723	8 518	366 174 328
Liquidity gap	(131 042 489)	20 211 284	31 135 673	58 470 682	51 733 835	7 394 900	37 903 885
Cumulative liquidity gap	(131 042 489)	(110 831 205)	(79 695 532)	(21 224 850)	30 508 985	37 903 885	37 903 885

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2022

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	100 970 755	-	-	-	-	-	100 970 755
Money market assets	9 178 969	3 304 910	903 401	-	4 131	-	13 391 411
Financial securities	-	3 312	-	-	148 616	774 469	926 397
Loans and advances to customers	24 867 385	23 089 567	67 995 281	65 121 330	48 468 093	4 955 518	234 497 174
Insurance assets	53 262	-	42 924	-	-	-	96 186
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Current tax receivable	251	1 210	-	-	-	-	1 461
Other liquid assets	82 894 230	-	27 420	-	-	-	82 921 650
Total assets	217 968 947	26 409 427	68 992 485	65 262 390	48 620 840	5 729 987	432 984 076
Liabilities							
Deposits	256 320 317	22 538 219	2 287 491	1 843 756	7 177 435	2 145	290 169 363
Other liabilities	6 068 237	27 003 888	124 636	-	-	-	33 196 761
Current tax payable	109 292	2 402 834	-	-	-	-	2 512 126
Life Fund	774 724	-	12 838	-	27 817	-	815 379
Investment contract liabilities	155 504	-	-	-	-	-	155 504
Lease Liability	7 219	15 854	18 801	21 052	28 883	-	91 809
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Capital commitments	2 398 633	-	-	-	-	-	2 398 633
Total liabilities	265 838 021	51 971 223	2 467 225	2 005 868	7 234 135	2 145	329 518 617
Liquidity gap	(47 869 074)	(25 561 796)	66 525 260	63 256 522	41 386 705	5 727 842	103 465 459
Cumulative liquidity gap	(47 869 074)	(73 430 870)	(6 905 610)	56 350 912	97 737 617	103 465 459	103 465 459

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	1 664 153
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 Liability	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
Capital 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



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022



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 SBU's' 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 SBU's 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 30 June 2022 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\$ 33 584 101 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

REVIEWED 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
30 JUNE 2022								
Assets								
Balances with banks and cash	80 474 232	-	-	-	-	-	20 496 523	100 970 755
Money market assets	8 089 613	3 668 531	827 469	-	3 443	-	-	12 589 056
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879
Loans and advances to customers	18 850 944	4 432 624	63 272 024	50 976 152	41 603 410	3 758 447	-	182 893 601
Insurance assets	-	-	-	-	-	-	1 523 633	1 523 633
Equity investments	-	-	-	-	-	-	11 487 130	11 487 130
Land inventory	-	-	-	-	-	-	12 607 620	12 607 620
Other assets	-	-	-	-	-	-	83 971 544	83 971 544
Current tax receivable	-	-	-	-	-	-	36 988	36 988
Intangible assets	-	-	-	-	-	-	580 123	580 123
Investment properties	-	-	-	-	-	-	19 221 361	19 221 361
Property and equipment	-	-	-	-	-	-	27 278 706	27 278 706
Deferred taxation	-	-	-	-	-	-	8 200 460	8 200 460
Total assets	107 414 789	8 104 467	64 099 493	50 976 152	41 723 951	4 532 916	185 404 088	462 255 856
Equity & Liabilities								
Deposits	247 871 203	22 538 219	2 211 559	1 843 756	7 177 435	2 145	7 035 935	288 680 252
Insurance liabilities	-	-	-	-	-	-	1 504 515	1 504 515
Other liabilities	-	-	-	-	-	-	45 750 224	45 750 224
Current tax payable	-	-	-	-	-	-	2 520 562	2 520 562
Life Fund	-	-	-	-	-	-	774 724	774 724
Investment contract liabilities	-	-	-	-	-	-	155 504	155 504
Deferred taxation	-	-	-	-	-	-	20 141 957	20 141 957
Lease liability	7 219	15 854	18 801	21 052	19 053	-	81 979	81 979
Equity	-	-	-	-	-	-	102 646 139	102 646 139
Total liabilities and equity	247 878 422	22 554 073	2 230 360	1 864 808	7 196 488	2 145	180 529 560	462 255 856
Interest rate repricing gap	(140 463 633)	(14 449 603)	61 869 133	49 111 344	34 527 463	4 530 771	4 874 528	-
Cumulative gap	(140 463 633)	(154 913 239)	(93 044 106)	(43 932 762)	(9 405 299)	(4 874 528)	-	-

AUDITED INFLATION ADJUSTED								
Restated	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	41 275 683	-	-	-	-	-	44 870 459	86 146 142
Money market assets	6 807 736	3 495 728	12 048 186	-	4 932	-	2 356 582	22 356 582
Financial securities	22 130	-	100 118	-	325 346	1 663 902	-	2 111 496
Loans and advances to customers	8 199 738	8 721 405	18 328 605	71 983 734	12 252 848	2 891 286	-	122 377 616
Insurance assets	-	-	-	-	-	-	3 335 499	3 335 499
Equity investments	-	-	-	-	-	-	24 727 967	24 727 967
Land inventory	-	-	-	-	-	-	28 371 785	28 371 785
Other assets	-	-	-	-	-	-	82 568 648	82 568 648
Current tax receivable	-	-	-	-	-	-	81 407	81 407
Intangible assets	-	-	-	-	-	-	665 810	665 810
Investment properties	-	-	-	-	-	-	42 078 909	42 078 909
Property and equipment	-	-	-	-	-	-	59 726 271	59 726 271
Deferred taxation	-	-	-	-	-	-	17 857 590	17 857 590
Total assets	56 305 287	12 217 133	30 476 909	71 983 734	12 583 126	4 555 188	228 484 367	416 605 744
Equity & Liabilities								
Deposits	229 066 029	10 397 282	15 071 832	482 369	470 204	5 193	32 107 977	287 600 886
Insurance liabilities	-	-	-	-	-	-	2 124 587	2 124 587
Other liabilities	-	-	-	-	-	-	35 675 103	35 675 103
Current tax payable	-	-	-	-	-	-	1 143 979	1 143 979
Life Fund	-	-	-	-	-	-	870 851	870 851
Investment contract liabilities	-	-	-	-	-	-	136 915	136 915
Deferred taxation	-	-	-	-	-	-	10 614 115	10 614 115
Lease Liability	4 766	11 662	14 300	25 473	23 201	-	-	79 402
Equity	-	-	-	-	-	-	78 359 905	78 359 905
Total liabilities and equity	229 070 795	10 408 944	15 086 132	507 842	493 405	5 193	161 033 432	416 605 743
Interest rate repricing gap	(172 765 508)	1 808 189	15 390 777	71 475 892	12 089 721	4 549 995	67 450 934	-
Cumulative gap	(172 765 508)	(170 957 319)	(155 566 542)	(84 090 650)	(72 000 929)	(67 450 934)	-	-

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
30 JUNE 2022								
Assets								
Balances with banks and cash	80 474 232	-	-	-	-	-	20 496 523	100 970 755
Money market assets	8 089 613	3 668 531	827 469	-	3 443	-	-	12 589 056
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879
Loans and advances to customers	18 850 944	4 432 624	63 272 024	50 976 152	41 603 410	3 758 447	-	182 893 601
Insurance assets	-	-	-	-	-	-	1 375 684	1 375 684
Equity investments	-	-	-	-	-	-	11 487 130	11 487 130
Land inventory	-	-	-	-	-	-	786 249	786 249
Other liquid assets	-	-	-	-	-	-	79 749 199	79 749 199
Current tax receivable	-	-	-	-	-	-	36 988	36 988
Intangible assets	-	-	-	-	-	-	171 999	171 999
Investment properties	-	-	-	-	-	-	19 221 361	19 221 361
Property and equipment	-	-	-	-	-	-	22 494 057	22 494 057
Deferred taxation	-	-	-	-	-	-	9 228 174	9 228 174
Total assets	107 414 789	8 104 467	64 099 493	50 976 152	41 723 951	4 532 916	165 047 364	441 899 132
Equity & Liabilities								
Deposits	247 871 203	22 538 219	2 211 559	1 843 756	7 177 435	2 145	7 035 935	288 680 252
Insurance liabilities	-	-	-	-	-	-	1 286 501	1 286 501
Other liabilities	-	-	-	-	-	-	45 724 494	45 724 494
Current tax payable	-	-	-	-	-	-	2 520 562	2 520 562
Life Fund	-	-	-	-	-	-	774 724	774 724
Investment contract liabilities	-	-	-	-	-	-	155 504	155 504
Deferred taxation	-	-	-	-	-	-	19 238 932	19 238 932
Lease liability	1 875	4 540	5 702	10 757	59 105	-	81 979	81 979
Equity	-	-	-	-	-	-	83 436 184	83 436 184
Total liabilities and equity	247 873 078	22 542 759	2 217 261	1 854 513	7 236 540	2 145	160 172 836	441 899 132
Interest rate repricing gap	(140 458 289)	(14 438 282)	61 882 232	49 121 639	34 487 411	4 530 771	4 874 528	-
Cumulative gap	(140 458 289)	(154 896 581)	(93 014 349)	(43 892 710)	(9 405 299)	(4 874 528)	-	-

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	-	-	-	-	-	-	37 217 108	37 217 108
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	96 638 343	182 570 916
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	-	-	-	-	-	-	29 710 268	29 710 268
Total liabilities and equity	104 637 689	4 753 948	6 890 413	231 100	228 182	2 372	65 827 212	182 570 916
Interest rate repricing gap	(78 917 814)	826 756	7 031 233	32 650 583	5 519 704	2 078 407	30 811 131	-
Cumulative gap	(78 917 814)	(78 091 058)	(71 059 825)	(38 409 242)	(32 889 538)	(30 811 131)	-	-

37.6 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



FOREIGN CURRENCY POSITION AS AT 30 JUNE 2022

	UNDERLYING CURRENCY				
	USD \$ 000	ZAR \$ 000	GBP \$ 000	EUR \$ 000	Other foreign currencies \$ 000
Assets					
Balances with banks and cash	199 932	122 729	233	7 308	244 382
Money market assets	8 582	337 454	-	-	-
Loans and advances to customers	432 104	2 775	-	-	1
Other assets	211 826	1 133 023	2 848	5 226	2 419 886
Total assets	852 444	1 595 981	3 081	12 534	2 664 269
Liabilities					
Deposits	575 337	461 962	156	158	300 140
Insurance liabilities	-	-	-	-	-
Other liabilities	63 301	1 101 736	2 871	5 298	13 124
Current tax payable	-	-	-	-	-
Total liabilities	638 638	1 563 698	3 027	5 456	313 264
Net position	213 806	32 283	54	7 078	2 351 005

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

	UNDERLYING CURRENCY				
	USD \$ 000	ZAR \$ 000	GBP \$ 000	EUR \$ 000	Other foreign currencies \$ 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)

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 ^{-(2w)}	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 ^{-(2w)}	A ^{-(2w)}	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 ^{-(2w)}	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 ^{-(2w)}	MQ2 ^{-(2w)}	MQ2 ^{-(2w)}	A	A	A	A	-	-	-	-

37.13.2 Reserve Bank Ratings

CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank (current)	2	1	3	2	2	2	2
CBZ Bank (previous)	1	1	2	1	1	2	2

Key

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

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

KEY	
Level of inherent risk	
Low –	reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.
Moderate –	could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.
High –	reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.
Adequacy of Risk Management Systems	
Weak –	risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.
Acceptable –	management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.
Strong –	management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.
Overall Composite Risk	
Low Risk –	would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.
Moderate Risk –	risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.
Direction of Overall Composite Risk Rating	
Increasing–	based on the current information composite risk is expected to increase in the next twelve months.
Decreasing–	based on current information composite risk is expected to decrease in the next twelve months.
Stable –	based on the current information composite risk is expected to be stable in the next twelve months.

38. COMPLIANCE AND REGULATORY RISK

During the period, CBZ Group was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.

