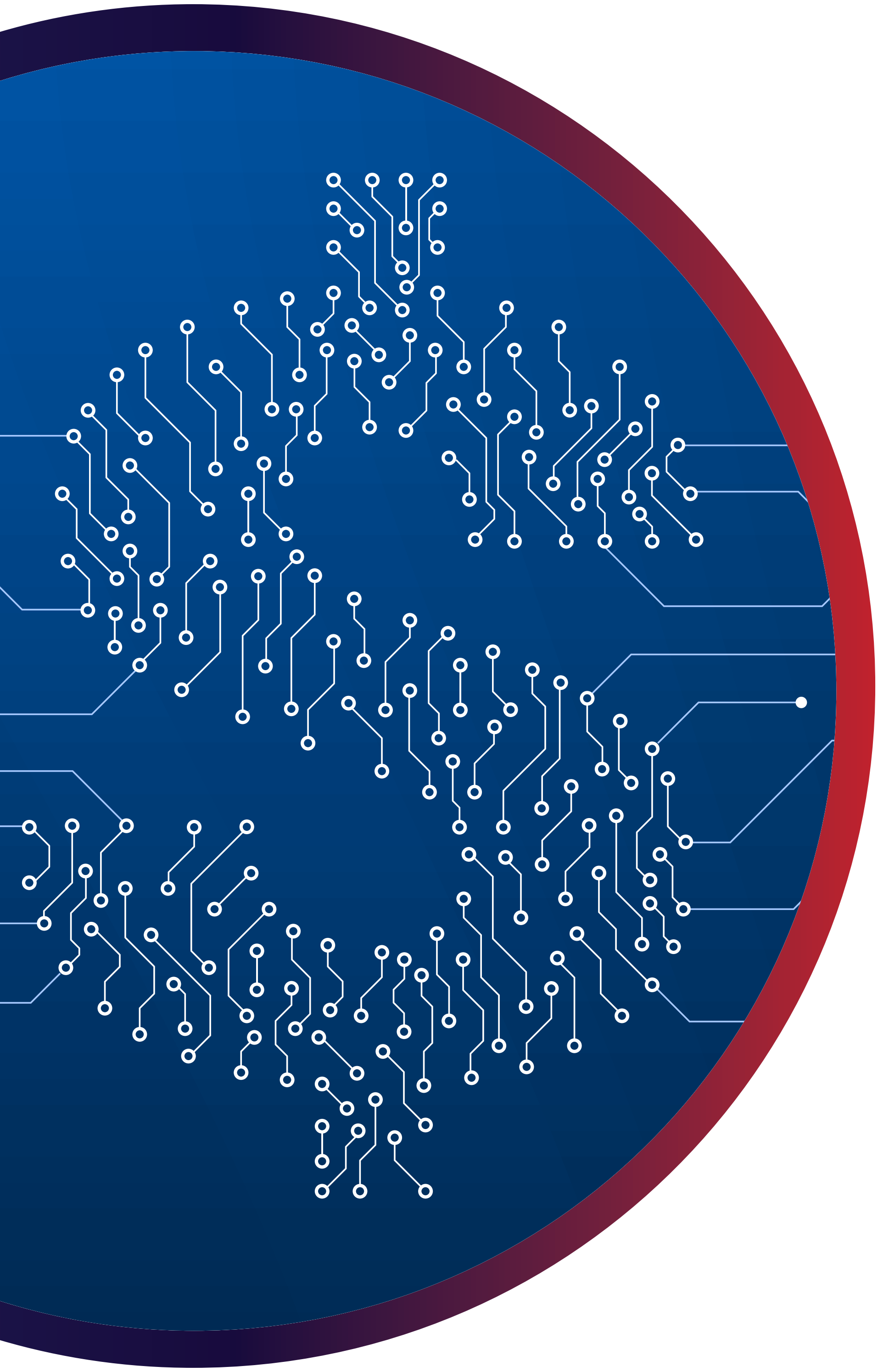


INTEGRATED ANNUAL REPORT 2022

Partners for Success

CONTENTS

"...in the digital space, the Group continued to put unprecedented freedom and convenience into its customer's hands through enhancements to its multi-award winning mobile app, CBZ Touch."

ABOUT THIS REPORT

In this report, we discuss the steps that we have taken to move closer to achieving our strategic goals throughout 2022. Our financial and non-financial performance is analysed in relation to the strategic value drivers we have identified. The material that is provided focuses primarily on the medium to long term. This report conducts an analysis of the opportunities and risks to delivering long-term, sustainable shared value for our stakeholders.

Our Integrated Thinking Framework

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

Compliance & Regulatory Reporting Requirements

The Group aims to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures the continued minimum compliance with the Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019, the Reserve Bank of Zimbabwe Corporate governance guidelines No. 01-2004/ BSD, The Banking Act (Chapter 24:20), the Banking Amendment Act of 2015, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016; Securities Act (Chapter 24:25); Securities Amendment Act No. 2 of 2013; Asset Management Act (Chapter 24:26); Companies and Other Business Entities Act (Chapter 24:31) and the South African King reports. As a listed entity, CBZ has developed a Group Governance Code as per requirement. The Governance Code has been approved and adopted throughout the Group. The Board is pleased to report that the Group complied with all of the provisions of the Code throughout the year ended 31 December 2022.

LEADERSHIP INSIGHTS:
PERFORMANCE REVIEW AND OUTLOOK

GROUP CHAIRMAN'S STATEMENT

It is my pleasure to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the year to 31 December 2022.

Given that the Group's strategic and financial performance was largely driven by global, regional and domestic macroeconomic developments, it is essential that I outline the major environmental factors that influenced our strategy development and execution during the year 2022.

On the global scale, most economies noticeably transitioned into a post-crisis mode, as COVID-19 subsided from pandemic to endemic status. The subsequent reopening of borders and airspaces resulted in a noticeable recovery in the global tourism, hospitality, aviation and related sectors, as people began to travel further and stay longer on vacations and business. This somewhat eased accessibility to international markets, as well as opened up new opportunities in the tourism and allied sectors. However, the period was also characterised with an increase in downside risks, including rising global inflation, cost of living crises, currency weaknesses and tightening monetary and fiscal conditions, which dampened prospects of rapid and sustained recovery in global economic activity.

Total assets (ZWL$m)

955,093.2

46.0%

Total deposits (ZWL$m)

680,399.5

50.7%

Total comprehensive income (ZWL$m)

43,043.3

32.4%

Total equity (ZWL$m)

168,545.3

37.0%

Profit after taxation (ZWL$m)

33,042.3

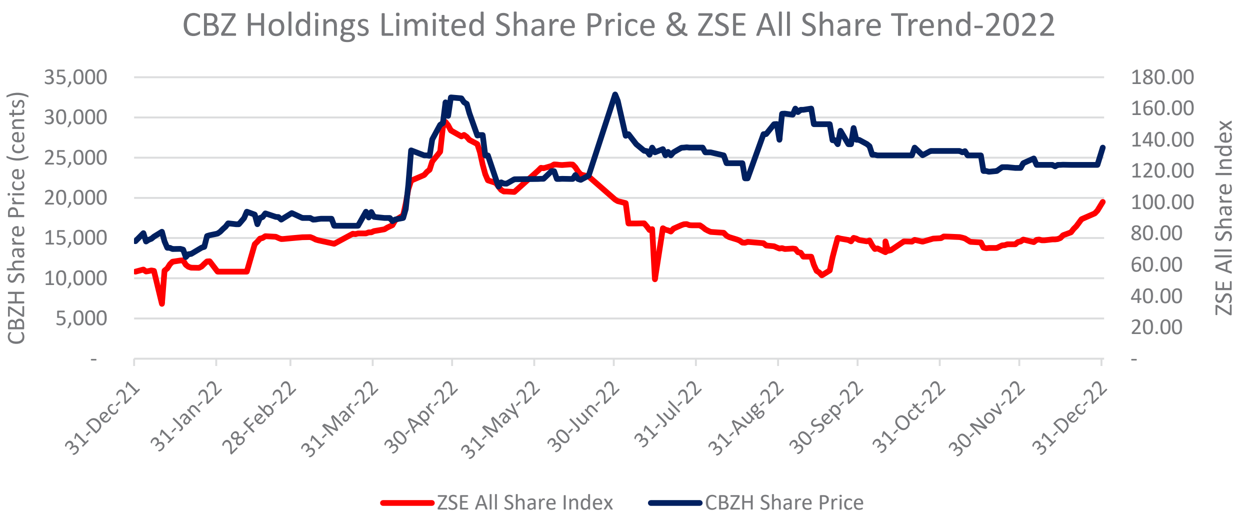
24.7%

In Zimbabwe, the operating environment was intermittently volatile during the second quarter of the year. However, significant exchange rate and price stability was achieved from the end of the third quarter of the year, following enhancement of the tight fiscal and monetary policy stance by the authorities, as well as a slowdown in global instabilities. Moreover, notwithstanding the aforementioned intermittent market volatilities, considerably strong activity and resilience was still recorded in the tourism, mining and infrastructure sectors. Additionally, recorded high Diaspora remittances of US$1.66 billion for the year 2022 continued to propel private consumption and investment, especially in the residential construction sector. Subsequently, the Government of Zimbabwe estimates the economy to have grown by a resilient 4.0% in 2022 – above the projected Sub Saharan Africa growth rate of 3.6% for 2022.

Meanwhile, the CBZ Group continued to play a significant role in supporting the economy, providing different solutions through its banking, microfinance, insurance, wealth management, risk advisory and properties subsidiaries. In particular, in the digital space, the Group continued to put unprecedented freedom and convenience into its customer's hands through enhancements to its multi-award winning mobile app, CBZ Touch. Additionally, under the wealth management banner, Datvest successfully added investment options to the Group's clients through the launch of the Datvest Modified Consumer Staples Exchange Traded Fund "ETF". The completion of the Fairview housing project was also another milestone for Datvest and the Group, as it continued to play a part towards putting a roof above every citizen's head. Finally, CBZ Bank leveraged on its huge balance sheet to support new and expansion projects in the mining, agriculture and infrastructure development sectors, among others, thereby maintaining its market leadership position throughout the year. On the Agricultural space, CBZ Agro-Yield remains a key strategic partner in supporting Government's quest to make the country food self-sustenance.

Share Price Performance

On the capital markets, the CBZH share price increased by 79.6% from ZWL$75.20 at the beginning of the year to close at ZWL$135.00. The ZSE benchmark index grew by 80.1%. CBZH ended the year with a market capitalisation of ZWL$70.6 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2021 to December 2022.



In 2022, CBZ Holdings facilitated community-driven, sustainable, and environmentally inclusive projects to further the socio-economic status of the underprivileged populations in Zimbabwe. Leveraging on staff volunteerism, philanthropy, health, and sports development pillars. Several initiatives were carried out during this period, including donations to the Makomborero Trust, which houses top performing A-Level students from disadvantaged backgrounds, Tariro - Hope and Health for Zimbabwe's Orphans (Tariro Trust), which educates girls from disadvantaged families at various primary, secondary, and tertiary levels. Furthermore, the Group made a donation towards the reconstruction of toilets at Denya Primary School, located in Mashonaland East Province which had been destroyed by torrential rains.

As part of our continued support of health initiatives, CBZ donated to Karanda Mission Hospital Surgical Outreach, which offered free surgical procedures ranging from inguinal hernias to thyroidectomies to patients who had been assessed and pre-booked through Operation of Hope Mission.

To achieve community-wide impact, we leveraged on our core competencies to address social challenges in the community.

The Group also donated towards the renovation of Tshovani Stadium in Chiredzi, which was in a dilapidated state. As a community gathering place, the stadium offers a unique opportunity for the Chiredzi community, including the youth, to participate in positive recreational activities.

Through the CBZ sporting development pillar, the Group hosted the annual CBZ Marathon at the Old Georgians Sports Club in Harare, where approximately 1,800 athletes from across the country competed in races ranging from 5 km, 10 km, 21.1 km, and the main 42.2 km race.

Our geographical spread has enabled us to reach many communities in Zimbabwe. During the period under review, the Rusape Branch visited and donated groceries to Nyazura Farm Prison. Among the groceries were cooking oil, soya mince, dry beans, bars of washing soap, and sanitary pad packs, among others. The Group looks forward to a deeper engagement with all our partners, beneficiaries, local administrations, and employees to accelerate the impact of our work in the communities and continue focusing on bringing sustainable change in the communities we serve.

Governance & Directorship

As Chairman of the Board of Directors of CBZ Holdings Limited, it is my responsibility to ensure that the Group has both sound Corporate Governance and an effective Board. My responsibilities include leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that good information flows freely between the Executive and Non-executive directors in a timely manner.

The Board believes that more than just a set of guidelines; rather it is a framework which underpins the core values for running the business in which we all believe, including a commitment to open and transparent communication with our stakeholders. We believe that good corporate governance improves long term success and performance. There have been no changes to the Group's key corporate governance arrangements over the past year.

Overview of the Group's performance

The table below summarises the Group's financial performance for the year ended 31 December 2022.

	INFLATION ADJUSTED	RESTATED	HISTORICAL	HISTORICAL
	AUDITED 31 DEC 2022 ZWL$ M	AUDITED 31 DEC 2021 ZWL$ M	UNAUDITED 31 DEC 2022 ZWL$ M	UNAUDITED 31 DEC 2021 ZWL$ M
Key Financial Hig hlights				
Profit after taxation	33 042.3	26 493.5	80 960.6	16 164.2
Total comprehensive income	43 043.3	32 515.1	111 222.0	20 101.6
Total assets	955 093.2	654 184.3	923 034.3	182 570.9
Total equity	168 545.3	123 046.4	143 419.5	29 710.3
Total deposits	680 399.5	451 611.6	680 399.5	131 374.1
Total advances	176 218.9	192 166.1	176 218.9	55 901.3
Other statistics				
Basic earnings per share (cents)	6 331.63	5 075.78	15 510 .63	3 096.43
Non-interest income to total income (%)	70.4	54.3	77.6	55.7
Cost to income ratio (%)	34.5	40.2	27.1	34.8
Return on assets (%)	6.8	6.2	17.9	11.9
Return on equity (%)	22.7	24.0	93.5	79.3
Growth in deposits (YTD %)	50.7	25.4	417.9	101.5
Growth in advances (YTD %)	(8.3)	18.1	215.2	89.9
Growth in PAT (YOY %)	24.7	(5.5)	400.9	163.0

Outlook

The effects of the turbulence experienced in 2022 are expected to spill over into the year 2023, with the International Monetary Fund "IMF" projecting global growth to decelerate further from 3.4% in 2022 to 2.9% on 2023 – the weakest level in more than two decades outside the global financial crisis and COVID-19 pandemic phases. In Zimbabwe, the Government expects the economy to grow by 3.8% in 2023, supported by pent up demand in the hospitality sector – thanks to an emerging middle income class - and continued resilience and investments in the mining and construction sectors as well as progression of projects in the energy and iron and steel sectors. Diaspora remittances are expected to continue playing a significant role in propping up private consumption and demand. The Group will, therefore, continue to invest in building its capacity and ability to continuously meet the increasing demands of its wide range of customers. The intended continuation of the multicurrency system, in line with the National Development Strategy "NDS 1", is also expected to enable the Group to offer solutions that speaks to the evolving business models of its clients. Finally, the expected launch of the National Financial Inclusion Strategy II by the Reserve Bank of Zimbabwe in 2023 should provide further guidance and alignment to the Group's ongoing ESG initiatives, especially under the financial inclusion pillar.

Appreciation

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

Marc Holtzman

Marc Holtzman
Group Chairman

8 May 2023

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

2022, was a year the Group continued to exhibit remarkable resilience amidst challenging circumstances, achieving growth, expansion and development. The pandemic's aftermath has significantly influenced the trajectory of technological progress, causing significant disruptions in the corporate landscape. This impact will persist and have a profound impact for businesses of all sizes across the globe. Amidst the global transition to the new normal, the Russia-Ukraine conflict disrupted numerous assumptions with unforeseen impact. The volatility in energy and food prices has been significant, leading to macro uncertainty across the globe. As a business, we continue to maintain agility by strategically restructuring our approach, elevating our brand profile, and relentlessly pursuing our mission despite the ever-changing operating environment.

Strategic Update

As part of our growth strategy, we are proactively seeking opportunities to expand the scale and product portfolio of our subsidiaries. Hence, the Group is actively seeking out potential acquisitions and alliances in the local and regional markets that align with our strategic goals. The Group's target operating model changes have resulted in improved strategic execution capacity, which is highly beneficial. CBZ Holdings is dedicated to creating a sustainable, technology-

driven business that utilizes the talents of our people to generate positive environmental and social outcomes for all stakeholders.

Digital transformation

It is imperative that we prioritize investments in technology to enhance operational efficiency and elevate the quality of our products, services, and customer interactions. This is crucial for the sustained success of our company in an ever-growing competitive landscape. As a forward-thinking organisation, it is important that we fully embrace the latest digital innovations to provide unparalleled service to our valued clients amidst the disruptive technologies and evolving consumer behaviour brought about by digitalization. As a company, we strive to solidify our position as the foremost ally of our clients in achieving success by flexibly adjusting to their evolving digital needs.

We continue to witness a significant increase in usage of our digital platforms because of the investment we continue to make in enhancing the features and stability of all our customer touch points. Our investment in technology and the digital platforms also saw us respond faster to the demands for reduced contact and increased accessibility by our customers. We also are looking to utilise the digital to broaden our customer base and engaging the diaspora. Increasing the world is becoming more and more a global village and we intend to take advantage, especially by engaging Zimbabwean living and working abroad.

Financial performance

The Group has been able to achieve commendable results during the period despite economic headwinds prevalent for most of the year with the top line for the period closing ahead of the prior year by 73.9%, resulting in a significant year over year growth in the bottom line of 24.7%. We attribute Group performance largely to non-funded income growth, which was significantly ahead of operational expenditure growth. Financially, the Group position closed strong, due to capital preservation initiatives as well as focusing on customer experience and other retention initiatives. The Group is proud to command a huge share of customer headcount, and transactional activity on digital platforms, among other industry metrics, largely informing the stable financial health as reported. I am thrilled to say, with our commitment to acceleration in technological advancements we will be able provide more personalised delivery to our customers and retain our market leadership position, we are confident that we will be able to maintain our strong performance as we move into the future.

Sustainability focus

The evolution and development of humanity over the centuries have had both positive and negative impacts on society and the environment. As we come to terms with this reality, it is imperative that both society and the economy comprehend the irrevocable consequences of humanity's actions on itself and the environment. Undoing these effects will not be an overnight feat. At CBZ Group, we fully acknowledge the situation and have taken deliberate steps and actions to play our part in reversing the negative externalities we encounter in our ordinary course of business. As we embark on this journey, it is imperative that we uphold our commitment as a Group to being a prominent corporate citizen in all markets and jurisdictions where we conduct business. Our topmost priority as a Group is to demonstrate consistent and substantial progress in all aspects of ESG and Sustainability. We have strategically partnered with technical experts who will assist us in navigating the journey while keeping in mind the needs and expectations of all our stakeholders. Our aspiration is to leave the world and particularly the environment in a better state.

Appreciation

We would like to extend sincerest appreciation to the Board, Management, and staff for their steadfast commitment to upholding the CBZ values during this arduous time. In conclusion, I extend my sincere gratitude to our esteemed customers for their unwavering allegiance to the CBZ brand. We remain strong in our commitment to fulfilling our promises.

Dr. Blessing Mudavanhu
Group Chief Executive Officer

8 May 2023

OUR STORY:

MOTIVATED BY DIVERSITY

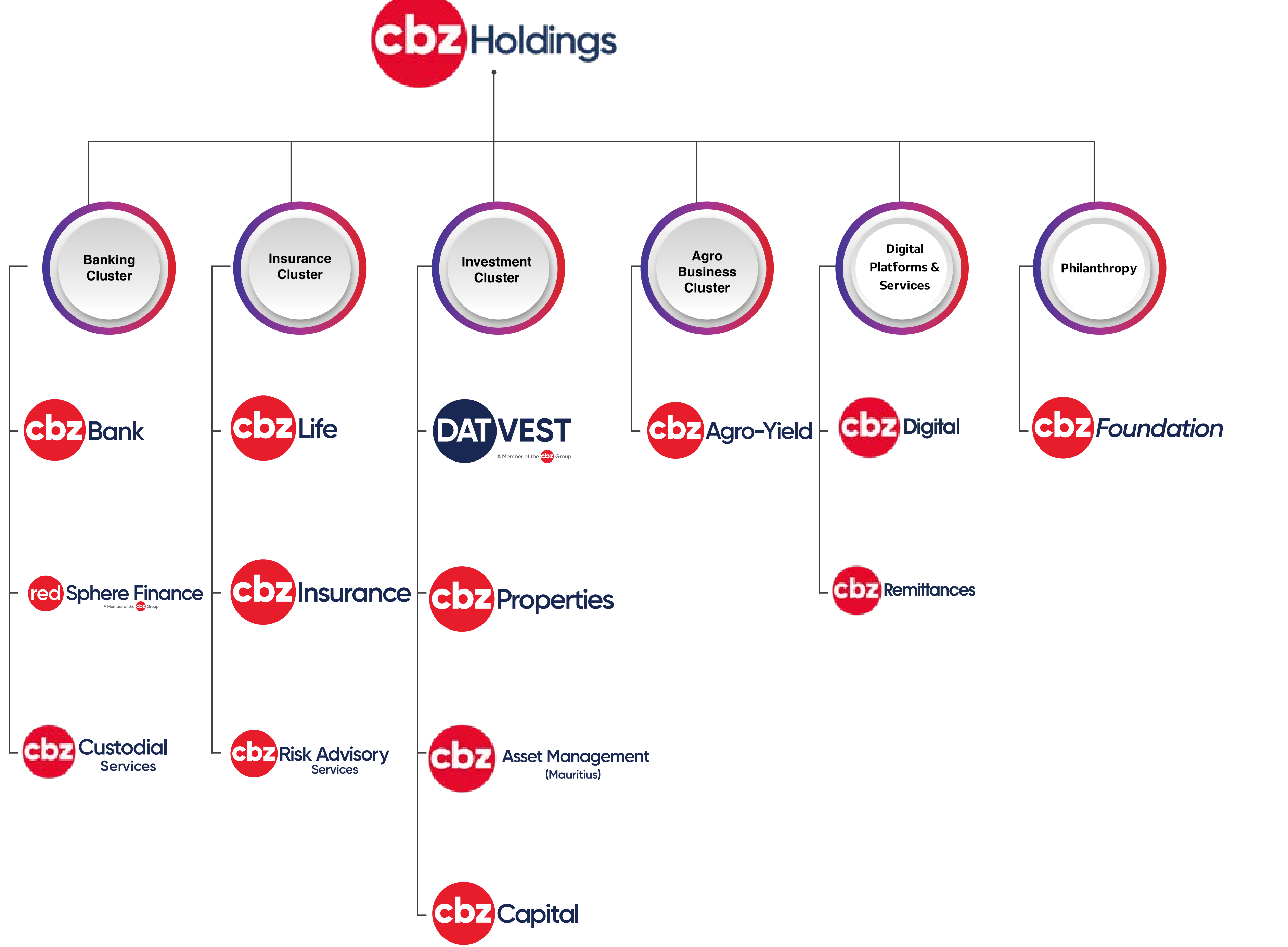
CBZ HOLDINGS AT A GLANCE

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

The Government of Zimbabwe and Bank of Credit and Commerce International Holdings Limited established the Bank of Credit and Commerce Zimbabwe Limited (BCCZ) in 1980 as a joint venture (BCCIH). In 2004, a new vision was chosen, spurring the formation of CBZ Holdings (CBZH) as an institution ready to provide all customer segments a one-stop-shop for financial services.

A primary goal of ours as a CBZ Holdings is to build a diverse portfolio of market-leading companies capable of generating long-term profits, an enticing return on equity, and strong dividends. Our strategy is founded on solid business principles and outstanding financial performance to alter lives and create a positive impact on our communities and stakeholders.

The Group has broadened its businesses over the years to include:



OUR JOURNEY

In 1980...

Our journey began.

The Jewel Bank

In 1998...

We were listed on the Zimbabwe Stock Exchange.

In 2004...

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

CBZ HOLDINGS
Partners For Success

In 2005...

We grew our investments portfolio and acquired Datvest Asset Management.

DATVEST
A Member of the cbz Group

In 2006...

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

cbz Insurance

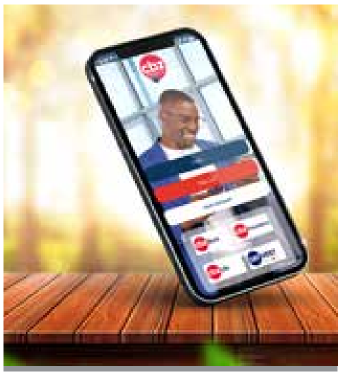
In 2007...

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

In 2010...

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

cbz Life



In 2016...

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

cbz Capital

In 2020...
We set up CBZ Capital a suite to offer investment and structured finance solutions.

In 2020...
CBZ Holdings rebranded

cbz Holdings

In 2021...
We set up CBZ Digital to drive the Business into the future.

cbz Digital

In 2019...
We established CBZ Agro-Yield to improve national food security for the people of Zimbabwe. We also began a major drive towards financial inclusion by offering microfinance solutions, through RedSphere Finance.

cbz Agro-Yield

In 2022...
Adoption of the CBZ Holdings Limited Group Sustainability Philosophy.

In 2017...
Backed by a solid foundation hinged on financial stability and prudent foresight we introduced an Insurance Broking and Risk Advisory Services Unit.

cbz Risk Advisory Services

cbz Foundation

In 2022...
We founded CBZ Foundation, a charitable entity of the Group, to help communities via programmes that connect with our vision and our country's growth and strategic objectives.

INTEGRATED FINANCIALS

Operational Statistics

Number of CBZ Bank branches

39

Number of Micro-finance Agents

38

Internet Banking

	2021	2022
Volume:	2m	1.9m
Value:	396.7bn	2.3tn

CBZ Touch

	2021	2022
Volume:	15.6m	22.5m
Value:	53.7bn	158.2bn

Number of ATMs

46

Number of POS machines

above 19k

POS USD

	2021	2022
Volume:	79,000	269,000
Value:	11.8m	40.1m

POS ZWL

	2021	2022
Volume:	28.7m	30.4m
Value:	67.2bn	615bn

Number of customers (Retail)

+1millon

Short term insurance policies

9k

Long term insurance policies

58k

Microfinance active customers

33k

Mobile Banking Users

2021	2022
716 524	803 184

Financial Performance Highlights

Inflation adjusted

Total income (ZWL$m)
73.9%
254,348.8

Profit after taxation (ZWL$m)
24.7%
33,042.3

Total comprehensive income (ZWL$m)
32.4%
43,043.3

Basic earnings per share (ZWLcents)
24.7%
6,331.63

Total assets (ZWL$m)
46.0%
955,093.2

Total equity (ZWL$m)
37.0%
168,545.3

Total deposits (ZWL$m)
50.7%
680,399.5

Total advances (ZWL$m)
8.3%
176,218.9

Short term Insurance GWP (ZWL$m)
6.1%
4,355.4

Long term Insurance GWP (ZWL$m)
44.6%
2,213.4

Funds under management (ZWL$m)
11.8%
147,494.0

Agro business loan book (ZWL$m)
40.6%
69,565.1

COMPELLING COMPETITIVE ADVANTAGES:

key attributes that differentiate us

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

Local roots, global perspective

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

Diversity & Scale

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

Our people

- The Group has some of the most experienced and diverse senior management teams in the financial services sector.
- We have harnessed and continues to attract some of the best and most passionate talent in the region at every level to drive the growth ambitions of the organisation.
- Through carefully planned development programs and retention strategies, the Group is determined to retain all its key staff .

Governance & Risk Management

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

Technology platforms

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

OUR STRATEGIC THEMES

Sustainable Businesses

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

People and Culture

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

Financial & Social Impact

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

Technology and Digital Transformation

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

GROUP STRUCTURE

CBZ Holdings Limited is a diversified financial services Group, listed on the Zimbabwe Stock Exchange (ZSE) with operations throughout Zimbabwe and employing 1 386 staff. The Group has subsidiaries in Banking, Insurance (long and short term), Asset Management, Agro Business (CBZ Agro Yield) and Risk Advisory. In addition, the Group has a significant property portfolio managed by its subsidiary, CBZ Properties (Private) Limited.

CBZ Bank Limited
100%
Commercial banking and mortgage financing

CBZ Life Limited
100%
Long term insurance

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

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

CBZ Insurance (Private) Limited
98.4%
Short term insurance

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

Redsphere
100%
Micro finance

CBZ Capital
100%
Private Equity

CBZ Foundation
100%
Philanthropy

CBZ Agro Yield
100%
Agriculture based financing

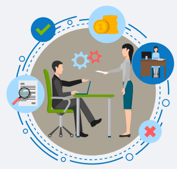
CBZ Digital
100%
Digital services

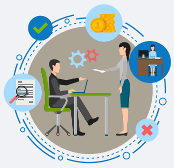
CBZ Asset Management (Mauritius)
100%
Wealth Management

OUR PURPOSE

Beyond Financial Capital:

How we create value for our stakeholders

Stakeholder	What they are?	Expectations	How we meet our stakeholders's expactations
 **Employees**	• The most important asset to the achievement of the Group's strategic goals. • 1,386 employees	• Safe, secure and inclusive working environment • Fair pay • Equal opportunities for career advancement.	• We ensure that pay is fair and in line with market trends • We provide a safe working environment for all staff career advancement.
 **Customers**	• The foundation of our business and our source of deposits and revenue. • More than 1,100,000 active customers.	• Efficient service • Reliable online and offline access points • Responsible and transparent banking	• New product development • Continuous investment in our service delivery infrastructure • Financial inclusion
 **Investor community**	• Current/prospective shareholders • Investment analysts • Rating agencies • >10,000 local and international shareholders	• Sustainable business • Achieve minimum expected ROE • Responsible corporate citizen through ESG framework implementation	• We continue to grow our market share through organic growth and M&A transactions so we maintain and grow our market share • The group continues to diligently work on customer solutions
 **Regulators**	• Reserve Bank of Zimbabwe • ZSE / SEC • IPEC	• Sound governance and risk management practices • Compliance with all laws and regulations • Financial inclusion	• We have instituted strong governance and risk management culture across all our subsidiaries • Our target operating model has been redesigned a sound control environment
 **Society**	• The public • Communities • Civic organisation/NGO • Media • Local suppliers	• Contribution the development of communities through poverty alleviation initiatives • Active participation in the achievement of UN SDG goals	• Implementing the ESG framework and its principles • Financial inclusion through wider access to financial services products
 **Planet**	• The natural environment we and our stakeholders live in	• Positive contribution to the reduction of the nation's carbon footprint	• Implementing the ESG framework and its principles • Funding of sustainable energy solutions • Actively reducing our organisation's carbon footprint as an organisation

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

Beyond Financial Capital:
How we create value for our stakeholders

Financial capital

Inputs to value creation:
The 6 Capitals

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

KPIs for our inputs as at 1 January 2022 (ZWL$'000)

- Equity: **123,031,322**
- Deposits: **451,611,586**
- Gross Loans & advances: **219,911,536**

Human capital

Inputs to value creation:
The 6 Capitals

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

KPIs for our inputs as at 1 January 2022 (ZWL$'000)

- Number of employees: **1,249**
- % of female employees: **43%**
- Compensation to staff: **34,835,547**

Intellectual capital

Inputs to value creation:
The 6 Capitals

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

KPIs for our inputs as at 1 January 2022

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

Manufactured capital

Inputs to value creation: The 6 Capitals

- Our wide branch network
- Robust technology infrastructure

KPIs for our inputs as at 1 January 2022

- Branches: **39**
- ATMs: **51**
- No. of POS machines: **16,095**
- Number of mobile banking users: **716,524**

Social and relationship capital

Inputs to value creation: The 6 Capitals

- Our strong relationships with our customers
- Strategic partnerships and ser- vice providers

KPIs for our inputs as at 1 January 2022

- Number of customers: **>950,000**
- Good relationships with all our stakeholders

Natural capital

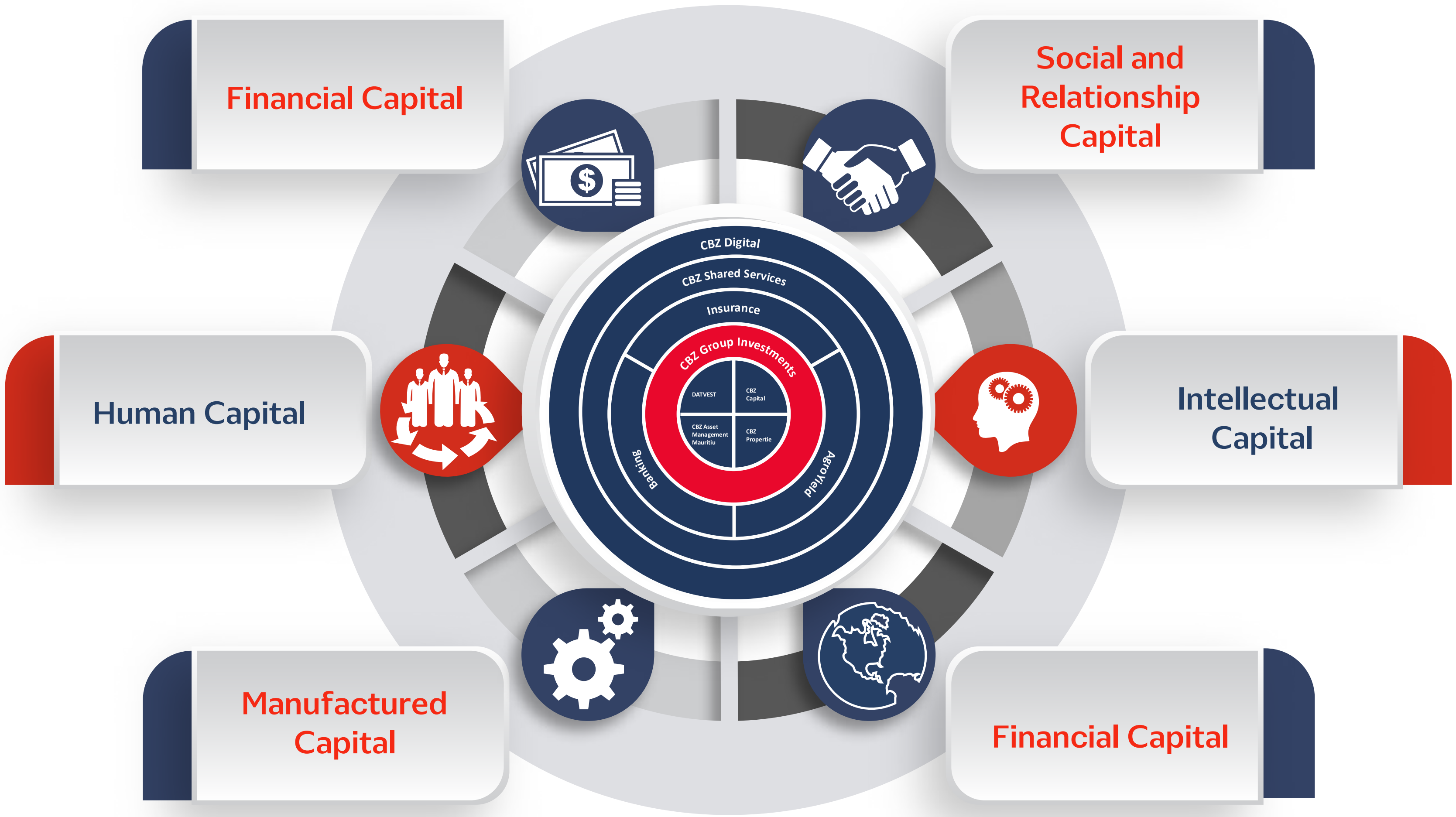
Inputs to value creation: The 6 Capitals

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

KPIs for our inputs as at 1 January 2022

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

Beyond Financial Capital:
How we create value for our stakeholders



Outcomes as at 31 December 2022 (ZWL$'000)

Long-term Stakeholder impact

Capital	Outcomes	Employees	Clients	Shareholders	Regulators	Society
Financial Capital	o Revenue growth: **73.9%** o CTI :**34.5%** (2021: **40.2%**) o Equity: **168,537,139** (2021: **123,031,322**) o ROE: **23%** (2021: **24%**) o CAR: **12.18%** o Share price movement: **79.6%** o Dividend per share: **Nil** (2021: **595.27**)	+	+	+	+	+
Human capital	o Salaries and benefits paid: **62,032,777** (2021: **34,835,547**) o Number of employees: **1 386** o % of female employees: **44%**	+	+	+	+	+
Intellectual capital	o Key skills hired and retained o Increased brand equity: o BPS: **5.77** (2021: **5.96**) o NPS: **39** (2021: **23**) o CSI: **83%** (2021: **81%**) o Continuous Technology platforms upgrades	+	+	+	+	+
Manufactured capital	o Branches: **39** (2021: **39**) o ATMs: **46** (2021: **51**) o No. of POS machines: **18,557** o Number of mobile banking users: **803,187**	+	+	+	+	+
Social and relationship capital	o Brand equity o New customers: **>90,000** new customers o Education and skills development o The group continued to invest in a number of CSR initiatives to uplift communities. o Supported a wide variety of local suppliers	+	+	+	+	+


SUSTAINABLE DEVELOPMENT GOALS
cbz
01
No Poverty
02
Zero Hunger
03
Good Health & Well Being
04
Quality Education
05
Gender Equality
06
Clean Water & Sanitation
07
Clean Energy
08
Economic Growth
09
Industry, Innovation, Infrastructure
10
Reduced Inequalities
11
Sustainable Cities
12
Respon-sible Consum-ption
13
Climate Action
14
Life Below Water
15
Life on Land
16
Peace, Justice, & strong Institution
17
Partnership for the Goal

BEYOND LENDING:

OUR SUSTAINABILITY JOURNEY

Introduction

To confront the extraordinary challenges of the twenty-first century, Zimbabwe is going through a unique phase in its history where the connections between the government, business, labor, and society are being reshaped and adjusted. Research has shown that, businesses that incorporate sustainability into their strategies and operations show greater resilience and agility when responding to internal and external drivers, as well as optimizing their long-term profitability.

The Group has been honing its capacity to adjust and react to Zimbabwe's shifting economic climate. The present integrated sustainability strategy, which integrates environmental, social, and governance sustainability issues, is a result of this process and shows how the Group is working to improve the future of all its stakeholders and the world in which we operate.

To this end the Group has engaged various sustainability certification bodies to ensure that our stakeholders receive the best value in all our effort to be a sustainable corporate citizen. Through CBZ Bank, the Group is looking forward to European Organisation for Sustainable Development (EOSD's) Sustainability Standards & Certification Initiative (SSCI) certification championed by the Reserve Bank of Zimbabwe (RBZ).

The Group has accepted and embraced its responsibility to do everything it can to make a positive impact on the future and make every effort to encourage and enable others within our sphere of influence to do the same. This is because it is a responsible corporate citizen and recognizes the risks stakeholders face and the urgency with which they need to be addressed This is represented in the Group's long-term vision and our strategic response, which provide a framework for achieving its mission and, as a result, improving societal results.

The CBZ Holdings Limited ESG Disclosure Report has been determined based on the following factors and criteria:

- Matters that are currently most important to our stakeholders, our business operations and our financial outcomes;
- Consultations with our Strategic Business Units (SBUs) to identify which environmental, social and governance topics most relevant to them,
- Sustainability issues, risks or opportunities as identified by the Group and
- Expectations made explicit through international standards like SASB (Sustainability Accounting Standards Board) and GRI (Global Reporting Initiative) and regulatory requirements particularly from the Zimbabwe Stock Exchange Rules SI134/2019.

SASB Standards help companies disclose relevant sustainability information to their investors. The SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium or long term and the disclosure topics and metrics that are most likely to be useful to investors. GRI's sustainability reporting requirements include biodiversity to tax, waste to emissions, diversity and equality to health and safety. GRI reporting facilitates stakeholder engagement and transparency.

METHODOLOGY

CBZ Holdings in conjunction with S&P Global Sustainable1, a company part of S&P Global Group, prepared the ESG Disclosure Report by identifying the ESG topics that are material to the Group. Through Sustainable1, S&P Global specialises in analysing risks related to climate change, natural resource restrictions, and wider environmental, social, and governance (ESG) aspects. They have also pioneered carbon and environmental data and risk analysis.

The ESG efforts and performance of the Group were assessed using quantitative and qualitative metrics. The materiality assessment approach was anchored in the SASB reporting framework. The approach also overlaid the GRI framework, and the disclosures of selected industry peers were also taken into account in the preparation of this report.

Materiality Assessment

- Conducted a review on material ESG topics, using the SASB and GRI frameworks and selected industry peers' disclosures.
- Assessed the importance of identified ESG topics to business and stakeholders via stakeholder scoring

Data Collection Template

- Identified metrics that will underpin the material topics identified.
- Shared data collection template with CBZ.
- Obtained feedback and inputs from CBZ on selected metrics.

ESG Report

- Received completed data collection template from CBZ.
- Conducted analysis and produced ESG Disclosure Report

This report includes material ESG data from CBZ Holdings at the consolidated Group level.

ESG MATERIALITY

Source	Category	No.	Material Issue	Score of Importance to Business (10 is high, 1 Is low)	Score of Importance to Stakeholders (10 is high, 1 Is low)
SASB/GRI	Environmental	1	Greenhouse Gas (GHG) Emissions	5.49	6.19
SASB	Environmental	2	Physical Impacts of Climate Change	6.96	7.09
SASB/GRI	Social	3	Human Rights & Community Relations	8.57	8.79
SASB/GRI	Social	4	Customer Privacy	9.19	9.32
SASB/GRI	Social	5	Data Security	9.64	9.43
SASB	Social	6	Access & Affordability	8.94	8.85
SASB	Social	7	Selling Practices & Product Labelling	8.17	8.28
SASB/GRI	Social	8	Labour Practices	9.32	8.96
SASB/GRI	Social	9	Employee Health & Safety	9.19	8.87
SASB/GRI	Social	10	Employee Engagement, Diversity & Inclusion	8.81	8.49
SASB	Governance	11	ESG Considerations in Products & Services	7.87	8.23
Peers	Governance	12	Business Model Resilience & Innovation	8.51	8.55
SASB/GRI	Governance	13	Business Ethics	9.32	9.30
SASB/GRI	Governance	14	Management of Legal & Regulatory Environment	9.04	8.83
SASB/GRI	Governance	15	Systemic Risk Management	9.23	8.98

SASB - Sustainability Accounting Standard Board

GRI - Global Reporting Initiative

MATERIALITY MATRIX

The ESG (Environmental, Social, and Governance) Materiality Matrix is a critical instrument that assists the Group in focusing its commitment to sustainability matters. It also assists in identifying and prioritizing ESG issues that are most important to the organization's operations, stakeholders, and long-term sustainability.

Material ESG topics are those that have the potential to have the greatest influence on the performance of the Group as well as its capacity to produce long-term value for its stakeholders and are pertinent to the Group's most important impacts on society, the environment, or the economy in general.

The materiality matrix above provides an illustration of the sentiments held by CBZ Holdings' stakeholders on the significance of each of the 15 highlighted topics to the Group as a whole and to all our stakeholders. It is possible to infer that the material themes that are grouped together in the top-right quadrant of the box shown in red have a high level of materiality to the Group's internal and external stakeholders. It was determined that Business Ethics was the most significant issue pertaining to Governance, whereas Data Security is the most significant issue pertaining to Social issues. Even though they are believed to be significant Environmental topics, the physical impacts of climate change and greenhouse gas emissions were not seen as being of great consequence.

ENVIRONMENTAL

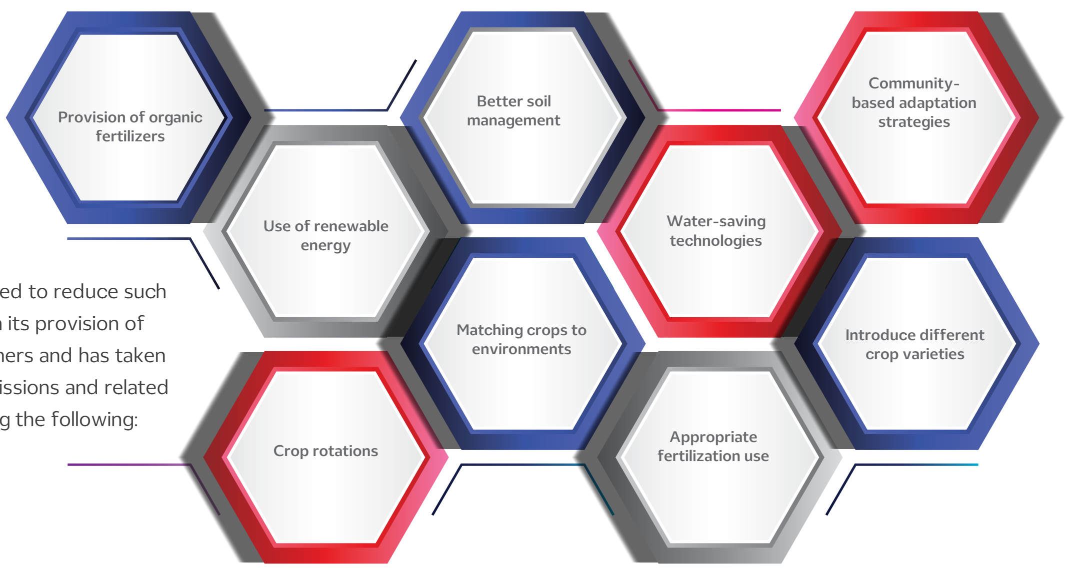
Environmental

Greenhouse Gas Emissions

CBZ Holdings recognises the interrelated impacts that Greenhouse Gas Emissions (GHG) has on the economy, environment and society. Highly relatable to part of the Group's business, as an agricultural industry financier, is the changes in atmospheric carbon dioxide which may reduce the nutritional quality of crops. Changing weather patterns like higher temperatures, heat waves, droughts and/or floods can cause direct destruction to agricultural plots. Emissions also give rise to highest business costs through climate change which catalyses pest infestation on crops, plant diseases and weed growth, and in turn lowering crop yields and nutritional value.

CBZ Holdings was not involved in direct negative impacts of GHG emissions through its activities, but as a result of its business relationships with agricultural players in the market, the Group indirectly plays a part in the negative impacts of GHG emissions through its clients' use of fertilizers, fuel and chemicals.

CBZ Holdings is committed to reduce such negative impacts through its provision of agricultural inputs to farmers and has taken actions to manage its emissions and related effects such as facilitating the following:



Environmental

Physical Impacts of Climate Change

Probable Maximum Loss (PML) of Insured Products from Natural Peril Catastrophe Events

CBZ Holdings has assessed the Probable Maximum Loss (PML) of its short-term insurance products broken down by its USD business and ZWL business, natural peril catastrophe events and regions. The total gross PML for its USD business is US$736,749,027 and the net PML is US$236,669,270. The total gross PML for the Group's ZWL business is ZWL197,623,071,730 and the net PML is ZWL79,073,726,501. The breakdown is detailed in the following tables.

Table 1: Gross PML for Short Term Insurance (in US$);Total:US$736,749,027

Region	Net Exposure	Hurricane (Typhoon)	Tornado	Tsunami	Flood	Drought	Extreme Heat	Winter Weather
Bindura	358 850	358 850	358 850	358 850	179 425	538	359	718
Bulawayo	4 887 000	4 887 000	4 887 000	4 887 000	2 443 500	7 331	4 887	9 774
Gweru	5 963 695	5 963 695	5 963 695	5 963 695	2 981 848	8 946	5 964	11 927
Harare	694 846 344	694 846 344	694 846 344	694 846 344	347 423 172	1 042 270	694 846	1 389 693
Masvingo	27 465 788	27 465 788	27 465 788	27 465 788	13 732 894	41 199	27 466	54 932
Mutare	3 227 350	3 227 350	3 227 350	3 227 350	1 613 675	4 841	3 227	6 455

Table 2: Net PML for Short Term Insurance (in US$);Total:US$236,669,270

Region	Net Exposure	Hurricane (Typhoon)	Tornado	Tsunami	Flood	Drought	Extreme Heat	Winter Weather
Bindura	129 277	129 277	129 277	129 277	64 638	194	129	259
Bulawayo	1 701 373	1 701 373	1 701 373	1 701 373	850 687	2 552	1 701	3 403
Gweru	2 073 858	2 073 858	2 073 858	2 073 858	1 036 929	3 111	2 074	4 148
Harare	244 858 028	244 858 028	244 858 028	244 858 028	122 429 014	367 287	244 858	489 716
Masvingo	9 522 353	9 522 353	9 522 353	9 522 353	4 761 177	14 284	9 522	19 045
Mutare	1 116 960	1 116 960	1 116 960	1 116 960	558 480	1 675	1 117	2 234

Table 3: Gross PML for Short Term Insurance (in ZWL); Total: ZWL 197,623.071.730

Region	Net Exposure	Hurricane (Typhoon)	Tornado	Tsunami	Flood	Drought	Extreme Heat	Winter Weather
Bindura	238 205 400	238 205 400	238 205 400	238 205 400	119 102 700	357 308	238 205	476 411
Bulawayo	266 120 400	266 120 400	266 120 400	266 120 400	133 060 200	399 181	266 120	532 241
Gweru	6 396 176 278	6 396 176 278	6 396 176 278	6 396 176 278	3 198 088 139	9 594 264	6 396 176	12 792 353
Harare	8 185 746 657	8 185 746 657	8 185 746 657	8 185 746 657	4 092 873 329	12 278 620	8 185 747	16 371 493
Masvingo	177 351 281 173	177 351 281 173	177 351 281 173	177 351 281 173	88 675 640 586	266 026 922	177 351 281	354 702 562
Mutare	43 000 000	43 000 000	43 000 000	43 000 000	21 500 000			

Table 4: Net PML for Short Term Insurance (in ZWL:Total: ZWL79,073.726,501

Region	Net Exposure	Hurricane (Typhoon)	Tornado	Tsunami	Flood	Drought	Extreme Heat	Winter Weather
Bindura	95 311 688	95 311 688	95 311 688	95 311 688	47 655 844	142 968	9 531 169	190 623
Bulawayo	2 561 728 075	2 561 728 075	2 561 728 075	2 561 728 075	1 280 864 038	3 842 592	256 172 808	5 123 456
Gweru	27 991 058	27 991 058	27 991 058	27 991 058	13 995 529	41 987	2 799 106	55 982
Harare	74 456 881 348	74 456 881 348	74 456 881 348	74 456 881 348	37 228 440 674	111 685 322	7 445 688 135	148 913 763
Masvingo	5 484 032 572	5 484 032 572	5 484 032 572	5 484 032 572	2 742 016 286	8 226 049	548 403 257	10 968 065
Mutare	17 205 330	17 205 330	17 205 330	17 205 330	8 602 665	25 808	1 720 533	34 411

Non-Life policyholder benefits paid and claimed during the reporting period as a result of the incurred policy losses and benefits expenses related to natural peril catastrophe events is recorded in the table below, broken down by province. There were no payouts on Life policies attributed to catastrophes.

Table 5: Gross and Net Policy Losses & Benefit Expenses of Non- Life Policies (in ZWL)

Gross policy losses & benefit expenses	Net policy losses & benefit expenses	Natural Peril Catastrophe Events	Province
12 524 844	2 504 969	Drought	Mashonaland West
1 956 931	391 386	Drought	Mashonaland East
1 750 000	350 000	Drought	Mashonaland Central

The Group continuously review its systems to capture granular data to aid catastrophe modelling, defining and describing risk exposures, products and risk pricing in a variety of different needs. The focus has been to standardize the approach to describing elements of risk so that different policies, products and risks can be understood and compared in a similar way.

Incorporation of Environment Risks into Insurance Policyholder Contracts

Life insurance policies are taken against the individual policyholders in the event of death or permanent disability due to natural disasters. For insurable risks that relates to environmental risks, assessments are done to ascertain if a risk is insurable and can be accommodated within the current reinsurance programme. If the Group has the appetite for the risk, a premium is charged, taking into consideration the reinsurer's terms clarifying if further reinsurance support is required. Risk assessments and surveys are carried out to ensure proper and adequate risk management tools are in place.

Assessors and other specialists are assigned to identify and assess the climate-related risk types and their possible exposures before assuming coverage. The climate-related risks considered in the underwriting process include physical and transition risks. The assessment team provides a report which can be used alongside a market scan of the risk to rate the premium which are then agreed with the client. CBZ Holdings also partners with reinsurers to model these climate-related risks and considers the reinsurer's risk appetite while factoring in the agreed rating and placement structure. Risk retention and further reinsurance protection can then be sought.

In the process of underwriting, the Group considers clients' ability to pay premium (through a financial assessment), the loss ratio or past claims history, location of risk, appreciation of risk (through a risk assessment) and business model and value chain. The underwriting decisions are affected by the models with regards to product development, including its rating structure, assessment of clients' operations including exposure to risk, placement and selection of reinsurance programs based on available carrying capacity and financial strength.

Policy wordings and clauses, some of which may incentivize reduction of exposure to climate-related risks of insured assets , would depend on the findings of risk assessments conducted by assessors, which may detail assessment results of asset llocation, construction materials etc.

Incorporation of Environment Risks into Enterprise-wide Risk Assessments

The integration of environmental risks into the Group's Enterprise-wide risk assessment processes before the issuance of a policy include the consideration and understanding of the risk to ensure adequate coverage where property or casualty are concerned. Internal risk carried under our retentions is also considered inline with capital adequacy and placement programme (local and offshore) as part of contingency planning and risk transfer.

Sustainability risks are integrated into the Enterprise Risk Management framework through the culture, capabilities, and practices, together with strategy-setting and its performance that CBZ Holdings relies on to manage risk in creating, preserving, and realising value.


1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SOCIAL

Social

Human Rights & Community Relations

CBZ Holdings deems all Zimbabweans by birth or adoption as indigenous peoples, and it protects their rights in various ways.

Regulatory

Adheres to guidelines on protecting the indigenous communities, especially on access to land, water, resources and preserving history and traditions

Cultural

Incorporates indigenous cultures into business processes; promotes the conservation of conventional knowledge, languages and traditions

Environmental

Proactively protects lands, territories and resources by conducting impact assessments before committing to projects and business ventures

Development

Support indigenous communities via Corporate Social Responsibility (CSR) initiatives that invest in community development, training, education and employment

CBZ engages closely with the following local community groups

1 Small & Medium Enterprises (SMEs)

CBZ Holdings recognizes that SMEs play a significant role in the Zimbabwean economy, but they often face challenges accessing finance and other resources.

To address this, CBZ Holdings offers a range of financial products and services tailored to the needs of SMEs, such as business loans, overdraft facilities, and trade finance.

2 Women

CBZ Holdings recognizes that women face unique challenges in accessing finance and other resources.

To address this, the company has developed products and services tailored to the needs of women, such as the Women's Empowerment Fund, which provides loans to women entrepreneurs.

3 Vulnerable Communities

CBZ Holdings identifies women, youths and customers from low-income markets, informal sector, small holder farmers and the unbanked populations as vulnerable groups. It runs a corporate social responsibility program which supports these groups in areas such as education, health, and infrastructure development.

CBZ Holdings also partners local NGOs and other organizations to address the needs of these vulnerable communities.

CBZ Holdings respects all rights as enshrined in the Universal Declaration of Human Rights. It recognizes that the local community has collective and individual rights that need to be respected and protected. The company has identified the following rights that are of particular concern to the local community.

Labour Rights

CBZ Holdings recognizes the importance of respecting the labour rights of its employees and the local community.

The company is committed to complying with relevant labour laws and regulations, and it has implemented measures to ensure that its employees are treated fairly and have access to safe and healthy working conditions.

Environmental Rights

CBZ Holdings recognizes the importance of protecting the environment and the rights of the local community to a clean and healthy environment.

The company has implemented measures to minimize the environmental impact of its operations, such as reducing waste and emissions, and supports initiatives promoting environmental sustainability in the local community.

Access to Financial Services

CBZ Holdings recognizes the importance of financial inclusion and the right of the local community to access financial services.

The company has developed a range of financial products and services tailored to the needs of the local community, such as savings accounts, loans, and insurance products.

Overall, CBZ Holdings recognises the importance of respecting the collective and individual rights of the local community and has implemented measures to ensure that its operations do not infringe on these rights. The company is committed to operating in a socially responsible manner and working in partnership with the local community to promote sustainable development and shared prosperity.

Through its business, CBZ Holdings has contributed to economic growth through the communities it serves. The company enables the growth of SMEs through the provision of financial services which in turn propels economic growth, creates employment, improved standards of living of communities, and provided access to facilities and essential services such as green energy, lighting and water. It is noteworthy that the Group reserves 100% of its procurement budget to be spent on local Zimbabwean suppliers.

In 2022, when the country achieved food self-sufficiency and a record winter wheat harvest, CBZ Agroyield provided inputs to A1 and A2 farmers who were previously disadvantaged and incapacitated. In parallel, more than 5 agricultural inputs suppliers were engaged by Agroyield, and likewise they benefited from the matched input demand.

CBZ Holdings also contributed to community causes during the reporting period through its support of infrastructural projects. In 2022, it played a part in a solar project in the Manicaland and Matebeleland South provinces. Through its subsidiary RedSphere Finance, CBZ Holdings provided a ZWL 100 mil financing facility to a local SME, Mwenje Technologies P/ L, which was awarded a contract by UNICEF to procure and install solar power packages and renewable power infrastructure for the provinces. This project benefited 85 schools located within the two provinces.

Social

Customer Privacy

CBZ Holdings has in place policies and procedures that govern the use of information for secondary purposes. Part of the loan application process requires clients' agreement with the sharing of their information to any credit bureau by acknowledging a declaration and acceptance clause. The Central Bank which regulates the company has implemented a Consumer Protection Framework which requires the institution to ensure that governance and risk management systems align with the prescribed consumer principles. CBZ Holdings is also required to put in place Customer Complaints Handling Procedures.

The Group currently shares data of all its clients at any given point with the Reserve Bank of Zimbabwe's Credit and Collateral Registry systems. It also uses account holders' information for marketing purposes to either sell or improve its product offerings.

Social

Data Security

CBZ Holdings' cybersecurity policy is in line with the requirements of the Reserve Bank of Zimbabwe, which rolled out the Risk-based Guideline on Cybersecurity and the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity. The goal of the policy is to protect assets from cyber threats and effectively lower business risks and vulnerabilities. In addition, the Group complies with Cyber and Data Protection for Zimbabwe and the European General Data Protection Regulation (GDPR). The company is also governed by the Data Protection Policy,Website Privacy Policy and Data Classification Policy.

Identifying vulnerabilities

CBZ Holdings ensures adherence to the PCI DSS security standards when identifying vulnerabilities in its information systems, which is performed by the Group IT and IT Risk teams. Examples of threat identification measures deployed include penetration assessments, firewalls and ethical hackers. The common tools used include Tenable Nessus Vulnerability Scanning Tools and Microsoft Security Baseline Analyser.

The Group is in the midst of implementing the Security Information & Event Management (SIEM) and the Privilege Access Management (PAM) tools for detecting anomalous activities and changes on systems in real-time as stop-gap measures against new cyber threats.

Addressing vulnerabilities and disclosure

The Group's cybersecurity domains are aligned with ISO/ IEC 27002:2013 which guides the identification, protection, detection , response and recovery from a cyber incident directed mainly by the cyber response and recovery plans of the institution. Governance in this aspect is further supplemented by client education , employee fraud awareness campaigns and trainings.

When the need to disclose events of breaches externally arises, CBZ Holding's Group IT and Corporate Affairs teams rely on the policies which govern the classifications of breach incidents and their respective procedures for external disclosure to execute the necessary steps.

Data Breach Incidents

There were no data breaches stemming from CBZ Holdings recorded during the reporting period. That said, the institution was made aware of 3 cases where clients divulged their personal mobile app credentials to third-parties, resulting in a total loss of ZWL$1,183,000 incurred by the clients involved. There were also 12 cases reported where transactions were done when clients' SIM Cards were swapped, leading to losses amounting to ZWL$7,092,899 incurred by the victims.

In light of such incidents, the Group emphasizes the importance of data security by building awareness and offering education to clients on the dangers divulging personal login credentials to third¬ parties. SMS texts and advertisements containing such messages were broadcast to clients through social media platforms.

Card-related Fraud and Incidents

While CBZ Holdings did not record any losses due to card fraud, it claimed ZWL$734,850 from Acquiring Banks arising from 4 cases related to the EMV liability shift regulation. The Acquiring Banks assumed the liability as they processed the card transactions via the magnetic strips instead of the EMV chips, thus exposing a vulnerability that enabled fraudsters to perform successful transactions from client accounts using cloned cards. All affected clients have been refunded.

In addition, there were 2 cases of card fraud where clients disclosed PIN to third-parties and hence incurred the total liability of ZWL$56,563. There were also 3 cases involving card swaps where clients involved incurred total losses of ZWL$753 ,675.38.

Social

Access & Affordability

CBZ Holdings plays a key role in the promotion of small business and community development and financial inclusiveness in Zimbabwe.

red Sphere Finance
A Member of the cbz Group

8 DECENT WORK AND ECONOMIC GROWTH

Micro-Finance Loans issued towards promoting small businesses were aligned with the Reserve Bank of Zimbabwe's (RBZ) Financial Inclusion Strategy which supports the Sustainable Development Goals (SDGs)

Loans totaled

ZWL$ 114,262,329.94

The Group mainly supports the financing needs of small businesses through its subsidiary RedSphere Finance, which is registered as a non-deposit taking microfinance solutions provider. RedSphere Finance provides financing in the form of working capital finance including Order Finance and Invoice Discounting.

In the short-term, CBZ Holdings is focused on onboarding new partners and promoting them through Product Finance. The Group is also extending Order Finance loans to capacitate them and improve their outreach to target markets.

In the long-term, the Group plans to embark on value chain financing to finance smallholder farmers jointly with institutions like Zimbabwe Mercantile Exchange (ZMX) where commodities will be pledge as financial instruments. This arrangement targets to alleviate poverty and, in turn, develop communities. There are also plans to small businesses to apply for financing through CBZ Bank's branches where their requested funding get offered or declined depending on the viability of their business models through an assessment by CBZ Bank's Credit Department.

Eventually, if the Group is able to access grants and concessionary funding with favourable tenors,this would contribute substantially to supporting small businesses and community development.

Financial Inclusion & Literacy

CBZ Holdings is honoured to have empowered youths, the future leaders, through financial literacy programmes and presentations with the University of Zimbabwe, Harare Institute of Technology, Harare Poly and selected schools during the 2022 Global Money Week. More than 36 schools and 4,750 kids participated in the event. Products and initiatives promoted include:

- Launch of GMB Farmers card which mainly targets the unbanked small-scale and Pfumvadza farmers.
- **Tertiary Fees loans -** facilitates payment of school fees
- Basic Money Saving Tips, e.g.the importance of saving, the dangers of no having a habit of saving, teaching siblings to save.
- **Smartcash Account -** low KYC instant account where only ID is required for account opening; debit card and mobile banking included.
- **Saving Products -** Cash Plus Junior Account (0-12 years), CashPlus Teen (for teenagers), Simple Saver Account, Smartcash Account.

CBZ Holdings partnered with a women's football club as part of its community initiatives to offer access to its RedSphere Finance products to unbanked football supporters who attend football matches.

CBZ Agroyield is also heavily involved in enabling financial inclusion in sustainable agricultural financing through the delivery of financial services and agricultural inputs at affordable costs to disadvantaged segments of society which otherwise would not be availed.

The Circles of Hope (C Hope) for Women in Gwanda - a CBZ Foundation Initiative

This initiative is a revolving fund solution aimed at increasing the entrepreneurial capacity of rural women in Matebeleland South by enabling their access to microcredit, business development services and market linkages, to improve their livelihoods and financial independence.

Women disproportionately face barriers to access financial services that prevent them from participating in the economy, improving their livelihoods and resilience during crisis. Although access to banking services by women remains low, mobile money and mobile banking offers an opportunity to close the financial inclusion gap between men and women in the medium-term. Still, a persistent 9% gap remains between both gender's usage of and control over financial services in developing economies including Zimbabwe .Further, the ZIMVAC report for 2022 indicates that only an average 4% of rural households in Zimbabwe that needed loans had access to loans.

Microfinance and revolving funds, combined with savings and loans groups have had some success in increasing savings and incomes, especially for women, transforming livelihoods and lifting households out of poverty. These offer tailored financial services that are accessible and well-matched to disadvantaged communities with low and unstable incomes and their livelihood of choice. They provide the opportunity to venture into their self ¬ selected projects, increase productivity, self-determination, and agency through access to tailor-made financial services . Further, the project would provide support to bridge the missing link between access to financial services and improved agency and control of the financial resources by women. It will also offer an opportunity to generate evidence on the impact of financial inclusion plus interventions on women.