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 interim condensed 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 interim condensed consolidated financial statements.

Particular attention is given to the issues below;

a) Impact of Covid-19

The first half of 2022 saw the relaxation of the bulk of COVID induced restrictions and the subsequent reopening of borders and airspace, resulting in noticeable recovery in the tourism, hospitality and aviation sectors. In Zimbabwe, provisional figures indicate that tourist arrivals more than doubled during the first five months of 2022, compared to the same period of 2021. Destinations such as Victoria Falls further benefitted through hosting business conferences and major sporting events, which also boosted activity across the value chains. Furthermore, activity in the mining sector remained fairly active, buoyed by ongoing investments in new operations in the lithium, iron & steel and gas subsectors, as well as resuscitation and expansion of existing mines. Additionally, government driven infrastructure projects, among them roads, dams and airports construction projects, continued in earnest, supported by the Government's public sector investments programs. These also continued to crowd-in the private sector, thereby widening business opportunities for the financial services and related sectors.

b) Impact of Ukraine War

The invasion of the Ukraine by Russian forces on 24 February 2022 constitutes a far-reaching event that will also leave clear traces in the global economy and thus in corporate financial reporting. The impacts were immediately felt in the commodities and financial markets, and the democratic states united in imposing harsh sanctions against Russia. The consequences for Russia and the imposing states are immediately apparent, but in the longer term, there will also be significant consequences for the global economy. At present, it is hardly possible to comment on how long this crisis will last, which may also be intensified by further actions on the part of Russia.

Despite the foregoing, the Group has assessed that Covid-19 and the Ukraine war will not have an inhibiting impact on its ability to continue operating as a going concern. However, the Group will continue to monitor the developments with a view to better manage emerging risks and opportunities.



Partners for Success

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

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graph TD
    A[Board of Directors] --- B[Audit and Finance Committee]
    A --- C[Risk Management and Compliance Committee]
    A --- D[Human Resources and Corporate Governance Committee (Nominations)]
  
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THE BOARD OF DIRECTORS

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

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

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

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

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

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

The Boards of Directors of the various units as at 30 June 2022 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 ML*	Dr Marufu MPA*	Mhlanga N*	Tshuma H*	Matika ATK*	Magorimbo L*	Sinyoro M*	Jinnah J*	Parham WD*	Bhamre P*
Galante EE	Shangwa ET	Mukanganga CF	Narotam MB	Chitiga WR	DR Ndlovu N	Dr Eng Makviranzou C	Masunda V	Mazike PS	Dr Mudavanhu B
Gaskin Gain R	Dr Beddies CH	Moyo HTJ	Khaffan KM	Dr Mudavanhu B	Marandu N	Dr Mudavanhu B	Mariwo T	Dr Mudavanhu B	Gumbo TL
Mashingaidze EU	Shah JG	Joshi IHV	Dr B Mudavanhu	Gumbo TL	Dr Mudavanhu B	Gumbo TL	Ntini WL	Gumbo TL	
Gerken LC	Dr Mudavanhu B	Dr Mudavanhu B	TL Gumbo	Mharadze J ***	Gumbo TL	Smith JF	Dr Mudavanhu B	Chigodora W**	
Dr Mudavanhu B**	Gumbo TL	Gumbo TL	J Mutizwa J ***		Chinyani T***	Snow RJ**	Gumbo TL	Mhungu S**	
Gumbo TL **	Nyazema L**	JF Smith				Bvumbural H**	Ali D**		
		Muzadzi T**							

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER
(January to June 2022)

	Audit & Finance	Special Audit & Finance	Hr & Corporate Governance	Special HR & Corporate Governance	Risk Management & Compliance	Main Board	Total Committees	Total Boards
Meetings Held	2	3	2	8	2	2	17	2
M.L.Holtzman	*	*	2	-	*	2	2	2
L C Gerken	2	3	*	-	2	2	7	2
R Gaskin Gain	*	*	2	-	2	2	4	2
E U Mashingaidze ****	2	3	2	8	*	2	15	2
E E Galante	2	3	*	-	*	2	5	2
Dr. B Mudavanhu **	2	3	2	-	2	2	9	2
T L Gumbo **	2	3	*	-	2	2	7	2

Key
 *not a member
 ** Executive
 – did not attend
 **** 3 Special HR Committees meetings attended in April 2022 and 5 Special Committees on 8 June 2022 (These were interviews)

Name	Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Main Board	Total Committees	Total Main Board
Number of meetings Held	2	2	2	2	2	3	10	3
M L Holtzman	*	*	2	2	2	3	6	3
Dr MPA Marufu	*	*	2	2	*	3	4	3
ET Shangwa	2	2	2	2	*	3	8	3
Dr CH Beddies	2	2	*	*	*	3	4	3
J G Shah	2	*	*	*	2	3	4	3
Dr B Mudavanhu	2	*	2	2	2	3	8	3
T L Gumbo	2	2	*	*	2	3	6	3
L Nyazema**	2	2	2	2	2	3	10	3

CBZ Risk Advisory Services Board Attendance Register
(January to June 2022)

Name	Audit & Compliance	Investments & Risk	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	4	2
N Mhlanga	*	2	2	2	2
MTV Moyo	2	*	2	2	2
CF Mukanganga	2	2	2	4	2
H. J. Joshi	2	2	2	4	2
Dr B Mudavanhu	2	-	-	2	
T. L Gumbo	2	2	2	4	2
JF Smith	2	2	2	4	2
T Muzadzi**	2	2	2	4	2

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

Name		Audit & Risk	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	2	
L Magorimbo	*	2	*	2	
N Ndlovu	2	2	2	2	
N Marandu	1	1	1	1	
Dr B Mudavanhu	1	1	1	1	
T L Gumbo	2	2	2	2	
J F Smith	2	2	2	2	

Key
 * Not Member
 ** Executive
 - did not attend

Name	Investments & Risk	Hr & Remuneration	Audit & Finance	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	2	6	2
H Tshuma	2	2	2	2	6	2
M B Narotam	2	2	2	2	6	2
K Khalfan	1	1	1	1	3	2
Dr B Mudavanhu	-	-	-	-	-	-
T L Gumbo	2	2	2	2	6	2

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

Name	Main Board	Total Boards
Number of Meetings Held	2	2
M. Sinyoro	2	2
Dr Eng. C. Makwiranzou	2	2
Dr B Mudavanhu	2	2
T L Gumbo	2	2
J F Smith	2	2
R.J. Snow**	2	2
H Bvumbura**	2	2

Key
 * Not Member
 ** Executive
 - did not attend

**CBZ Insurance Board Attendance Register
(January to June 2022)**

Name	Hr & Remuneration	Investments & Risk	Audit & Finance	Main Board	Total Committees	Total Boards
Members Held	2	2	2	2	6	2
AKT Matika	2	2	2	2	6	2
W Chitiga	2	2	2	2	6	2
Dr B Mudavanhu	1	1	1	1	3	1
T L Gumbo	2	2	2	2	6	2

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

Red Sphere Finance Board Attendance Register
(January to June 2022)

Name	Audit & Risk Committee	Board Credit	Board	Total Committees	Total Board
Number of Meetings Held		1	2	2	1
J. Jinnah	*	1	2	1	2
W.J. Ntini	1	1	1	2	1
T. Mariwo	1	1	1	2	1
V. Masunda	1	1	1	2	1
Dr B Mudavanhu	1	1	2	2	2
T L Gumbo	1	1	2	2	2
D Ali**	1	1	2	2	2

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

STATEMENT OF COMPLIANCE

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

By order of the Board

K. J. J. J.

Rumbidzayi Angeline Jakanani
GROUP LEGAL CORPORATE SECRETARY

31 August 2022



Reviewed Inflation Adjusted Financial Results

For the year ended 30 June 2022



Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

		REVIEWED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
Interest income	2.1	25 011 096	22 987 196	16 564 103	7 405 865
Interest expense	2.2	(1 657 811)	(5 318 682)	(1 102 210)	(1 690 526)
Net interest income		23 353 285	17 668 514	15 461 893	5 715 339
Non-interest income	3	36 143 571	9 533 999	33 453 572	3 236 433
Total income		59 496 856	27 202 513	48 915 465	8 951 772
Operating expenditure	4	(15 459 969)	(9 729 336)	(11 174 857)	(3 103 585)
Operating income		44 036 887	17 473 177	37 740 608	5 848 187
Credit loss expense	12.1	(5 071 486)	(2 599 799)	(5 071 486)	(891 678)
Monetary Loss		(25 495 167)	(5 563 592)	-	-
Profit before taxation		13 470 234	9 309 786	32 669 122	4 956 509
Taxation	5	(5 547 219)	(4 610 980)	(8 289 591)	(1 293 214)
Profit after tax for the period		7 923 015	4 698 806	24 379 531	3 663 295
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains / (losses) on property revaluations		3 788 430	(528 837)	7 722 029	140 424
Gains on equity instruments at FVOCI		(434 759)	95 571	413 957	76 590
"Deferred income tax relating to components of other comprehensive income"	5.3	(914 762)	125 950	(1 929 583)	(38 541)
		2 438 909	(307 316)	6 206 403	178 473
Total comprehensive income for the period		10 361 924	4 391 490	30 585 934	3 841 768
Profit for the period attributable to:					
Equity holders of parent		7 923 015	4 698 806	24 379 531	3 663 295
Total comprehensive income for the period attributable to:					
Equity holders of parent		10 361 924	4 391 491	30 585 934	3 841 768
Earnings per share (cents)					
Basic	6.1	1 548.01	918.06	4 763.32	715.74
Fully Diluted	6.1	1 548.01	918.06	4 763.32	715.74

Statement of Financial Position

As at 30 June 2022

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS					
Cash and cash equivalents	8	99 085 257	81 606 262	99 085 257	37 277 189
Money market assets	9	12 512 569	53 228 775	12 512 569	24 314 545
Financial securities	10	894 879	2 111 496	894 879	964 517
Loans and advances to customers	11	146 258 858	139 171 640	146 258 858	63 572 666
Equity investments	15	1 146 058	1 609 948	1 146 058	735 413
Land inventory	14	11 469 638	11 237 641	670 108	440 259
Other assets	13	83 458 287	55 368 006	81 332 048	24 964 083
Intangible assets	20	418 302	472 052	129 301	159 618
Investment properties	19	3 191 385	2 240 703	3 191 385	1 023 538
Property and equipment	18	16 775 596	12 149 413	12 494 188	4 029 578
TOTAL ASSETS		375 210 829	359 195 936	357 714 651	157 481 406
LIABILITIES					
Deposits	22	283 819 569	279 951 928	283 819 569	127 880 147
Other liabilities	23	12 563 991	12 455 617	12 561 524	5 364 041
Current tax payable		2 354 484	1 098 899	2 354 484	501 970
Deferred tax liability	21	8 225 782	5 839 627	7 571 974	1 428 625
Lease liability		30 399	34 710	30 399	15 856
		306 994 225	299 380 781	306 337 950	135 190 639
EQUITY					
Share capital	25.1	501 827	501 827	5 118	5 118
Share premium	25.2	1 639 529	1 639 529	16 722	16 722
Revaluation reserve	25.3	8 553 442	5 701 512	8 428 258	2 615 114
Retained Earnings	25.4	56 652 945	50 690 405	41 884 357	19 004 826
Fair value reserve	25.5	868 861	1 281 882	1 042 246	648 987
Equity attributable to equity holders of the parent		68 216 604	59 815 155	51 376 701	22 290 767
TOTAL LIABILITIES AND EQUITY		375 210 829	359 195 936	357 714 651	157 481 406

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2022

REVIEWED INFLATION ADJUSTED						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
Restated 30 June 2021						
Opening balance	501 827	1 639 529	4 457 997	570 812	44 834 912	52 005 077
Profit for the period	-	-	-	-	4 698 806	4 698 806
Total comprehensive income for the period	-	-	(398 108)	90 792	-	(307 316)
Dividend paid	-	-	-	-	(4 543 206)	(4 543 206)
Closing balance	501 827	1 639 529	4 059 889	661 604	44 990 512	51 853 361
30 June 2022						
Opening balance	501 827	1 639 529	5 701 512	1 281 882	50 690 405	59 815 155
Profit for the period	-	-	-	-	7 923 015	7 923 015
Other comprehensive income for the period	-	-	2 851 930	(413 021)	-	2 438 909
Dividend paid	-	-	-	-	(1 960 475)	(1 960 475)
Closing balance	501 827	1 639 529	8 553 442	868 861	56 652 945	68 216 604
UNAUDITED HISTORICAL						
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	reserve ZWL\$ 000	Fair value earnings ZWL\$ 000	Retained Total ZWL\$ 000
30 June 2021						
Opening balance	5 118	16 722	1 307 622	194 551	9 437 429	10 961 442
Profit for the period	-	-	-	-	3 663 295	3 663 295
Other comprehensive income for the period	-	-	105 712	72 761	-	178 473
Dividend paid	-	-	-	-	(1 500 000)	(1 500 000)
Closing balance	5 118	16 722	1 413 334	267 312	11 600 724	13 303 210
30 June 2022						
Opening balance	5 118	16 722	2 615 114	648 987	19 004 826	22 290 767
Profit for the period	-	-	-	-	24 379 531	24 379 531
Other comprehensive income for the period	-	-	5 813 144	393 259	-	6 206 403
Dividend paid	-	-	-	-	(1 500 000)	(1 500 000)
Closing balance	5 118	16 722	8 428 258	1 042 246	41 884 357	51 376 701

* FCTR - Foreign Currency Translation Reserve

Statement of Cash Flows

For the half year ended 30 June 2022

		REVIEWED	UNAUDITED		
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		13 470 234	9 309 786	32 669 122	4 956 509
Non cash items:					
Depreciation		407 849	326 257	218 221	91 584
Amortisation of intangible assets		50 959	54 821	31 406	16 496
Monetary Loss		25 495 167	5 563 592	-	-
Write off of intangible assets		7 479	-	3 599	-
Write off of land inventory		-	27 214	-	8 985
Fair value adjustments on investment properties		(950 682)	350 793	(2 167 847)	(30 224)
Fair value adjustments on financial instruments		29 131	(9 677)	3 312	(4 271)
Expected credit loss expense		5 071 486	2 599 799	5 071 486	891 678
Unrealised foreign exchange gains		(23 426 649)	(1 232 703)	(23 426 649)	(422 792)
Profit on sale of property and equipment		(1 941)	(175)	(1 237)	(58)
Revaluation loss on buildings		-	108 226	-	-
Write offs and impairment of fixed assets		1 401	-	225	-
Interest on lease liability		1 095	1 510	766	501
Operating cash flows before changes in operating assets and liabilities		20 155 529	17 099 443	12 402 404	5 508 408
Changes in operating assets and liabilities					
Deposits		19 147 644	206 076 266	11 965 226	32 109 315
Loans and advances to customers		(36 921 081)	(161 549 051)	(17 333 780)	(21 375 625)
Financial securities		115 093	1 372 605	70 218	20 858
Money market assets		29 956 415	(51 027 585)	18 960 423	(6 660 026)
Land inventory		(231 997)	(50 733)	(229 849)	(16 595)
Other assets		(28 670 216)	15 039 178	(17 336 706)	(1 265 123)
Other Liabilities		4 834 517	7 497 387	2 845 952	3 886 819
		(11 769 625)	17 358 067	(1 058 516)	6 699 623
TAXATION					
Corporate tax paid		(2 690 750)	(3 570 345)	(2 223 311)	(1 177 727)
Net cash inflow/(outflow) from operating activities		5 695 154	30 887 165	9 120 577	11 030 304
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in equities during the period		-	(87 935)	-	(29 033)
Proceeds on disposal of property and equipment		2 142	269	1 321	85
Purchase of property and equipment		(1 251 458)	(505 430)	(965 363)	(132 975)
Purchase of intangible assets		(436)	(1 141)	(436)	(357)
Net cash outflow from investing activities		(1 249 752)	(594 237)	(964 478)	(162 280)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(1 960 475)	(4 543 206)	(1 500 000)	(1 500 000)
Lease liability payment		(14 867)	(14 609)	(9 071)	(4 635)
Interest on lease liability		(1 095)	(1 510)	(766)	(501)
Net cash outflow from financing activities		(1 976 437)	(4 559 325)	(1 509 837)	(1 505 136)
Net increase in cash and cash equivalents		2 468 965	25 733 603	6 646 262	9 362 888
Cash and cash equivalents at beginning of period		81 606 262	67 781 370	37 277 189	19 262 545
Exchange gains on foreign cash balances		55 161 806	1 911 630	55 161 806	655 650
Inflation effects on cash		(40 151 776)	(10 053 919)	-	-
Cash and cash equivalents at end of period		99 085 257	85 372 684	99 085 257	29 281 083

Notes to the Inflation Adjusted Financial Results

For the half year ended 30 June 2022

1. INCORPORATION ACTIVITIES

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

1.1 Basis of preparation

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

2. NET INTEREST INCOME

2.1

Interest income
Bankers acceptances
Overdrafts
Loans
Staff loans
Securities investments
Other investments

2.2

Interest expense
Call deposits
Savings deposits
Money market deposits
Other offshore deposits
Lease liability

3

NET NON-INTEREST INCOME
Fair value adjustments on financial instruments
Fair value adjustments on properties
Net income from foreign currency dealing
Unrealised foreign exchange gains
Commission and fee income
Profit on disposal of property and equipment
Bad debts recovered
Property sales
Lease income
Other operating income

4

OPERATING EXPENDITURE
Staff costs
NSSA
Pension
Administration expenses
Zimswitch fees
Licence fees
Property Management fees
Insurance
Audit fees
Depreciation
Amortisation of intangible assets
Property cost of sales
Write off of property and equipment
Write off of Land inventory
Revaluation loss on buildings
Write off of Intangible assets

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

Fees for services as directors
Pension and retirement benefits for past and present directors
Salaries and other benefits

		REVIEWED	UNAUDITED		
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
2.1					
Bankers acceptances		290 145	55 606	174 902	17 721
Overdrafts		2 508 528	5 142 368	1 535 050	1 617 446
Loans		18 110 326	15 278 046	12 208 346	4 954 522
Staff loans		139 431	93 920	88 767	30 032
Securities investments		350 319	560 826	231 922	179 563



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
5. TAXATION				
5.1 Analysis of tax charge in respect of the profit or loss				
The following constitutes the major components of income tax expense recognised in the statement of profit or loss.				
Analysis of tax charge in respect of the profit for the period				
Current income tax charge	4 075 825	4 528 958	4 075 825	1 553 340
Deferred income tax	1 471 394	82 022	4 213 766	(260 126)
Income tax expense	5 547 219	4 610 980	8 289 591	1 293 214
5.2 Income tax rate reconciliations				
Notional tax	%	%	%	%
Aids/levy	24.00	24.00	24.00	24.00
Non deductible expenses	0.72	0.72	0.72	0.72
Exempt income	49.77	25.51	0.66	1.82
Tax credit	(0.24)	(0.68)	(0.10)	(0.44)
	(0.02)	(0.02)	(0.01)	(0.01)
Effective tax rate	74.23	49.53	25.27	26.09
Included in exempt income is income from government bills mortgage housing income and dividend income. Non- Deductible expenses include expenditure on exempt income excess management fees excess pension costs and disallowable donations.				
5.3 Analysis of tax effects in respect of other comprehensive income				
The following constitutes the major components of deferred tax expense recognised in the statement of other comprehensive income.				
Deferred tax expense on revaluation gains/(loss)	936 500	(130 729)	1 908 885	34 712
Deferred tax expense on fair value adjustment on financial assets	(21 738)	4 779	20 698	3 829
Total taxation relating to components of other comprehensive income	914 762	(125 950)	1 929 583	38 541

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

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
6.1. Earnings per share (cents)				
Basic	684.98	918.06	4 789.51	715.74
Fully Diluted	684.98	918.06	4 789.51	715.74
6.2 Earnings				
Basic (earnings attributable to holders of parent)	3 505 857	4 698 806	24 513 595	3 663 295
Fully Diluted	3 505 857	4 698 806	24 513 595	3 663 295
6.3 Number of shares used in calculations (weighted)				
Basic	511 818	511 818	511 818	511 818
Fully diluted	511 818	511 818	511 818	511 818
7. DIVIDENDS				
Cash dividend on ordinary shares declared and paid:				
Final dividend	1 960 475	4 543 206	1 500 000	1 500 000

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
8. CASH AND CASH EQUIVALENTS				
Cash & bank	13 763 309	19 289 287	13 763 309	8 811 216
Nostro accounts	17 518 837	35 210 738	17 518 837	16 084 027
Balances with the Reserve Bank of Zimbabwe	62 969 573	19 602 107	62 969 573	8 954 110
RBZ Statutory reserve	4 851 871	7 533 881	4 851 871	3 441 426
Gross cash and cash equivalents	99 103 590	81 636 013	99 103 590	37 290 779
ECL	(18 333)	(29 751)	(18 333)	(13 590)
Net cash and cash equivalents	99 085 257	81 606 262	99 085 257	37 277 189

The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL				
Included in cash and cash equivalents are the following balances that are reserved and restricted in nature and are not available for use by the Bank:				

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
RBZ Statutory reserve	4 851 871	7 533 881	4 851 871	3 441 426
Amounts secured as guarantees or collateral	4 185 367	2 029 916	4 185 367	927 252
	9 037 238	9 563 797	9 037 238	4 368 678

9. MONEY MARKET ASSETS				
Money market assets are non-credit financial assets securities with an original maturity of one year or less.				
Interbank Placements	7 486 427	13 077 750	7 486 427	5 973 828
RBZ Savings bonds	4 073 279	37 484 943	4 073 279	17 122 869
Bankers acceptances	1 381 331	2 742 737	1 381 331	1 252 864
Accrued interest	52 213	90 899	52 213	41 522
Total gross money market	12 993 250	53 396 329	12 993 250	24 391 083
Expected credit loss	(480 681)	(167 554)	(480 681)	(76 538)
Total net money market	12 512 569	53 228 775	12 512 569	24 314 545

9.1 Maturity analysis				
The maturity analysis of money market assets is shown below.				
Between 0 and 3 months	12 089 849	41 353 077	12 089 849	18 889 806
Between 3 and 6 months	903 401	12 043 252	903 401	5 501 277
	12 993 250	53 396 329	12 993 250	24 391 083

10. FINANCIAL SECURITIES				
Financial securities are non credit financial assets with an original maturity of more than 1 year.				
Treasury bills	895 330	2 098 163	895 330	958 426
Accrued interest	13 378	44 877	13 378	20 500
Total gross financial securities	908 708	2 143 040	908 708	978 926
Expected credit loss	(13 829)	(31 544)	(13 829)	(14 409)
Total net financial securities	894 879	2 111 496	894 879	964 517

10.1 Maturity analysis				
The maturity analysis of financial securities is shown below:				
Between 0 and 3 months	-	22 130	-	10 109
Between 3 and 6 months	9 299	100 117	9 299	45 733
Between 6 and 12 months	3 312	-	3 312	-
Between 1 and 5 years	46 756	325 345	46 756	148 616
Above 5 years	849 341	1 695 448	849 341	774 468
	908 708	2 143 040	908 708	978 926

Maturity analysis is based on the remaining period from 30 June 2022 to contractual maturity.				
11. LOANS AND ADVANCES TO CUSTOMERS				
Overdrafts	18 258 618	17 371 919	18 258 618	7 935 375
Commercial loans	117 622 455	115 262 719	117 622 455	52 651 232
Staff loans	3 192 440	3 248 806	3 192 440	1 484 033
Interest accrued	13 882 180	8 356 157	13 882 180	3 817 036
Total gross advances	152 955 693	144 239 601	152 955 693	65 887 676
Allowance for Expected Credit Loss (ECL)	(6 696 835)	(5 067 961)	(6 696 835)	(2 315 010)
Total net advances	146 258 858	139 171 640	146 258 858	63 572 666