The revolving fund will help rural women and other community entrepreneurs with limited funding access to get access to capital and financing by participating in projects of their choice. In this approach, savings groups (VSLAs) would borrow an average of US$500 and repay it within 6 months. This would form a "circle of hope" and allows more beneficiaries to access the fund. The amounts borrowed will be paid back in fullwithin agreed timeframes (3 to 6 months) with a 10% interest. The sums are "revolved" to other groups and the process continues, reaching out to many women and positively impacting households to maximize the initiative's reach and impact. The key target outcomes of this 12-month initiative include :

1. Enabling access of funds to 120 rural women in Gwanda for setting up microenterprises across 2 funding cycles
2. The initial revolving fund grows by at least 5% by the end of 18 months

During the reporting period, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications including advertising, promotion and sponsorship reported. There were also no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

Informing Current and Prospective Customers about Products and Services

The Group's insurance products are distributed through channels like insurance brokers, insurance agents (independent and tied) and direct marketing. The Group's Contact Centre plays a pivotal role in the distribution, augmenting efforts from the marketing personnel through direct interaction with prospects and existing policyholders through email, telephone calls and social media. Communication with policyholders is guided by CBZ Holding's Group Communication policy and the Life and Non-life Treating Customers Fairly policies. Insurance policies are issued with their terms and conditions appended and they are also communicated through SMS at the customer onboarding stage. Product benefits, rates and coverage are also communicated by the Sales & Marketing Divisions. Customers remain engaged throughout the after-sales lifecycle through SMS to convey reminders about premium payment and policy lapses.

No monetary losses were incurred due to legal proceedings associated with communications to policyholders in the insurance business segment.

Social

Labour Practices

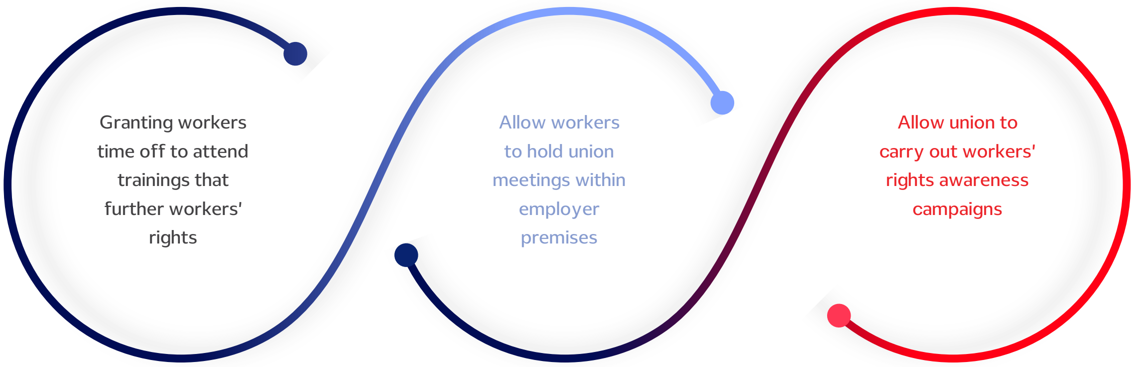
CBZ Holdings' labour practices are guided by the Zimbabwean Labour Act.

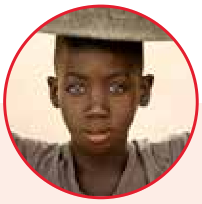
Labour Relations Management

The minimum number of notice weeks provided to employees and their representatives prior to the implementation of significant operational changes that could affect them is 4 weeks, i.e. 1 month. The notice is communicated through work councils and circular announcements. The notice period and provisions for consultation and negotiation are not defined in the company's collective bargaining agreement.

Freedom of Association & Collective Bargaining

CBZ Holdings recognises and supports workers' rights to collectively bargain the terms and conditions of work as an internationaly recognized workers' right. Through the company's Employee Relations and Communications policy, workers have the right to collectively bargain through appropriate channels and procedures as established in the Labour Act and relevant Statutory Instruments for Banking and Insurance Industries which facilitate the following:





Child Labour

The Labour Act prohibits the employment of any minors (below 18 years of age). CBZ Holdings will not engage minors for labour and does not support parties engaged in child labour. The company will ensure that all its Service Level Agreements with suppliers adhere to the labour laws of Zimbabwe and the International Labor Organization which have a zero tolerance for child labour practices and exposure of workers to hazardous work environment. The Group will also ensure a safe working environment for its operators and to recruit and retain age appropriate (above 18 years old) talent as part of its workforce.

The Group conducts risk assessments when engaging with organizations in other countries and targets to engage compliant parties which are open to scrutiny against malpractices. The strengthen governance in this aspect, CBZ Holdings has been conducting business with reputable firms that adopt best labour practices in their operations and have zero tolerance to child labour. CBZ will terminate any Service Level Agreement immediately upon the discovery or suspicion that a partner is practicing or affiliated to child labour practices and exposing its workers to hazardous work environment.

Forced or Compulsory Labour

The Group conforms to the Protocol of 2014 to the Forced Labour Convention 1930 as ratified by the Zimbabwean Government, which demonstrates the company's commitment to combating forced labour in all forms. Through an Anti-Bullying, Harassment and Discrimination policy, CBZ Holdings educates its workers and empowers them to know their rights, exercise their rights, and work with dignity. The same policy is extended to third-parties engaging in business with the Group .

Social

Employee Health & Safety

Occupational Health & Safety Management System

CBZ Holdings Ltd and its Subsidiaries' (The Group) Safety, Health & Wellness System is aimed at promoting a safe working environment, eliminating potential safety and health disasters and above all, promoting sound employee safety,health and wellness at all times. The OSH System applies to employees of the Group, i.e CBZ Holdings Limited, CBZ Bank Ltd, CBZ Capital, CBZ Life, CBZ Insurance, CBZ Risk Advisory Services, CBZ Asset Management, CBZ Properties, RedSphere as well as workers who are not CBZ Holdings employees. The Zimbabwean government regulates Occupational Health & Safety through the National Social Security Authority (NSSA).

Key OSH regulations in Zimbabwe that apply to CBZ Holdings:

- Factories & Works Act of 1996 and its regulations
- RGN 262 - RGN 264. RGN 278 of 1976
- Electrical Regulation
- SI 287 of 1982
- NSSA (S.I. 68 of 1990) and Workers Compensation Scheme
- Hazardous Substances & Articles Act Chapter 15:05
- Public Health Act of 1925 and amended 1970
- Labour Relations Act

CBZ Holding's joint management-worker health and safety Committee

CBZ Holdings has a formal joint management-worker health and safety committee. The Committee comprises of Health, Safety & Wellness Representatives, a representative from Premises & Projects Department and a representative from Premises Security & Risk Department and is chaired by Employee Safety, Health & Wellness Coordinator.

The role of a Health and Safety Committee is to recognize and evaluate workplace hazards and participate in the development and implementation of programs to protect the employees' safety and health. Meetings are convened quarterly and workplace safety assessments carried out on a monthly basis.

Hazard Identification. Risk Assessment and Incident Investigation

Identification of work-related hazards and assessment of risks

A standard Health & Safety Practices & Housekeeping Inspection Form assesses work stations, kitchens , ablution facilities, and yard areas. Trained Employee Wellness Champions carry out these inspections monthly. Results are consolidated by Employee Safety, Health & Wellness Coordinator, who ensures identified hazards are eliminated. CBZ Properties and Employee Safety, Health and Wellness Champions carry out scheduled inspections and maintenance to ensure that Mechanical and Electrical installations are in sound state. Such inspections are conducted quarterly or as the situation demands (Safety, Health and Wellness, section 5.3.3). Separately, Group Risk Management assesses of the adequacy of fire fighting equipment at all buildings including branches during their routine visits.

Reporting of work-related hazards and hazardous situations

Work-related hazards are highlighted to the Employee Wellness Champions who will seek to eliminate them through established channels. The policy protects employees who make the decision to remove themselves from a hazardous situation. Safety, Health, Wellness and Environmental matters thrive on the effective participation of both Management and Staff. Staff members become the owners of their work environment and report any defective equipment on site or hazardous conditions in their workstations to Branch/ Department/Unit/Division management, who then refer the matters to CBZ Properties. There is also a dual reporting system with the Loss Control and Security Department in areas on servicing and maintaining fire extinguishers and securing emergency exit routes.

Removing workers from hazardous situations

Wellness Champions and Fire Marshalls are empowered to liaise with the leader of the Strategic Business Unit (SBU) with recommendations of the required action(s) to be implemented to ensure the safety of employees and assets/equipment. All employees are trained on Emergency Evacuation procedures, and these are also displayed in each SBU.

Investigation of work-related incidents

A standard Incident Accident Report Framework is used to report all incidents and/or accidents. CBZ Holdings Ltd and its Subsidiaries comply with the Government legislations that focus on Employee Safety, Health and Wellness such as:-

1. National Social Security Authority (NSSA) statutory instrument (SI) 68 of 1990
2. Factories and Works Act Chapter 14.08 of 1996
3. Public Health Act 328 of 1992 as amended in 1996
4. Road Traffic Act
5. Statutory Instrument 202 of 1998 on HIV/AIDS and Employment
6. Environmental Management Act (EMA) Statutory Instrument 16 of 2005
7. Other relevant Statutory Instruments, local and international protocols and best practice related to Employee Safety, Health and Wellness which may be issued from time to time.

Section 5.3.4 of the Safety, Health and Wellness Policy under the Group Human Resources Policy provides for the evacuation of buildings/workstations in case of various emergencies such as fire outbreaks, bomb threat/bomb scare, armed robbery, and any other situations that may cause injuries.

Occupational Health Services

The Group does not collect the personal medical health information of staff. Staff members engage the medical practitioner of their choice using their medical insurance coverage to receive the services. Medical health records are thus maintained by the medical practitioner,and the patient-doctor confidentiality code is respected. However, for counseling cases handled by the resident therapist , the counselor-client confidentiality is observed. For cases that require further referrals, authorization is sought from the client to engage specialists for resolution of the matter. Medical records for staff attended to by a Group-appointed doctor remains in the custody of the attending physician, who only shares their recommendations and/or guidance on the matter.

Occupational Health & Safety (OH&S) Training

Periodical OH&S trainings are provided to the following appointment holders:

- First Aiders: Every 3 years (upon expiration of certificate)
- Fire Marshals: Every 3 years
- Employee Wellness Champions: Every 3 years
- Refresher courses on wellness annually or when the needs arise

Promotion of Worker Health

Employee Healthcare Access

The Group has medical insurance for all permanent employees which also covers spouses and up to 4 children. 100% of medical insurance subscriptions are paid by the company. In addition, promotion of both communicable and non-communicable diseases awareness campaigns are implemented. Examples include Breast Cancer, Cervical Cancer and Prostate Cancer screening campaigns. The company partnered with Cimas to ensure seamless access to treatment and care of members infected by COVID-19. The company maintains records of staff who have accessed the service and records of the medical treatment rendered are maintained by the service provider.

Campaign for annual medical check-ups is implemented with the goal of ensuring that staff members receive care and treatment early as well as fostering a culture of good health-seeking behavior and sustained lifestyle changes. Partnerships with health service providers are entered into to ensure easy access to service providers by allstaff.

Prevention and Mitigation of OH&S Impacts Directly Linked to Business Relationships

Staff are trained on emergency evacuation procedures to mitigate the loss of life in the event of unforeseen occurrences e.g. fire, bomb scare and robberies. In addition, the Crisis Management Committee puts in place plans to be implemented in the event of disasters e.g. cyclones. Business Continuity Plans (BCPs) are drawn up, reviewed, and tested from time to time to ensure the effectiveness of disaster management strategies.

Social

Our Human Capital Framework:
How we manage our people

1. Delivering on our employees: Employee engagement

As CBZ Holdings Limited, we pride ourselves on being "**A Great Place To Work**". We aim to elevate, enhance, and empower human potential with a dedication to mutual growth. Our core goal is to provide a balance between work and life that acknowledges the workplace as a second home and aspires to make it a safe space. We provide our staff with opportunities to join us "as they are" and then assist them in becoming "who they want to be". Together, we are continuously building towards a culture where personal and professional growth are just as important as business growth. Our staff are more than employees; they are our ***Partners***.

The Group undertook its first ever Employee engagement in 2022. This was done to measure the level connection the Group has with all its employees (***Partners***). CBZ Holdings achieved a 72% score which indicates that on average 7 out of 10 CBZ employee are engaged. It was also established that 95% of our employees experience a sense of purpose, 86% have a sense of ownership, 71% have a sense of belonging, 77% feel a sense of empowerment and 59% have a sense of recognition within the Group. While the Group views the result as satisfactory for a start, the intention is to improve all these parameters on a continuous basis.

To keep our employees safe during the pandemic we had 100% of our staff fully operating from the safety of their homes whilst keeping them engaged through online teams' engagements organised by our Talent Development team. The success of these engagements enabled our new joining staff members to adapt to our culture and get to know their team members without meeting them face-to-face.

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

Multi-generational Workforce

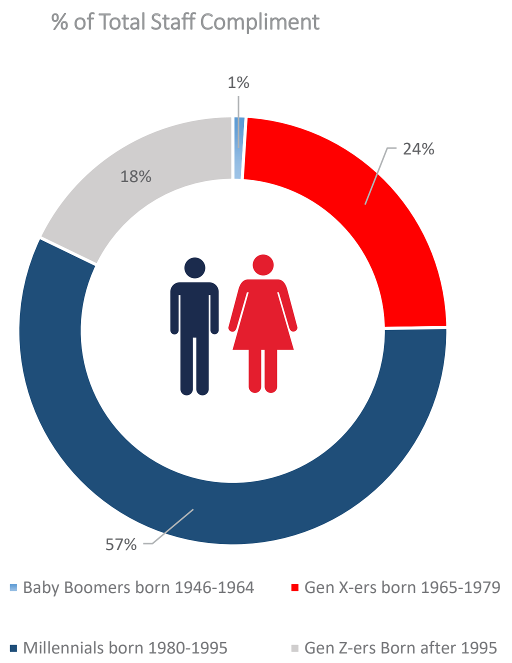
The age diversity in the current workforce is the widest ever. The presence of multiple generations expands the pool of available talent and shifts its demographics. Including a range of ages in your staff adds value to the organization. Younger employees are accustomed to rapidly developing technology and adapting to the changes it drives. In like manner, more mature employees have knowledge from the duration of their experience that can guide decision-making. The collaboration of fresh innovation with wisdom from the experience brings increased productivity and resilience to the Group.

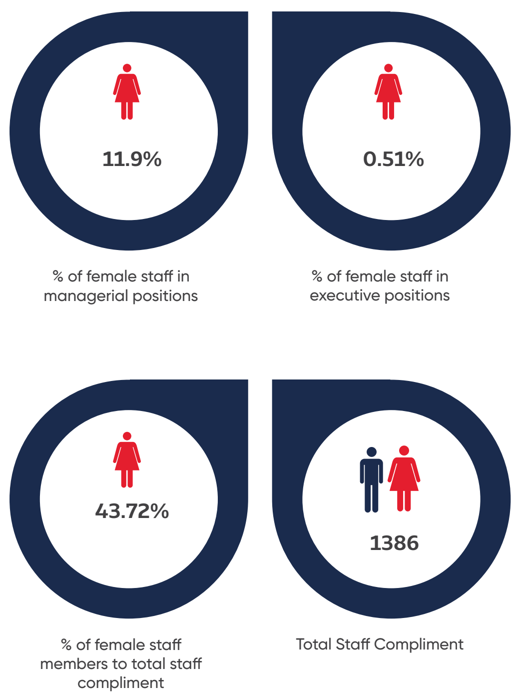
Our generational mix has helped us to achieve significant benefits namely:

- **Multiple Perspectives** - Different generations may have different perspectives on employment obligations. Sharing viewpoints inside and across teams brings a diverse set of knowledge and skills to bear on creativity.
- **Problem-solving abilities** - Combining multiple points of view and diverse abilities leads to creative problem-solving solutions. As a result, age-diverse teams may provide a range of solutions to challenges.
- **Learning/mentoring opportunities** - The more diverse a team, the more opportunities for members to engage and learn from one other's perspectives. This offers possibilities for mutually beneficial mentorship. Those with greater experience can counsel younger colleagues on career advancement. Furthermore, the new trend of reverse/cross-generational mentorship allows more junior staff to teach more senior employees on current trends and technologies.
- **Knowledge transfer and retention** - The understanding and strengths that each generation brings to the table better equip the company to fulfil its future leadership demands. Tacit expertise is retained inside the organization through a strong internal talent pipeline.
- **Unique relationships** - Meaningful interactions with coworkers can help people achieve their emotional requirements and increase job happiness. The organization's age groupings replicate a family structure, providing opportunity for intimate contact with others outside of one's own generation.

Women in Leadership

Women at all levels of leadership and decision-making are vital to improving gender justice and equality, as well as economic and social growth for all. At CBZ Holdings, to support this we accomplished the following successes in fostering the growth of women in corporates:





Our indicators

Digitization of HR Services: Implemented the use of LinkedIn Recruiter as a recruitment portal automating our recruitment process. This helps to improve digital footprint, talent reach & expand recruitment channels.
In 2022 we launched our anti-bullying, harassment & discrimination Policy which sets out clear steps for us all to prevent and respond appropriately to these behaviours in the workplace. This policy outlined the following:

1. Explaining the prohibited conduct thoroughly
2. Consider all aspects of harassment including online and remote harassment
3. Procedures for investigating
4. Provision of medical and psychosocial support to victims of all types of abuse
5. Reiterating our commitment to confidentiality and protection from reprisal
6. Backing up the policy with a workplace culture of acceptance and support.

Agile Working Environment: The business reviewed the agile working arrangements and had all staff return to office work from 1 September 2022. The return to office was seamless and all the possible operational risks were mitigated.

Learning and Development: The Group introduced LinkedIn Learning which offers online in demand, bitesize learning to staff. This enabled staff to be able to train at their own pace on skills relevant to their roles and their personal and professional growth.

Awards & Recognition: As part of the CBZ Holdings we won the following Institute of Personnel Management Zimbabwe (IPMZ) Human Resources Awards:

1. The Grand Prize for HR Practices in Zimbabwe
2. HR Director of the year
3. Leadership Development Program of the Year

Wellness Initiatives CBZ Women's Month

CBZ Holdings joined the world in celebrating women during the month of March under the theme "**Gender Equality Today for a Sustainable Tomorrow**" **#BreaktheBias**. All 556 female employees, across the Group, were presented with gifts as a gesture of appreciation of their valued contributions to the CBZ Group.

Breast Cancer Awareness

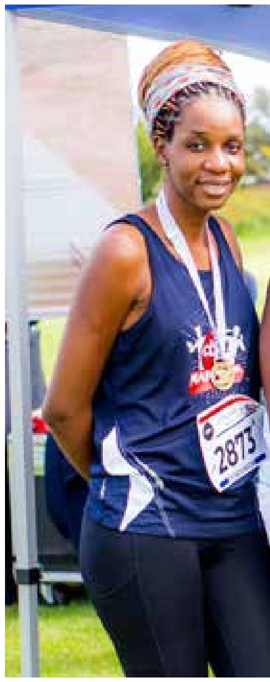
The Group hosted Breast Cancer Awareness High Teas for female staff members in Bulawayo and Harare respectively. The objective was to raise awareness about the impact of breast cancer, encouraging women to go for cancer screening and reiterate the importance of early detection. The events were led and supported by medical practitioners who shared in-depth information on cancer and pyscho-social support for both the caregivers and survivor. Staff members had a sanctuary to share their stories as well as get first hand explanation from a cancer survivor. This event equipped our staff members with valuable knowledge on prevention, going through cancer as well as how to support loved ones with cancer.

CBZ Man Cave

CBZ Holdings hosted its first ever men's only event in honour of International Men's Day, which was celebrated on November 19th under the theme "**#MakeTime4Mates**". The event addressed some of the biggest health issues faced by men including prostate cancer, testicular cancer, mental health as well as suicide prevention in a safe space under the guidance of medical professionals and prominent business leaders.

Psycho-Social Support

The Group continues to acknowledge the need for staff members to talk about issues bothering them whether they are personal or professional. We continue to offer counselling services to staff members to empower them to successfully cope with the various challenges that they come across on a day-to-day basis.



Wellness Campaign

CBZ Holdings partnered with CIMAS to launch a Wellness Campaign which encouraged staff members to undergo their annual medical checks. These checks covered general health issues such as blood tests, kidney and liver function tests, eye screening, cholesterol and diabetes screening as well as dental checks. A selection of age appropriate tests like prostate cancer and breast cancer screening were also on offer.

Staff Sporting & Recreational Activities

The Group promotes staff sporting and recreational activities in order to cultivate and promote fitness, good health, social interaction and team building amongst staff members. This also assists in promoting as the Group's business interests through informal interaction of staff and customers or potential customers. In 2022, 79.6% of our staff members were affiliated to the Group's Sporting Clubs.
The Group also participated in the 2022 Inter-Bank Games Tournament and attained Over-All Winners of the Tournament with 12 Gold, 8 Silver and 6 Bronze Medals.

Covid-19 & Vaccination

The group's drive to support Covid-19 vaccinations across the business resulted in a 99.12% staff having been fully vaccinated as at 31 December 2022. The 0,88% comprises of staff who requested a waiver for religious and/or medical reasons. The Group continues with the provision of PPE and awareness talks on Covid-19 to ensure that staff members are well supported and prepared.

Social

Recognising our achievements

GROUP AWARDS 2022

1. **Global Finance Award**
    - **Best Bank in Zimbabwe 2022 award by Global Finance**

2. **Corporate Governance Awards**
    - First Overall Prize best Governance Practices
    - 3rd Prize Overall Best (Insurance Companies)
    - 2nd Overall Best Internal Audit and Compliance (Insurance Companies)
    - Second Overall Prize Best Governance Practices (Insurance Companies)
    - Second Prize Overall Best (Banking Institutions)
    - 3rd Overall Prize Banking Institutions

3. **Marketers of Zimbabwe Awards**
    - SuperBrand – Banking Sector Category

4. **Annual Service Excellence Awards**
    - CBZ Bank - Overall Winner, Service Excellence, Banking Sector
    - RedSphere Finance – 1st Runner Up, Service Excellence Micro Finance Sector
    - CBZ Holdings Contact Centre – 2nd Runner Up, Best Contact Centre
    - CBZ Bank, Southern Region – Overall Banking category Winner

5. **Institute of Directors Zimbabwe**
    - Chairman of the Year
    - Director of the Year Award – Large and Listed Companies
    - CEO of the Year

6. **2022 Zimbabwe Agricultural Show Award**
    - 1st prize for the 2022 Best Stand under the Financial Institutions

7. **The Zimbabwe Association of Microfinance Institutions (ZAMFI) AWARDS**
    - Most Profitable and Financially stable Microfinance Institution of the year
    - Most Resilient Microfinance Institution of the year

Social

Our Online Presence

Online brand engagement & Share of voice

1 position in financial service

49.5%

2022 SOV Perfomance

Strong brand engagement on digital media

7.7%

online brand engagement

Share of voice (SOV): is a measure of the market the CBZ Holdings brand owns compared to other financial services providers.

Brand engagement: is measure of how the CBZ Holdings Brand connect with its existing and potential customers.

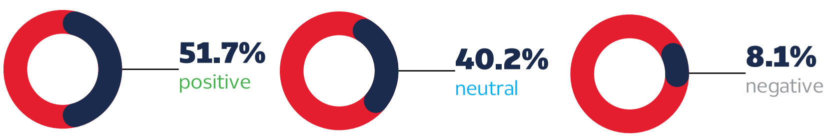
Digital Audience Metrics

	Audience	% Change
Facebook	136,295	↑ 6.4%
Twitter	35,500	↑ 16.4%
Instagram	6,186	↑ 58.9%
LinkedIn	31,309	↑ 70.26%

208 790	Total followership	31.6% growth
701 425	Content reach	5% growth
2 900 000	Content Impression	21% growth

Total followership : represents the entire number of individuals who follow our social media platforms.
Content Reach : is the number of individuals who view our social media content.
Content Impressions : is the number of times a our content is shown to our existing and potential customers.

2022 Brand Online sentiments



Positive sentiment: Highlights the positive impact of marketing campaigns on brand perception
Negative sentiment: Indicates areas for improvement in product customer experience
Neutral sentiment: Shows that the brand is well known and recognizable, with room for more differentiation.


86%
73%
64%
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

GOVERNANCE

Governance

Governance ESG Considerations in Products & Services

Approach to ESG Incorporation

CBZ Holdings has a Credit Department responsible for assessing the creditworthiness of borrowers. This involves ensuring compliance with the Credit Policy, where credit applications that breach the policy are not recommended for facilities. The company's Credit Policy under Chapter 9 Subsection 9 (vii) states that the Company shall not provide lending facilities to businesses that are environmentally destructive or business that engages in unethical conduct or unethical labor practices. The oversight of the ESG incorporation is managed at the Holdings level.

ESG trends deemed applicable to CBZ

Increasingly cheaper renewable energy and the replacement of fossil fuels are expected to reduce energy costs of the Group. Improvements in ESG data collection methods need to be made within the organization. Climate adaptation requires exploring how climate change could disrupt CBZ Agro Yield operations, supply chains and customers and in turn dealing with those disruptions. Climate change can also influence movements in some parts of the country, especially areas which are prone to floods.

Governance

Business Model Resilience & Innovation

Business Strategy and Resilience

Important Environmental and Social risks and opportunities in the short, medium and Long term

Risks

Environmental: Air Pollution, Water Pollution, Solid and Hazardous Wastes, Noise, Chemical Hazards, and Emergency Management , Pesticide use and management, Resource conservation and energy efficiency measures arising from clients that typically engage us on mandates. Droughts and cyclones can negatively affect agricultural output, thereby affecting farmers' recoveries.

Social: Working conditions and workplace housekeeping, spills and their management, workplace injuries and fatalities, community health and safety, emergency preparedness and response programs, human resources policy, no exploitative child or forced labor, compliance with national labor laws associated with the clients with whom we do business.

As the Group's business is episodic, its direct exposure to these risks tends to be in the short term (i.e. < 1 year). However, the impact of its clients' operations is significantly longer.

Opportunities

Environmental: Climate change (less water to generate electricity) has resulted in the massive adoption of solar energy, which is an opportunity for the Group to offer financing for solar energy adoption.

Social: Growing wealth gap as the economy continues to shrink. This is a long-term issue, and it increases the need to borrow as the population struggles to sustain certain developments without borrowing. Conversely, the equivalent risk is reduced income levels within the target market which could reduce revenue for the business.

Impact of Environmental and Social Risks and Opportunities on CBZ Holdings

Products and services: Environmental and social changes require a perfect match to the Group's products. The Group will introduce relevant products at any given time to remain competitive. The company will also adhere to environmental and social regulations in all its processes.

Supply chain and value chain: All of the Group's partners adhere to environmental and social regulations.

Climate adaptation and mitigation activities: The Group has a Business Continuity Plan (BCP) in place, and it is reviewed regularly to align with climate change

Investment in Research and Development: The Group has to dedicate financial and human resources toward research to ensure real time adaptation to environmental changes.

Mergers and Acquisitions: The decisions are currently ideated and made at the Group level.

Access to capital: CBZ Holdings will continue to monitor the need for capital injection as growth progresses. The impact of climate risks affects farmers' yield, affecting their ability to repay their debts.

Operations: The company has policies and procedures to guide operations. The Group supports the 17 SDG Goals to ensure a better and more sustainable future for all people across the globe. Its business aims to mobilize and scale financial capital and human innovation to accelerate the financing of companies aligned with the SDGs.

Business Model and Strategy Planning

To ensure continued resilience and viability of its business in the face of the environmental and social risks and opportunities, CBZ Holdings is offering product finance for solar products and income-generating products (not just consumer loans), diversifying clientele by adding new client types (apart from government clients), and matching interest rates with the economic situation while factoring in the cost of funds.

Process changes will involve adopting more efficient Information technology processes to increase competitiveness to retain and increase clientele. The Group's Environmental and Social Risk Policy Framework articulates how it manages and govern environmental and social risks across its business and outlines the environmental and social issues most relevant to the business. This largely impacts how the Group undertakes its due diligence on projects, ensuring that the project complies with all the applicable local, provincial, and national laws, has the necessary permits and meets group and industry ethical considerations. For medium and high-risk projects, the Group conducts additional and regular site visits and invest greater resources in monitoring to ensure it adheres to performance standards.

Some detailed business operations and regulations:

- A robust loan origination process with quality FCB & KYC checks.
- Negotiated wholesale agriculture input prices with suppliers to ensure that the unit remained competitive vis-a-vis other agriculture financing players.
- Pricing of inputs to farmers in USD to mitigate adverse movements in exchange rates.
- Contract fewer high-quality, high-performing farmers to reduce default rates and enhance loan book quality.
- Funding should be long-term to reduce the liquidity pressure required to repay loans.

Digital Transformation

The Group invested in digital transformation in a bid to align its systems and product offering. This expenditure went to platforms and tools with long-term impacts on reducing waste and associated carbon footprint, such as Capital IQ, ASANA, and online educational tools. The company is considering acquiring a new system to accommodate all business requirements after seeing rapid growth from 2020 to 2021, prompting a bigger system as the existing was failing to cope with additional business processes. The Group seeks to invest in automating and digitizing its transaction monitoring and risk assessment tools, given that the risks required to track as part of the ESG obligations are increasing. This requires the company to proactively identify, mitigate, and react to environmental risks as they occur. CBZ Holdings is also planning to implement a new loan management system. This will significantly enhance administration , credit, and recovery processes, eliminating potential fraud and other operational risks and improving loan recovery.

Governance

Business Ethics

CBZ Capital adheres to the CBZ Holdings whistleblower policy.

While there were 3 operations assessed for risks related to corruption during the reporting period, there were no confirmed incidents of corruption nor confirmed incidents in which employees were dismissed or disciplined for corruption. There was 1 confirmed incident where contracts with business partners were terminated/renewed due to corruption-related violations.

Anti-Corruption Training

All CBZ Holdings employees and Board Members are trained on Anti-Corruption upon induction when they join the organization. Training on other areas that are key to operations for the Group, such as Anti-Money Laundering, are also conducted at the same time. Refresher courses and update bulletins are conducted and conveyed periodically across the work year to keep these stakeholders abreast with the latest developments in the relevant areas.

Governance

Management of Legal & Regulatory Environment

CBZ Holdings' role in public policy development

The Group's participation in public policy development and lobbying is represented by the Bankers Association of Zimbabwe,through which the company's recommendations for the Central Bank to amend, review and/or repeal various finance-related legislations that are contrary to public interest are expressed. On the agricultural aspect , CBZ Agroyield's interests in public policy formation is also represented by various associations and forums such as the Zimbabwe Agricultural Society.

CBZ Holdings also supports areas such as educational enhancement, improving human welfare, sporting excellence, national development, health and arts. The company endeavours to sponsor public policy-related activities in these areas.

Political Contributions

The Group does not contribute financially nor non-financially, either directly or indirectly, to any political parties. Policies within the company govern the procedures on handling of Politically Exposed Persons (PEPs), e.g. the Credit Policy and Anti-Money Laundering (AML) Policy.

Compliance with Laws and Regulations

While there were no recorded significant instances of non-compliance by CBZ Holding that resulted in fines and/or non-monetary sanctions during the reporting period, there was a significant incident where CBZ Bank breached the Reserve Bank of Zimbabwe's (RBZ) insider and single obligor limits for insiderlending after insider loans to CBZ Life, CBZ Insurance, CBZ Properties, CBZ Risk Advisory and CBZ Asset Management were not formally originated through CBZ Bank's credit granting processes since they were originated from intercompany operations and transactions. The arrangement was in breach of section 35(3) of the Banking Act which prohibits banking institutions from extending insider and related party credit without Board's approval. It was a one-off incident, and remedial actions have been taken.

RBZ provides for the insiderand single obligor limits and the Criminal Law (Codification and Reform) Act [Chapter 9:23] provides the basis for deriving penalties and fines.

Governance

Systemic Risk Management

Risk Management Approach

Stress testing is an important component of systemic risk management and is now a common requirement for most banks in order to determine their financial and operational resilience. While the Group performs stress tests, the tests do not directly take into account ESG risks and hence does not inform the company's ESG strategy.

To minimise potential risks arising from systemic non-insurance activities, CBZ Holdings is guided by its comprehensive risk management policies and the credit and liquidity risk appetite deemed available.

Global/Domestic Systemic Importance

CBZ Bank, a subsidiary of CBZ Holdings Limited, is subject to the computation of Systemic Importance based on the guidance issued by the Reserve Bank of Zimbabwe (RBZ) which were adopted from the Global Systemically Important Bank (G-SIB) system established by the Bank of International Settlements (BIS). The bank was able to meet the Higher Loss Absorbency (HLA) requirement for Domestic Systemically Important Bank (D-SIB) for two consecutive periods following the issuance of the D-SIB guideline by RBZ in 2019. That said, CBZ Bank, as in the case for local banking institutions, is yet to disclose the overall land indicator-focused 4 D-SIB scores prior to the completion of the phased approached in D-SIB implementation by the RBZ.

Exposure to Derivatives

CBZ Holdings has no exposure to derivatives.