11.1 Maturity analysis				
Less than 1 month				
Between 1 and 3 months	20 048 859	22 480 479	20 048 859	10 268 933
Between 3 and 6 months	6 175 776	8 419 702	6 175 776	3 846 063
Between 6 months and 1 year	67 557 653	17 954 415	67 557 653	8 201 456
Between 1 and 5 years	23 164 772	84 181 036	23 164 772	38 453 327
More than 5 years	18 188 862	9 225 554	18 188 862	4 214 171
	17 819 771	1 978 415	17 819 771	903 726
	152 955 693	144 239 601	152 955 693	65 887 676

	REVIEWED		AUDITED		UNAUDITED			
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	%	RESTATED 31 DEC 2021 ZWL\$ 000	%	HISTORICAL 30 JUNE 2022 ZWL\$ 000	%	HISTORICAL 31 DEC 2020 ZWL\$ 000	%
11.2 Sectoral Analysis								
Private	9 302 948	6%	9 027 986	6%	9 302 948	6%	4 123 923	6%
Agriculture	76 505 640	50%	72 640 556	50%	76 505 640	50%	33 181 717	50%
Mining	16 102 941	11%	10 315 361	7%	16 102 941	11%	4 711 987	7%
Manufacturing	12 536 289	8%	6 069 938	4%	12 536 289	8%	2 772 706	4%
Distribution	26 708 491	17%	24 943 905	17%	26 708 491	17%	11 394 207	17%
Construction	1 744 316	1%	86 721	-	1 744 316	1%	39 614	-
Transport	918 287	1%	169 616	-	918 287	1%	77 479	-
Communication	11	-	-	-	-	-	-	-
Services	7 686 194	5%	11 461 525	8%	7 686 194	5%	5 235 547	8%
Financial organisations	1 450 576	1%	9 523 993	7%	1 450 576	1%	4 350 496	7%
	152 955 693	100%	144 239 601	100%	152 955 693	100%	65 887 676	100%

	REVIEWED		AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000		
11.3 Loans to directors and key management personnel						
Opening balance	1 155 304	692 708	527 735	196 858		
Advances made during the period	1 339 679	1 428 962	825 650	505 840		
Monetary adjustment	(1 117 165)	(472 108)	-	-		
Repayment during the period	(63 678)	(494 258)	(39 245)	(174 963)		
Balance at end of the year	1 314 140	1 155 304	1 314 140	527 735		
Loans to employees						
Included in advances are loans to employees: -						
Opening balance	2 093 502	2 758 876	956 298	784 035		
Advances made during the period	1 744 170	1 542 654	1 074 939	546 086		
Monetary Adjustment	(1 711 220)	(1 152 004)	-	-		
Repayments during the period	(2 742 152)	(1 056 024)	(152 937)	(373 823)		
Balance at end of the year	1 878 300	2 093 502	1 878 300	956 298		
11.4 Allowance for Expected Credit Loss (ECL)						
Opening balance	5 067 961	2 026 295	2 315 010	575 846		
Credit loss expense on loans and advances	4 397 864	3 828 231	4 397 864	1 748 710		
Monetary Adjustment	(2 742 965)	(759 600)	-	-		
Amounts written off during the period	(26 025)	(26 965)	(16 039)	(9 546)		
Closing balance	6 696 835	5 067 961	6 696 835	2 315 010		

12. IMPAIRMENT ON FINANCIAL INSTRUMENTS

12.1 Expected credit loss expense (ECL)

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Money market assets	404 143	36 961	-	-	-	-	404 143	36 961
Financial securities	(580)	2 693	-	-	-	-	(580)	2 693
Loans and advances to customers	1 699 447	2 144 883	1 659 240	42 931	1 039 177	255 057	4 397 864	2 442 871
Financial guarantees	167	36 048	-	-	-	-	167	36 048
Other commitments	260 922	76 025	-	-	-	-	260 922	76 025
Lease receivables	-	1 157	1 716	1 669	7 254	2 375	8 970	5 201
Expected credit loss expense	2 364 099	2 297 767	1 660 956	44 600	1 046 431	257 432	5 071 486	2 599 799

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Money market assets	404 143	12 677	-	-	-	-	404 143	12 677
Financial securities	(580)	924	-	-	-	-	(580)	924
Loans and advances to customers	1 699 447	735 651	1 659 240	14 725	1 039 177	87 479	4 397 864	837 855
Financial guarantees	167	12 364	-	-	-	-	167	12 364
Other commitments	260 922	26 074	-	-	-	-	260 922	26 074
Lease receivables	-	397	1 716	572	7 254	815	8 970	1 784
Expected credit loss expense	2 364 099	788 087	1 660 956	15 297	1 046 431	88 294	5 071 486	891 678

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED	RESTATEd	HISTORICAL	HISTORICAL
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
		ZWL\$ 000	ZWL\$ 000	ZWL\$ 000	ZWL\$ 000
13.	OTHER ASSET				
	Prepayments and deposits	4 727 765	2 585 111	2 601 526	853 213
	Other receivables	79 064 659	52 933 926	79 064 659	24 179 860
	Gross other assets	83 792 424	55 519 037	81 666 185	25 033 073
	ECL	(334 137)	(151 031)	(334 137)	(68 990)
	Net assets	83 458 287	55 368 006	81 332 048	24 964 083



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022



UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	18 400	21 712	-	-	1 127 658	713 701	1 146 058	735 413
Land and Buildings	-	-	11 015 606	3 431 538	-	-	11 015 606	3 431 538
Investment properties	-	-	3 191 385	1 023 538	-	-	3 191 385	1 023 538
Total assets at fair value	18 400	21 712	14 206 991	4 455 076	1 127 658	713 701	15 353 049	5 190 489

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

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

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

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

the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$20 651 034 and the Statement of Financial Position would be ZWL\$21 737 931 higher or lower than the reported position.

18. PROPERTY AND EQUIPMENT

REVIEWED INFLATION ADJUSTED								
	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
COST								
Opening balance	7 979 533	80 115	505 933	4 061 614	1 177 206	673 433	1 402 965	15 880 799
Additions	-	-	-	57 891	7 881	6 016	1 179 670	1 251 458
Revaluation gain	3 475 254	-	-	-	-	-	-	3 475 254
Disposals	-	-	-	(293)	(22)	(24)	-	(339)
Transfers to intangible assets	-	-	-	-	-	-	(4 252)	(4 252)
Write offs	-	-	(123)	(4 605)	-	-	-	(4 728)
Closing balance	11 454 787	80 115	505 810	4 114 607	1 185 065	679 425	2 578 383	20 598 192
Accumulated depreciation								
Opening balance	277 083	53 862	431 437	1 769 957	833 433	365 614	-	3 731 386
Right of use assets	14 336	-	-	-	-	-	-	14 336
Charge for the period	313 174	219	671	73 193	4 854	1 402	-	393 513
Disposals	-	-	-	(106)	(16)	(16)	-	(138)
Write offs	-	-	(87)	(3 240)	-	-	-	(3 327)
Revaluation	(313 174)	-	-	-	-	-	-	(313 174)
Closing balance	291 419	54 081	432 021	1 839 804	838 271	367 000	-	3 822 596
Net Book Value	11 163 368	26 034	73 789	2 274 803	346 794	312 425	2 578 383	16 775 596

AUDITED INFLATION ADJUSTED								
RESTATED 31 DEC 2021								
COST								
Opening balance	6 634 895	73 221	502 193	3 286 532	1 015 838	638 172	1 539 070	13 689 921
Right of use assets	21 672	-	-	-	-	-	-	21 672
Additions	144 545	-	-	595 777	139 092	10 070	105 692	995 176
Revaluation surplus	1 174 616	-	-	-	-	-	-	1 174 616
Disposals	-	-	-	(483)	(16)	(87)	-	(586)
Transfers (PPE Intercategories)	3 805	6 894	3 740	179 788	22 292	25 278	(241 797)	-
Closing balance	7 979 533	80 115	505 933	4 061 614	1 177 206	673 433	1 402 965	15 880 799
Accumulated depreciation & impairment								
Opening balance	148 673	53 244	428 764	1 520 422	773 283	361 298	-	3 285 684
Right of use assets	128 410	-	-	-	-	-	-	128 410
Charge for the period	477 237	618	2 673	249 785	60 164	4 384	-	794 861
Disposals	-	-	-	(250)	(14)	(68)	-	(332)
Revaluation	(477 237)	-	-	-	-	-	-	(477 237)
Closing balance	277 083	53 862	431 437	1 769 957	833 433	365 614	-	3 731 386
Net Book Value	7 702 450	26 253	74 496	2 291 657	343 773	307 819	1 402 965	12 149 413

UNAUDITED HISTORICAL								
	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
Opening balance	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437
Additions	-	-	-	37 020	7 000	5 291	916 052	965 363
Revaluation gain	7 555 954	-	-	-	-	-	-	7 555 954
Disposals	-	-	-	(146)	(11)	(12)	-	(169)
Transfers to intangible assets	-	-	-	(65)	(10)	(10)	(4 252)	(4 252)
Write offs	-	-	(59)	(2 216)	-	-	-	(2 275)
Closing balance	11 015 606	3 111	8 542	537 689	86 975	27 056	998 079	12 677 058
Accumulated depreciation								
Opening balance	16 171	752	5 454	81 393	23 689	5 400	-	132 859
Right of use asset	4 539	-	-	-	-	-	-	4 539
Charge for the period	166 076	135	414	43 360	2 879	819	-	213 683
Disposals	-	-	-	(65)	(10)	(10)	-	(85)
Write offs	-	-	(53)	(1 997)	-	-	-	(2 050)
Revaluation	(166 076)	-	-	-	-	-	-	(166 076)
Closing balance	20 710	887	5 815	122 691	26 558	6 209	-	182 870
Net Book Value	10 994 896	2 224	2 727	414 998	60 417	20 847	998 079	12 494 188
31 DEC 2021								
COST								
Opening balance	1 778 324	747	7 397	211 591	14 671	9 219	123 023	2 144 972
Right of use asset	8 696	-	-	-	-	-	-	8 696
Additions	66 027	-	-	237 752	58 643	3 921	37 344	403 687
Revaluation surplus	1 605 300	-	-	-	-	-	-	1 605 300
Disposals	-	-	-	(178)	(7)	(33)	-	(218)
Transfers(PPE Intercategories)	1 305	2 364	1 204	53 866	6 679	8 670	(74 088)	-
Closing balance	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437
Accumulated depreciation & impairment								
Opening balance	6 880	576	4 748	31 886	8 810	4 257	-	57 157
Right of use asset	9 291	-	-	-	-	-	-	9 291
Charge for the period	131 539	176	706	49 597	14 885	1 171	-	198 074
Disposals	-	-	-	(90)	(6)	(28)	-	(124)
Revaluation	(131 539)	-	-	-	-	-	-	(131 539)
Closing balance	16 171	752	5 454	81 393	23 689	5 400	-	132 859
Net Book Value	3 443 481	2 359	3 147	421 638	56 297	16 377	86 279	4 029 578

Properties were revalued on an open market basis by professional valuer, as at 30 June 2022 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

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

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

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

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

Adjustments were made to the following aspects:

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

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

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

The carrying amount of buildings would have been ZWL\$1 724 126 199(2021: ZWL\$1 768 334 562) had they been carried at cost.

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

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
18.1a	Right of Use Assets				
	Opening balance	190 216	296 954	11 943	12 538
	Additions	-	21 672	-	8 696
	Depreciation	(14 336)	(128 410)	(4 539)	(9 291)
		175 880	190 216	7 404	11 943
	At cost	467 299	467 299	28 115	28 115
	Accumulated depreciation	(291 419)	(277 083)	(20 711)	(16 172)
		175 880	190 216	7 404	11 943

18.1b **Lease liability**
Opening Balance
Additions
Interest
Exchange loss
Repayment
Monetary adjustment

18.1c **Lease liability maturity analysis**
Less than one month
One to three months
Three to six months
Six to twelve months
One to five years

18.1d **Amounts recognised in statement of profit or loss**
Interest on lease liabilities
Right of use Asset depreciation

18.1e **Amounts recognised in statement of cash flow**
Total cash outflow for leases

19. INVESTMENT PROPERTIES

Opening balance
inter class transfer
Fair valuation gain
Closing balance

Investment property pertains to commercial and residential properties leased to third parties. The carrying amount of investment properties is the fair value of the properties as at 30 June 2022 as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar properties in the same location as the Bank's investment properties and also in reference to the rental yields applicable to similar property.

	Valuation technique	Significant observable inputs	Range
Office and Retail properties	Implicit investment approach	Comparable rentals per month, per square meter	ZWS 679 19 – ZWS 8 750
		Capitalisation rate	10%- 13%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWS 9 000 – ZWS 31 050

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 30 June 2022. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

The rental income derived from investments properties amounted to ZWL\$ 49 188 494 (2021: ZWL\$ 44 285 762) with direct operating expenses amounting to ZWL\$5 979 453 (2021: ZWL \$11 001 846)

If the fair value adjustment had been 5% up or down the Bank's profit would have been ZWL\$35 783 669 higher or lower the reported

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
20.	INTANGIBLE ASSETS				
	At cost	1 123 032	1 125 823	213 107	212 018
	Accumulated amortisation	(704 730)	(653 771)	(83 806)	(52 400)
		418 302	472 052	129 301	159 618
	Movement in intangible assets				
	Opening balance	472 052	391 089	159 618	84 723
	Additions	436	197 934	436	107 996
	Transfer from property and equipment	4 252	-	4 252	-
	Write offs	(7 479)	-	(3 599)	-
	Amortisation charge	(50 959)	(116 971)	(31 406)	(33 101)
	Closing balance	418 302	472 052	129 301	159 618

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

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
21.	DEFERRED TAXATION				
	Deferred tax liability				
	Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.				
	The deferred tax liability balances included in the statement of financial position are comprised of:				
	Intangible assets	86 221	40 327	10 350	13 098
	Unrealised exchange gains/Losses	7 729 579	6 489 733	7 729 579	1 938 511
	Equity investments	55 116	75 419	55 116	34 451
	Property and equipment	3 052 452	1 657 019	2 474 515	547



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
23.	OTHER LIABILITIES				
	Revenue received in advance	25 118	820 109	22 651	49 020
	Sundry creditors	2 510 184	2 836 620	2 510 184	1 295 748
	Accruals	285 510	378 757	285 510	173 014
	Suspense	5 628 998	4 835 990	5 628 998	2 209 048
	Provisions	4 114 181	3 584 141	4 114 181	1 637 211
		12 563 991	12 455 617	12 561 524	5 364 041
24.	CATEGORIES OF FINANCIAL LIABILITIES				
	The Bank's financial liabilities are carried at amortised cost are as follows:				
	Deposits	283 819 569	279 951 928	283 819 569	127 880 147
	Other liabilities	12 538 873	11 635 508	12 538 873	5 315 021
	Leases	30 399	34 710	30 399	15 856
		296 388 841	291 622 146	296 388 841	133 211 024
25.	EQUITY				
25.1	Share capital				
	Authorised 600 000 000 ordinary shares of ZWL\$ 0.01 each	6 000	6 000	6 000	6 000
	Issued and fully paid 511 817 951 ordinary shares at ZWL\$ 0.01 each	501 827	501 827	5 118	5 118
25.2	Share premium				
	Opening balance	1 639 529	1 639 529	16 722	16 722
	Closing balance	1 639 529	1 639 529	16 722	16 722
25.3	Revaluation reserve				
	Opening balance	5 701 512	4 457 997	2 615 114	1 307 622
	Net revaluation gain	2 851 930	1 243 515	5 813 144	1 307 492
	Closing balance	8 553 442	5 701 512	8 428 258	2 615 114
25.4	Retained earnings				
	Opening balance	50 690 405	44 834 912	19 004 826	9 437 429
	Profit for the period	7 923 015	11 701 406	24 379 531	11 567 397
	Dividend paid	(1 960 475)	(5 845 913)	(1 500 000)	(2 000 000)
		56 652 945	50 690 405	41 884 357	19 004 826
25.5	Fair value reserve				
	Opening balance	1 281 882	570 810	648 987	194 550
	Other comprehensive income	(413 021)	711 072	393 259	454 437
		868 861	1 281 882	1 042 246	648 987

26. RELATED PARTY DISCLOSURES

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

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

Loans and advances to Directors' companies

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

		REVIEWED	AUDITED	UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
(a)	Deposits from directors and key management personnel Closing balance	11 351	56 822	11 351	25 956
(b)	Balances with group company				
	Amounts due from group companies	1 439 502	-	1 439 502	-
	Deposits held for group Companies	-	175 961	-	80 378
(c)	Balances with fellow subsidiaries				
	Loans and advances	62 672 654	78 530 637	62 672 654	35 872 264
	Other receivables	14 577 224	9 141 394	14 577 224	4 175 727
	Deposits held for fellow subsidiaries	1 489 111	1 530 077	1 489 111	698 929
(d)	Transactions with group companies				
	Interest income on amounts due from group companies	13 612 123	30 209 760	8 997 244	10 881 618
	Interest expense on amounts due to group companies	30 393	40 795	19 110	15 693
	Non – interest income from group companies	153 363	190 953	142 957	70 386
	Costs charged by group companies	2 412 371	2 653 194	1 678 114	955 829

27. RISK MANAGEMENT

27.1 Risk overview

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

27.2 Bank risk management framework

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

27.3 Credit risk

27.3.1 Credit risk exposure

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

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Balances with banks	85 326 103	63 093 812	85 326 103	28 820 827
Money market assets	12 512 569	53 228 775	12 512 569	24 314 545
Financial securities	894 879	2 111 496	894 879	964 517
Loans and advances to customers	146 258 858	139 171 640	146 258 858	63 572 665
Other assets	79 064 659	52 933 926	79 064 659	24 179 859
Total	324 057 068	310 539 649	324 057 068	141 852 413
Financial guarantees	179 042	366 421	179 042	167 379
Loan Commitments	2 226 330	8 541 074	2 226 330	3 901 505
Total	2 405 372	8 907 495	2 405 372	4 068 884

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

The Bank held cash and cash equivalents of ZWL\$85 326 103 388(2021: ZWL\$63 093 811 792) (excluding notes and coins) as at 30 June 2022 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

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

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	30 JUNE 2022 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2020 ZWL\$ 000	31 DEC 2021 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	9 302 948	4 744 291	9 027 986	1 991 099	9 302 948	4 744 291	4 123 923	909 520
Agriculture	76 505 640	14 193 542	72 640 556	17 665 084	76 505 640	14 193 542	33 181 717	8 069 291
Mining	16 102 941	13 315 051	10 315 361	9 339 413	16 102 941	13 315 051	4 711 987	4 266 181
Manufacturing	12 536 289	9 678 015	6 069 938	2 508 324	12 536 289	9 678 015	2 772 706	1 145 786
Distribution	26 708 491	19 722 378	24 943 905	11 346 693	26 708 491	19 722 378	11 394 207	5 183 093
Construction	1 744 316	1 503 490	86 721	-	1 744 316	1 503 490	39 614	-
Transport	918 287	-	169 616	-	918 287	-	77 479	-
Communication	11	10	-	-	11	10	-	-
Services	7 686 194	16 488 732	11 461 525	6 540 654	7 686 194	16 488 732	5 235 547	2 987 726
Financial organisations	1 450 576	1 135 825	9 523 993	9 331 809	1 450 576	1 135 825	4 350 496	4 262 707
Closing balance	152 955 693	80 781 334	144 239 601	58 723 076	152 955 693	80 781 334	65 887 676	26 824 304

Partners for Success

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Collateral analysis				
Cash cover	1 018 843	215 892	1 018 843	98 618
Government Guarantee	87 065 133	55 604 126	87 065 133	25 399 589
Registered Marketable Commodities	28 709 602		28 709 602	
Collateral (mortgage security)	11 341 252	20 139 127	11 341 252	9 199 417
Notarial general covering bonds	19 807 691	21 170 178	19 807 691	9 670 394
	147 942 521	97 129 323	147 942 521	44 368 018

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

28. Credit quality per class of financial assets

a. Loans and advances to customers

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

REVIEWED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	20 43 707 518	27 720 930	1 085 456	149 250	-	-	21 792 974	27 870 180
Special mention	"4a - 7c"	142 277	15 469 288	84 687 478	99 526 707	-	-	127 829 755	114 995 995
Non-performing	"8 - 10"	-	-	-	-	3 332 964	1 373 426	3 332 964	1 373 426
Total		63 849 795	43 190 218	85 772 934	99 675 957	3 332 964	1 373 426	152 955 693	144 239 601

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	20 707 518	12 662 734	1 085 456	68 176	-	-	21 792 974	12 730 910
Special mention	"4a - 7c"	43 142 277	7 066 266	84 687 478	45 463 127	-	-	127 829 755	52 529 393
Non-performing	"8 - 10"	-	-	-	-	3 332 964	627 373	3 332 964	627 373
Total		63 849 795	19 729 000	85 772 934	45 531 303	3 332 964	627 373	152 955 693	65 887 676

(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		REVIEWED INFLATION ADJUSTED							
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000		
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	
Opening balance	43 190 218	87 128 838	99 675 957	2 116 577	1 373 426	183 705	144 239 601	89 429 120	
New assets originated or purchased (excluding write offs)	81 767 799	98 684 269	76 074 990	11 970	-	-	157 842 789	98 696 239	
Transfers from Stage 1	(3 167 409)	(103 294 204)	2 744 437	102 192 240	422 972	1 101 964	-	-	
Transfers from Stage 2	2 690 697	2 763 230	(7 068 821)	(3 098 225)	4 378 124	334 995	-	-	
Transfers from Stage 3	84 288	136 033	19 602	709	(103 890)	(136 742)	-	-	
Amounts paid off	(9 786 090)	(9 304 886)	(6 475 159)	(747 530)	(281 154)	(20 185)	(16 542 403)	(10 072 601)	
Amounts written off	-	-	-	-	(26 026)	(20 896)	(26 026)	(20 896)	
Monetary adjustment	(50 929 708)	(32 923 062)	(79 198 072)	(799 784)	(2 430 488)	(69 415)	(132 558 268)	(33 792 261)	
Gross loans and advances to customers	63 849 795	43 190 218	85 772 934	99 675 957	3 332 964	1 373 426	152 955 693	144 239 601	
Expected credit loss allowance	(2 107 024)	(932 547)	(3 258 366)	(3 460 476)	(1 331 445)	(674 938)	(6 696 835)	(5 067 961)	
Net loans and advances to customers	61 742 771	42 257 671	82 514 568	96 215 481	2 001 519	698 488	146 258 858	139 171 640	



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying amount	3 451 572	3 479 700	-	-	-	-	3 451 572	3 479 700
Maturities during the year	(113 934)	(28 128)	-	-	-	-	(113 934)	(28 128)
Monetary adjustment	(2 428 930)	(1 308 532)	-	-	-	-	(2 428 930)	(1 308 532)
Gross financial securities	908 708	3 451 572	-	-	-	-	908 708	2 143 040
ECL allowance	(13 829)	(31 544)	-	-	-	-	(13 829)	(31 544)
Net financial securities	894 879	3 420 028	-	-	-	-	894 879	2 111 496

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying amount	978 926	988 883	-	-	-	-	978 926	988 883
Maturities during the year	(70 218)	(9 957)	-	-	-	-	(70 218)	(9 957)
Gross financial securities	908 708	978 926	-	-	-	-	908 708	978 926
ECL allowance	(13 829)	(14 409)	-	-	-	-	(13 829)	(14 409)
Net financial securities	894 879	964 517	-	-	-	-	894 879	964 517

c. Money market

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

REVIEWED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	12 993 250	53 396 329	-	-	-	-	12 993 250	53 396 329
Total		12 993 250	53 396 329	-	-	-	-	12 993 250	53 396 329