CORPORATE GOVERNANCE

Leading the way through good governance & social responsibility

OUR APPROACH TO CORPORATE GOVERNANCE

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

Statement of Compliance

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

As a listed entity, CBZ Holdings has developed a Group Governance Code as per requirements. The Governance Code has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with all of the provisions of the Code throughout the year ended 31 December 2022.

Our Governance Framework

The Board is ultimately responsible for ensuring effective governance, which is supported by a structure that the Board has determined to be suitable for the needs of the organisation. The Audit and Finance Committee, the Risk Management & Compliance Committee, and the Human Resources & Corporate Governance Committee (this committee also serves as the Nomination Committee) are the Board's three primary committees. The Board reserves certain matters for its own consideration.

OUR GROUP EXECUTIVE TEAM

Dr Blessing Mudavanhu
Capacity: Group Chief Executive Officer

Tawanda Gumbo
Capacity: Group Chief Finance Officer

Nyasha Mangwiza
Capacity: Group Chief Human Resources Officer

Jack Smith
Capacity: Deputy CEO Investments Cluster

Matilda Nyathi
Capacity: Group Chief Marketing and Corporate Affairs officer

Rumbidzayi Jakanani
Capacity: Chief Governance Officer

Lawrence Nyazema
Capacity: Managing Director CBZ Bank

Clemence Chimwanda
Capacity: Group Chief Risk Officer

Melanie May Vogt
Capacity: Chief Legal Officer

OUR GROUP BOARD

Marc Lawrence Holtzman

Capacity: Chairman

Age: 63

Qualifications
Bachelor of Arts Degree in Economics from Lehigh University.

Profile

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

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

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

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

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

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

Dr Blessing Mudavanhu

Capacity: Non Independent Executive Director

Age: 51

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

Profile

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

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

Edward E Galante

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

Age: 64

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

Profile

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

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

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

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

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

Edward Ushemazoro Mashingaidze

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

Age:67

Qualifications

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

Profile

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

Louis Charles Gerken

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

Age: 69

Qualifications

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

Profile

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

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

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

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

Tawanda Lloyd Gumbo

Capacity: Board Director. (Executive Director)

Age: 51

Qualifications

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

Profile

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

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

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

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

Rebecca Louisa Gaskin Gain

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

Age: 56

Qualifications

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

Profile

Rebecca has more than 30 years' experience in the emerging markets and 25 years of experience in Africa. She is a lawyer by profession and was admitted to the New York State Bar Association in 1990. Following completion of her clerkship at the Appellate Division for the Supreme Court of New York in 1993. In 2000, she was the first female appointed by the Standard Bank Group to serve as Chief Executive Officer for a Group subsidiary, Standard Bank Congo, a position that she held for three years. In 2003, she was the first female appointed to the Group's Africa Executive Committee. In the domain of foreign direct investment, Rebecca understands the range of complex issues involved with negotiating and implementing investment conventions with governments, and related project finance agreements with developers, investors and financial institutions.

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

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

Rumbidzayi Angeline Jakanani

Capacity: Chief Governance Officer

Age: 46

Qualifications

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

Profile

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

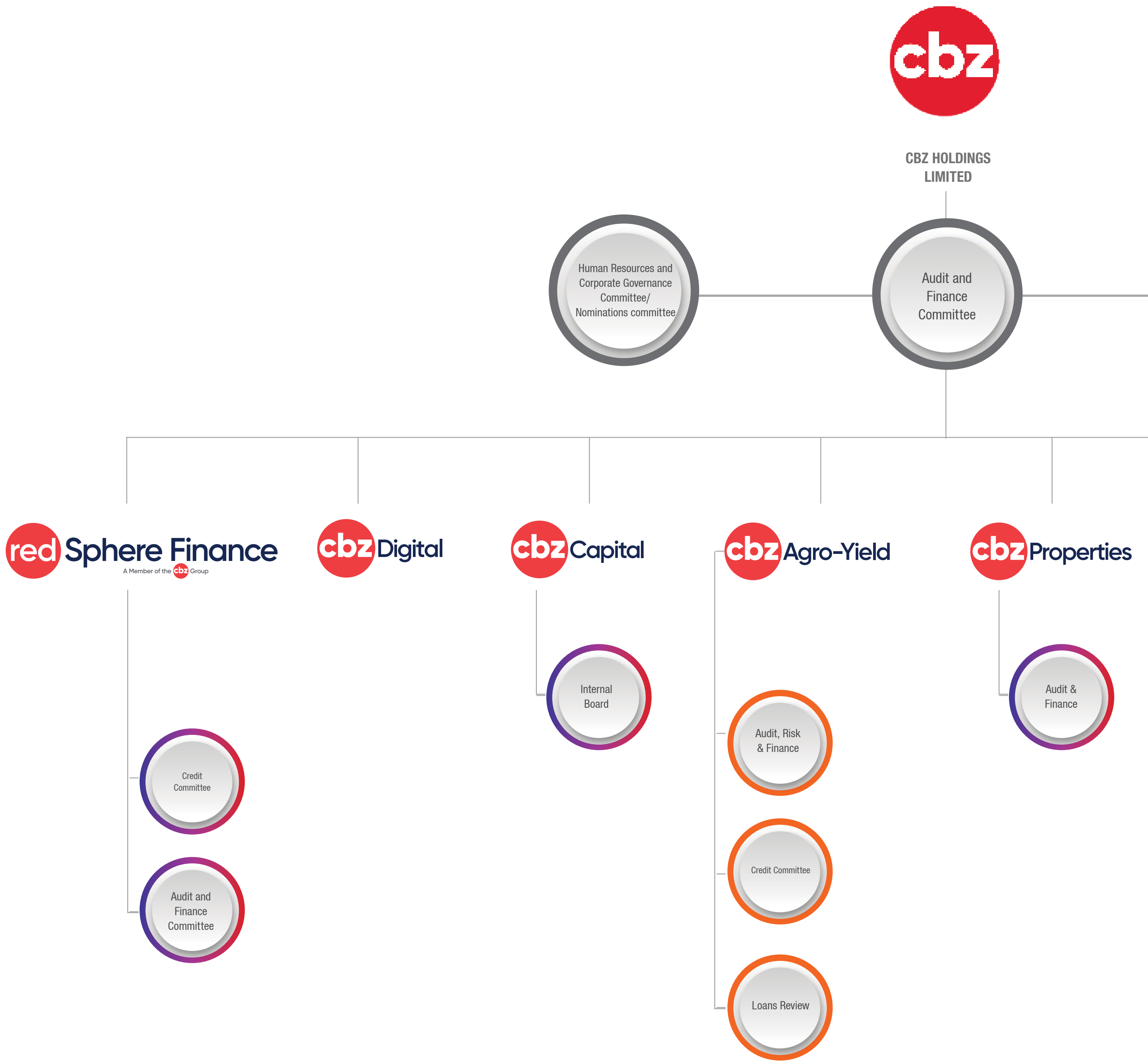
Board responsibility and key focus areas

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

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

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

Our board structure and mandates:
Board committees



Agroyield and CBZ Properties Committees have been approved by the Board and are being implemented

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

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

CBZ Capital Board is yet to be constituted.

The Role of the Board of Directors

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively.

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

Board Diversity

The Board promotes diversity at board level focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Board strives to have an appropriate balance of diversity to ensure robust governance, decision making and strong technical input. Our Board is diverse in terms of age, race, ethnicity, tenure, country of origin, culture, educational background, skills, experience and knowledge. This provides a fertile environment for discussion, debate, input and challenge and thought outcomes.

The composition review considers rotation plans, tenure, succession, retirement, resignation, skills and outcomes of board evaluations. The Board has acknowledged and is focused on the promotion of the diversity attributes of gender. Currently the Board has one female independent non-executive director and 6 males, two of which are executive directors and the remaining are independent.

Board Charter

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

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

Size and Composition of the Board

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

The Company's Board size is determined by: -

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

Availability of information to Board members

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

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

Director Training and Professional Development

Each year, the Group and subsidiary boards approve a calendar of training programmes. Director training needs are determined by changes in the legislative and business environment, including weaknesses and training needs identified through the annual Board evaluation.

This report provides an overview of the Director Training programs conducted in 2022. The objective of training was to enhance the skills and competencies of both Executive and Non-Executive Directors, and so as to keep the Directors abreast of the ever changing corporate environment.The primary focus of our training programs was in relation to directors roles and responsibilities as set out in applicable legislation, corporate governance, applicable legislation and regulation for each subsidiary and the Group, as well as an executive leadership and resilience session as set out in the table below.

In line with strategic imperatives, the Board acknowledges that a training programme achieves the following objectives: -

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

All Board members will need to become skilled in areas of environmental and social sustainability. Key focus on ESG training in 2023 will be adopted to bolster their skills.

**See full training schedule on page 102*

Board Meetings

In 2022, a minimum of four formal Board meetings were scheduled and individual attendance by directors at these meetings is presented in the report. The Board meets quarterly. Board meetings are scheduled well in advance according to a board calendar which is set and approved in advance. Additional board meetings, apart from those planned, are convened as circumstances dictate. The Board agenda and meeting structure focuses on strategy, risk management, performance monitoring, governance and related matters. This ensures that the Board's time and energy are appropriately applied. Directors may propose additional matters for discussion at board meetings. In advance of each meeting, the directors are supplied with comprehensive board reports.

Board meetings are conducted in a manner that promotes open communication, active participation and timely resolution of issues. Sufficient time is provided during board meetings for thoughtful discussions. Board meetings are facilitated, but not overly influenced by the Chairperson. Other executives such as the Chief Legal Officer, Internal Audit Executive, Group Chief Risk Officer, Chief Compliance Officer and the Group Chief Human Resources Officer attend Board committee meetings by invitation. This provides the Board with an opportunity to engage directly with management on key issues and it also supports the Board succession planning activities.

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

All appointments follow a transparent procedure and are subject to confirmation by shareholders at the Annual General Meeting. Before appointment, potential board appointees must undergo a Fitness and Probity assessment in line with the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines and the Banking Act.

BOARD COMMITTEES

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

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

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

The Boards of Directors of the various units as at 31 December 2022 were constituted as tabulated below:

CBZ Holdings

Group Board

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

Group EXCO

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

CBZ Bank

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

Datvest

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

Red Sphere Finance

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

CBZ Agro-Yield

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

CBZ Risk Advisory Services

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

CBZ Insurance

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

CBZ Life

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

CBZ Properties

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

CBZ Digital

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

Board Committee and Board Attendance Register

The Boards of Directors of the various units as at 31 December 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	RedSphere 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**	Noratam MB**	Chitiga WR**	Dr Ndlovu N**	Dr Eng Makwiranzou C**	Ntini WL**	Mazike PS**	Dr Mudavanhu B
Gaskin Gain R**	Dr Beddies CH**	Moyo MTV**	Khalfan KM**	Dr Mudavanhu B	Marandu N**	Dr Mudavanhu B	Mariwo T**	Dr Mudavanhu B	Gumbo TL
Mashingaidze EU**	Shah JG**	Joshi HJ**	Dr Mudavanhu B	Gumbo TL	Dr Mudavanhu B	Gumbo TL	Masunda V**	Gumbo TL	
Gerken LC**	Dr Mudavanhu B	Dr Mudavanhu B	Gumbo TL	Mharadze ****	Gumbo TL	Snow Robert***	Dr Mudavanhu B	Chigodora W***	
Dr Mudavanhu B***	Gumbo TL	Gumbo TL	Mutizwa J****		Chinyani T****	Bvumburai H ***	Gumbo TL	Mhungu S***	
Gumbo TL***	Nyazema L***	Smith JF***					Ali D***		
		Muzadzi T***							

Key

*	Chairman (Independent Non Executive Director)
**	Independent Non Executive Director
***	Executive Director
****	Ex-Officio member

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

	Audit & Finance	Special Audit & Finance	Hr & Corporate Governance	Special HR & Corporate Governance	Risk Management & Compliamce	Main Board	Strategy	Total Committees	Total Boards
Meetings Held	**4**	**4**	**4**	**10**	**4**	**5**	**1**	**16**	**6**
M.L Holtzman	*	*	4	***	*	5	1	4	6
L C Gerken	4	4	*	***	4	5	1	12	6
R Gaskin Gain	*	*	4	*	4	5	1	8	6
E U Mashingaidze ****	4	4	4	10	*	5	1	12	6
E E Galante	4	4	*	*	*	5	1	8	6
Dr. B Mudavanhu **	4	4	4	***	4	5	1	16	6
T L Gumbo **	4	4	*	*	4	5	1	12	6

Key
*	not a member
**	Executive
***	did not attend
****	3 Special HR Committees meetings were attended in April 2022 and 5 Special Committees on 8 June 2022, 6 Oct 2022 and 24 Oct 2022

CBZ Bank Limited Board Committee and Board Attendance Register
(January to December 2022)

Name	Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Main Board	Special Main Board	Total Committees	Total Main Board
Number of meetings Held	**4**	**4**	**4**	**6**	**4**	**4**	**6**	**22**	**10**
Dr MPA Marufu *****	*	*	4	6	3	4	6	13	10
ET Shangwa	4	*	4	6	*	4	6	14	10
Dr CH Beddies	4	4	2	4	*	4	4	14	8
J G Shah	4	2	*	*	4	4	5	10	9
Dr B Mudavanhu	2	*	3	6	2	3	6	13	9
T L Gumbo	4	4	*	*	4	4	5	12	9
L Nyazema**	4	4	4	6	4	4	6	22	10

Key
*	not a member
**	Executive
***	did not attend
*****	Sits on credit by invitation

CBZ Asset Management (Private) Limited Board Attendance Register
(January to December 2022)

Name	Audit & Compliance	Special Audit & Compliance	Investments & Risk	Main Board	Special Main Board	Total Committees	Total Boards
Number of meetings held	4	1	4	4	1	9	5
N Mhlanga	*	*	4	4	1	4	5
MTV Moyo	3	1	*	4	1	4	5
CF Mukanganga	4	***	4	4	***	8	4
H. J. Joshi	4	1	4	4	1	9	5
Dr B Mudavanhu	3	***	3	3	***	6	3
T. L Gumbo	4	***	4	4	***	8	4
JF Smith	4	1	4	4	1	9	5
T Muzadzi**	4	***	4	4	***	8	4

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

CBZ Asset Management (Private) Limited Board Attendance Register
(January to December 2022)

Name	Audit & Compliance	Special Audit & Compliance	Investments & Risk	Main Board	Special Main Board	Total Committees	Total Boards
Number of meetings held	4	1	4	4	1	9	5
N Mhlanga	*	*	4	4	1	4	5
MTV Moyo	3	1	*	4	1	4	5
CF Mukanganga	4	***	4	4	***	8	4
H. J. Joshi	4	1	4	4	1	9	5
Dr B Mudavanhu	3	***	3	3	***	6	3
T. L Gumbo	4	***	4	4	***	8	4
JF Smith	4	1	4	4	1	9	5
T Muzadzi**	4	***	4	4	***	8	4

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

CBZ Life Limited Board Attendance Register
(January to December 2022)

Name	Investments & Risk	Hr & Remuneration	Audit & Finance	Main Board	Total Committees	Total Boards
Number of meetings held	4	4	4	4	12	4
H Tshuma	4	4	4	4	12	4
M B Narotam	4	4	4	4	12	4
K Khalfan	2	2	2	3	6	3
T L Gumbo	4	4	4	4	12	4

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

CBZ Insurance Board Attendance Register (January to December 2022)

Name	Hr & Remuneration	Investments & Risk	Audit & Finance	Main Board	Total Committees	Total Boards
Number of Meetings Held	4	4	4	4	12	4
AKT Matika	4	4	4	4	12	4
W Chitiga	4	4	4	4	12	4
Dr B Mudavanhu	2	1	2	1	5	1
T L Gumbo	4	4	4	4	12	4

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

RedSphere Finance Board Attendance Register (January to December 2022)

Name	Audit & Risk Committee	Board Credit	Board	Total Committees	Total Board
Number of Meetings Held	3	3	4	6	4
J. Jinnah	*	3	4	3	4
W.J. Ntini	3	1	3	4	3
T. Mariwo	3	3	3	6	3
V. Masunda	3	3	3	6	3
Dr B Mudavanhu	2	2	3	4	3
T L Gumbo	3	3	4	6	4
D Ali**	3	3	4	6	4

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

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

Name	Audit & Risk	Main Board	Total Committees	Total Boards
Number of meetings held	4	4	4	4
L Magorimbo	*	4	*	4
N Ndlovu	4	4	4	4
N Marandu	3	3	3	3
Dr B Mudavanhu	2	2	2	2
T L Gumbo	4	4	4	4
J F Smith	4	4	4	4

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

CBZ Properties Board Attendance Register (January – December 2022)

Name	Main Board	Total Boards
Number of Meetings Held	4	4
M. Sinyoro	4	4
Dr Eng. C Makwiranzou	4	4
Dr B Mudavanhu	3	3
T L Gumbo	4	4
J F Smith	4	4
R.J. Snow**	4	4
H Bvumburai**	4	4

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

CBZ Agro Yield Board Attendance Register (January to December 2022)

Name	Main Board	Total Boards
Number of Meetings Held	4	4
W D Parham	4	4
P S Mazike	4	4
A D Archibald******	******	******
Dr B Mudavanhu	3	3
T L Gumbo	4	4
W Chigodora**	4	4
S Mhungu**	4	4

Key
* not a member
** Executive
*** did not attend
****** Resigned – 23 February 2022

Assessing the effectiveness of the board

An effective Board is the key driver of business growth and success; this is complemented where an organization has a structured program for Board Evaluation. The Board provides the overall leadership and vision for the Company, setting its direction and major policies, appointing and supervising Executive Management, ensuring it complies with relevant laws and regulations as well as being accountable to the shareholders and stakeholders at large. The Board is ultimately responsible for the performance of the Company; hence it is important for the Board's performance to be regularly evaluated against agreed set criteria.

In accordance with ZSE, SEC, IPEC and RBZ requirements, the Group Boards are to undertake an annual performance evaluation. The respective Board therefore undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and each director. The Board uses a detailed questionnaire, completed by each director, as the basis of these evaluations. This evaluation is aimed at determining how the Board's effectiveness can be improved. A final Board Evaluation Report compiled by external consultants is submitted to the regulators and the Board Evaluation conducted in year 2022 covered the following assessments which were:

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

All categories were evaluated as strong.

Board Training Schedule

DATE	COURSE	CBZ HOLDINGS	CBZ BANK	CBZ AGRO YIELD	CBZ ASSET MANAGEMENT	CBZ INSURANCE	CBZ LIFE	CBZ PROPERTIES	CBZ RISK ADVISORY	RedSphere FINANCE
13-Apr-22	High level director responsibilites & corporate governance	3	3	3	7	3	3	3	4	3
21-Jun-22	Anti Money Laundering	n/a	n/a	n/a	n/a	n/a	n/a	2	n/a	n/a
6-Jul-22	Companies & Business Entities Act - covering director's roles and responsibilities	2	5	0	2	2	2	1	3	3
8-Jul-22	Training session on asset management	n/a	n/a	n/a	3	n/a	n/a	n/a	n/a	n/a
12-Jul-22	ZSE & VFSX Listing Requirements	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13-Jul-22	Companies & Business Entities Act - covering the Company Secretary's role and responsibilities	1	2	2	1	2	2	1	0	3
20-Jul-22	Audit & Finance Committee members - their role in relation to the terms of reference and the regulatory and legislative requirements	3	3	2	3	3	2	1	3	3
27-Jul-22	Zimbabwe Code on Corporate Governance and King IV	2	3	0	1	3	2	1	0	1
3-Aug-22	IPEC Governance & Risk Training	n/a	n/a	n/a	n/a	3	1	n/a	4	n/a
5-Aug-22	Reserve Bank of Zimbabwe training on: - Risk Management - Corporate Governance - Board Evaluations - Directors responsibilities	3	2	1	1	2	1	1	1	1
30-Aug-22	Basel & ERM Training	4	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
26 -29 Oct 22	5th Annual Outward Bound Captains' Suite 2022	n/a	n/a	0	0	0	0	0	0	3
8 - 11 Nov 22	35th Corporate Governance Conference	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

REPORT OF THE DIRECTORS

We have the pleasure in presenting our report and the audited financial statements for the year ended 31 December 2022.

SHARE CAPITAL
The authorized and issued share capital of the Group is as follows:
Authorised: 1 000 000 000 ordinary shares
Issued and fully paid 522 016 108 ordinary shares

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

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

	Inflation Adjusted		Historical	
	31 DEC 2022 ZWL$000	31 DEC 2021 ZWL$000	31 DEC 2022 ZWL$000	31 DEC 2021 ZWL$000
Dividend Payout	1 266 550	8 796 086	1 012 734	2 025 509
Retained for future growth	31 785 550	17 700 282	79 955 423	14 138 339
	33 052 100	**26 496 368**	**80 967 977**	**16 163 848**

Directorate as at 31 December 2022

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

*Executive

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By Order of the Board

....
Rumbidzayi A. Jakanani
Chief Governance Officer

08 May 2023

SHAREHOLDER INFOMATION

ANALYSIS OF SHAREHOLDERS

Industry	Holders	% of Holders	Shares	% of Shares
COMPANIES	353	3.20	124 561 328	26.37
INDIVIDUALS	10484	95.07	21 967 928	4.18
NON RESIDENTS	37	0.34	122 877 239	22.73
PENSION FUND	79	0.72	132 300 469	24.47
NOMINEES	38	0.34	118 133 180	21.85
INVESTMENTS TRUSTS & PROPERTY COMPANIES	25	0.23	580 861	0.11
INSURANCE	11	0.10	1 595 103	0.30
Total	**11 027**	**100**	**522 016 108**	**100**

Range	Holders	% of Holders	Shares	% of Shares
0 - 5 000	10 057	91.20	7 031 589	1.42
5 001 - 10 000	413	3.75	3 024 406	0.56
10 001 - 25 000	324	2.94	5 069 307	0.94
25 001 - 100 000	162	1.47	7 996 316	1.48
100 001 - 200 000	23	0.21	3 290 821	0.61
200 001 - 500 000	21	0.19	6 402 063	1.18
Above 500 001	27	0.24	489 201 606	93.81
Total	**11 027**	**100**	**522 016 108**	**100**

CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2022

Account Name	Shares	% of Total
AKRIBOS WEALTH MANGRS NOMINEES	114 091 456	21.86
GOVERNMENT OF ZIMBABWE	110 000 000	21.07
NATIONAL SOCIAL SECURITY AUTHORITY	98 166 659	18.81
LIBYAN FOREIGN BANK (NEW NON RESIDENT) THE	96 609 470	18.51
PUBLIC SERVICE PF	26 743 441	5.12
BLMH INTERNATIONAL HOLDINGS	15 670 453	3.00
KAJA TRADING LIMITED	10 462 687	2.00
STANBIC NOMINEES (PVT) LTD	4 841 242	0.93
PIM NOMINEES (PVT) LTD	2 574 361	0.49
REMO INVESTMENT BROKERS (PVT) LTD	2 217 557	0.42
TOTAL	**481 377 326**	**92.22**
OTHER SHAREHOLDERS	**40 638 782**	**7.78**
SHARES IN ISSUE	**522 016 108**	**100.00**

SHAREHOLDER'S CALENDAR

FINANCIAL YEAR END
31 December 2023

Anticipated dates

Half year results to 30 June 2023
August 2023

Full year results to 31 December 2023
March 2024

Integrated Annual report &
Annual General Meeting
July 2024

ACTUARY'S REPORTS

CBZ Insurance (Private) Limited Independent Actuary`s Report

As at 31 December 2022

STATUTORY INSTRUMENT 183 OF 2009
INSURANCE (AMENDMENT) REGULATIONS

INDEPENDENT ACTUARY'S OPINION

I, James Olubayi, of Atchison Actuarial Services (Private) Limited, acting as the Appointed Actuary of CBZ Insurance Company (Private) Limited, certify that, as at 31 December 2022, this Actuarial Valuation for CBZ Insurance Company has been prepared in accordance with the Guidelines to the Insurance Industry on Actuarial Valuations issued by the Insurance and Pensions Commission in Zimbabwe as well as generally accepted actuarial principles.

I further certify that, as at 31 December 2022, CBZ Insurance Company (Private) Limited:

- Had inadequate solvency capital to meet the prescribed minimum regulatory requirement in accordance with the Insurance Act and IPEC guidelines.
- Disclosed technical provisions that were calculated in accordance with the prevailing Guidelines and generally accepted actuarial principles; and
- Had enough appropriate assets in terms of the profile of its liabilities.
- Have made reference to recapitalisation of ZWL1.18 billion in January 2023 which aimed at correcting the solvency capital position at the reporting date.

……………………………………………
James Olubayi
In my capacity as

Actuary to CBZ Insurance (Private) Limited

29 March 2023

CBZ Life (Private) Limited Independent Actuary`s Report

As at 31 December 2022

STATUTORY INSTRUMENT 183 OF 2009
INSURANCE (AMENDMENT) REGULATIONS, 2009 (No. 14)

CERTIFICATE AS TO THE SOLVENCY OF CBZ LIFE AS AT 31 DECEMBER 2022

I, the undersigned, hereby certify that CBZ Life is solvent on an ongoing basis as at 31 December 2022 as shown in the table below. This is after adjusting company values based on calculations in terms of the "Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms".

The following table shows the results of the actuarial valuation of CBZ Life on the Published Reporting Basis in respect of the year ended 31 December 2022.

	31 DEC 2022 (ZWL$)	31 DEC 2021 (ZWL$)
Total Assets	7 207 991 869	1 509 185 326
Current and other Liabilities	(1 820 716 024)	(249 433 206)
Policyholder Liabilities	(1 608 920 401)	(404 542 368)
Investment Contracts	(334 824 733)	(55 799 168)
Excess Assets	**3 443 530 710**	**799 410 584**

The following table shows the results of the actuarial valuation of CBZ Life on the Statutory Reporting Basis in respect of the year ended 31 December 2022.

	31 DEC 2022 (ZWL$)	31 DEC 2021 (ZWL$)
Total Admissible Assets	5 784 801 682	1 205 149 225
Current and other Liabilities	(1 820 716 024)	(249 433 206)
Policyholder Liabilities	(1 608 920 401)	(404 542 368)
Investment Contracts	(334 824 733)	(55 799 168)
Excess Assets	**2 020 340 523**	**495 374 483**
Minimum Capital Requirements	**75 000 000**	**75 000 000**

Name of the Revaluation Actuary: Tinashe Mashoko
Name of Actuary's Professional Principal Regulator: Actuarial Society of South Africa.

Signature: ....

8 May 2023

GROUP FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the oversight of the Group's consolidated inflation adjusted financial statements preparation to ensure that its financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards ("IFRS"). They have general responsibility, through various Board Committees, Executive management, compliance and internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities.

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

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

Compliance with local legislation
The consolidated inflation adjusted financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25); Microfinance Act (Chapter 24:29) and Asset Management Act (Chapter 24:06).

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

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

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

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

By order of the Board.

....	....
T. L. GUMBO	DR. B. MUDAVANHU
GROUP CFO	**GROUP CEO**
8 May 2023	8 May 2023

INDEPENDENT AUDITORS' REPORT

KPMG
Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone +263 430 2600
Internet www.kpmg.com/zw

Independent Auditors' Report

To the shareholders of CBZ Holdings Limited

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of CBZ Holdings Limited (the Group and Company) set out on pages 120 to 209, which comprise the inflation adjusted consolidated and company's statements of financial position as at 31 December 2022, and the inflation adjusted consolidated and company's statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and company's statement of changes in equity and the inflation adjusted consolidated and company's statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and company financial statements, including a summary of significant group and company accounting policies.

In our opinion, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of CBZ Holdings Limited as at 31 December 2022, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), the Insurance Act (Chapter 24:07) and the Asset Management Act (Chapter 24:06).

Basis for opinion

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

Key audit matters

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

Independent Auditors' Report (continued...)

1. Valuation of investment and owner occupied properties

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

Refer to:
- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the investment properties accounting policy note 1.5, the property and equipment accounting policy note 1.6 and the fair value measurement accounting policy note 1.30.
- Consolidated financial statements notes - the fair value measurement note 19, the property and equipment note 20 and the investment properties note 21.
- Company financial statement notes - fair value measurement note 8 and property and equipment company note 9.

Key audit matter	How the matter was addressed in our audit
• The Group and the Company hold owner occupied properties, comprising land and buildings, that are measured at fair value in accordance with IAS 16, **Property, Plant and Equipment** (IAS 16). The Group also holds investment properties which are measured at fair value in accordance with IAS 40, **Investment Property** (IAS 40). • As at reporting date the Group had owner occupied properties amounting to ZWL$30.6 billion inflation adjusted (3 percent of the Group's total assets), of which ZWL$254.6 million inflation adjusted related to the Company, and the Group held investment properties amounting to ZWL$28.6 billion inflation adjusted (3% of the Group's total assets). • Investment properties and owner-occupied property are subject to variability in fair values. The fair values of the properties were determined by a registered internal appraiser. • Office and retail property was valued using the implicit investment approach with significant inputs being comparable rentals per square meter and capitalisation rates which were determined by applying significant judgement and estimation. • Land and residential properties were valued using the market comparable approach which takes into account prices for recent sales and properties on offer, adjusted for location, size and quality. • The fair values of the Group's and Company's properties are classified as Level 2 in the fair value hierarchy, through their use of observable inputs such as rental rates per square meter and unobservable inputs such as capitalisation rates which have estimation uncertainty inherent in their values. Furthermore, the hyperinflationary environment make it increasingly difficult to determine the fair values. • Given the degree of complexity involved in determining the fair value of the owner occupied and investment properties, the significant judgement and estimation required in determining the key inputs and assumptions used in determining the fair values in the local property market, the valuation of the Group and the Company's owner occupied properties and the Group's investment properties was considered a key audit matter.	Our procedures included the following: • Evaluating the professional qualifications, competence, capabilities and objectivity of the registered internal appraiser, employed by management, who valued the Group and Company's properties through inspection of their professional membership and reviewing their curriculum vitae. • Evaluating the professional qualifications, competence, objectivity, capabilities and independence of our own engaged professional independent property valuer by enquiring about their interest and relationship with the Group and the Company and confirming their membership to professional associations. Our engaged property valuer assisted with: • Evaluating the appropriateness of the valuation methodologies used by the internal appraiser, by comparing the valuation methods used by the internal appraiser to market best practice property valuation methods based on our specialist's knowledge of the industry and the requirements of IFRS 13, **Fair Value Measurement** (IFRS 13); and • Challenging the assumptions such as capitalisation rates, rent per square meter and market comparable prices used to value owner occupied and investment properties through performing independent property valuations for a sample of properties. The performance of independent fair values involved re-computation of capitalisation rates and comparison of management's rentals per square meter and comparable market prices to the engaged specialist values observed from market transactions and offer prices. • Assessing the adequacy of the disclosures in the inflation adjusted consolidated and separate financial statements in respect of the valuation of owner occupied and investment properties in accordance with IAS 16, IAS 40 and IFRS 13.

1.

2. Valuation of unlisted investments

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

Refer to:

- Group and company accounting policies - the significant accounting estimates and judgements note 1.3, the financial assets accounting policy note 1.7 and the fair value measurement accounting policy note 1.30
- Consolidated financial statements notes - equity investments note 17 and the fair value measurement note 19.
- Company financial statement notes - the equities investment note 7.1 and fair value measurement note 8.

Key audit matter	How the matter was addressed in our audit
• The Group holds unlisted investments amounting to ZWL$12.2 billion inflation adjusted (1,3% of total assets) which are measured at fair value, of which ZWL$4.2 billion inflation adjusted (14% of total assets) relates to the Company. • Unlisted investments are shares that are not listed on a registered stock exchange therefore the prices are not quoted in any active market and are classified as level 3 financial instruments in the fair value hierarchy. • Where a market price is not available, the fair value of the unlisted investments are determined using a market approach based on price earnings ("PE") multiples or a discounted cashflow valuation technique. Where PE valuation techniques are used, the multiples are market related based on management's judgement of comparable entities with similar businesses and then adjusted for country and size discounts to determine an adjusted PE multiple. • Where the discounted cashflow method is used, projected cashflows are based on historical performance and adjusted for future assumptions. There are also significant unobservable inputs which include discounts rates and inflation. • We identified assessing the fair value of the unlisted investments as a key audit matter because the valuation methodologies, assumptions and inputs used by management include significant unobservable inputs resulting in significant judgement being applied by management.	Our procedures included the following: 1. We engaged our own valuation specialist who assisted with: i. Evaluating and challenging the appropriateness of the methodologies applied through comparison with market best practices; ii. Evaluating and challenging assumptions such as comparable entities, country and size discounts, discounts rates, cashflows and inputs used in the valuation of the unlisted investments through independently computing the fair value using our own independent inputs and considering macro-economic factors. This included: • Calculating a range for the expected minimum and maximum values for the PE multiple method and using the Earnings Before Interest and Tax ("EBITA") multiple method through identification of a number of comparable entities and using company specific risk assumptions; and • Performing an independent valuation using the discounted cashflow method to assess whether management's valuation is appropriate through the application of sensitivity analysis; 2. For a sample of unlisted investments, confirmed the holding of the shares held directly with the investee and confirmed that the holding was appropriately considered in the determination of the fair value of the investments; and 3. Assessing whether the disclosures in the inflation adjusted consolidated and separate financial statements appropriately reflected the Group's and Company's exposure to financial instrument valuation risk in accordance with the requirements of IFRS 13.