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	12 993 250	24 391 083	-	-	-	-	12 993 250	24 391 083
Total		12 993 250	24 391 083	-	-	-	-	12 993 250	24 391 083

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying amount	53 396 329	25 252 515	-	-	-	-	53 396 329	25 252 515
New assets originated or purchased (excluding write offs)	21 082 518	68 903 093	-	-	-	-	21 082 518	68 903 093
Maturities during the year	(39 576 353)	(20 272 887)	-	-	-	-	(39 576 353)	(20 272 887)
Monetary adjustment	(21 909 244)	(20 486 392)	-	-	-	-	(21 909 244)	(20 486 392)
Gross money market assets	12 993 250	53 396 329	-	-	-	-	12 993 250	53 396 329
ECL allowance	(480 681)	(167 554)	-	-	-	-	(480 681)	(167 554)
Net money market assets	12 512 569	53 228 775	-	-	-	-	12 512 569	53 228 775

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying amount at beginning of period	24 391 082	7 176 422	-	-	-	-	24 391 082	7 176 422
New assets originated or purchased (excluding write offs)	12 993 250	24 391 082	-	-	-	-	12 993 250	24 391 082
Maturities during the year	(24 391 082)	(7 176 421)	-	-	-	-	(24 391 082)	(7 176 421)
Gross money market assets	12 993 250	24 391 083	-	-	-	-	12 993 250	24 391 083
ECL allowance	(480 681)	(76 538)	-	-	-	-	(480 681)	(76 538)
Net money market asset	12 512 569	24 314 545	-	-	-	-	12 512 569	24 314 545

d. Financial guarantees

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

REVIEWED INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	179 042	366 421	-	-	-	-	179 042	366 421
Total		179 042	366 421	-	-	-	-	179 042	366 421

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	179 042	167 379	-	-	-	-	179 042	167 379
Total		179 042	167 379	-	-	-	-	179 042	167 379

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

REVIEWED INFLATION ADJUSTED								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying opening balance	366 421	1 223 959	-	-	-	-	366 421	1 223 959
New assets originated or purchased (excluding write offs)	149 159	472 833	-	-	-	-	149 159	472 833
Guarantees Expired	(130 234)	(202 696)	-	-	-	-	(130 234)	(202 696)
Monetary adjustment	(206 304)	(1 127 675)	-	-	-	-	(206 304)	(1 127 675)
Gross financial guarantees	179 042	366 421	-	-	-	-	179 042	366 421
Expected credit loss allowance	(543)	(822)	-	-	-	-	(543)	(822)
Net financial guarantees	178 499	365 599	-	-	-	-	178 499	365 599

UNAUDITED HISTORICAL								
	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Gross carrying opening balance	167 379	71 752	-	-	-	-	167 379	71 752
New assets originated or purchased (excluding write offs)	91 927	167 379	-	-	-	-	91 927	167 379
Guarantees Expired	(80 264)	(71 752)	-	-	-	-	(80 264)	(71 752)
Gross financial guarantees	179 042	167 379	-	-	-	-	179 042	167 379
Expected credit loss allowance	(543)	(376)	-	-	-	-	(543)	(376)
Net financial guarantees	178 499	167 003	-	-	-	-	178 499	167 003

28.2 Market risk

This is the risk of loss under the banking 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 Bank if not properly managed. The Bank's exposure to market risk arises mainly from customer driven transactions.

28.2.1 Bank market risks management framework

To manage these risks, there is oversight at Bank Board level through the Bank Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Bank's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Bank's liquidity strategic plan. The Bank's Board is responsible for setting specific market risks strategies 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 bank to withstand stressed liquidity situations

29. LIQUIDITY RISK

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

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

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

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

29.1 CONTRACTUAL LIQUIDITY GAP ANALYSIS

REVIEWED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000	
30 JUNE 2022								
Assets								
Balances with banks and cash	99 085 257	-	-	-	-	-	99 085 257	
Money market assets	9 178 969	3 228 977	903 401	-	-	-	13 311 347	
Financial securities	-	3 312	-	-	148 616	774 469	926 397	
Loans and advances to customers	24 863 698	22 451 909	66 865 143	25 565 191	43 216 052	3 606 563	186 568 556	
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042	
Other liquid assets	79 064 659	-	-	-	-	-	79 064 659	
Total assets	212 196 678	25 694 626	67 792 003	25 706 251	43 364 668	4 381 032	379 135 258	
Liabilities								
Deposits	249 971 028	22 537 714	2 287 491	1 843 756	7 177 435	2 145	283 819 569	
Other liabilities	-	12 561 524	-	-	-	-	12 561 524	
Current tax payable	-	2 354 484	-	-	-	-	2 354 484	
Lease liabilities	3 335	6 613	11 417	5 047	3 987	-	30 399	
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042	
Commitments	2 397 953	-	-	-	-	-	2 397 953	
Total liabilities	252 376 411	37 470 763	2 322 367	1 989 863	7 181 422	2 145	301 342 971	
Liquidity gap	(40 179 733)	(11 776 137)	65 469 636	23 716 388	36 183 246	4 378 887	77 792 287	
Cumulative liquidity gap	(40 179 733)	(51 955 870)	13 513 766	37 230 154	73 413 400	77 792 287	77 792 287	

AUDITED INFLATION ADJUSTED							
RESTATED 31 DEC 2021	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	81 606 262	-	-	-	-	-	81 606 262
Money market assets	37 972 686	3 580 645	14 366 735	-	-	-	55 920 066
Financial securities	32 555	-	120 714	93 066	367 482	3 024 926	3 638 743
Loans and advances to customers	23 931 521	10 591 790	28 321 437	90 953 490	12 310 987	2 910 814	169 020 039
Financial guarantees	5 150	123 198	47 363	183 364	7 346	-	366 421
Other liquid assets	15 116 527	37 817 398	-	-	-	-	52 933 925
Total assets	158 664 701	52 113 031	42 856 249	91 229 920	12 685 815	5 935 740	363 485 456
Liabilities							
Deposits	253 897 428	10 663 568	15 170 350	519 074	558 884	8 517	280 817 821
Other liabilities	-	11 742 821	-	-	-	-	11 742 821
Current tax payable	-	1 098 899	-	-	-	-	1 098 899
Lease liabilities	2 335	4 628	6 837	14 753	6 157	-	34 710
Financial guarantees	5 150	123 198	47 363	183 364	7 346	-	366 421
Commitments	8 541 074	-	-	-	-	-	8 541 074
Total liabilities	262 445 987	23 633 114	15 224 550	717 191	572 387	8 517	302 601 746
Liquidity gap	(103 781 286)	28 479 917	27 631 699	90 512 729	12 113 428	5 927 223	60 883 710
Cumulative liquidity gap	(103 781 286)	(75 301 369)	(47 669 670)	42 843 059	54 956 487	60 883 710	60 883 710



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30. INTEREST RATE RISK

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

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

At 30 June 2022, 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\$1 494 613 837 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.

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

REVIEWED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
Assets								
Balances with banks and cash	17 504 659	-	-	-	-	-	81 580 598	99 085 257
Money market assets	8 016 569	3 592 598	903 402	-	-	-	-	12 512 569
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879
Loans and advances to customers	16 534 107	4 961 143	62 871 019	21 922 188	37 453 067	2 517 334	-	146 258 858
Equity investments	-	-	-	-	-	-	1 146 058	1 146 058
Land inventory	-	-	-	-	-	-	11 469 638	11 469 638
Other assets	-	-	-	-	-	-	83 458 287	83 458 287
Intangible assets	-	-	-	-	-	-	418 302	418 302
Investment properties	-	-	-	-	-	-	3 191 385	3 191 385
Property and equipment	-	-	-	-	-	-	16 775 596	16 775 596
Total assets	42 055 335	8 557 053	63 774 421	21 922 188	37 570 165	3 291 803	198 039 864	375 210 829
Equity & Liabilities								
Deposits	242 935 092	22 537 714	2 287 491	1 843 756	7 177 435	2 145	7 035 936	283 819 569
Other liabilities	-	-	-	-	-	-	12 563 991	12 563 991
Current tax payable	-	-	-	-	-	-	2 354 484	2 354 484
Deferred taxation	-	-	-	-	-	-	8 225 782	8 225 782
Lease liability	3 335	6 613	11 417	5 047	3 987	-	-	30 399
Equity	-	-	-	-	-	-	68 216 604	68 216 604
Total liabilities and equity	242 938 427	22 544 327	2 298 908	1 848 803	7 181 422	2 145	98 396 797	375 210 829
Interest rate repricing gap	(200 883 092)	(13 987 274)	61 475 513	20 073 385	30 388 743	3 289 658	99 643 067	-
Cumulative gap	(200 883 092)	(214 870 366)	(153 394 853)	(133 321 468)	(102 932 725)	(99 643 067)	-	-

AUDITED INFLATION ADJUSTED								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	35 987 575	-	-	-	-	-	45 618 687	81 606 262
Money market assets	6 751 881	3 475 931	12 043 252	-	-	-	30 957 711	53 228 775
Financial securities	22 130	-	100 117	-	325 345	1 663 904	-	2 111 496
Loans and advances to customers	17 412 518	8 419 702	17 954 415	84 181 036	9 225 554	1 978 415	-	139 171 640
Equity investments	-	-	-	-	-	-	1 609 948	1 609 948
Land inventory	-	-	-	-	-	-	11 237 641	11 237 641
Other assets	-	-	-	-	-	-	55 368 006	55 368 006
Intangible assets	-	-	-	-	-	-	472 052	472 052
Investment properties	-	-	-	-	-	-	2 240 703	2 240 703
Property and equipment	-	-	-	-	-	-	12 149 413	12 149 413
Total assets	60 174 104	11 895 633	30 097 784	84 181 036	9 550 899	3 642 319	159 654 161	359 195 936
Equity & Liabilities								
Deposits	222 173 092	10 397 282	15 102 129	482 369	470 204	5 192	31 321 660	279 951 928
Other liabilities	-	-	-	-	-	-	12 455 617	12 455 617
Current tax payable	-	-	-	-	-	-	1 098 899	1 098 899
Deferred taxation	-	-	-	-	-	-	5 839 627	5 839 627
Lease Liability	2 335	4 628	6 837	14 753	6 157	-	-	34 710
Equity	-	-	-	-	-	-	59 815 155	59 815 155
Total liabilities and equity	222 175 427	10 401 910	15 108 966	497 122	476 361	5 192	110 530 958	359 195 936
Interest rate repricing gap	(162 001 323)	1 493 723	14 988 818	83 683 914	9 074 538	3 637 127	49 123 203	-
Cumulative gap	(162 001 323)	(160 507 600)	(145 518 782)	(61 834 868)	(52 760 330)	(49 123 203)	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
Assets								
Balances with banks and cash	17 504 659	-	-	-	-	-	81 580 598	99 085 257
Money market assets	8 016 569	3 592 598	903 402	-	-	-	-	12 512 569
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879
Loans and advances to customers	16 534 107	4 961 143	62 871 019	21 922 188	37 453 067	2 517 334	-	146 258 858
Equity investments	-	-	-	-	-	-	1 146 058	1 146 058
Land inventory	-	-	-	-	-	-	670 108	670 108
Other assets	-	-	-	-	-	-	81 332 048	81 332 048
Intangible assets	-	-	-	-	-	-	129 301	129 301
Investment properties	-	-	-	-	-	-	3 191 385	3 191 385
Property and equipment	-	-	-	-	-	-	12 494 188	12 494 188
Total assets	42 055 335	8 557 053	63 774 421	21 922 188	37 570 165	3 291 803	180 543 686	357 714 651
Equity & Liabilities								
Deposits	242 935 092	22 537 714	2 287 491	1 843 756	7 177 435	2 145	7 035 936	283 819 569
Other liabilities	-	-	-	-	-	-	12 561 524	12 561 524
Current tax payable	-	-	-	-	-	-	2 354 484	2 354 484
Deferred taxation	-	-	-	-	-	-	7 571 974	7 571 974
Lease liability	3 335	6 613	11 417	5 047	3 987	-	-	30 399
Equity	-	-	-	-	-	-	51 376 701	51 376 701
Total liabilities and equity	242 938 427	22 544 327	2 298 908	1 848 803	7 181 422	2 145	80 900 619	357 714 651
Interest rate repricing gap	(200 883 092)	(13 987 274)	61 475 513	20 073 385	30 388 743	3 289 658	99 643 067	-
Cumulative gap	(200 883 092)	(214 870 366)	(153 394 853)	(133 321 468)	(102 932 725)	(99 643 067)	-	-