Independent Auditors' Report (continued...)

3. Expected credit losses in respect of loans and advances to customers

This matter relates to the inflation adjusted consolidated financial statements.

Refer to:
- Group and company accounting policies - the significant accounting estimates and judgements note 1.3 and the impairment accounting policy note 1.9.
- Consolidated financial statements notes - loans and advances to customers note 12 and credit risk note 37.3.

Key audit matter	How the matter was addressed in our audit

• The Group assesses at each reporting date on a forward-looking basis, the Expected Credit Losses (ECL) associated with a financial asset or a group of financial assets. The Group carries out a significant increase in credit risk assessment at each reporting date in order to determine whether the credit risk of its financial assets has increased significantly since initial recognition.
• As at the reporting date, the Group assessed the ECL in respect of gross loans and advances to customers of ZWL$247.9 billion (26% of total assets).
• The Group's ECL model includes certain judgements and assumptions such as:
  • the credit rating allocated to the counterparties;
  • the probability of a loan becoming past due and subsequently defaulting (probability of default PD);
  • the determination of the Group's definition of default;
  • the magnitude of the likely loss if there is default (loss given default LGD);
  • the expected exposure in the event of a default (exposure at default EAD);
  • the criteria for assessing significant increase in credit risk (SICR);
  • the identification of impaired assets and the estimation of impairment, including the estimation of future cash flows, market values and estimated time and cost to sell collateral;
  • the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product used in determining the expected credit losses in the loans and advances to customers;
• Due to the significance of the loans and advances to customers to the Group and the level of judgement applied in determining the ECL, the expected credit loss in respect of loans and advances to customers was considered a key audit matter.
	Our procedures included the following:
	1. Assessing and testing the design, implementation and operating effectiveness of the key controls over credit origination, approval, monitoring and the grading of the loans and advances to customers for impairment provisioning;
	2. We engaged our Financial Risk Management (FRM) specialists to:
	3. Evaluating the reasonability of the methodology and updates within the Group's IFRS 9 ECL model and credit policies against industry best practices;
	4. For a sample of loans and advances to customers, re-computing the probability of default using our independent model;
	5. Assessing the reasonableness of management's assumptions in the determination of the PD and LGDs for stage 1 and stage 2 loans by comparing against industry practices.
	6. Assessing the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models.
	  • Using available external and independent macro-economic information (inflation, interest rates, gross domestic product rates) to challenge management's judgements and assumptions in determining the ECL;
	  • For a sample of loans and advances to customers, we evaluated the appropriateness of the credit rating through the performance of credit reviews, an analysis of the financial performance of selected entities and independently computing the credit rating through use of an independent credit rating model;
	  • Independently computed the ECL for stage 3 loans at year end by (i) confirming default loans in stage 3 (ii) checking the accuracy of loan balances at default (iii) verifying the estimated future cashflows recoverable from stage 3 borrowers (iv) assessing the reasonableness of the interest rate used to discount future cashflows.
	7. Assessing the completeness, accuracy and validity of data and inputs used during the application of the ECL model by independently confirming loan balances, reconciling the balances on the sub-ledger to the general ledger and agreeing the interest rates to the loan agreements.
	8. Assessing the adequacy of the Group's disclosures in respect of the ECL as required in terms of IFRS 7, Financial instruments disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report titled "CBZ Holdings Group and Company Annual Financial Statements for the year ended 31 December 2022", including the unaudited financial information in the inflation adjusted consolidated and separate financial statements titled "Historical" but does not include the inflation adjusted consolidated and separate financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the "The Annual Report", which is expected to be made available to us after that date.

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

In connection with our audit of the inflation adjusted consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

KPMG

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

8 May 2023

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

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
	NOTES				
Interest income	2	87 217 393	74 916 927	62 283 222	19 313 284
Interest expense	2	(13 460 234)	(9 473 445)	(10 206 580)	(2 040 312)
Net interest income		**73 757 159**	**65 443 482**	**52 076 642**	**17 272 972**
Non-interest income	3	179 025 582	79 399 247	183 062 792	22 081 856
Net underwriting income	4	1 566 038	1 420 454	658 302	263 464
Total income		**254 348 779**	**146 263 183**	**235 797 736**	**39 618 292**
Operating expenditure	5	(87 858 923)	(58 782 712)	(63 997 752)	(13 803 898)
Operating income		**166 489 856**	**87 480 471**	**171 799 984**	**25 814 394**
Transfer to life fund and investment contract liabilities		(1 835 895)	(902 339)	(1 182 363)	(178 200)
Expected credit loss expense	14	(71 781 058)	(25 221 686)	(71 781 058)	(7 337 007)
Charge for impairment on insurance assets	14	(118 419)	(66 889)	(118 419)	(19 458)
Monetary loss		(38 227 959)	(24 608 419)	-	-
Profit before taxation		**54 526 525**	**36 681 138**	**98 718 144**	**18 279 729**
Taxation	6.1	(21 484 244)	(10 187 603)	(17 757 513)	(2 115 550)
Profit after tax for the year		**33 042 281**	**26 493 535**	**80 960 631**	**16 164 179**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluations		9 225 937	5 114 463	24 981 633	3 418 317
Gains on equity instruments at FVOCI		4 354 048	1 515 833	9 756 040	1 094 623
Deferred income tax relating to components of other comprehensive income	6.3	(3 833 962)	(891 761)	(4 731 324)	(573 232)
		9 746 023	**5 738 535**	**30 006 349**	**3 939 708**
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of foreign subsidiary	30.7	254 995	283 038	254 995	(2 241)
Other comprehensive income for the year net of tax		**10 001 018**	**6 021 573**	**30 261 344**	**3 937 467**
Total comprehensive income for the year		**43 043 299**	**32 515 108**	**111 221 975**	**20 101 646**
Profit for the year attributable to:					
Equity holders of parent		33 052 100	26 496 368	80 967 977	16 163 848
Non-controlling interests	30.5	(9 819)	(2 833)	(7 346)	331
		33 042 281	**26 493 535**	**80 960 631**	**16 164 179**
Total comprehensive income for the year attributable to:					
Equity holders of parent		43 050 200	32 515 325	111 218 208	20 099 596
Non-controlling interests	30.5	(6 901)	(217)	3 767	2 050
Total comprehensive income for the year		**43 043 299**	**32 515 108**	**111 221 975**	**20 101 646**
Earnings per share (cents)					
Basic	7.1	6 331.63	5 075.78	15 510.63	3 096.43
Diluted basic	7.1	6 331.63	5 075.78	15 510.63	3 096.43
Headline	7.1	4 986.21	4 321.34	12 182.84	2 622.24

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 Financial Position

As at 31 December 2022

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	AUDITED RESTATED 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000
Cash and cash equivalents	9	263 077 584	136 001 483	263 077 584	39 562 931
Money market assets	10	35 458 149	83 717 940	35 458 149	24 353 610
Financial securities	11	49 633 591	3 315 622	49 633 591	964 517
Loans and advances to customers	12	176 218 892	192 166 130	176 218 892	55 901 268
Insurance assets	13	2 074 050	4 090 959	1 973 587	1 162 033
Equity investments	17	17 335 017	18 638 795	17 335 017	5 422 039
Land inventory	16	20 801 368	20 459 426	1 657 513	552 094
Other assets	15	283 425 317	129 655 225	278 675 429	37 217 108
Current tax receivable		167 047	127 831	167 047	37 186
Intangible assets	22	926 145	1 045 501	257 276	213 757
Property and equipment	20	45 533 661	31 313 403	37 593 673	7 395 991
Investment properties	21	28 591 973	21 209 840	28 591 973	6 169 958
Deferred tax asset	23.1	31 850 453	12 442 131	32 394 532	3 618 424
TOTAL ASSETS		**955 093 247**	**654 184 286**	**923 034 263**	**182 570 916**
LIABILITIES					
Deposits	24	680 399 535	451 611 586	680 399 535	131 374 141
Insurance liabilities	25	1 972 132	3 336 179	1 977 841	930 419
Other liabilities	26	56 995 029	56 019 613	56 611 156	15 963 342
Current tax payable		1 385 218	1 796 358	1 385 218	522 562
Life fund	27.1	1 574 500	1 367 473	1 574 500	397 799
Investment contract liabilities	28.1	369 246	214 994	369 246	62 542
Lease liability	20.1b	261 756	124 682	261 756	36 270
Deferred tax liability	23.2	43 590 560	16 667 046	37 035 502	3 573 573
		786 547 976	**531 137 931**	**779 614 754**	**152 860 648**
EQUITY					
Share capital	30.1	924 972	924 972	5 220	5 220
Share premium	30.2	5 652 468	5 652 468	33 876	33 876
Revaluation reserve	30.3	22 969 475	17 360 922	26 517 008	5 790 710
Shares awaiting allotment reserve	30.9	3 722 167	-	3 500 000	-
Share based payment reserve	30.8	1 959 263	1 959 263	569 951	569 951
Fair value reserve	30.6	9 654 380	5 519 828	11 232 948	1 964 010
Retained earnings	30.4	122 678 384	90 892 834	101 219 758	21 264 515
Foreign currency translation reserve	30.7	976 030	721 035	332 024	77 029
Equity attributable to equity holders of the parent		**168 537 139**	**123 031 322**	**143 410 785**	**29 705 311**
Non-controlling interest	30.5	8 132	15 033	8 724	4 957
TOTAL EQUITY		**168 545 271**	**123 046 355**	**143 419 509**	**29 710 268**
TOTAL LIABILITIES AND EQUITY		**955 093 247**	**654 184 286**	**923 034 263**	**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.

Marc Holtzman
Group Chairman

08 May 2023

T.I. Gumbo
Group Chief Finance Officer

08 May 2023

Dr . B. Mudavanhu
Group Chief Executive Officer

08 May 2023

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

AUDITED 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											
31 December 2021											
Opening balance	924 972	5 652 468	-	-	13 062 896	4 081 935	437 997	73 192 552	97 352 820	15 250	97 368 070
Profit for the year	-	-	-	-	-	-	-	26 496 368	26 496 368	(2 833)	26 493 535
Other comprehensive income for the year	-	-	-	-	4 298 026	1 437 893	283 038	-	6 018 957	2 616	6 021 573
Equity-settled-share based payment	-	-	-	1 959 263	-	-	-	-	1 959 263	-	1 959 263
Dividend paid	-	-	-	-	-	-	-	(8 796 086)	(8 796 086)	-	(8 796 086)
Closing balance	**924 972**	**5 652 468**	**-**	**1 959 263**	**17 360 922**	**5 519 828**	**721 035**	**90 892 834**	**123 031 322**	**15 033**	**123 046 355**
31 December 2022											
Opening balance	924 972	5 652 468	-	1 959 263	17 360 922	5 519 828	721 035	90 892 834	123 031 322	15 033	123 046 355
Profit for the year	-	-	-	-	-	-	-	33 052 100	33 052 100	(9 819)	33 042 281
Other comprehensive income for the year	-	-	-	-	5 608 553	4 134 552	254 995	-	9 998 100	2 918	10 001 018
Issue of shares awaiting allotment	-	-	3 722 167	-	-	-	-	-	3 722 167	-	3 722 167
Dividend paid	-	-	-	-	-	-	-	(1 266 550)	(1 266 550)	-	(1 266 550)
Closing balance	**924 972**	**5 652 468**	**3 722 167**	**1 959 263**	**22 969 475**	**9 654 380**	**976 030**	**122 678 384**	**168 537 139**	**8 132**	**168 545 271**

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

* Foreign currency translation reserve

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
31 December 2021											
Opening balance	5 220	33 876	-	-	2 892 977	923 754	79 270	7 126 176	11 061 273	2 907	11 064 180
Profit for the year	-	-	-	-	-	-	-	16 163 848	16 163 848	331	16 164 179
Other comprehensive income for the year	-	-	-	-	2 897 733	1 040 256	(2 241)	-	3 935 748	1 719	3 937 467
Equity-settled-share based payment	-	-	-	569 951	-	-	-	-	569 951	-	569 951
Dividend paid	-	-	-	-	-	-	-	(2 025 509)	(2 025 509)	-	(2 025 509)
Closing balance	**5 220**	**33 876**	**-**	**569 951**	**5 790 710**	**1 964 010**	**77 029**	**21 264 515**	**29 705 311**	**4 957**	**29 710 268**
31 December 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 year	-	-	-	-	-	-	-	80 967 977	80 967 977	(7 346)	80 960 631
Other comprehensive income for the year	-	-	-	-	20 726 298	9 268 938	254 995	-	30 250 231	11 113	30 261 344
Dividend paid	-	-	-	-	-	-	-	(1 012 734)	(1 012 734)	-	(1 012 734)
Issue of shares awaiting allotment	-	-	3 500 000	-	-	-	-	-	3 500 000	-	3 500 000
Closing balance	**5 220**	**33 876**	**3 500 000**	**569 951**	**26 517 008**	**11 232 948**	**332 024**	**101 219 758**	**143 410 785**	**8 724**	**143 419 509**

** Shares awaiting allotment reserve (Refer to note 30.9)
* Foreign currency translation reserve

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	54 526 525	36 681 138	98 718 144	18 279 729
Non-cash items:				
Monetary loss	38 227 959	24 608 419	-	-
Depreciation	2 664 253	2 170 680	1 386 362	312 929
Amortisation of intangible assets	402 534	241 984	125 724	39 039
Write off of property and equipment	32 028	16 401	73 711	947
Write off of intangible assets	-	1 966	-	323
Write down of land inventory	-	313 743	-	12 658
Write off of equity investments	2	-	1	-
Fair value adjustments on investment properties	(9 348 511)	(5 568 663)	(23 136 415)	(3 300 355)
Write off of right of use asset and lease liability	-	11 113	-	92
Fair value adjustments on financial instruments	5 826 316	(3 566 983)	(2 204 496)	(1 561 872)
Expected credit loss expense	71 781 058	25 221 686	71 781 058	7 337 007
Impairment on insurance assets	118 419	66 889	118 419	19 458
Unrealised gain on foreign currency position	(111 140 399)	(14 340 632)	(111 140 399)	(4 171 700)
Loss/ (Profit) on disposal of investment properties	727 623	(254 344)	174 651	(50 256)
Unearned premium reserve movement	306 297	290 340	673 696	124 902
Incurred But Not Reported (IBNR) claims provisions	234 125	117 766	133 778	29 435
Deferred commission movement	(47 968)	(95 287)	(49 445)	(23 846)
Profit on sale of property and equipment	(13 046)	(6 105)	(13 280)	(1 870)
Transfer to life fund and investment contract liabilities	1 835 895	902 339	1 182 363	178 200
Accrued interest on loans and advances to customers	(26 810 967)	(22 401 005)	(14 762 975)	(5 049 926)
Interest on lease liability	26 996	15 490	23 943	3 590
Operating cash flows before changes in operating assets and liabilities	**29 349 139**	**44 426 935**	**23 084 840**	**12 178 484**
Changes in operating assets and liabilities				
Deposits	957 488 951	328 776 532	527 224 021	72 631 103
Loans and advances to customers	(42 060 101)	(139 740 174)	(23 159 637)	(30 769 214)
Life assurance investment contract liabilities	226 473	177 628	124 070	51 672
Money market assets	(17 780 138)	(74 864 095)	(8 108 060)	(16 538 472)
Financial securities	(88 518 463)	16 170	(48 713 208)	9 957
Insurance assets	(516 238)	(1 144 645)	(288 998)	(555 516)
Insurance liabilities	350 672	1 550 436	158 059	352 098
Land inventory	(341 943)	(312 601)	(1 105 419)	(94 112)
Other assets	(951 511 642)	(180 378 247)	(304 800 329)	(17 055 977)
Other Liabilities	390 258 139	129 405 629	40 902 167	7 265 087
	247 595 710	**63 486 633**	**182 232 666**	**15 296 626**
TAXATION				
Corporate tax paid	(19 689 815)	(18 705 615)	(17 084 252)	(4 738 473)
Net cash inflow from operating activities	**257 255 034**	**89 207 953**	**188 233 254**	**22 736 637**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	1 351 248	506 231	605 826	104 960
Investment in equities during the year	(1 569 640)	(1 321 829)	(820 408)	(347 276)
Equity investments disposed during the year	1 401 148	355 245	867 965	75 513
Purchase of investment property	(112 493)	(706 959)	(66 077)	(175 939)
Proceeds on disposal of property and equipment	18 332	6 810	14 213	1 971
Purchase of property and equipment	(7 543 365)	(2 053 899)	(6 534 157)	(523 936)
Purchase of intangible assets	(283 178)	(356 775)	(169 243)	(119 761)
Net cash outflow from investing activities	**(6 737 948)**	**(3 571 176)**	**(6 101 881)**	**(984 468)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares awaiting allotment	3 722 167	-	3 500 000	-
Lease liability principal repayment	(151 625)	(79 927)	(90 884)	(17 704)
Interest on lease liability paid	(26 996)	(15 490)	(23 943)	(3 590)
Dividend paid	(1 266 550)	(8 796 086)	(1 012 734)	(2 025 509)
Net cash inflow/ (outflow) from financing activities	**2 276 996**	**(8 891 503)**	**2 372 439**	**(2 046 803)**
Net increase in cash and cash equivalents	**252 794 082**	**76 745 274**	**184 503 812**	**19 705 366**
Cash and cash equivalents at beginning of the year	136 001 483	109 140 361	39 562 931	19 752 126
Exchange gains on foreign cash balances	39 010 841	362 457	39 010 841	105 439
Inflation effects on cash and cash equivalents	(164 728 822)	(50 246 609)	-	-
Cash and cash equivalents at end of the year	**263 077 584**	**136 001 483**	**263 077 584**	**39 562 931**

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.

Light up your world with CBZ Touch U$D ZESA tokens

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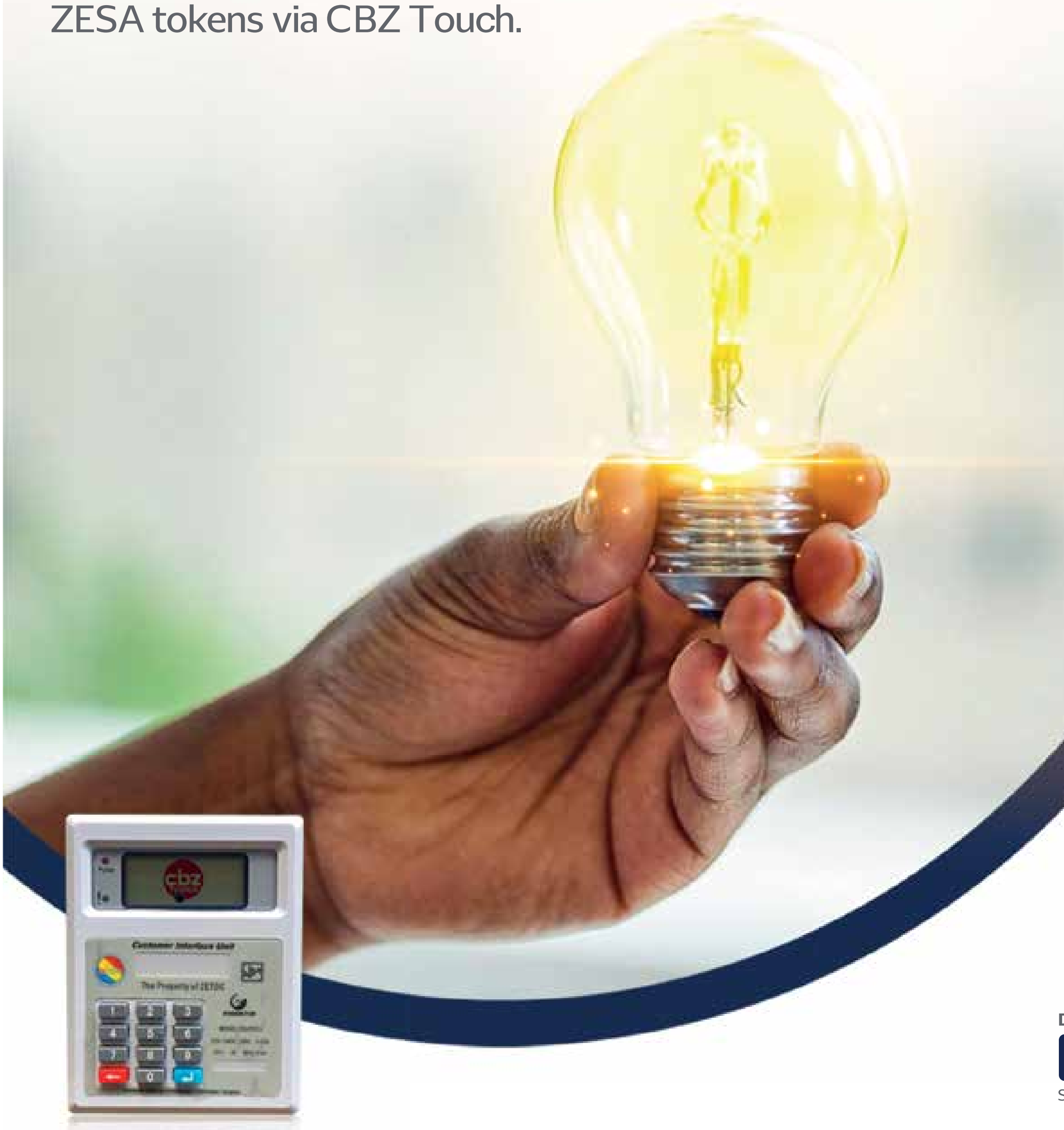

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GROUP AND COMPANY ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

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

Functional and presentation currency

The Group's operations have been impacted by significant monetary policy and exchange control changes in recent years, and the economy has also improved as a result of a substantial increase in foreign currency denominated transactions. As a result, the group's foreign currency transactions, deposits, and advances increased and the Directors have reviewed these prevalent market activities to determine whether the underlying transactions, events, and conditions indicate a possible change in the Group and company's functional currency. In doing so, management considered parameters set in IAS 21 as follows:

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

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

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

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

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

Date	Indices	Pecentage (%) movement	Conversion Factors
31 December 2022	13,672.91	244%	1.0000
31 December 2021	3,977.46	61%	3.4376
31 December 2020	2,474.51	349%	5.5255

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 were restated by applying the change in the index from the date of last re-measurement to 31 December 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 held at fair value were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2022. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 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 31 December 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 financial statements of one of the Group subsidiaries which does not report in the currencies of hyperinflationary economies was accounted for in accordance with IAS 21. Comparative figures as at end of the period 31 December 2021 were restated by applying the change in the index from the date of last re-measurement to 31 December 2022.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

Basis of consolidation.

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Control is achieved when the Group has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the date control was acquired and up to the date control ceased. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Amended standards and interpretations

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These have been disclosed on note 1.36. The amendments below were newly applicable during the year under review:

i. **Reference to Conceptual framework (Amendments to IFRS 3: Business Combinations)**

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 consolidated inflation adjusted 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. **Proceeds before Intended Use (Amendments to IAS 16: Property, Plant and Equipment)**
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 consolidated inflation adjusted 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. **Subsidiary as a first-time adopter (Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards)**
The amendment permits a subsidiary that elects to apply paragraph D16 (a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated inflation adjusted 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 consolidated inflation adjusted financial statements of the Group as it is not a first-time adopter and none of its subsidiaries was a first time adopter in the current reporting period.

iv. **Fees in the '10 per cent' test for derecognition of financial liabilities** (Amendments to IFRS 9: Financial Instruments)
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 consolidated inflation adjusted financial statements of the Group and there were no modifications on the Group's financial instruments during the period.

v. **Taxation in fair value measurements (Amendments to IAS 41: Agriculture)**
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 consolidated inflation adjusted 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 amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments had no impact on the consolidated inflation adjusted financial results of the Group for the 2022 financial year. The Group intends to use the practical expedients in future periods if they become applicable.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Fair value measurement principles
The group applies fair value measurement principles on financial instruments in which the fair value measurement is applied, investment properties, property plant and equipment under the revaluation model and land inventory in determining the net realisable value.

The fair value of financial instruments is based on their market price at the reporting date. If a market price is not available, the fair value of an instrument is estimated Price earnings multiples "PE"). Where PE multiples techniques are used, the multiples are based on comparable entities at the reporting date for companies with similar business selected by management based on their judgement, then adjusted for country and size discounts based on judgement.

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques that include the earnings multiple and the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as discounts rates, cash flows, comparable prices, comparable entities and jurisdiction/country and size discounts.
The Group adopted the Directors valuation on its investment properties, land inventory and owner occupied properties. The frequency of valuations depends on the changes in the fair values.

The Group's Valuations rely on available market evidence as input for calculating property fair values. This includes transaction prices for comparable properties, rents and capitalisation rates. In view of the continued availability of ZWL$ denominated evidence on the market, for the year ending 31 December 2022 the Group's properties were valued using a direct ZWL$ valuation which is consistent with prior year.

Expected Credit Loss

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

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

Assets and liabilities linked to RBZ Financial asset in lieu of legacy debts and nostro gap accounts

The Bank held foreign currency denominated legacy debts and nostro gap accounts amounting to US$133 369 793 at 31 December 2022 (2021: US$145 044 224). These debts relate to liabilities denominated in US$ and are presented in deposits in the statement of financial position and in Note 20 and are classified as financial liabilities subsequently measured at amortised cost.

The Reserve Bank of Zimbabwe (RBZ) committed to provide foreign currency funding in full to support the Bank in financing legacy debts and nostro gap at an exchange rate of US$1:ZW$1. In the prior periods, the RBZ requested the Bank to pay over the Zimbabwe dollar equivalent of legacy debt and nostro gap accounts at an exchange rate of US$1: ZW$1. The Bank recognised a foreign denominated asset for this amount and as at 31 December 2022, US$154 428 702 (2021: US$158 965 128) was receivable from the RBZ. This amount is presented as a receivable in other assets in the statement of financial position and in Note 13 and is classified as a financial asset subsequently measured at amortised cost.

During the period under review, amounts totalling US$4 536 427 (2021: US$28 165 410) were received from the RBZ against the RBZ financial asset and were utilised to settle legacy debt and nostro gap. The Bank exercised judgement, in setting its expectation that the RBZ financial asset will be recovered and that the RBZ has the intention and ability to settle, on a gradual basis, the outstanding amounts. In light of amortised cost measurement, the Bank estimated the timing and amount of the cashflows associated with the legacy debt and nostro gap financial liability and RBZ financial asset.

Estimation of property and equipment useful life

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

Estimation of property and equipment residual values

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

Deferred tax

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

Incurred but Not Reported (IBNR) reserve

The Group establishes IBNR reserve, to recognize the estimated cost of losses for events which have already occurred but which have not yet been reported. These reserves are established to recognize the estimated costs required to bring such claims to final settlement.

IBNR on Short term insurance claims

For short-term insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty. Refer to Note 23 for sensitivity information.

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

Group and Company Accounting Policies (continued...)

Incurred but not reported reserve [IBNR] on Life Assurance

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

Life Fund

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

Effective Interest rate

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

Going concern

As the world has largely recovered from the impact of COVID-19, and the Russian Ukrainian war, management has analysed the Group's going concern in the context of the current climate change, economic environment, foreign currency crunch, local currency capital erosion etc., and the impact on its continuing operations. Accordingly, management has disclosed its judgments regarding the sensitivity of the Group's performance and financial position as reflected in the Statement of Profit or Loss and the Statement of Financial Position to these. (Refer to note 40 for a detailed assessment of impact)

Uncertain Tax treatments

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

Determining the lease term of contracts with renewal and termination options – Group as lessee

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

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

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

Determining the incremental borrowing rate to use as discount rate on initial recognition

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

Property lease classification – Group as lessor

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

1.4 FOREIGN CURRENCIES

The Group's consolidated inflation adjusted financial statements are presented in Zimbabwe Dollars (ZWL), which is also the Holding company's functional currency. Transactions in foreign currencies are initially recorded at the spot exchange rate at transaction date. Monetary assets and liabilities denominated in foreign currencies are restated at reporting date. Management established the prevailing interbank willing buyer willing seller foreign exchange rate published by the Reserve Bank of Zimbabwe (RBZ) as the appropriate spot rate during the period on the basis that the central bank promulgated the same as the official exchange rate applicable to all foreign exchange. The Group and its customers buy and sell foreign currency at this official rate, hence ascertaining the exchangeability principle in accordance with IAS 21. Non-monetary assets denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction while those at fair value are translated using the exchange rate at the date when the fair value was determined. All exchange gains/losses arising on the translation or settlement of foreign denominated monetary items are recognised in profit or loss.

1.5 INVESTMENT PROPERTIES

Recognition criteria

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

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair values of investment properties are included in profit or loss in the period in which they arise, together with any corresponding tax effects. Rental income from letting of the investment properties is recognised straight line over the lease term. The fair value assessments by the valuer take into account the following aspects:

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

Transfers to and from investment properties

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

Derecognition

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

1.6 PROPERTY AND EQUIPMENT

Recognition criteria

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

The estimated useful lives at the end of this reporting period are:

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

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

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

Derecognition

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

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

1.7 FINANCIAL ASSETS

Initial Recognition

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

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

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

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

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

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

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

Subsequent measurement

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

i. Financial assets at amortised cost

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

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

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

ii. Financial assets at fair value through other comprehensive income

The Group measures its debt instruments at fair value through OCI if both of the following conditions are met:

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

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

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

iii. Financial assets at fair value through profit or loss

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

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

Currency Swaps

Currency swaps that are done by the Group are accounted for in line with other Group financial instruments, at amortised cost.

Derecognition

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

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

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

1.8 FINANCIAL LIABILITIES

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortised cost

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

Derecognition

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

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

1.9 IMPAIRMENT

Financial assets

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

Financial Assets carried at amortised cost

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

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

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

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

Expected credit losses are also calculated for Bank and cash balances

Group and Company Accounting Policies (continued...)

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

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

Non-Financial Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost of disposal and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. Impairment of continuing operations is recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

Insurance assets
Insurance assets are impaired after two consecutive months of non-payment. The whole balance of unpaid premium is transferred to suspended income as the premiums previously recognised in the profit and loss are reversed. The policy is terminated or lapsed if in the third month there is no payment by policyholder. It is at this point removed from premium receivables. Other specific policies with special arrangement are provided for after three months of non-payment.

1.10 REVENUE RECOGNITION

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

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

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

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

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

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

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

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

ii. Commission and fee income
The Group recognises revenue from commission and fee income including account maintenance fees, ledger fees, advisory income, Agro Inputs handling fees, ATM/ cash withdrawal fees and Point of sale income as the related services are performed.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

iii. Property sales

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

Iv Agro-business income

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

b) Revenue within the scope of IFRS 9

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

i. Trading income

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

ii. Interest Income

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

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

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets (POCI), the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

For Financial assets that are not POCI but have become credit impaired (or stage 3), interest income is calculated by applying the effective interest to their amortised cost (i.e. net of the expected credit loss provision).

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

iii. Commission and fee income

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

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

iv. Dividends

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

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

v. Other income

Other income relates largely to insignificant and non-routine income earned by the group, which often is aggregated for reporting, and may be disaggregated as and when they become material. These items include unrealised gains on foreign currency monetary balances held, Group Holiday Facility income and non-routine income on various customers' or business once of transactions.

vi. Management fees

The Holding company earns management fees from its subsidiaries, and these are eliminated for group reporting.

c) Revenue within the scope of IFRS 13

The Group's revenue items recognised under the scope of IFRS 13 are as follows:

i. Fair Value adjustments on Investment properties The Group recognises income from Gains or losses arising from changes in fair values of investment properties

ii. Fair Value adjustments on listed equity investments The Group recognises income from Gains or losses arising from changes in fair values of listed equity investments

Group and Company Accounting Policies (continued...)

d) Lease income under IAS 40

Rental income from letting of the investment properties is recognised in the Statement of Profit or Loss straight line over the lease term

e) Income from disposal of Investment property and property plant and equipment

Profit or loss on disposal of investment property and property and equipment is recognised in the Statement of Profit or loss. The profit or loss on disposal is calculated by comparing the carrying amount of the asset disposed on disposal date and the proceeds from disposal.