UNAUDITED HISTORICAL								
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
31 DEC 2021								
Assets								
Balances with banks and cash	16 438 881	-	-	-	-	-	20 838 308	37 277 189
Money market assets	3 084 214	1 587 782	5 501 276	-	-	-	14 141 273	24 314 545
Financial securities	10 109	-	45 733	-	148 616	760 059	-	964 517
Loans and advances to customers	7 953 920	3 846 063	8 201 456	38 453 328	4 214 171	903 728	-	63 572 666
Equity investments	-	-	-	-	-	-	735 413	735 413
Land inventory	-	-	-	-	-	-	440 259	440 259
Other assets	-	-	-	-	-	-	24 964 083	24 964 083
Intangible assets	-	-	-	-	-	-	159 618	159 618
Investment properties	-	-	-	-	-	-	1 023 538	1 023 538
Property and equipment	-	-	-	-	-	-	4 029 578	4 029 578
Total assets	27 487 124	5 433 845	13 748 465	38 453 328	4 362 787	1 663 787	66 332 070	157 481 406
Equity & Liabilities								
Deposits	101 487 167	4 749 408	6 898 550	220 343	214 786	2 372	14 307 521	127 880 147
Other liabilities	-	-	-	-	-	-	5 364 041	5 364 041
Current tax payable	-	-	-	-	-	-	501 970	501 970
Deferred taxation	-	-	-	-	-	-	1 428 625	1 428 625
Lease Liability	1 067	2 114	3 123	6 739	2 813	-	-	15 856
Equity	-	-	-	-	-	-	22 290 767	22 290 767
Total liabilities and equity	101 488 234	4 751 522	6 901 673	227 082	217 599	2 372	43 892 924	157 481 406
Interest rate repricing gap	(74 001 110)	682 323	6 846 792	38 226 246	4 145 188	1 661 415	22 439 146	-
Cumulative gap	(74 001 110)	(73 318 787)	(66 471 995)	(28 245 749)	(24 100 561)	(22 439 146)	-	-

31. Foreign exchange risk

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

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

At 30 June 2022, if foreign exchange rates at that date had weakened or strengthened by 5 percentage points with all other variables held constant, post tax profit for the period would have been ZWL\$1 899 300 026 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 Bank as at 30 June 2022 is as below:

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 30 JUNE 2022

REVIEWED INFLATION ADJUSTED							
	Total 000	ZWL\$ 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Balances with banks and cash	99 085 257	20 651 319	72 545 662	2 739 498	103 428	2 800 968	244 382
Money market assets	12 512 569	1 751 697	3 143 391	7 617 481	-	-	-
Financial securities	894 879	894 879	-	-	-	-	-
Loans and advances to customers	146 258 858	47 085 361	99 111 114	62 382	-	-	1
Equity investments	1 146 058	1 146 058	-	-	-	-	-
Land inventory	11 469 638	11 469 638	-	-	-	-	-
Other assets	83 458 287	25 615 817	26 577 118	25 576 132	1 266 395	2 002 939	2 419 886
Intangible assets	418 302	418 302	-	-	-	-	-
Investment properties	3 191 385	3 191 385	-	-	-	-	-
Property and equipment	16 775 596	16 775 596	-	-	-	-	-
Total assets	375 210 829	129 000 052	201 377 285	35 995 493	1 369 823	4 803 907	2 664 269
Equity & Liabilities							
Deposits	283 819 569	64 916 732	208 051 192	10 421 396	69 574	60 535	300 140
Other liabilities	12 563 991	6 376 720	6 022 087	100 627	11 825	39 608	13 124
Current tax payable	2 354 484	2 354 484	-	-	-	-	-
Deferred taxation	8 225 782	8 225 782	-	-	-	-	-
Lease Liability	30 399	30 399	-	-	-	-	-
Equity	68 216 604	68 216 604	-	-	-	-	-
Total equity and liabilities	375 210 829	150 120 721	214 073 279	10 522 023	81 399	100 143	313 264

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

AUDITED INFLATION ADJUSTED							
	Total 000	ZWL\$ 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Balances with banks and cash	81 606 262	23 523 141	52 030 245	4 645 298	63 830	1 277 150	66 598
Money market assets	53 228 775	15 717 582	36 044 571	1 466 622	-	-	-
Financial securities	2 111 496	2 111 496	-	-	-	-	-
Loans and advances to customers	139 171 640	82 445 491	56 673 401	52 303	445	-	-
Equity investments	1 609 948	1 609 948	-	-	-	-	-
Land inventory	11 237 641	11 237 641	-	-	-	-	-
Other assets	55 368 006	8 576 794	28 081 329	16 083 768	915 073	1 390 654	320 388
Intangible assets	472 052	472 052	-	-	-	-	-
Investment properties	2 240 703	2 240 703	-	-	-	-	-
Property and equipment	12 149 413	12 149 413	-	-	-	-	-
Total assets	359 195 936	160 084 261	172 829 546	22 247 991	979 348	2 667 804	386 986
Equity & Liabilities							
Deposits	279 951 928	104 094 423	169 800 530	5 738 750	47 759	163 454	107 012
Other liabilities	12 455 617	11 149 855	1 188 137	78 900	4 318	34 407	-
Current tax payable	1 098 899	1 098 899	-	-	-	-	-
Deferred taxation	5 839 627	5 839 627	-	-	-	-	-
Lease Liability	34 710	34 710	-	-	-	-	-
Equity	59 815 155	59 815 155	-	-	-	-	-
Total equity and liabilities	359 195 936	182 032 669	170 988 667	5 817 650	52 077	197 861	107 012



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

32.1

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

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

32.2

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

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

32.3

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

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

32.4

Reputation risk

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

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

32.5

Money laundering risk

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

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

32.6

Risk and Credit Ratings

32.6.1

External Credit Rating

Rating Agent	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating Co.(Short Term)	A1+	A+	A1	A1	A1-	A1-	A1-	A1	A1	A1	-	-
Global Credit Rating Co. (Long Term)	AA-	AA-	A+	A+	A	A	A	A	A+	A+	A+	A+

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

32.6.2

Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION

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

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

33. CAPITAL MANAGEMENT

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

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

33.1 Capital Adequacy

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

	REVIEWED 30 JUNE 2022 ZWL\$ 000	UNAUDITED 31 DEC 2021 ZWL\$ 000
Risk Weighted Assets	200 045 398	90 234 098
Total Qualifying Capital	50 228 898	18 784 313
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	41 884 357	19 004 826
Exposure to insiders	(3 648 371)	(4 634 382)
	38 257 826	14 392 284
Less Tier 3	(4 990 456)	(2 954 423)
	33 267 370	11 437 861
Tier 2		
Revaluation reserves	8 428 258	2 615 114
Fair Value Reserve	1 042 247	648 987
General provisions	2 500 567	1 127 926
	11 971 072	4 392 027
Tier 3		
Capital allocated for market risk	2 838 211	802 177
Capital allocated to operations risk	2 152 246	2 152 246
	4 990 457	2 954 423
Capital Adequacy (%)		
Tier 1	16.63%	12.68%
Tier 2	5.98%	4.87%
Tier 3	2.49%	3.27%
Total	25.11%	20.82%

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 with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%

34. COMPLIANCE AND REGULATORY RISK

During the year, CBZ Bank was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.

35. CORPORATE GOVERNANCE STATEMENT

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

36. DISCLOSURE POLICY

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

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

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

37. GOING CONCERN

For going concern assessment refer to CBZ Holdings note 39.

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.



Partners for Success



Unaudited Inflation Adjusted Financial Results

For the half year ended 30 June 2022



Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
Gross written premium	766 526	356 478	490 039	115 229
Reinsurance premium	(87 549)	(7 756)	(56 360)	(2 550)
Net written premium	678 977	348 722	433 679	112 679
Unearned premium movement	(26 702)	(2 603)	(48 819)	(790)
Net earned premium	652 276	346 119	384 860	111 890
Net commission	(52 109)	(27 588)	(33 354)	(9 049)
Net claims	(107 760)	(45 357)	(74 431)	(14 569)
Underwriting profit	492 407	273 174	277 075	88 272
Operating expenditure	(559 973)	(356 434)	(385 524)	(106 417)
Transfer to reserves	(528 456)	(186 995)	(343 001)	(64 135)
Expected credit loss	(6 204)	-	(6 204)	-
Monetary gain	777 539	90 318	-	-
Operating profit	175 293	(179 937)	(457 654)	(82 280)
Investment and Other income	772 101	104 971	2 022 255	109 626
Interest from investments & other balances	19 938	377	14 821	122
Profit before taxation	967 332	(74 589)	1 579 423	27 467
Taxation	(198)	(290)	(198)	(99)
Profit for the period	967 134	(74 879)	1 579 225	27 368
Other comprehensive income				
Gains on property revaluations	267 617	(11 620)	514 598	8 393
Gains on equity instruments at FVOCI	80 662	(6 199)	159 344	9 675
Other comprehensive income for the period net of tax	348 279	(17 819)	673 942	12 068
Total comprehensive income	1 315 413	(92 698)	2 253 167	39 436

Statement Of Financial Position

As at 30 June 2022

	UNAUDITED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Current assets				
Cash and cash equivalents	93 735	153 380	93 735	70 063
Money market assets	79 302	67 489	79 302	30 829
Equity investments	998 180	933 317	998 180	426 333
Insurance contract assets	67 115	28 052	53 262	12 429
Other receivables	46 717	41 368	46 717	18 897
Current tax receivables	251	982	251	449
	1 285 300	1 224 588	1 271 447	559 000
Non-current assets				
Property and equipment	2 326 678	1 571 927	2 326 678	718 046
Investment properties	794 766	557 768	745 355	232 175
	3 121 444	2 129 695	3 072 033	950 221
TOTAL ASSETS	4 406 744	3 354 283	4 343 480	1 509 221
EQUITY AND LIABILITIES				
Liabilities				
Life fund	774 724	870 852	774 724	397 799
Investment contract liabilities	155 504	136 915	155 504	62 542
Other payables	360 642	546 053	360 642	249 433
	1 290 870	1 553 820	1 290 870	709 774
Equity				
Share premium	136 092	136 092	1 388	1 388
Revaluation reserve	655 721	388 104	744 610	230 013
Revenue reserves	2 292 681	1 325 549	2 136 820	557 598
Fair value reserve	31 380	(49 282)	169 792	10 448
	3 115 874	1 800 463	3 052 610	799 447
TOTAL EQUITY AND LIABILITIES	4 406 744	3 354 283	4 343 480	1 509 221

Statement of Changes in Equity

For the half year ended 30 June 2022

UNAUDITED INFLATION ADJUSTED						
	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	FCTR ZWL\$ 000	Fair Value reserve ZWL\$ 000	Revenue reserve ZWL\$ 000	Total ZWL\$ 000
30 June 2021						
Opening balance	136 092	11 620	222 037	(13 204)	910 597	1 267 143
Total comprehensive income	-	(11 620)	-	(6 199)	(74 879)	(92 697)
Closing balance	136 092	-	222 037	(19 403)	835 718	1 174 446
30 June 2022						
Opening balance	136 092	388 104	-	(49 282)	1 325 549	1 800 462
Total comprehensive income	-	267 617	-	80 662	967 134	1 315 413
Closing balance	136 092	655 721	-	31 380	2 292 683	3 115 875
UNAUDITED HISTORICAL						
30 June 2021						
Opening balance	1 388	90 513	2 550	1 740	238 767	334 958
Total comprehensive income	-	8 393	-	3 675	27 368	39 436
Closing balance	1 388	98 906	2 550	5 415	266 135	374 394
30 June 2022						
Opening balance	1 388	230 013	-	10 448	557 596	799 445
Total comprehensive income	-	514 598	-	159 344	1 579 225	2 253 166
Closing balance	1 388	744 611	-	169 792	2 136 821	3 052 611

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2022

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) before taxation	967 332	(74 589)	1 579 423	27 467
Non cash items:				
Depreciation	33 568	14 340	4 228	1 815
Unearned premium movement	26 702	2 603	48 819	790
Monetary gain/loss	(777 519)	(90 318)	-	-
Claims incurred but not reported	6 738	-	6 738	-
Deferred commission movement	(23 594)	(19 534)	(17 071)	(6 370)
Fair value adjustment on investment properties	(746 274)	78 951	(1 578 894)	(33 263)
Fair value adjustment on financial instruments	181 296	(195 414)	(283 648)	(80 526)
Transfer to reserves	528 456	186 995	343 001	64 135
Expected credit loss expense	6 204	-	6 204	-
Unrealised loss on foreign currency position	(74 829)	2 191	(74 829)	751
Write offs and impairment of fixed assets	-	19 982	-	-
Operating profit before changes in operating assets and liabilities	128 080	(74 793)	33 971	(25 201)
Changes in operating assets and liabilities				
Other receivables	(34 290)	24 714	(33 052)	6 721
Insurance contract assets	(11 218)	(4 665)	(23 973)	3 059
Other payables	161 985	136 321	100 345	46 701
Money market assets	(18 717)	15 972	(2 087)	3 804
Life assurance investment contract liabilities	(3 045)	43 740	71 329	13 469
	94 715	216 082	112 562	73 754
Corporate tax paid	-	(296)	-	(98)
Net cash inflow from operating activities	222 795	140 993	146 533	48 456
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments	(165 497)	(68 971)	(128 857)	(22 086)
Purchase of property and equipment	(2 950)	(1 764)	(2 811)	(560)
Proceeds on disposal of investment properties	-	184 703	-	57 607
Purchase of investment properties	(8 477)	(87 133)	(29 739)	(27 996)
Net cash (outflow)/inflow from investing activities	(176 924)	26 835	(161 407)	6 965
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	-	-	-	-
Net cash outflow from financing activities	-	-	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	45 871	167 829	(14 874)	55 421
Cash and cash equivalents at the beginning of the year	153 380	20 999	70 063	5 968
Exchange gains on foreign cash balances	38 546	-	38 546	-
Inflation effects on cash and cash equivalents	(144 062)	(9 838)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	93 735	178 990	93 735	61 389

Partners for Success

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	UNAUDITED	RESTATED	REVIEWED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
Gross written premium	1 188 082	1 154 807	777 262	376 870
Reinsurance premium	(641 458)	(691 039)	(413 557)	(226 629)
Net written premium	546 624	463 768	363 705	150 241
Unearned premium movement	(40 990)	24 021	(104 946)	(9 172)
Net earned premium	505 634	487 789	258 759	141 069
Net commission	(41 597)	22 471	(24 550)	8 583
Net claims	(334 122)	(129 111)	(232 998)	(42 604)
Technical result	129 915	381 149	1 211	107 048
Operating expenditure	(490 075)	(316 958)	(324 464)	(88 812)
Impairment loss	(59 887)	(19 915)	(59 887)	(6 830)
Underwriting profit	(420 047)	44 276	(383 140)	11 406
Other expense / (income)	362 156	35 722	521 618	24 131
Monetary Loss	105 462	(34 554)	-	-
Profit before taxation	47 571	45 444	138 478	35 537
Taxation	(74 411)	(56 641)	(70 595)	(10 808)
(Loss)/profit for the period	(26 840)	(11 197)	67 883	24 729
Other comprehensive income				
Gains/(losses) on property revaluations	246 350	(11 741)	514 590	5 200
Equity instruments fair value gains/ (losses)	54 797	(9 508)	107 281	824
Deferred income tax relating to components of other comprehensive income	(63 638)	2 977	(132 571)	(1 294)
Other comprehensive income for the year net of tax	237 509	(18 272)	489 300	4 730
Total comprehensive income/ (loss) for the period	210 669	(29 469)	557 183	29 459

Statement Of Financial Position

As at 30 June 2022

	UNAUDITED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Balances with banks and cash	199 122	91 681	199 122	41 879
Investments- Short term	73 044	47 485	73 044	21 691
Other receivables	52 629	33 166	22 256	2 738
Tax receivables	387	848	387	387
Premium receivables	593 932	748 342	593 932	341 838
Technical Assets				
Reinsurance receivables	37 444	390 678	37 444	178 459
Reinsurance Claims outstanding	424 497	702 941	424 497	321 099
Deferred acquisition costs	87 083	139 902	54 389	57 434
Reinsurance unearned premium reserve	270 638	466 084	169 237	191 731
Listed Investments at fair value	209 218	155 981	209 218	71 251
Investment property	353 352	284 778	353 352	130 085
Property and equipment	777 126	543 484	743 704	233 083
Intangible assets	12 141	14 569	1 697	3 791
Deferred Tax	127 112	158 365	134 983	72 340
TOTAL ASSETS	3 217 725	3 778 304	3 017 262	1 667 806
LIABILITIES				
Other Payables	530 601	788 572	530 599	360 215
Deferred Tax	259 836	153 042	331 255	65 449
Technical Liabilities				
Reinsurance payables	302 309	456 118	302 309	208 352
Gross outstanding claims	507 059	766 162	507 059	349 978
Incurred but reported claims	54 504	56 178	54 504	25 662
Unearned commission reserve	69 532	120 562	42 783	49 033
Gross unearned premium reserve	571 111	725 566	379 846	297 395
TOTAL LIABILITIES	2 294 952	3 066 200	2 148 355	1 356 084
EQUITY				
Share capital	7 660	7 660	78	78
Share premium	341 424	341 424	23 179	23 179
Revaluation Reserve	550 547	365 095	562 362	174 979
Fair value reserve	18 128	(33 929)	111 958	10 040
Retained earnings	5 014	31 854	171 330	103 446
TOTAL EQUITY	922 773	712 104	868 907	311 722
TOTAL LIABILITIES AND EQUITY	3 217 725	3 778 304	3 017 262	1 667 806

Statement of Changes in Equity

For the half year ended 30 June 2022

UNAUDITED INFLATION ADJUSTED							
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair Value reserve ZWL\$ 000	FCTR ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
30 June 2021							
Opening balance	7 660	341 424	8 839	(4 582)	222 037	145 343	720 721
Profit for the period	-	-	-	-	-	(11 197)	(11 197)



Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
Revenue	907 462	269 306	1 349 908	113 831
Operating expenditure	(399 033)	(219 857)	(275 451)	(68 893)
Operating income	508 429	49 449	1 074 457	44 938
Monetary gain	52 171	14 048	-	-
Profit before taxation	560 600	63 497	1 074 457	44 938
Taxation	(80 598)	(38 041)	(105 202)	(10 670)
Profit for period the after taxation	480 002	25 456	969 255	34 268
Other comprehensive income	9 446	(1 533)	20 136	96
Total comprehensive income	489 448	23 923	989 391	34 364

Statement of Financial Position

As at 30 June 2022

	UNAUDITED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
ASSETS				
Cash and cash equivalents	60 027	60 002	60 027	27 409
Equity investments	262 090	91 925	262 090	41 991
Other assets	192 421	82 918	190 423	37 876
Investment property	1 324 436	958 733	1 324 436	437 943
Intangible assets	2 763	2 936	850	923
Property and equipment	164 173	169 420	17 066	18 853
Deferred taxation	21 791	25 092	21 794	11 462
TOTAL ASSETS	2 027 701	1 391 026	1 876 686	576 457
LIABILITIES				
Current taxation	8 437	26 840	8 437	12 260
Other liabilities	264 728	160 496	264 728	73 314
Lease liability	61 471	42 432	61 471	19 383
Deferred taxation	119 884	77 525	115 085	33 926
TOTAL LIABILITIES	454 520	307 293	449 721	138 883
EQUITY				
Share capital	6 178	6 178	63	63
Share premium	188 737	188 737	1 925	1 925
Revenue reserves	1 356 672	876 670	1 396 058	426 803
Fair value reserve	21 594	12 148	28 919	8 783
TOTAL EQUITY	1 573 181	1 083 733	1 426 965	437 574
TOTAL LIABILITIES AND EQUITY	2 027 701	1 391 026	1 876 686	576 457

Statement Of Changes In Equity

For the half year ended 30 June 2022

UNAUDITED INFLATION ADJUSTED					
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Fair value reserve ZWL\$ 000	Revenue reserves ZWL\$ 000	Total ZWL\$ 000
Restated 30 June 2021					
Opening balance	6 178	188 737	3 080	365 442	563 437
Profit for the period	-	-	-	25 456	25 456
Other comprehensive loss	-	-	(1 533)	-	(1 533)
Closing balance	6 178	188 737	1 547	390 898	587 360
30 June 2022					
Opening balance	6 178	188 737	12 148	876 670	1 083 733
Profit for the period	-	-	-	480 002	480 002
Other comprehensive income	-	-	9 446	-	9 446
Closing balance	6 178	188 737	21 594	1 356 672	1 573 181
UNAUDITED HISTORICAL					
30 June 2021					
Opening balance	63	1 925	2 809	125 786	130 583
Profit for the period	-	-	-	34 268	34 268
Other comprehensive income	-	-	96	-	96
Closing balance	63	1 925	2 905	160 054	164 947
30 June 2022					
Opening balance	63	1 925	8 783	426 803	437 574
Profit for the period	-	-	-	969 255	969 255
Other comprehensive income	-	-	20 136	-	20 136
Closing balance	63	1 925	28 919	1 396 058	1 426 965

Statement Of Cash Flows

For the half year ended 30 June 2022

	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	560 600	63 497	1 074 457	44 938
Adjust for:				
Fair value adjustments	(441 744)	14 248	(1 034 901)	(21 164)
Depreciation and amortisation	5 542	10 697	1 965	1 218
Monetary (gain) / loss	(52 171)	(14 048)	-	-
Expected credit loss expense	6 139	(33)	6 138	(11)
Unrealised (gain)/loss on foreign currency position	(83)	(669)	(83)	(229)
Loss / (profit) on sale of property and equipment	23	-	13	-
Profit on disposal of investment properties	3 727	(8 076)	(2 252)	(2 720)
Interest on lease liability	2 012	2 022	1 380	646
Operating cash inflow before changes in operating assets and liabilities	84 045	67 638	46 717	22 678
Changes in operating assets and liabilities				
Money market assets	-	7 917	-	2 499
Equity investments	(133 868)	(66 611)	(79 476)	(20 934)
Other assets	(277 160)	(40 855)	(158 685)	(13 060)
Other liabilities	302 427	46 486	191 414	13 528
	(108 601)	(53 063)	(46 747)	(17 967)
Corporate tax paid	(46 434)	(7 254)	(39 259)	(2 416)
Cash generated / (utilised) from operating activities	(70 990)	7 321	(39 289)	2 295
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	46 577	17 574	31 530	5 664
Purchase of investment property	(617)	-	(297)	-
Proceeds on disposal of equipment	-	-	-	-
Purchase of equipment	-	(879)	-	(263)
Purchase of intangible assets	(145)	-	(118)	-
Net cash inflow from investing activities	45 815	16 695	31 115	5 401
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	-	-	-
Lease liability repayment	(2 039)	(2 547)	(1 339)	(646)
Interest on lease liability	(2 012)	(2 022)	(1 380)	(815)
Net cash outflow from financing activities	(4 051)	(4 569)	(2 719)	(1 461)
NET INCREASE IN BALANCES WITH BANKS AND CASH	(29 226)	19 447	(10 893)	6 235
Balances with banks and cash at the beginning of the period	60 002	19 317	27 409	5 490
Exchange gains on foreign cash balances	43 511	669	43 511	229
Inflation effects on balances with banks and cash	(14 260)	(4 582)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE PERIOD	60 027	34 851	60 027	11 954

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