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

i. Premiums

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

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

ii. Commission receivable

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

1.11 BASIS OF ACCOUNTING FOR UNDERWRITING ACTIVITIES

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

Claims

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

Unexpired risk provision

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

Liability adequacy test

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

Insurance contracts

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

Insurance assets

These comprise reinsurance receivables, deferred acquisition costs and insurance premium receivables. Impairment on these assets is calculated using the general approach under IFRS 9, Financial Instruments recognition and measurement.

Reinsurance contracts held

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

Deferred Acquisition costs

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

Lapses

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

Reversals

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

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

1.12 EMPLOYEE BENEFITS

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

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

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

ii) The Group operates a defined contribution scheme, the assets of which are held in a separate trustee-administered fund. The costs are charged to the profit or loss as incurred.

Employee share option scheme
The Group's Employee Share Options Scheme ("ESOS") is a share-based, cash-settled employee compensation scheme. The ESOS allows the employees of the Group to become entitled to a future cash payment (rather than an equity instrument), based on Group's share price upon fulfilling certain conditions.

The fair value of the amount payable to employees in respect of cash settled employee compensation is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is measured at each reporting date and at settlement date based on the fair value of the shares. Any changes in the liability are recognised as personnel expense in profit or loss.

1.13 TAXATION

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

Capital gains tax
At reporting date, deferred tax is computed based on the applicable capital gains tax rate on the sale of investment property held for capital appreciation or equity investments.

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

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

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

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

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

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

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

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

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

Changes in tax rates.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. If the

tax rate increases, deferred taxes will also increase, i.e. deferred tax assets and liabilities will increase. Similarly, if the tax rate decreases, deferred taxes also decrease. The effect of the change in tax rates is shown separately on the tax rate reconciliation and is accounted for in the Statement of profit or loss.

1.14 CONTINGENCIES AND COMMITMENTS

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

1.15 OPERATING SEGMENTS

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

1.16 FIDUCIARY ACTIVITIES

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

1.17 FINANCIAL GUARANTEES AND LOAN COMMITMENTS

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

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

Expected credit losses arising from financial guarantees are included within provisions. The Group has issued no loan commitments that are measured at FVTPL

1.18 EARNINGS PER SHARE

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

1.19 INTANGIBLE ASSETS

The Group's intangible assets mainly comprise of computer software. Intangible assets are recorded at cost less any accumulated amortisation and impairment. The estimated useful life at the end of the reporting period for computer software is 3 years. The intangible assets are recognised if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred. The intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

1.20 LEASED ASSETS

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

- The contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Group as a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

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

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

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

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

Short-term leases
A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less and do not contain a purchase option. The Group applies the short-term lease recognition exemption to its short-term leases of buildings. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

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

1.21 SHARE CAPITAL

Ordinary share capital
Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at Annual general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

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

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

1.22 REVALUATION RESERVE

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

1.23 RETAINED EARNINGS RESERVE

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

1.24 SHARE PREMIUM

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

1.25 FAIR VALUE RESERVE

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

1.26 FUNCTIONAL CURRENCY TRANSLATION RESERVE

The Functional currency translation reserve represents the exchange rate gains or losses arising from translating a foreign subsidiary

1.27 SHARE BASED PAYMENT RESERVE

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

Group and Company Accounting Policies (continued...)

1.28 SHARES AWAITING ALLOTMENT RESERVE

The shares awaiting allotment reserve represents a pool of capital raised to which shares are yet to be allotted to potential shareholders.

1.29 RELATED PARTIES

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

1.30 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its no performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. See note 17,20 &21.

The Group measures the fair value of instruments using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.
If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs, maximise the use of relevant observable inputs, and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

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

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

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

1.31 LAND INVENTORY

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

1.32 CASH AND CASH EQUIVALENTS

Balances with other banks and cash and bank balances include cash on hand, deposits held at call with other banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown as liabilities. Cash and bank balances are carried at amortised cost in the statement of financial position.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.33 LEGACY DEBTS & NOSTRO GAP ACCOUNTS

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

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

1.34 ACCOUNTING FOR GOLD COINS

During the year, the Central bank introduced the Mosi-oa-Tunya gold coins, during a press Statement by the Governor, and thereafter released directives and press announcements, on their features, qualities, specifications, selling and holding procedures. The Gold coins are initially measured at cost, including transaction costs. Subsequent to initial recognition, Gold coins are measured at fair value. Gains or losses arising from changes in fair value are included in the statement of profit or loss in the period in which they arise.

1.35 BUSINESS COMBINATIONS UNDER COMMON CONTROL

During the year, CBZ Holdings, (The Group) made a decision to merge its 2 wholly owned subsidiaries, CBZ Bank and CBZ Building Society, "The Merger" through the transfer of all the assets and liabilities of CBZ Building Society to CBZ Bank, close and cancel the licence of CBZ Building Society. The Merger qualifies as a business combination under common control as both CBZ Bank and CBZ Building Society were wholly owned subsidiary of CBZ Holdings.

The Group accounts for business combinations under common control, by applying the book value method at Group level. The book value method requires the receiving company to measure the assets and liabilities received using the book values of the transferred company. Financial information of the transferred company would be included in the financial statements of the receiving company prospectively, and no restatement or re-measurement of the pre-combination assets would be required. The receiving entity recognises within equity any difference between consideration paid and the fair value of assets and liabilities received.

1.36 SHARE BASED PAYMENT TRANSACTIONS

Equity-settled share-based payment transactions

For equity-settled share-based payment transactions with external parties other than employees, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Group measures the fair value of the services or goods received by reference to the fair value of the equity instruments granted. The fair value of those equity instruments are measured at grant date.

Employee share options are addressed under employee benefits.

1.37 STANDARDS ISSUED BUT NOT YET EFFECTIVE

1.37.1 IFRS 17 INSURANCE CONTRACTS

The International Accounting Standards Board (IASB) issued the standard IFRS 17 Insurance Contracts in 2017 and the standard is effective for the first time on 1 January 2023. Although earlier application is permitted, The Group has not early adopted the new standards in preparing its 2022 set of financial statements.

The Company will apply IFRS 17 for the first time on 1 January 2023. This standard will bring significant changes to the accounting for insurance and reinsurance contracts and are expected to have a material impact on the Group's financial statements in the period of initial application.

Nature of change and effect on Accounting Policies

The introduction of IFRS 17 results in an overhaul of the accounting treatment for Insurance contracts. These changes range from scoping and classification, recognition, measurement, presentation and disclosure. This has prompted the Group to relook at all its accounting policies to align them to IFRS 17. The following are the nature of changes brought through by IFRS 17 and how this will impact the accounting policies of the Group. The assessment below is preliminary as actual impact of adopting may change because:

- The new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Group finalises its first financial statements that include the date of initial application.
- The Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17;
- although parallel runs were carried out in 2022, the new systems and associated controls in place have not been operational for a more extended period; and
- The Group has not finalised the testing and assessment of controls over its new IT systems and changes to its governance framework.

A. Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. - investment components accounted for under IFRS 9 or as pure supply of services accounted for under IFRS 15.

The Group will assess whether its contracts need to be treated as insurance contracts under IFRS 17, investment components accounted for under IFRS 9 or as pure supply of services accounted for under IFRS 15. This scoping exercise has no significant impact on the Group as all products that were accounted for under IFRS 4 continue to be accounted for under IFRS 17. The accounting policies have been adjusted to take effect of the full requirements of IFRS 17 as well as the terms used in scoping.

B. Level of aggregation

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes such that each group comprises a single contract. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition.
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The treatment above applies in the same manner for reinsurance contracts held.

The level of aggregation requirements of IFRS 17 has significant impact on the way the Group accounts for insurance contracts as it prevents the offsetting of gains on groups of profitable contracts, against losses on groups of onerous contracts as compared with the liability adequacy test which is currently performed under IFRS 4. The effect

Group and Company Accounting Policies (continued...)

on this is an early recognition of losses for contracts that are onerous, should any arise. The Group has adjusted its accounting policies to take this effect into consideration. For contracts issued to which an entity applies the premium allocation approach, the Group shall assume no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. The Group has not applied this provision in assessing impact as it believed some of its contracts could be onerous.

C. Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. The IFRS 17 contract boundary requirements may change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services).
For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

From the assessment done to date, the contract boundaries for the Group's products have not significantly changed from when it applied IFRS 4. The accounting policies have been however updated to include cash flows as per the IFRS 17 accounting boundary requirements.

D. Measurement

IFRS 17 introduces the General Measurement Model (GMM) as a measurement approach for insurance liability or asset. The standard also introduces the Premium Allocation approach (PAA) as an optional simplified measurement model that is available for insurance and reinsurance contracts that meet the eligibility criteria. The contracts that qualify to be measured under this model are those that have a coverage period of less than 12 months, or whose measurement results of the insurance asset or liability under this approach would not differ materially to the results obtained had the GMM approach been used.

The Company expects to apply the PAA to all of its Short term insurance and reinsurance contracts. GMM approach will be applied to the long term insurance products because they meet the eligibility criteria.

On initial recognition of each group, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Group will recognise the insurance acquisition cash flows and amortise them as the service is rendered over time.

Due to historical indications of some insurance products being loss making, on initial recognition, the Group has not elected the waiver to assess contracts under PAA for being onerous or possibly becoming onerous in future.
If facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage on initial recognition.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.
The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features from the underlying insurance contracts.

The PAA approach is very similar to the current accounting being applied under IFRS 4, except to the extent of treatment of onerous groups of contracts, measurement of liability for incurred claims as well as terminology used. As a result, there is limited impact to the results between IFRS 4 and IFRS 17.

The Group will adjust its the Accounting Policies of such contracts to effect these changes.

E. Presentation

IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented in the Group's financial statements.

Statement Profit or Loss and Other Comprehensive Income.
Below are some of the key presentation changes in the statement of Profit or loss and other comprehensive income:

- Under IFRS 17, amounts recognised in the statement of profit or loss and OCI are disaggregated into
  a. an insurance service result, comprising insurance revenue and insurance service expenses; and
  b. Investment results
  c. insurance finance income or expenses.
- The separate presentation of underwriting, investing and financial results under IFRS 17 will provide added transparency about the sources of profits and quality of earnings.
- Amounts from reinsurance contracts will be presented separately.
- Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.
- The Group has elected not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

Below is an illustration of the difference between how the Income statement is presented under IFRS 4 and under IFRS 17.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Gross written premium	xx
Reinsurance premium	xx
Net written premium income	**xx**
Unearned premium movement	xx
Net earned premium	**xx**
Net commission	xx
Net claims	xx
Technical result	**xx**
Operating expenditure	xx
Charge for impairment	xx
Underwritting profit	**xx**
Transfer to actuarial reserve	xx
Investment and other income	xx
Interest from money market investments	xx
Finance cost	xx
Monetary gains/(loss)	xx
Profit/(loss) before taxation	**xx**
Taxation	xx
Profit for the year	xx
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	
Gains on property revaluations	xx
Exchange gains on change of functional currency	xx
Gains on equity instruments at FVOCI	xx
Total other comprehensive income for the year net of tax	**xx**
Total comprensive (loss) or Income	**xx**

	IFRS 17 Profit and Loss	
1	**Insurance contracts revenue**	**xx**
2	**Insurance services expenses**	**xx**
	-incurred claims and ins contract exp	xx
	-Insurance acquisation costs	xx
3	Gains or (Loss) from Reinsurance	xx
4	**Insurance services result (1-3)**	
5	Insurance finance income	xx
6	Insurance finance expenses	xx
7	**Insurance finance result (5-6)**	
8	Net investment Income	xx
9	Other operating components	xx
10	**Non-technical results**	
11	**Operating result 4+7+10**	

Group and Company Accounting Policies (continued...)

Statement of Financial Position

Below are some of the key presentation changes in the Statement of Financial Position:

- Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position.
- All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately.
- Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Below is an illustration of the difference between how the Statement of Financial Position is presented under IFRS 4 and under IFRS 17.

Balance Sheet

IFRS 4 Balance Sheet	IFRS 17 Balance Sheet
Financial Assets	**Financial Assets**
Other Asssets	Other Asssets
Total Assets	**Total Assets**
Insurance Liabilities	Insurance Liabilities
Unearned Premium*	
Other Liabilities	
Equity	Equity
Total liabilities and Equity	**Total liabilities and Equity**

A. Disclosure

IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements, including:

i. detailed reconciliations of contracts performance,
ii. effects of newly recognised contracts and
iii. information on the expected CSM emergence pattern, as well as
iv. disclosures about significant judgements made when applying IFRS 17.

Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.
There will also be expanded disclosures about the nature and extent of risks management measures for insurance contracts and reinsurance contracts.

Estimated impact of the adoption of IFRS 17

The Group is still quantifying the financial impact on profit and equity.

1.37.2 AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

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

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

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

Group and Company Accounting Policies (continued...)

1.37.3 DEFINITION OF ACCOUNTING ESTIMATES - AMENDMENTS TO IAS 8

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

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

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

1.37.4 DISCLOSURE OF ACCOUNTING POLICIES - AMENDMENTS TO IAS 1 AND IFRS PRACTICE STATEMENT 2

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

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

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

1.37.5 DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION - AMENDMENTS TO IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group is currently assessing the impact of the amendments.

1.37.6 LEASE LIABILITY IN A SALE AND LEASEBACK - AMENDMENTS TO IFRS 16

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
The amendments are not expected to have a material impact on the Group and are effective annual reporting periods beginning 1 January 2024

1.37.7 NON-CURRENT LIABILITIES WITH COVENANTS - AMENDMENTS TO IAS 1

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendments are not expected to have a material impact on the Group and are effective annual reporting periods beginning 1 January 2024

Notes to the Audited Inflation Adjusted Consolidated Financial Results

For the year ended 31 December 2022

1.4 INCORPORATION AND ACTIVITIES

The consolidated inflation adjusted financial results of the Group for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2023. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
2. INTEREST				
Interest Income				
Bankers acceptances	630 563	723 309	297 146	179 682
Overdrafts	21 160 389	12 133 919	17 711 973	2 948 580
Loans	47 518 875	50 897 108	30 312 936	13 545 023
Mortgage loans	1 211 163	600 909	821 657	138 430
Staff loans	1 309 532	470 281	1 127 227	113 942
Securities investments	4 800 477	1 571 371	4 332 202	355 489
Other investments	10 586 394	8 520 030	7 680 081	2 032 138
	87 217 393	**74 916 927**	**62 283 222**	**19 313 284**
Interest expense				
Call deposits	-	8 688	-	2 098
Savings deposits	4 235 923	1 950 452	2 557 559	328 326
Money market	8 406 911	7 357 035	6 945 246	1 674 387
Other offshore deposits	790 404	141 780	679 832	31 911
Lease liability	26 996	15 490	23 943	3 590
	13 460 234	**9 473 445**	**10 206 580**	**2 040 312**
NET INTEREST INCOME	**73 757 159**	**65 443 482**	**52 076 642**	**17 272 972**

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

3 NON-INTEREST INCOME				
Fair value adjustments on financial instruments	(5 826 316)	3 566 983	2 204 496	1 561 872
Fair value adjustments on investment properties	9 348 511	5 568 663	23 136 415	3 300 355
Net income from trading securities	157 445	171 753	60 000	41 099
Net income from foreign currency dealing	10 153 949	2 465 910	9 028 745	561 845
Unrealised gains on foreign currency exchange	111 140 399	14 340 632	111 140 399	4 171 700
Agro business income	16 019 116	15 357 404	10 034 269	3 322 831
Commission and fee income	35 914 545	31 794 324	24 961 523	7 364 529
Profit on disposal of property and equipment	13 046	6 105	13 280	1 870
(Loss)/ Profit on disposal of investment property	(727 623)	254 344	(174 651)	50 256
Bad debts recovered	74 360	132 471	52 051	30 277
Property sales	104 204	575 375	874 471	137 564
Lease income	645 234	412 261	499 750	94 629
Other operating income	2 008 712	4 753 022	1 232 044	1 443 029
Total non interest income	**179 025 582**	**79 399 247**	**183 062 792**	**22 081 856**
3.1 Disaggregation by class				
Fairvalue gains on financial assets recognised through profit or loss				
Fair value adjustments on financial instruments	(5 826 316)	3 566 983	2 204 496	1 561 872
Fair value adjustments on investment properties	9 348 511	5 568 663	23 136 415	3 300 355
	3 522 195	**9 135 646**	**25 340 911**	**4 862 227**
Trading and foreign exchange gains income				
Net income from trading securities	157 445	171 753	60 000	41 099
Net income from foreign currency dealing	10 153 949	2 465 910	9 028 745	561 845
Unrealised gain on foreign currency exchange	111 140 399	14 340 632	111 140 399	4 171 700
Total	**121 451 793**	**16 978 295**	**120 229 144**	**4 774 644**
Transactional income at a point in time				
Agro business income	16 019 116	15 357 404	10 034 269	3 322 831
Commission and fee income	35 914 545	31 794 324	24 961 523	7 364 529
Total	**51 933 661**	**47 151 728**	**34 995 792**	**10 687 360**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
	Other income				
	Property sales	104 204	575 375	874 471	137 564
	Profit on disposal of property and equipment	13 046	6 105	13 280	1 870
	(Loss)/ Profit on disposal of investment property	(727 623)	254 344	(174 651)	50 256
	Bad debts recovered	74 360	132 471	52 051	30 277
	Lease income	645 234	412 261	499 750	94 629
	Other operating income	2 008 712	4 753 022	1 232 044	1 443 029
	Total	**2 117 933**	**6 133 578**	**2 496 945**	**1 757 625**
	Total non interest income	**179 025 582**	**79 399 247**	**183 062 792**	**22 081 856**

Included in commission and fee income are largely Commission POS income ZWL 7 623 356 952 [2021:7 888 774 443], Commission local funds transfer ZWL 7 315 311 311[2021:1 514 803 280], Commission income cash withdrawal fees ZWL 5 056 212 734 [2021:1 747 768 093 and other commissions earned on group banking operations' customer transactions. Other operating income comprises of Dividend income, group holiday home facility income, and other non-routine facilitation fees on customer transactions.

During the period under review, no non interest earning revenue relating to performance obligations satisfied over time was recognized (2021: NIL). All non-interest income relates to performance obligations satisfied at a point in time.

4	**UNDERWRITING INCOME (NET)**				
	Gross premium insurance	5 955 932	4 911 603	4 587 349	1 178 332
	Reinsurance	(2 365 545)	(2 134 247)	(1 960 956)	(532 068)
	Net written premium	**3 590 387**	**2 777 356**	**2 626 393**	**646 264**
	Unearned premium	(306 297)	(290 340)	(673 696)	(124 902)
	Net earned premium	**3 284 090**	**2 487 016**	**1 952 697**	**521 362**
	Net commission(a)	(238 899)	71 120	(199 524)	16 805
	Net claims (b)	(1 479 153)	(1 137 682)	(1 094 871)	(274 703)
		1 566 038	**1 420 454**	**658 302**	**263 464**
(a)	**Net Commissions**				
	Commission received	552 306	616 354	390 464	151 317
	Commission paid	(839 173)	(640 521)	(639 433)	(158 358)
	Deferred acquisition costs	47 968	95 287	49 445	23 846
		(238 899)	**71 120**	**(199 524)**	**16 805**
(b)	**Net Claims**				
	Gross claims incurred	2 888 539	2 327 266	2 113 206	596 412
	Reinsurance claims	(1 820 219)	(1 469 072)	(1 285 951)	(383 582)
	Incurred but not yet reported claims	234 125	117 766	133 778	29 435
	Gross outstanding claims	120 824	1 513 444	10 965	342 773
	Reinsurance share of outstanding claims	55 884	(1 351 722)	122 873	(310 335)
		1 479 153	**1 137 682**	**1 094 871**	**274 703**
5	**OPERATING EXPENDITURE**				
	Staff costs*	62 032 777	34 835 547	45 389 173	8 311 324
	Administration expenses	21 161 681	20 633 122	16 024 659	5 025 091
	Audit fees	1 035 301	316 685	575 811	80 041
	Depreciation	2 664 253	2 170 680	1 386 362	312 929
	Write off of property and equipment	32 028	16 401	73 711	947
	Write down of land inventory	-	313 743	-	12 658
	Amortisation of intangible assets	402 534	241 984	125 724	39 039
	Property cost of sales	530 347	241 471	422 311	21 454
	Write off intangible assets	-	1 966	-	323
	Write off of equities	2	-	1	-
	Write offs of right of use asset and lease liability	-	11 113	-	92
		87 858 923	**58 782 712**	**63 997 752**	**13 803 898**
	Remuneration of directors and key management personnel (included in staff costs)				
	Fees for services as directors	1 182 173	321 687	650 942	72 519
	Pension and retirement benefits for past and present directors	360 693	183 351	198 609	41 333
	Salaries and other benefits	6 505 632	2 951 333	3 582 209	665 328
		8 048 498	**3 456 371**	**4 431 760**	**779 180**
	Short term employment benefits	7 687 805	3 273 020	4 233 151	737 847
	Post employment benefits	360 693	183 351	198 609	41 333
		8 048 498	**3 456 371**	**4 431 760**	**779 180**

* Included in 2022 staff costs above is an amount of ZWL$ 2 072 979 758; 2021 ZWL$2 462 475 544 (Historical ZWL$ 2 072 979 758: 2021 ZWL$469 840 239), representing share based payment transactions which are linked to the Group's share price. These costs are settled in cash and do not have any bearing to the total number of outstanding shares at any point in time.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

5.1. EMPLOYEE BENEFITS

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

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

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
NSSA Contributions	1 700 032	88 257	936 092	15 584
Defined Contribution scheme	6 042 873	516 582	3 327 399	100 258
	7 742 905	**604 839**	**4 263 491**	**115 842**

6 TAXATION

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Analysis of tax charge in respect of the profit for the year				
Current income tax charge	17 803 016	15 661 717	17 803 016	4 555 926
Deferred income tax	3 681 228	(5 474 114)	(45 503)	(2 440 376)
Income tax expense	**21 484 244**	**10 187 603**	**17 757 513**	**2 115 550**
6.2 Tax rate reconciliation	**%**	**%**	**%**	**%**
Notional Tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.72	0.72	0.72
Non-Deductible expenditure	30.57	36.60	6.38	5.81
Exempt income	(7.10)	(30.46)	(3.72)	(18.12)
Tax credits	(6.98)	(0.38)	(4.07)	(0.22)
Effect of rebasing tax bases	(0.48)	0.06	(3.77)	0.01
Effect of special tax rate	(1.33)	(2.76)	(1.55)	(0.62)
Effective tax rate	**39.40**	**27.78**	**17.99**	**11.58**

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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Revaluation of property and equipment	3 616 116	813 081	4 247 487	518 926
Unlisted equities	217 846	78 680	483 837	54 306
Total taxation relating to components of other comprehensive income	**3 833 962**	**891 761**	**4 731 324**	**573 232**

7. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the net 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 year 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:

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
7.1	**Annualised earnings per share (ZWL cents)**				
	Basic	6 331.63	5 075.78	15 510.63	3 096.43
	Diluted basic	6 331.63	5 075.78	15 510.63	3 096.43
	Headline	4 986.21	4 321.34	12 182.84	2 622.24
	Diluted headline	4 986.21	4 321.34	12 182.84	2 622.24
7.2	**Earnings attributable to holders of parent**				
	Basic	33 052 100	26 496 368	80 967 977	16 163 848
	Diluted basic	33 052 100	26 496 368	80 967 977	16 163 848
	Headline	26 028 832	22 558 061	63 596 377	13 688 488
	Diluted headline	26 028 832	22 558 061	63 596 377	13 688 488
7.3	**Number of shares used in calculations**				
	Basic	522 016	522 016	522 016	522 016
	Diluted basic	522 016	522 016	522 016	522 016
	Headline	522 016	522 016	522 016	522 016
	Diluted headline	522 016	522 016	522 016	522 016
7.4	**Reconciliation of denominators used for calculating basic and diluted earnings per share:**				
	Weighted average number of shares used for basic EPS	522 016	522 016	522 016	522 016
	Potentially dilutive shares	-	-	-	-
	Weighted average number of shares used for diluted EPS	**522 016**	**522 016**	**522 016**	**522 016**
7.5	**Headline Earnings**				
	Profit attributable to ordinary shareholders	**33 052 100**	**26 496 368**	**80 967 977**	**16 163 848**
	Adjusted to exclude re-measurements				
	Write off & impairment of property and equipment	32 028	16 401	73 711	947
	Write off of right of use asset and lease liability	-	11 113	-	92
	Write off of intangible assets	-	1 966	-	323
	Write offs of equities	2	-	1	-
	Write down of land inventory	-	313 743	-	12 658
	Disposal gain on property and equipment	(13 046)	(6 105)	(13 280)	(1 869)
	Gain on investment properties valuation	(9 348 511)	(5 568 663)	(23 136 415)	(3 300 355)
	Tax relating to remeasurements	2 306 259	1 293 238	5 704 383	812 844
	Headline earnings	**26 028 832**	**22 558 061**	**63 596 377**	**13 688 488**

8. DIVIDENDS

Cash dividends on ordinary shares declared and paid:				
Interim dividend	-	1 840 834	-	506 339
Final dividend	1 266 550	6 955 252	1 012 734	1 519 170
	1 266 550	**8 796 086**	**1 012 734**	**2 025 509**
Interim paid per share (cents)	-	353.00	-	97.00
Final dividend paid per share (cents)	242.63	1 334.00	194.00	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:				
Final	-	3 437 599	-	1 000 000
Final dividend per share (cents)	-	658.52	-	191.57

Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 31 December 2022.

9. CASH AND CASH EQUIVALENTS

Balances with local banks	3 436 482	22 430 157	3 436 482	6 524 949
Cash and current accounts	38 260 435	36 434 491	38 260 435	10 598 820
Balances with foreign banks	33 686 942	55 269 259	33 686 942	16 077 868
Balances with the Reserve Bank of Zimbabwe	166 334 473	9 544 785	166 334 473	2 776 585
RBZ Statutory reserve	21 359 252	12 322 791	21 359 252	3 584 709
	263 077 584	**136 001 483**	**263 077 584**	**39 562 931**

The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL. As at 31 December 2022, ECLS amounting to ZWL 338 857 047 [2021: ZWL 46 718 197.97] had been recognized in respect of cash and cash equivalents.

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 Group:

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
9.1	**Restricted cash and cash equivalents**				
	RBZ statutory reserve	21 359 252	11 830 241	21 359 252	3 441 426
	Amounts secured as guarantees or collateral	4 480 263	5 767 836	4 480 263	1 226 834
		25 839 515	**17 598 077**	**25 839 515**	**4 668 260**
10.	**MONEY MARKET ASSETS**				
	Interbank placements	35 531 357	20 668 325	35 531 357	6 012 431
	RBZ Savings bonds	-	58 861 553	-	17 122 869
	Bankers acceptances	206 187	4 306 844	206 187	1 252 864
	Accrued interest	313 978	147 213	313 978	42 824
	Total gross money market assets	**36 051 522**	**83 983 935**	**36 051 522**	**24 430 988**
	Expected credit loss	(593 373)	(265 995)	(593 373)	(77 378)
	Total net money market assets	**35 458 149**	**83 717 940**	**35 458 149**	**24 353 610**
10.1	**Maturity analysis**				
	The maturity analysis of money market assets is shown below.				
	Between 0 and 3 months	15 001 450	65 058 102	15 001 450	18 925 449
	Between 3 and 6 months	10 596 872	18 917 608	10 596 872	5 503 146
	Between 6 and 12 months	10 453 200	-	10 453 200	-
	Above 12 months	-	8 225	-	2 393
		36 051 522	**83 983 935**	**36 051 522**	**24 430 988**

Money market assets are non-credit financial assets securities with an original maturity of one year or less.
Maturity analysis is based on the remaining year from 31 December 2022 to contractual maturity.

		AUDITED INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	AUDITED RESTATED 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000
11.	**FINANCIAL SECURITIES**				
	Treasury bills	48 430 506	3 294 683	48 430 506	958 426
	Savings bonds	53 384	-	53 384	-
	Accrued interest	1 227 264	70 471	1 227 264	20 500
	Total gross financial securities	**49 711 154**	**3 365 154**	**49 711 154**	**978 926**
	Expected credit loss	(77 563)	(49 532)	(77 563)	(14 409)
	Total net financial securities	**49 633 591**	**3 315 622**	**49 633 591**	**964 517**
11.1	**Maturity analysis**				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	48 763 070	34 747	48 763 070	10 108
	Between 3 and 6 months	-	157 212	-	45 733
	Between 1 and 5 years	202 766	510 882	202 766	148 616
	Above 5 years	745 318	2 662 313	745 318	774 469
		49 711 154	**3 365 154**	**49 711 154**	**978 926**

Financial securities are Non-credit financial assets that may have an original maturity of more than 1 year.
Maturity analysis is based on the remaining year from 31 December 2022 to contractual maturity.

		AUDITED INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	AUDITED RESTATED 31 DEC 2021 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000
12.	**LOANS AND ADVANCES TO CUSTOMERS**				
	Overdrafts	25 691 842	9 701 440	25 691 842	2 822 156
	Commercial loans	133 905 380	69 317 134	133 905 380	20 164 405
	Staff loans	7 342 093	6 471 070	7 342 093	1 882 439
	Mortgage advances	8 009 927	3 707 852	8 009 927	1 078 617
	Agro business loans	51 544 739	107 866 346	51 544 739	31 378 399
	Interest accrued	21 409 387	22 847 694	21 409 387	6 646 411
	Total gross loans and advances to customers	**247 903 368**	**219 911 536**	**247 903 368**	**63 972 427**
	Allowance for Expected Credit Loss (ECL)	(71 684 476)	(27 745 406)	(71 684 476)	(8 071 159)
	Total net advances	**176 218 892**	**192 166 130**	**176 218 892**	**55 901 268**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	%	RESTATED 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%
12.1	**Sectoral analysis:**								
	Private	24 847 523	10	22 034 428	10	24 847 523	10	6 409 832	10
	Agriculture	88 610 417	36	111 180 927	51	88 610 417	36	32 342 613	51
	Mining	24 900 966	10	16 197 928	7	24 900 966	10	4 711 989	7
	Manufacturing	31 959 703	13	9 550 509	4	31 959 703	13	2 778 250	4
	Distribution	42 567 822	17	39 418 536	18	42 567 822	17	11 466 881	18
	Construction	3 178 265	1	413 375	-	3 178 265	1	120 251	-
	Transport	653 658	-	302 430	-	653 658	-	87 977	-
	Communication	6 509 099	3	-	-	6 509 099	3	-	-
	Services	24 328 105	10	19 264 689	9	24 328 105	10	5 604 112	9
	Financial organisations	347 810	-	1 548 714	1	347 810	-	450 522	1
		247 903 368	**100**	**219 911 536**	**100**	**247 903 368**	**100**	**63 972 427**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
12.2	**Maturity analysis**				
	Less than 1 month	736 484	17 937 253	736 484	5 217 960
	Between 1 and 3 months	7 356 015	13 327 306	7 356 015	3 876 923
	Between 3 and 6 months	45 160 277	28 463 043	45 160 277	8 279 920
	Between 6 months and 1 year	128 197 839	134 767 141	128 197 839	39 203 860
	Between 1 and 5 years	59 935 846	20 180 901	59 935 846	5 870 639
	More than 5 years	6 516 907	5 235 892	6 516 907	1 523 125
		247 903 368	**219 911 536**	**247 903 368**	**63 972 427**
	Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.				
12.3	**Loans to directors and key management**				
	Opening balance	2 147 372	1 218 780	624 672	220 574
	Advances made during the year	3 113 394	2 580 712	1 714 335	581 778
	Monetary adjustment	(2 830 773)	(863 951)	-	-
	Repayments during the year	(202 474)	(788 169)	(111 488)	(177 680)
	Closing balance	**2 227 519**	**2 147 372**	**2 227 519**	**624 672**
	Loans to employees				
	Included in advances are loans to employees: -				
	Opening balance	4 323 702	5 500 151	1 257 768	995 414
	Advances made during the year	7 772 242	2 951 684	4 279 645	665 407
	Monetary adjustment	(6 213 456)	(2 340 228)	-	-
	Repayments during the year	(767 911)	(1 787 905)	(422 836)	(403 053)
	Closing balance	**5 114 577**	**4 323 702**	**5 114 577**	**1 257 768**

Terms for loans to employees, key management and directors are at arm's length, where the interest rates charged are lower than market rates in line with group policy for internal lending, the fair value loss on initial recognition of the financial asset is recognised through profit/ loss as employee benefits. At 31 December 2022, the expected credit losses recognised with respect to amounts advanced to directors, key management and employees were ZWL$ 79 821 080.00 (2021:ZWL$18 951 790.41)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
12.4	**Allowance for Expected Credit Loss (ECL)**				
	Opening balance	27 745 406	6 424 587	8 071 159	1 162 716
	Credit loss expense on loans and advances	69 896 367	23 794 292	69 896 367	6 921 777
	Monetary adjustment	(19 674 247)	(2 416 103)	-	-
	Amounts written off during the year	(6 283 050)	(57 370)	(6 283 050)	(13 334)
	Closing balance	**71 684 476**	**27 745 406**	**71 684 476**	**8 071 159**
12.5	**Collateral**				
	Government Guarantee	6 373 688	87 313 596	6 373 688	25 399 589
	Cash cover	1 004 641	339 009	1 004 641	98 618
	Registered Marketable Commodities	45 732 237	-	45 732 237	-
	Mortgage bonds	57 755 115	31 623 905	57 755 115	9 199 417
	Notarial general covering bonds	98 510 211	33 242 935	98 510 211	9 670 394
		209 375 892	**152 519 445**	**209 375 892**	**44 368 018**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
13.	**INSURANCE ASSETS**				
	Reinsurance unearned premium reserve	389 111	731 875	367 605	191 731
	Reinsurance receivables	515 620	1 718 311	515 620	499 858
	Deferred acquisition costs	239 164	288 683	160 207	73 617
	Insurance premium receivables	1 097 459	1 493 025	1 097 459	437 825
	Suspended premium	(15 715)	(25 088)	(15 715)	(7 298)
	Impairment provision	(151 589)	(115 847)	(151 589)	(33 700)
		2 074 050	**4 090 959**	**1 973 587**	**1 162 033**
13.1	**Reinsurance unearned premium reserve**				
	Opening balance	731 875	1 089 760	191 731	197 223
	Written premiums	2 416 597	2 629 577	1 736 421	642 738
	Premiums earned during the year	(2 759 361)	(2 987 462)	(1 560 547)	(648 230)
	Closing balance	**389 111**	**731 875**	**367 605**	**191 731**
13.2	**Impairment provision on insurance assets**				
	Opening balance	115 847	89 120	33 700	16 129
	Charge for impairment on insurance receivables	118 419	66 889	118 419	19 458
	Monetary adjustment	(82 147)	(33 675)	-	-
	Amounts written off during the year	(530)	(6 487)	(530)	(1 887)
	Closing balance	**151 589**	**115 847**	**151 589**	**33 700**
13.3	**Premium Receivables**				
	Opening balance	1 493 025	1 923 170	437 825	374 195
	Gross premiums written	7 308 410	6 223 771	5 102 415	1 564 549
	Premiums received	(5 721 006)	(5 943 725)	(4 442 781)	(1 500 919)
	Monetary adjustment	(1 982 970)	(710 191)	-	-
	Closing balance	**1 097 459**	**1 493 025**	**1 097 459**	**437 825**

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

The table below shows the expected credit loss expense on financial instruments and charge for impairment on insurance assets for the period recorded in the Statement of Profit or Loss:

INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Money market assets	515 995	223 083	-	-	-	-	515 995	223 083
Financial securities	63 154	28 893	-	-	-	-	63 154	28 893
Loans and advances to customers	8 288 070	612 367	2 598 261	2 803 431	59 010 036	20 378 495	69 896 367	23 794 292
Financial guarantees	643	(705)	-	-	-	(165)	643	(870)
Other commitments	465 370	221 144	152 720	13 909	639 125	852 906	1 257 215	1 087 960
Lease receivables	422	(337)	22 694	5 232	24 568	83 433	47 684	88 328
	9 333 654	**1 084 445**	**2 773 675**	**2 822 572**	**59 673 729**	**21 314 669**	**71 781 058**	**25 221 686**
Insurance assets impairment charge	20 916	66 889	-	-	97 502	-	118 419	66 889
Total	**9 354 570**	**1 151 334**	**2 773 675**	**2 822 572**	**59 771 231**	**21 314 669**	**71 899 477**	**25 288 575**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Money market assets	515 995	64 895	-	-	-	-	515 995	64 895
Financial securities	63 154	8 405	-	-	-	-	63 154	8 405
Loans and advances to customers	8 288 070	178 138	2 598 261	815 520	59 010 036	5 928 119	69 896 367	6 921 777
Financial guarantees	643	(205)	-	-	-	(48)	643	(253)
Other commitments	465 370	64 331	152 720	4 046	639 125	248 111	1 257 215	316 488
Lease receivables	422	(98)	22 694	1 522	24 568	24 271	47 684	25 695
	9 333 654	**315 466**	**2 773 675**	**821 088**	**59 673 729**	**6 200 453**	**71 781 058**	**7 337 007**
Insurance assets impairment charge	20 916	19 458	-	-	97 502	-	118 419	19 458
Total	**9 354 570**	**334 924**	**2 773 675**	**821 088**	**59 771 231**	**6 200 453**	**71 899 477**	**7 356 465**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
15. OTHER ASSETS				
Prepayments	15 444 286	9 770 415	10 694 398	2 342 529
Other receivables	267 981 031	119 884 810	267 981 031	34 874 579
	283 425 317	**129 655 225**	**278 675 429**	**37 217 108**

Included in other receivables is an amount of ZWL$105 680 795 658 (2021: ZWL$59 381 440 929) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of US$1:ZWL$1.The criterion for legacy debt expected credit losses were determined in line with other financial assets held at amortised cost. Also included in other receivables is a government guarantee receivable amounting to ZWL$149.90 billion (2021:ZWL$11.98 billion). These are accounted for at amortised cost in line with the relevant Group Accounting policy on financial assets.

The criterion for legacy debt expected credit losses was determined in line with other financial assets held at amortised cost. The RBZ financial asset is denominated in US Dollars and has been translated to ZWL using the closing exchange rate in line with the treatment of monetary assets denominated in foreign currencies prescribed in IAS 21.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
16. LAND INVENTORY				
Opening balance	20 459 426	20 460 567	552 094	470 639
Additions	1 783 390	631 133	1 517 510	135 868
Disposals	(1 441 448)	(318 531)	(412 091)	(41 755)
Write down	-	(313 743)	-	(12 658)
Closing balance	**20 801 368**	**20 459 426**	**1 657 513**	**552 094**
17 EQUITY INVESTMENTS				
Opening balance	18 638 795	12 589 395	5 422 039	2 493 781
Additions	1 569 640	1 321 829	820 408	347 276
Disposals	(1 401 148)	(355 245)	(867 965)	(75 513)
Write offs	(2)	-	(1)	-
Fair value adjustments - Profit or loss	(5 826 316)	3 566 983	2 204 496	1 561 872
Fair value adjustments - Other comprehensive income	4 354 048	1 515 833	9 756 040	1 094 623
	17 335 017	**18 638 795**	**17 335 017**	**5 422 039**
17.1 Investments in Equities by type				
Listed investments	5 151 866	11 017 305	5 151 866	3 204 942
Unlisted investments	12 183 151	7 621 490	12 183 151	2 217 097
	17 335 017	**18 638 795**	**17 335 017**	**5 422 039**
Equity investment designated at fair value through other comprehensive income	12 183 151	7 621 490	12 183 151	2 217 097
Equity investment designated at fair value through profit or loss	5 151 866	11 017 305	5 151 866	3 204 942
	17 335 017	**18 638 795**	**17 335 017**	**5 422 039**

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

	AUDITED				UNAUDITED			
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	%	RESTATED 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%
17.2 Investment in subsidiaries								
CBZ Bank Limited	3 362 508	100	3 362 508	100	21 840	100	21 840	100
CBZ Asset Management (Private) Limited	306 070	100	306 070	100	1 988	100	1 988	100
CBZ Building Society	-	-	-	100	-	-	-	100
CBZ Insurance (Private) Limited	654 196	98.4	654 196	98.4	23 615	98.4	23 615	98.4
CBZ Properties (Private) Limited	963 276	100	735 808	100	226 867	100	4 779	100
CBZ Life Assurance (Private) Limited	213 698	100	213 698	100	1 388	100	1 388	100
CBZ Asset Management Mauritius	2 251 861	100	13 689	100	691 550	100	89	100
CBZ Risk Advisory Services (Private) Limited	207 091	100	207 091	100	1 345	100	1 345	100
RedSphere Finance (Private) Limted	1 511 753	100	1 511 753	100	250 520	100	250 520	100
CBZ Agro Yield (Private) Limited	33 933	100	33 933	100	1 000	100	1 000	100
CBZ South Africa Private Limited	94 436	100	-	-	88 499	100	-	-
	9 617 059		**7 038 742**		**1 308 612**		**306 564**	

During the year, the Group merged two of its wholly owned subsidiaries, CBZ Bank and CBZ Building Society, "The Merger" through the transfer of all the assets and liabilities of CBZ Building Society to CBZ Bank, close and cancel the license of CBZ Building Society. The Merger qualifies as a business combination under common control as both CBZ Bank and CBZ Building Society were wholly owned subsidiaries of CBZ Holdings. This was accounted for by applying the book value method at Group level.as the transaction was eliminated to match group policy on accounting for business combinations under common control. Refer to note 1.35.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

18. CATEGORIES OF FINANCIAL ASSETS

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
	AUDITED INFLATION ADJUSTED			
31 December 2022				
Balances with banks and cash	-	-	263 077 584	263 077 584
Money market assets	-	-	35 458 149	35 458 149
Financial securities	-	-	49 633 591	49 633 591
Loans and advances to customers	-	-	176 218 892	176 218 892
Equity investments	5 151 866	12 183 151	-	17 335 017
Other assets	-	-	267 981 031	267 981 031
TOTAL ASSETS	**5 151 866**	**12 183 151**	**792 369 247**	**809 704 264**
Restated 31 December 2021				
Balances with banks and cash	-	-	136 001 483	136 001 483
Money market assets	-	-	83 717 940	83 717 940
Financial securities	-	-	3 315 622	3 315 622
Loans and advances to customers	-	-	192 166 130	192 166 130
Equity investments	11 017 305	7 621 490	-	18 638 795
Other assets	-	-	119 884 810	119 884 810
TOTAL ASSETS	**11 017 305**	**7 621 490**	**535 085 985**	**553 724 780**

	At fair value through profit or loss ZWL$ 000	At fair value through OCI ZWL$ 000	At amortised cost ZWL$ 000	Total carrying amount ZWL$ 000
	UNAUDITED HISTORICAL			
31 December 2022				
Balances with banks and cash	-	-	263 077 584	263 077 584
Money market assets	-	-	35 458 149	35 458 149
Financial securities	-	-	49 633 591	49 633 591
Loans and advances to customers	-	-	176 218 892	176 218 892
Equity investments	5 151 866	12 183 151	-	17 335 017
Other assets	-	-	267 981 031	267 981 031
TOTAL ASSETS	**5 151 866**	**12 183 151**	**792 369 247**	**809 704 264**
Restated 31 December 2021				
Balances with banks and cash	-	-	39 562 931	39 562 931
Money market assets	-	-	24 353 610	24 353 610
Financial securities	-	-	964 517	964 517
Loans and advances to customers	-	-	55 901 268	55 901 268
Equity investments	3 204 942	2 217 097	-	5 422 039
Other assets	-	-	34 874 579	34 874 579
TOTAL ASSETS	**3 204 942**	**2 217 097**	**155 656 905**	**161 078 944**

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	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Equity investments	5 151 866	11 017 305	-	-	12 183 151	7 621 490	17 335 017	18 638 795
Land and buildings	-	-	30 483 161	22 757 488	-	-	30 483 161	22 757 488
Investment properties	-	-	28 591 973	21 209 840	-	-	28 591 973	21 209 840
Total assets at fair value	**5 151 866**	**11 017 305**	**59 075 134**	**43 967 328**	**12 183 151**	**7 621 490**	**76 410 151**	**62 606 123**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

UNAUDITED HISTORICAL								
	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Equity investments	5 151 866	3 204 942	-	-	12 183 151	2 217 097	17 335 017	5 422 039
Land and buildings	-	-	30 483 161	6 620 170	-	-	30 483 161	6 620 170
Investment properties	-	-	28 591 973	6 169 958	-	-	28 591 973	6 169 958
Total assets at fair value	**5 151 866**	**3 204 942**	**59 075 134**	**12 790 128**	**12 183 151**	**2 217 097**	**76 410 151**	**18 212 167**

There were no transfers between Level 1 and Level 2 during 2022. Level 2 valuation techniques are highlighted on note 20 for Property and Equipment and note 21 for Investment properties

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

Fair values are 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 takes into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country / jurisdiction factors, 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 notes show information about significant unobservable inputs used at 31 December 2022 and 2021 in measuring financial instruments categorized as level 3.

i. Unobservable inputs used in measuring fair value

Fair values of unlisted equity investments were derived using Earnings Multiple Valuation. The valuation took into account certain assumptions about the model inputs, including but not limited to jurisdiction/country and market discounts. A range of probabilities was also applied to these inputs and the fair values derived there from were deemed to be within acceptable fair values ranges of the equities. Where the discounted cashflow method is used, projected cash flows are based on historical performance and
adjusted for future assumptions.

The following table sets out information about 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	• Jurisdiction/country and size discount (10-20%)	The fair values would increase/ decrease if : • The jurisdiction/country and size discount was higher or lower
Discounted Cash Flow Technique	• Inflation shock adjusted return (1.5%) • Discount rate (10-15%)	The fair values would increase/ decrease if : • The Inflation shock adjusted return was higher/lower • The discount rate was lower / higher

ii. The effect of unobservable inputs on fair value measurement

The significant portion of the group's non-listed equities are measured at fair value using the earnings multiple valuation technique. Although the Group believes that its estimates of fair value are appropriate, the use of different assumptions and methodologies could lead to different measurements of fair value. Fair value measurements in Level 3, for which the earnings multiple technique was applied, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects

Significant unobservable Input	Effect on OCI (unfavorable) ZWL$000
Jurisdiction/country and size discount at 15%	591 441
Jurisdiction/country and size discount at 20%	1 182 883

The unfavorable effects of using reasonably possible alternative assumptions for the valuation of unlisted investments have been calculated by recalibrating the model values using unobservable inputs based on lower and upper quartiles of the Group's range of possible estimates. Key input and assumption used in the model at 31 December 2022 included the jurisdiction/country and size discount of 10% (with reasonably possible alternative assumptions of 15% and 20%.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

20. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2022									
COST									
Opening balance	2 842 789	20 685 793	314 231	1 188 702	7 555 242	2 491 292	1 576 421	2 274 135	38 928 605
Additions	-	159 837	27 231	353 296	2 703 143	556 838	478 586	3 416 957	7 695 888
Revaluation gain	1 188 434	6 480 422	-	-	-	-	-	-	7 668 856
Impairments	-	-	(22 867)	-	-	-	-	-	(22 867)
Disposals	-	-	-	-	(11 520)	(898)	(435)	-	(12 853)
Write offs	-	(668)	-	-	(14 662)	(39 583)	(1 957)	-	(56 870)
Intercategory transfers	-	-	-	56 478	-	-	-	(56 478)	-
Closing balance	**4 031 223**	**27 325 384**	**318 595**	**1 598 476**	**10 232 203**	**3 007 649**	**2 052 615**	**5 634 614**	**54 200 759**
Accumulated depreciation									
Opening balance	-	455 321	146 328	914 010	3 553 265	1 733 829	812 449	-	7 615 202
Charge for the year	-	1 835 064	29 088	205 478	391 542	134 993	68 088	-	2 664 253
Disposals	-	-	-	-	(6 454)	(809)	(304)	-	(7 567)
Write offs	-	(27)	-	(183)	(8 743)	(38 705)	(51)	-	(47 709)
Revaluation	-	(1 557 081)	-	-	-	-	-	-	(1 557 081)
Closing balance	**-**	**733 277**	**175 416**	**1 119 305**	**3 929 610**	**1 829 308**	**880 182**	**-**	**8 667 098**
Net Book Value	**4 031 223**	**26 592 107**	**143 179**	**479 171**	**6 302 593**	**1 178 341**	**1 172 433**	**5 634 614**	**45 533 661**
Restated									
31 December 2021									
COST									
Opening balance	2 216 459	17 040 022	303 406	1 097 306	6 238 224	2 197 636	1 424 874	2 591 658	33 109 585
Additions	-	365 989	-	85 521	1 051 434	258 906	113 544	313 533	2 188 927
Revaluation gain	626 330	3 318 793	-	-	-	-	-	-	3 945 123
Disposals	-	-	-	-	(1 358)	(38)	(244)	(250 116)	(251 756)
Write offs	-	(44 984)	-	-	(16 626)	(217)	(1 447)	-	(63 274)
Intercategory transfers	-	5 973	10 825	5 875	283 568	35 005	39 694	(380 940)	-
Closing balance	**2 842 789**	**20 685 793**	**314 231**	**1 188 702**	**7 555 242**	**2 491 292**	**1 576 421**	**2 274 135**	**38 928 605**
Accumulated depreciation									
Opening balance	-	168 642	127 834	870 462	3 077 830	1 597 930	782 504	-	6 625 202
Charge for the year	-	1 464 535	18 494	43 548	477 947	135 950	30 206	-	2 170 680
Disposals	-	-	-	-	(705)	(34)	(196)	-	(935)
Write offs	-	(8 516)	-	-	(1 807)	(17)	(65)	-	(10 405)
Revaluation	-	(1 169 340)	-	-	-	-	-	-	(1 169 340)
Closing balance	**-**	**455 321**	**146 328**	**914 010**	**3 553 265**	**1 733 829**	**812 449**	**-**	**7 615 202**
Net Book Value	**2 842 789**	**20 230 472**	**167 903**	**274 692**	**4 001 977**	**757 463**	**763 972**	**2 274 135**	**31 313 403**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 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	-	149 085	26 519	328 720	2 572 230	520 422	443 303	2 636 777	6 677 056
Revaluation gain	3 204 255	20 653 219	-	-	-	-	-	-	23 857 474
Impairments	-	-	(22 869)	-	-	-	-	-	(22 869)
Disposals	-	-	-	-	(2 304)	(261)	(126)	-	(2 691)
Write offs	-	(668)	-	(59)	(4 344)	(39 583)	(587)	(19 769)	(65 010)
Intercategory transfers	-	-	-	16 429	-	-	717	(17 146)	-
Closing balance	**4 031 223**	**26 649 788**	**40 637**	**378 275**	**3 135 567**	**578 909**	**499 106**	**2 703 906**	**38 017 411**
Accumulated depreciation									
Opening balance	-	29 089	1 996	10 202	97 824	28 977	9 372	-	177 460
Charge for the year	-	1 181 459	1 493	42 514	118 035	25 819	17 043	-	1 386 363
Disposals	-	-	-	-	(1 435)	(235)	(88)	-	(1 758)
Write offs	-	(27)	-	(53)	(2 456)	(11 601)	(31)	-	(14 168)
Revaluation	-	(1 124 159)	-	-	-	-	-	-	(1 124 159)
Closing balance	**-**	**86 362**	**3 489**	**52 663**	**211 968**	**42 960**	**26 296**	**-**	**423 738**
Net Book Value	**4 031 223**	**26 563 426**	**37 148**	**325 612**	**2 923 599**	**535 949**	**472 810**	**2 703 906**	**37 593 673**
31 December 2021									
COST									
Opening balance	401 133	2 976 150	34 622	12 508	251 828	23 299	17 671	150 360	3 867 571
Additions	-	95 452	-	19 473	265 515	68 370	29 578	74 155	552 543
Revaluation surplus	425 835	2 781 077	-	-	-	-	-	-	3 206 912
Disposals	-	-	-	-	(199)	(9)	(53)	-	(261)
Transfers to intangible assets	-	-	-	-	-	-	-	(46 156)	(46 156)
Write offs	-	(5 832)	-	-	(1 251)	(8)	(67)	-	(7 158)
Intercategory transfers	-	1 305	2 365	1 204	54 092	6 679	8 670	(74 315)	-
Closing balance	**826 968**	**5 848 152**	**36 987**	**33 185**	**569 985**	**98 331**	**55 799**	**104 044**	**7 573 451**
Accumulated depreciation									
Opening balance	-	12 109	1 169	6 652	39 331	12 055	6 062	-	77 378
Charge for the year	-	229 287	827	3 550	58 962	16 933	3 369	-	312 928
Disposals	-	-	-	-	(106)	(8)	(46)	-	(160)
Write offs	-	(902)	-	-	(363)	(3)	(13)	-	(1 281)
Revaluation	-	(211 405)	-	-	-	-	-	-	(211 405)
Closing balance	**-**	**29 089**	**1 996**	**10 202**	**97 824**	**28 977**	**9 372**	**-**	**177 460**
Net Book Value	**826 968**	**5 819 063**	**34 991**	**22 983**	**472 161**	**69 354**	**46 427**	**104 044**	**7 395 991**

The carrying amount of the land and buildings is the fair value of the property as determined by a registered internal appraiser having, an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards

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

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

  a) Age of property – state of repair and maintenance,
  b) Aesthetic quality – quality of fixtures and fittings,
  c) Structural condition – location,
  d) Accommodation offered – size of land.

Land is not depreciated and the maximum useful lives of other classes of property plant and equipment are as follows:

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

The carrying amount of buildings would have been ZWL$6,642,885,986 (December 2021: ZWL$ 6,693,672,308) had they been carried at cost. Property and equipment was tested for impairment through comparison with open market values.

If the fair value adjustment had been 5% up or down, the Group's other Comprehensive Income would have been ZWL$ 347,264,269 (31 December 2021: ZWL$ 192,508,378) higher or lower than the reported position

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

The information about the leases for which the Group is a lessee is presented on note 20.1a to 20.1e .

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
20.1a	**Right of use assets**				
	Opening balance	219 922	416 561	25 859	20 065
	Additions	152 523	135 024	142 899	28 607
	Write offs	-	(36 468)	-	(4 931)
	Depreciation charge for the year	(277 954)	(295 195)	(57 273)	(17 882)
		94 491	**219 922**	**111 485**	**25 859**
20.1b	**Lease liability**				
	Opening balance	124 682	116 830	36 270	21 144
	Additions	152 523	135 022	142 899	28 607
	Write-offs	-	(25 355)	-	(4 839)
	Interest	26 996	15 490	23 943	3 590
	Repayment	(178 621)	(95 417)	(114 827)	(21 294)
	Exchange loss on lease liability	173 472	31 155	173 471	9 062
	Monetary adjustment	(37 296)	(53 043)	-	-
		261 756	**124 682**	**261 756**	**36 270**
20.1c	**Lease liability maturity analysis**				
	Less than one month	11 485	7 484	11 485	2 177
	One to three months	29 095	18 312	29 095	5 327
	Three to six months	34 623	22 454	34 623	6 532
	Six to twelve months	58 318	40 000	58 318	11 636
	One to five years	163 069	47 882	163 069	13 929
		296 590	**136 132**	**296 590**	**39 601**
20.1d	**Amounts recognised in Statement of Profit or Loss**				
	Interest on lease liabilities	26 996	15 490	23 943	3 590
	Depreciation	277 954	295 195	57 273	17 882
		304 950	**310 685**	**81 216**	**21 472**
20.1e	**Amounts recognised in Statement of Cash Flows**				
	Lease liability repayments	**178 621**	**95 417**	**114 827**	**21 294**
21.	**INVESTMENT PROPERTIES**				
	Opening balance	21 209 840	15 186 105	6 169 958	2 748 368
	Additions	112 493	706 959	66 077	175 939
	Disposals	(2 078 871)	(251 887)	(780 477)	(54 704)
	Fair valuation gain	9 348 511	5 568 663	23 136 415	3 300 355
	Closing balance	**28 591 973**	**21 209 840**	**28 591 973**	**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 31 December 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$ 1 846.15 – ZWL$ 25 000.00 6.74%- 13.93%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL$ 18 000.00 - ZWL$ 55 000.00

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 31 December 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 investment properties amounted to ZWL$ 480 098 679 (December 2021: ZWL$ 412 261 389) and direct Operating expenses amounted to ZWL$ 93 554 105.34 (December 2021: ZWL$ 16 358 435.96). All the Group's lettable Investment properties were occupied as at 31 December 2022.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL$ 60 974 089.96 (December 2021: ZWL$ 10 666 889) higher or lower the reported position the Statement of Financial Position would be ZWL$ 80 996 400. higher or lower than the reported position.

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 5 years. Subsequent renewals are negotiated with the lessee and historically the average renewal period is 5 years.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

The following sets outs a maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
21.1 Lease income Maturity				
Up to one year	95 817	62 241	95 817	38 722
Between one and 2 years	94 164	271 103	94 164	168 662
Between 2 and 3 years	156 185	30 283	156 185	18 840
Between 3 and 4 years	2 705	15 995	2 705	9 951
Between 4 and 5 years	2 705	630	2 705	392
	351 576	**380 252**	**351 576**	**236 567**
22. INTANGIBLE ASSETS				
At cost	2 598 645	2 317 643	443 079	273 836
Accumulated amortisation	(1 672 500)	(1 272 142)	(185 803)	(60 079)
	926 145	**1 045 501**	**257 276**	**213 757**
Movement in intangible assets				
Opening balance	1 045 501	682 564	213 757	87 202
Additions	283 178	356 775	169 243	119 761
Transfer from property and equipment	-	250 116	-	46 156
Write offs	-	(1 970)	-	(323)
Amortisation charge	(402 534)	(241 984)	(125 724)	(39 039)
Closing balance	**926 145**	**1 045 501**	**257 276**	**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. The Group has no internally generated assets

23 DEFERRED TAXATION

23.1 Deferred tax asset

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

The deferred tax included in the statement of profit or loss and other comprehensive income composed of:

	AUDITED INFLATION ADJUSTED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Opening balance	12 442 131	2 549 959	-	-	12 442 131	2 549 959
Assessed losses	5 385 568	4 044 923	-	-	5 385 568	4 044 923
Impairments and provisions	11 305 036	5 717 301	-	-	11 305 036	5 717 301
Tax claimable impairments	1 414 676	(109 106)	-	-	1 414 676	(109 106)
Other	1 303 042	239 054	-	-	1 303 042	239 054
Closing balance	**31 850 453**	**12 442 131**	**-**	**-**	**31 850 453**	**12 442 131**

	UNAUDITED HISTORICAL					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Opening balance	3 618 424	463 832	-	-	3 618 424	463 832
Assessed losses	8 360 230	1 196 077	-	-	8 360 230	1 196 077
Impairments and provisions	16 466 448	1 834 813	-	-	16 466 448	1 834 813
Intangible assets		(5 819)	-	-	-	(5 819)
Tax claimable impairments	1 551 808	1 512	-	-	1 551 808	1 512
Other	2 397 622	128 009	-	-	2 397 622	128 009
Closing deferred tax balance	**32 394 532**	**3 618 424**	**-**	**-**	**32 394 532**	**3 618 424**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
The deferred tax included in the statement of financial position are comprised of:				
Assessed losses	9 580 554	4 194 984	9 580 554	1 220 324
Credit loss provisions	18 583 864	7 278 827	18 583 864	2 117 416
Tax claimable impairments	1 608 065	193 392	1 608 065	56 258
Other	2 077 970	774 928	2 622 049	224 426
Closing balance	**31 850 453**	**12 442 131**	**32 394 532**	**3 618 424**

23.2 Deferred tax Liability

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

The deferred tax liability included in the statement of profit or loss and Other Comprehensive income comprised of

	AUDITED INFLATION ADJUSTED					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Opening balance	14 490 613	10 072 553	2 176 433	1 284 672	16 667 046	11 357 225
Intangible assets	78 148	(22 131)	-	-	78 148	(22 131)
Prepayments	-	7	-	-	-	7
Equity investments	4 316	118 731	217 845	78 680	222 161	197 411
Property and equipment	(1 769 049)	(258 762)	3 616 117	813 081	1 847 068	554 319
Investment properties	811 821	(132 011)	-	-	811 821	(132 011)
Other	23 964 316	4 712 226	-	-	23 964 316	4 712 226
Closing balance	**37 580 165**	**14 490 613**	**6 010 395**	**2 176 433**	**43 590 560**	**16 667 046**

	UNAUDITED HISTORICAL					
	Statement of profit or loss		Statement of Other Comprehensive income		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Opening balance	2 367 013	1 652 797	1 206 560	633 328	3 573 573	2 286 125
Intangible assets	(13 177)	23 622			(13 177)	23 622
Equity investments	75 710	33 722	483 837	54 306	559 547	88 028
Property and equipment	(2 010 850)	(209 408)	4 247 487	518 926	2 236 637	309 518
Investment properties	1 752 697	121 960	-	-	1 752 697	121 960
Other	28 926 225	744 320	-	-	28 926 225	744 320
Closing deferred tax balance	**31 097 618**	**2 367 013**	**5 937 884**	**1 206 560**	**37 035 502**	**3 573 573**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
The deferred tax included in the statement of financial position are comprised of:				
Intangible assets	175 774	97 628	10 523	23 700
Equity investments	697 955	475 791	697 955	138 408
Property and equipment	4 722 109	2 875 043	2 827 086	590 449
Investment properties	2 138 681	1 326 864	2 138 681	385 986
Other	35 856 041	11 891 720	31 361 257	2 435 030
Closing balance	**43 590 560**	**16 667 046**	**37 035 502**	**3 573 573**

*Included in Deferred tax other deferred tax balances relating to unrealised foreign currency exchange gains/losses, deferred facilitation fees, deferred establishment fees and other commissions

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
24.	**DEPOSITS**				
	Call deposits	1 817 720	1 532 942	1 817 720	445 934
	Savings and other deposits	553 251 825	399 820 760	553 251 825	116 308 152
	Money market deposits	110 405 761	47 891 488	110 405 761	13 931 669
	Lines of credit	11 770 544	1 456 260	11 770 544	423 627
	Accrued interest	3 153 685	910 136	3 153 685	264 759
		680 399 535	**451 611 586**	**680 399 535**	**131 374 141**
24.1	**Deposits by type**				
	Retail	35 757 931	31 106 292	35 757 931	9 048 843
	Corporate	519 407 802	370 352 003	519 407 802	107 735 669
	Money market	113 572 523	48 703 906	113 572 523	14 168 002
	Lines of credit	11 661 279	1 449 385	11 661 279	421 627
		680 399 535	**451 611 586**	**680 399 535**	**131 374 141**

Lines of credit relate to borrowings from foreign banks or financial institutions. These borrowings have an average tenure of 4.9 years (2021:2.8 years) and average interest rates of 9.7% (2021:9.2%) and are secured by a variety of instruments which include liens 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$133 369 793 (December 2021: US$145 044 224) (being legacy liabilities of US$50 502 902 (December 2021: US$50 833 318) and nostro gap accounts of US$842 866 891 (December 2021: US$94 210 906)) which are shown at ZWL$91 269 470 456 (December 2021: ZWL$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$39 069 129 (December 2021: US$34 532 702) 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.

The identified key risks attendant to the legacy liabilities and nostro gap accounts are noted below:

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

The Group draws comfort from the fact that as at 31 December 2022, the Bank had, cash and cash equivalents US$255 337 782 (2021: US$243 881 178) (this includes all foreign denominated balances after translation to US$) which amounts are greater than the total legacy debts of US$ 133 369 793.Therefore any liability calls can be funded from these balances.

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

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

The Group acknowledges that in the event of a call of a portion (or all) of these liabilities at a time when support from the Reserve Bank of Zimbabwe is not immediately available, the Group would need to meet the repayments from its own resources. However, the Group also draws comfort from the fact that as at 31 December 2022, the Bank had, cash and cash equivalents of US$255 337 782 which amounts are greater than the total legacy debts of US$133 369 793.Therefore any liability calls will be funded from these balances.

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

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

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

In the event that all the risks noted above materialise despite management's mitigating efforts and the debt is called in its entirety and the funding is not immediately available from the Reserve Bank of Zimbabwe despite their guarantee the group would potentially have a significant gap in its liquidity and would be required to engage with its counterparties to negotiate repayment and to also engage with the Government of Zimbabwe for assistance in this regard. The potential liquidity gap can be derived from note 37.5 to the financial statements if one excludes the RBZ financial asset disclosed within Other Assets in the "less than one month" bucket

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	%	RESTATED 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%
24.3	**Sectoral analysis of deposits :**								
	Private	42 851 883	7	41 045 321	9	42 851 883	7	11 940 114	9
	Agriculture	6 846 150	1	16 307 329	4	6 846 150	1	4 743 814	4
	Mining	242 327	-	16 228 997	4	242 327	-	4 721 027	4
	Manufacturing	9 849 018	1	42 273 060	9	9 849 018	1	12 297 264	9
	Distribution	27 062 213	4	55 357 936	12	27 062 213	4	16 103 664	12
	Construction	1 726 327	-	12 094 383	3	1 726 327	-	3 518 265	3
	Transport	2 111 922	-	8 274 854	2	2 111 922	-	2 407 161	2
	Communication	3 375 429	-	6 342 173	1	3 375 429	-	1 844 943	1
	Services	585 429 355	87	244 271 087	54	585 429 355	87	71 058 638	54
	Financial organisations	386 273	-	8 396 204	2	386 273	-	2 442 462	2
	Financial and investments	518 638	-	1 020 242	-	518 638	-	296 789	-
		680 399 535	**100**	**451 611 586**	**100**	**680 399 535**	**100**	**131 374 141**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
24.4	**Maturity analysis**				
	Less than 1 month	599 467 993	410 111 917	599 467 993	119 301 857
	Between 1 and 3 months	61 114 685	16 328 354	61 114 685	4 749 930
	Between 3 and 6 months	7 677 856	23 667 362	7 677 856	6 884 853
	Between 6 months and 1 year	3 303 626	757 451	3 303 626	220 343
	Between 1 and 5 years	8 835 375	738 348	8 835 375	214 786
	More than 5 year	-	8 154	-	2 372
		680 399 535	**451 611 586**	**680 399 535**	**131 374 141**
	Maturity analysis is based on the remaining period from 31 December 2022 to contractual maturity.				
25.	**INSURANCE LIABILITIES**				
	Reinsurance payables (a)	554 932	716 233	554 932	208 353
	Gross outstanding claims (b)	433 349	1 291 296	433 349	375 639
	Gross unearned premium reserve (c)	896 478	1 139 337	907 836	297 395
	Deferred reinsurance acquisition reserve (d)	87 373	189 313	81 724	49 032
		1 972 132	**3 336 179**	**1 977 841**	**930 419**
25.1	**Insurance contract provisions**				
	(a) Reinsurance payables				
	Opening balance	716 233	1 049 263	208 353	189 895
	Premiums ceded during the year	2 416 597	2 629 584	1 736 419	642 739
	Reinsurance paid	(1 934 259)	(2 554 064)	(1 389 840)	(624 281)
	Monetary adjustment	(643 639)	(408 550)	-	-
	Closing balance	**554 932**	**716 233**	**554 932**	**208 353**
	(b) Gross outstanding claims provision				
	Opening balance	1 291 296	178 171	375 639	32 245
	Claims incurred	2 813 119	3 457 430	1 863 037	844 090
	Incurred but not yet reported claims provision	119 118	33 527	70 452	9 753
	Claims paid	(2 832 358)	(1 982 508)	(1 875 779)	(510 449)
	Monetary adjustment	(957 826)	(395 324)	-	-
	Closing balance	**433 349**	**1 291 296**	**433 349**	**375 639**
	(c) Gross unearned premiums reserve				
	Opening balance	1 139 337	1 554 774	297 395	281 382
	Written premiums	4 355 391	4 103 084	3 110 352	983 158
	Premiums earned during the year	(4 598 250)	(4 518 521)	(2 499 911)	(967 145)
	Closing balance	**896 478**	**1 139 337**	**907 836**	**297 395**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

(d) Deferred reinsurance acquisition revenue

	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
	AUDITED INFLATION ADJUSTED		
31 December 2022			
Opening balance	189 313	219 687	(30 374)
Written premiums	525 863	659 207	(133 344)
Earned during the year	(627 803)	(755 647)	127 844
Closing balance	**87 373**	**123 247**	**(35 874)**
Restated			
31 December2021			
Opening balance	273 430	272 753	677
Written premiums	607 500	709 191	(101 691)
Earned during the year	(691 617)	(762 257)	70 640
Closing balance	**189 313**	**219 687**	**(30 374)**

	Unearned commissions ZWL$ 000	Deferred acquisition ZWL$ 000	Net ZWL$ 000
	UNAUDITED HISTORICAL		
31 December 2022			
Opening balance	49 032	57 436	(8 404)
Written premiums	372 038	468 573	(96 535)
Earned during the year	(339 346)	(409 002)	69 656
Closing balance	**81 724**	**117 007**	**(35 283)**
31 December 2021			
Opening balance	49 485	49 363	122
Written premiums	149 017	173 224	(24 207)
Earned during the year	(149 470)	(165 151)	15 681
Closing balance	**49 032**	**57 436**	**(8 404)**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
26. OTHER LIABILITIES				
Revenue received in advance	745 088	1 474 850	361 215	96 231
Sundry creditors	30 014 356	13 119 926	30 014 356	3 816 596
Accruals	5 519 438	24 863 330	5 519 438	7 232 761
Suspense	5 968 824	7 696 488	5 968 824	2 238 914
Provisions	14 747 323	8 865 019	14 747 323	2 578 840
	56 995 029	**56 019 613**	**56 611 156**	**15 963 342**

All other liabilities are current and are expected to be realised within the next twelve months. Included in provisions are provisions for performance based incentive scheme, audit fees provision and leave pay provision and largely expected to be utilised in the following year.

As at 1 January 2022, the Group had unearned revenue of ZWL$ 115 317 000, which comprised of deferred advisory fees, deferred guarantee commission and revenue received in advance. The increase in contract liabilities in 2022 was mainly due to the increase in deferred revenue coming from advisory and Agro based handling fees. All deferred revenue at the end of the previous year has been recognised as revenue in the current year.

26.1 Cash settled share based payment options

On 1 January 2021, the Group established a cash settled, share based scheme, which on vesting, entitles the scheme participants to future cash payments (rather than an equity instrument). The payments are based on the Group's share price and the number of shares on the exercise date. The awards vest on time period as determined in the share option agreement.

The amount of cash payment is determined by the number of shares and the share price at the time of exercise. Amounts totalling ZWL$ 2 072 979 758 [2021: ZWL$2 462 475 544] have been expensed in staff costs with respect to these options during the year. Refer to operating expenditure Note 5.

Details of the shares and the related liabilities arising from the cash settled share based scheme were as follows:

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

i. Number of shares

	INFLATION ADJUSTED				HISTORICAL			
	2022		2021		2022		2021	
	Number 000	Price	Number 000	Price	Number 000	Price	Number 000	Price
Opening balance	6 251	75.16	-	-	6 251	75.16	-	-
Issued during the year	4 846	135.00	6 251	258.3978	4 846	135.00	6 251	75.168
Settled during the year	(96)	78.75	-	-	(96)	78.75	-	-
Closing balance	**11 001**	**135.00**	**6 251**	**258.3978**	**11 001**	**135.00**	**6 251**	**75.168**

ii. Details of the liabilities

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Total carrying amount of liabilities for cash settled arrangements	2 535 222	1 615 122	2 535 222	469 840

iii. Share options vesting period

Vesting period as per contract			
31 DEC 2023	31 DEC 2024	31 DEC 2025	TOTAL
3 049 236	**3 049 236**	**835 335**	**6 933 807**

The table above shows the outstanding share options at 31 December, and the vesting period. These options vest immediately on vesting date, with no further fulfillment conditions.

27. LIFE FUND

27.1 Movement in Life Fund

	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities & Other Reserves ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
AUDITED INFLATION ADJUSTED					
Restated 31 December 2021					
Opening balance	**19 952**	**3 665**	**423 911**	**65 045**	**512 573**
Transfer to investment contract liabilities	-	-	-	(761)	(761)
Transfer from income	347 899	84 238	916 506	-	1 348 643
Monetory adjustment	-	(17 963)	(475 019)	-	(492 982)
Closing balance	**367 851**	**69 940**	**865 398**	**64 284**	**1 367 473**
31 December 2022					
Opening balance	367 851	69 940	865 398	64 284	1 367 473
Transfer from income	206 389	115 007	1 487 616	10 273	1 819 285
Monetary adjustment	(353 587)	(101 275)	(1 157 396)	-	(1 612 258)
Closing balance	**220 653**	**83 672**	**1 195 618**	**74 557**	**1 574 500**

	Unearned Premium Reserve ZWL$ 000	Incurred But Not Reported ZWL$ 000	Annuities & Other Reserves ZWL$ 000	Revaluation ZWL$ 000	Total ZWL$ 000
UNAUDITED HISTORICAL					
31 December 2021					
Opening balance	3 610	664	11 772	76 719	92 765
Transfer to investment contract liabilities	-	-	-	(145)	(145)
Transfer from income	103 397	19 682	182 100	-	305 179
Closing balance	**107 007**	**20 346**	**193 872**	**76 574**	**397 799**
31 December 2022					
Opening balance	107 007	20 346	193 872	76 574	397 799
Transfer from income	113 645	63 326	990 177	9 553	1 176 701
Closing balance	**220 652**	**83 672**	**1 184 049**	**86 127**	**1 574 500**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
27.2	**Life fund liabilities as supported by the following**				
	Money market assets	-	61 949	-	18 021
	Prescribed assets	275 066	163 210	275 066	47 478
	Investment property	1 968 524	272 265	1 968 524	79 202
	Listed equity investment	595 724	870 049	595 724	253 098
		2 839 314	**1 367 473**	**2 839 314**	**397 799**
28.	**LIFE ASSURANCE INVESTMENT CONTRACT LIABILITIES**				
28.1	**Life assurance investment contract liabilities movement**				
	Opening balance	214 994	80 811	62 542	14 625
	Interest on GEP fund	201 348	93 939	99 149	27 327
	Fund Management expenses	(11 703)	(5 015)	(8 844)	(1 459)
	GEP Investments	50 740	114 812	32 527	33 399
	GEP withdrawals	(13 911)	(26 112)	(8 020)	(7 595)
	Transfer from Life Fund	348 279	760	191 892	145
	Transfer from Income	-	(14 170)	-	(3 900)
	Monetary adjustment	(420 501)	(30 031)	-	-
	Closing balance	**369 246**	**214 994**	**369 246**	**62 542**
28.2	**Life assurance investment contract liabilities are supported by the following net assets**				
	Money market assets	-	29 161	-	8 483
	Cash	11 055	718	11 055	209
	Prescribed assets	381 621	198 941	381 621	57 872
	Listed equity Investment	248 018	(13 826)	248 018	(4 022)
		640 694	**214 994**	**640 694**	**62 542**
29.	**CATEGORIES OF FINANCIAL LIABILITIES**				
	The Group's financial liabilities are carried at amortised cost as follows:				
	Deposits	680 399 535	451 611 586	680 399 535	131 374 141
	Other liabilities	30 014 356	13 119 926	30 014 356	3 816 596
	Lease liability	261 756	124 682	261 756	36 270
		710 675 647	**464 856 194**	**710 675 647**	**135 227 007**

30. **EQUITY AND RESERVES**

30.1 **Share capital**

	AUDITED		UNAUDITED	
	INFLATION A JUSTED 31 DEC 2022 ZWL$	RESTATED 31 DEC 2021 ZWL$	HISTORICAL 31 DEC 2022 ZWL$	HISTORICAL 31 DEC 2021 ZWL$
Authorised				
1 000 000 000 ordinary shares of ZWL$ 0.01 each	**10 000 000**	**10 000 000**	**10 000 000**	**10 000 000**

	AUDITED		UNAUDITED	
	INFLATION A JUSTED 31 DEC 2022 SHARES 000	RESTATED 31 DEC 2021 SHARES 000	HISTORICAL 31 DEC 2022 SHARES 000	HISTORICAL 31 DEC 2021 SHARES 000
Issued and fully paid	**522 016**	**522 016**	**522 016**	**522 016**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
	Closing balance	**924 972**	**924 972**	**5 220**	**5 220**

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company

30.2	**Share premium**				
	Opening balance	5 652 468	5 652 468	33 876	33 876
	Closing balance	**5 652 468**	**5 652 468**	**33 876**	**33 876**
30.3	**Revaluation reserve**				
	Opening balance	17 360 922	13 062 896	5 790 710	2 892 977
	Net revaluation gain	5 608 553	4 298 026	20 726 298	2 897 733
	Closing balance	**22 969 475**	**17 360 922**	**26 517 008**	**5 790 710**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
30.4	**Retained earnings**				
	Retained earnings comprises:				
	Opening balance	90 892 834	73 192 551	21 264 515	7 126 176
	Profit for the year	33 052 100	26 496 369	80 967 977	16 163 848
	Dividend paid	(1 266 550)	(8 796 086)	(1 012 734)	(2 025 509)
		122 678 384	**90 892 834**	**101 219 758**	**21 264 515**
	Retained earnings comprises:				
	Holding company	3 102 249	698 324	(679 033)	(781 325)
	Subsidiary companies	127 857 099	89 846 821	110 073 958	21 812 116
	Effect of consolidation journals	(8 280 964)	347 689	(8 175 167)	233 724
		122 678 384	**90 892 834**	**101 219 758**	**21 264 515**
30.5	**Non-controlling Interests**				
	Non-controlling interests comprise:				
	Opening balance	15 033	15 250	4 957	2 907
	Profit for the year	(9 819)	(2 833)	(7 346)	331
	Other comprehensive income	2 918	2 616	11 113	1 719
		8 132	**15 033**	**8 724**	**4 957**
	Non-controlling interest relates to a 1.59% in CBZ Insurance				
30.6	**Fair value reserve**				
	Opening balance	5 519 828	4 081 935	1 964 010	923 754
	Other comprehensive income	4 134 552	1 437 893	9 268 938	1 040 256
		9 654 380	**5 519 828**	**11 232 948**	**1 964 010**
30.7	**Foreign currency translation reserve**				
	Opening balance	721 035	437 997	77 029	79 270
	Exchange gain/(loss) on translation of a foreign subsidiary	254 995	283 038	254 995	(2 241)
		976 030	**721 035**	**332 024**	**77 029**
30.8	**Share based payment reserve**				
	Opening balance	1 959 263	-	569 951	-
	Equity settled share based payments during the year	-	1 959 263	-	569 951
	Closing balance	**1 959 263**	**1 959 263**	**569 951**	**569 951**
30.9	**Shares awaiting allotment reserve**				
	Opening balance	-	-	-	-
	Shares awaiting allotment issued during the year	3 722 167	-	3 500 000	-
		3 722 167	**-**	**3 500 000**	**-**

During the year, the Group received ZWL$3.5 billion (Inflation adjusted ZWL$3.72 billion) for a share issue transaction. As at 31 December 2022, the shares were not yet allotted to the potential shareholder.

This was accounted for under the Group's equity though the shares awaiting allotment reserve.

31. CAPITAL MANAGEMENT

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

32. CONTINGENCIES AND COMMITMENTS

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Guarantees	623 411	575 382	623 411	167 379
	623 411	**575 382**	**623 411**	**167 379**

There were no capital commitments at 31 December 2022.

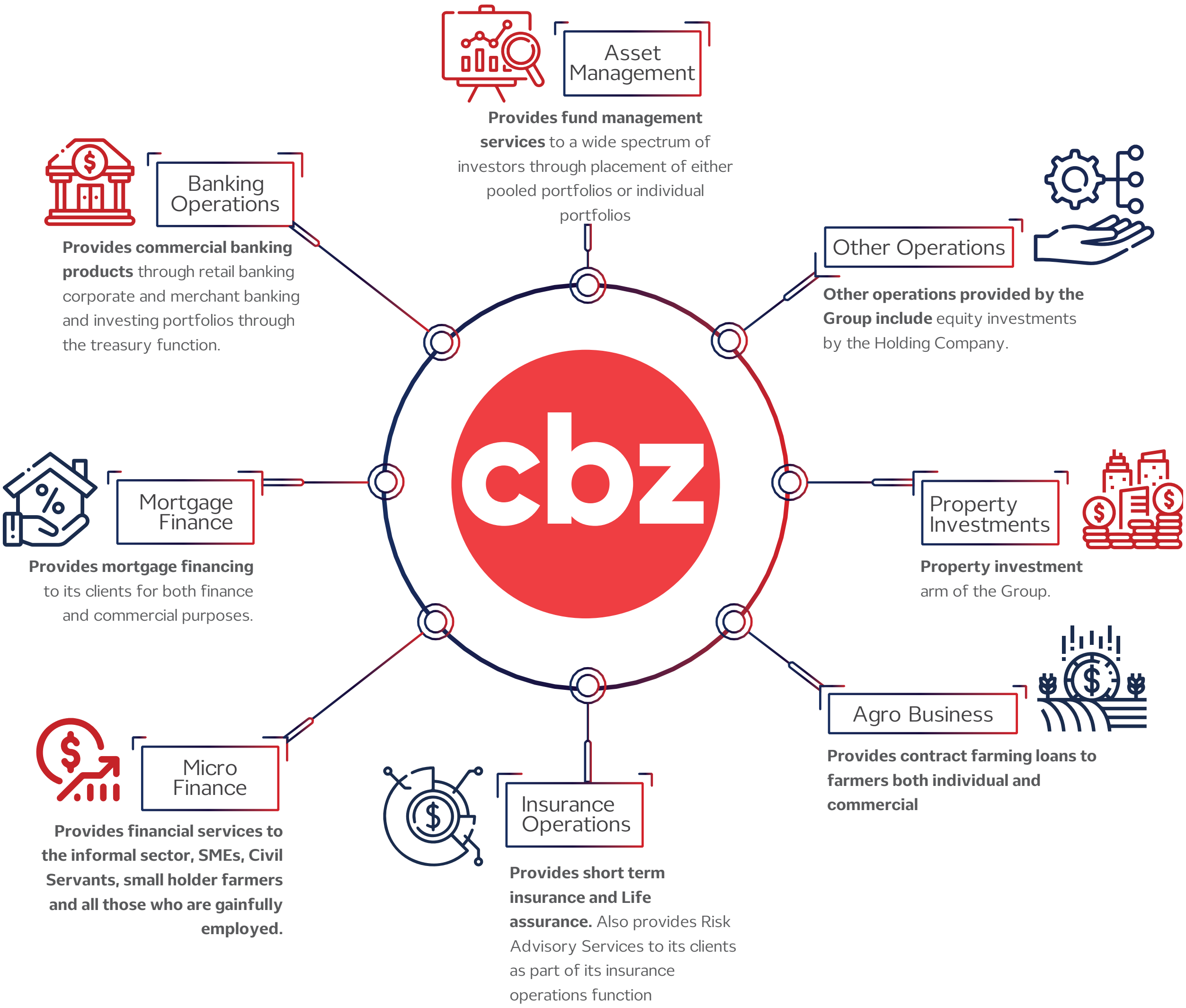
33. FUNDS UNDER MANAGEMENT

	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Pensions	92 443 386	81 091 119	92 443 386	23 589 466
Institutional & individual clients - Equities	23 348 028	48 234 155	23 348 028	14 031 351
Institutional & individual clients - Fixed Income	31 194 954	287 242	31 194 954	83 559
Exchange Traded Funds	322 895	-	322 895	-
Unit trust	184 699	2 288 269	184 699	665 659
	147 493 962	**131 900 785**	**147 493 962**	**38 370 035**

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

34. OPERATING SEGMENTS

The Group is comprised of the following operating segments:



Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

The table below shows the segment operational results for the year ended 31 December 2022:

34.1 Segment operational results

INFLATION ADJUSTED

ZWL$ 000	Commercial 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
INCOME										
Net interest income for the year ended 31 December 2022	**95 160 903**	**(1 038 847)**	**(158 451)**	**(1 926 891)**	**(825 367)**	**(14 604 807)**	**2 050 716**	**(4 919 461)**	**19 364**	**73 757 159**
Net interest income for the year ended 31 December 2021	70 148 946	(1 987 811)	(34 527)	(60 812)	(22 341)	(396 609)	3 430 555	(5 647 288)	13 369	65 443 482
Non-interest income for the year ended 31 December 2022	**95 948 665**	**(5 346 367)**	**1 176 119**	**3 778 373**	**3 278 891**	**86 049 432**	**69 177**	**13 146 498**	**(19 075 205)**	**179 025 583**
Non-interest income for the year ended 31 December 2021	37 669 499	3 223 245	1 833 121	2 964 055	2 731 280	28 880 996	295 448	17 275 185	(15 473 582)	79 399 247
Net underwriting income for the year ended 31 December 2022	**-**	**-**	**-**	**1 641 964**	**-**	**-**	**-**	**-**	**(75 926)**	**1 566 038**
Net underwriting income for the year ended 31 December 2021	-	-	-	1 469 558	-	-	-	-	(49 104)	1 420 454
Total income for the year ended 31 Decmber 2022	**191 109 568**	**(6 385 214)**	**1 017 668**	**3 493 446**	**2 453 524**	**71 444 625**	**2 119 893**	**8 227 037**	**(19 131 767)**	**254 348 780**
Total income for the year ended 31 December 2021	107 818 445	1 235 434	1 798 594	4 372 801	2 708 939	28 484 387	3 726 003	11 627 897	(15 509 317)	146 263 183
Depreciation and amortisation for the year ended 31 December 2022	**2 207 357**	**353 378**	**37 772**	**119 067**	**23 662**	**246 561**	**71 144**	**205 958**	**(198 112)**	**3 066 787**
Depreciation and amortisation for the year ended 31 December 2021	1 633 463	397 824	11 818	124 689	22 045	144 697	31 356	140 753	(93 981)	2 412 664
Impairment of assets for the year ended 31 December 2022	**33 775 639**	**589 102**	**12 602**	**122 079**	**181 940**	**42 928 287**	**69 213**	**79 007**	**(5 858 392)**	**71 899 477**
Impairment of assets for the year ended 31 December 2021	6 537 780	327 868	2 176	76 545	27 301	21 351 964	88 683	-	(3 123 742)	25 288 575
RESULTS										
Profit before taxation for the year ended 31 December 2022	**41 562 188**	**651 411**	**1 120 017**	**(321 436)**	**1 816 585**	**12 708 348**	**(1 207 722)**	**6 194 172**	**(7 997 038)**	**54 526 525**
Profit before taxation for the year ended 31 December 2021	34 250 582	4 552 199	20 153	803 633	2 053 299	(5 974 191)	1 575 794	6 793 794	(7 394 125)	36 681 138
CASH FLOWS										
Used in operating activities for the year ended 31 December 2022	**271 169 184**	**(2 930 967)**	**(147 028)**	**(338 841)**	**(810 034)**	**1 384 385**	**172 341**	**3 330 497**	**(14 574 503)**	**257 255 034**
Used in operating activities for the year ended 31 December 2021	81 771 621	410 843	73 932	343 361	(118 494)	217 583	(234 120)	2 244 109	4 499 118	89 207 953
Used in investing activities for the year ended 31 December 2022	**(6 199 344)**	**(436)**	**114 156**	**(149 795)**	**806 445**	**(402 185)**	**(79 997)**	**(3 499 382)**	**2 672 590**	**(6 737 948)**
Used in investing activities for the year ended 31 December 2021	(594 237)	(13 039)	(49 916)	(133 845)	104 334	(58 578)	(28 579)	(150 499)	(2 646 817)	(3 571 176)
Used in financing activities for the year ended 31 December 2022	**(7 037 047)**	**-**	**672 121**	**(8 594)**	**211 918**	**(2 113 768)**	**(178 777)**	**2 586 368**	**8 144 775**	**2 276 996**
Used in financing activities for the year ended 31 December 2021	(4 559 325)	(1 909)	(4 569)	(1 425)	(3 687)	(302 880)	111 406	(4 429 331)	300 217	(8 891 503)
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the year ended 31 December 2022	**721 005 432**	**-**	**1 231 024**	**6 928 599**	**4 679 008**	**184 344 556**	**1 157 233**	**4 666 155**	**(137 464 031)**	**786 547 976**
Reportable segment liabilities for the year ended 31 December 2021	472 490 289	29 038 346	4 010 481	7 569 792	3 210 948	147 221 891	378 198	3 188 088	(135 970 102)	531 137 931
Total segment assets for the year ended 31 December 2022	**841 991 492**	**-**	**2 584 126**	**11 625 837**	**13 052 648**	**204 171 412**	**2 082 741**	**23 105 900**	**(143 520 909)**	**955 093 247**
Total segment assets for the year ended 31 December 2021	566 416 347	28 457 075	3 292 498	12 059 867	10 636 972	160 432 642	2 865 847	14 183 402	(144 160 364)	654 184 286

34.1 Segment operational results

	UNAUDITED HISTORICAL									
	Commercial 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 year ended 31 December 2022	**70 741 022**	**(510 651)**	**(140 112)**	**(1 888 989)**	**(766 451)**	**(12 988 812)**	**1 355 463**	**(3 738 087)**	**13 259**	**52 076 642**
Net interest income for the year ended 31 December 2021	16 377 592	(411 686)	(7 860)	(14 631)	(6 021)	1 846 904	805 777	(1 320 162)	3 059	17 272 972
Non-interest income for the year ended 31 December 2022	**88 293 389**	**(2 151 033)**	**1 963 147**	**6 918 207**	**7 856 034**	**80 064 582**	**18 779**	**14 335 920**	**(14 236 233)**	**183 062 792**
Non-interest income for the year ended 31 December 2021	9 583 262	1 361 317	561 271	1 055 463	1 268 672	7 188 779	65 997	4 519 174	(3 522 079)	22 081 856
Net underwriting income for the year ended 31 December 2022	**-**	**-**	**-**	**802 205**	**-**	**-**	**-**	**-**	**(143 903)**	**658 302**
Net underwriting income for the year ended 31 December 2021	-	-	-	233 519	-	-	-	-	29 945	263 464
Total income for the year ended 31 Decmber 2022	**159 034 411**	**(2 661 684)**	**1 823 035**	**5 831 423**	**7 089 583**	**67 075 770**	**1 374 242**	**10 597 833**	**(14 366 877)**	**235 797 736**
Total income for the year ended 31 December 2021	25 960 854	949 631	553 411	1 274 351	1 262 651	9 035 683	871 774	3 199 012	(3 489 075)	39 618 292
Depreciation and amortisation for the year ended 31 December 2022	**1 057 285**	**272 959**	**3 646**	**36 441**	**7 807**	**70 873**	**17 378**	**49 459**	**(3 761)**	**1 512 087**
Depreciation and amortisation for the year ended 31 December 2021	240 468	71 802	2 707	9 410	2 146	16 777	3 412	9 339	(4 094)	351 967
Impairment of assets for the year ended 31 December 2022	**33 775 639**	**589 102**	**12 602**	**122 079**	**181 940**	**42 928 287**	**69 213**	**79 007**	**(5 858 392)**	**71 899 477**
Impairment of assets for the year ended 31 December 2021	1 901 845	95 377	633	22 267	7 942	6 211 302	25 798	-	(908 699)	7 356 465
RESULTS										
Profit before taxation for the year ended 31 December 2022	**84 138 614**	**(7 145 542)**	**579 006**	**1 312 446**	**5 901 456**	**15 294 490**	**273 718**	**471 675**	**(2 107 719)**	**98 718 144**
Profit before taxation for the year ended 31 December 2021	15 302 452	(463 775)	70 386	439 501	1 007 480	1 603 325	599 882	1 260 275	(1 539 797)	18 279 729
CASH FLOWS										
Used in operating activities for the year ended 31 December 2022	**194 910 358**	**(838 863)**	**(679 010)**	**(1 446 509)**	**(252 154)**	**1 827 455**	**57 787**	**(4 008 465)**	**(1 337 345)**	**188 233 254**
Used in operating activities for the year ended 31 December 2021	20 459 720	402 976	68 795	200 647	228 116	16 942 602	(25 802)	(528 564)	(15 011 853)	22 736 637
Used in investing activities for the year ended 31 December 2022	**(5 878 221)**	**(13 884)**	**202 995**	**(103 326)**	**227 877**	**(254 028)**	**(71 811)**	**(1 190 662)**	**979 179**	**(6 101 881)**
Used in investing activities for the year ended 31 December 2021	(538 776)	(10 626)	(40 332)	(169 263)	(211 610)	(59 726)	(33 088)	(181 455)	260 408	(984 468)
Used in financing activities for the year ended 31 December 2022	**(4 961 340)**	**-**	**683 692**	**(6 304)**	**210 658**	**(1 985 214)**	**(76 775)**	**2 630 460**	**5 877 262**	**2 372 439**
Used in financing activities for the year ended 31 December 2021	(2 011 229)	(2 834)	(8 103)	(2 330)	(2 330)	(107 324)	37 546	(2 031 625)	2 081 426	(2 046 803)
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the year ended 31 December 2022	**714 580 800**	**-**	**1 224 495**	**6 881 917**	**4 662 969**	**184 249 429**	**1 109 777**	**4 466 505**	**(137 561 138)**	**779 614 754**
Reportable segment liabilities for the year ended 31 December 2021	135 190 639	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 year ended 31 December 2022	**817 295 455**	**-**	**2 508 891**	**11 357 420**	**12 210 770**	**201 899 396**	**1 935 182**	**11 794 402**	**(135 967 253)**	**923 034 263**
Total segment assets for the year ended 31 December 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

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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.

INFLATION ADJUSTED						
	Utilised limits ZWL$ 000		Value of security ZWL$ 000		Interest earned ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Loans to directors' companies	553 943	315 640	5 738	10 863	44 942	41 805

UNAUDITED HISTORICAL						
	Utilised limits ZWL$ 000		Value of security ZWL$ 000		Interest earned ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Loans to directors' companies	553 943	91 820	3 160	3 160	24 746	7 566

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$00	RESTATED 31 DEC 2021 ZWL$000	HISTORICAL 31 DEC 2022 ZWL$000	HISTORICAL 31 DEC 2021 ZWL$000
35.1 Transactions with Directors' companies				
Interest income	44 941 824	41 805 377	24 746 405	7 565 900
	44 941 824	**41 805 377**	**24 746 405**	**7 565 900**

36. CLOSING EXCHANGE RATES

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$	RESTATED 31 DEC 2021 ZWL$	HISTORICAL 31 DEC 2022 ZWL$	HISTORICAL 31 DEC 2021 ZWL$
USD	684.3339	108.666	684.3339	108.666
ZAR	0.0248	0.1463	0.0248	0.1463
GBP	824.417	146.6991	824.417	146.6991
EUR	728.6103	122.9338	728.6103	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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Balances with banks	224 817 149	99 566 992	224 817 149	28 964 111
Money market assets	35 458 149	83 717 936	35 458 149	24 353 609
Financial securities	49 633 591	3 315 622	49 633 591	964 517
Loans and advances to customers	176 218 892	192 166 130	176 218 892	55 901 268
Other assets	267 981 031	119 884 810	267 981 031	34 874 579
Total	**754 108 812**	**498 651 490**	**754 108 812**	**145 058 084**
Financial guarantees	623 411	575 382	623 411	167 379
Loan commitements	5 924 484	14 766 419	5 924 484	4 295 562
Total	**6 547 895**	**15 341 801**	**6 547 895**	**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$224 817 149 427(2021: ZWL$99 566 992 015) (excluding notes and coins) as at 31 December 2022 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local bank and foreign banks

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

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

	Rating Agency	Rating	2022 ZWL$ 000	2021 ZWL$ 000
African Export Import Bank	Fitch	B	7 899 143	8 219 353
Oddo BHF Aktiengesellschaft Bank	Fitch	B	391 496	3 667 595
First Rand Bank South Africa	Fitch	B-	22 638 913	3 383 795
Bank of China	Fitch	A	323 645	463 130
Aktif Yatirim Bank	Fitch	B	1 062 253	151 800
United Oversees Bank	Fitch	AB+	650 662	101 401
Bidvest Bank South Africa	Fitch	BB	62 376	57 749
CSC Bank	Fitch	B-	300 234	35 569
South African Reserve Bank	Fitch	BB-	325 081	3 635
Total			**33 653 803**	**16 084 027**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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

	INFLATION ADJUSTED		RESTATED		HISTORICAL			
	31 DEC 2022 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 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	24 847 523	18 505 731	22 034 428	7 470 786	24 847 523	18 505 731	6 409 832	2 173 257
Agriculture	88 610 417	46 801 623	111 180 927	27 822 261	88 610 417	46 801 623	32 342 613	8 093 516
Mining	24 900 966	-	16 197 928	14 665 422	24 900 966	-	4 711 989	4 266 182
Manufacturing	31 959 703	1 752 145	9 550 509	3 938 766	31 959 703	1 752 145	2 778 250	1 145 790
Distribution	42 567 822	53 525	39 418 536	17 952 200	42 567 822	53 525	11 466 881	5 222 308
Construction	3 178 265	810 770	413 375	-	3 178 265	810 770	120 251	-
Transport	653 658	-	302 430	1 523	653 658	-	87 977	443
Communication	6 509 099	6 563 171	-	-	6 509 099	6 563 171	-	-
Services	24 328 105	13 273 882	19 264 689	10 802 383	24 328 105	13 273 882	5 604 112	3 142 421
Financial organisations	347 810	19 664 118	1 548 714	14 653 483	347 810	19 664 118	450 522	4 262 709
Gross value	**247 903 368**	**107 424 965**	**219 911 536**	**97 306 824**	**247 903 368**	**107 424 965**	**63 972 427**	**28 306 626**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Collateral split by class				
Government Guarantee	6 373 688	87 313 596	6 373 688	25 399 589
Cash cover	1 004 641	339 009	1 004 641	98 618
Registered Marketable Commodities	45 732 237	-	45 732 237	-
Mortgage bonds	57 755 115	31 623 905	57 755 115	9 199 417
Notarial general covering bonds	98 510 211	33 242 935	98 510 211	9 670 394
	209 375 892	**152 519 445**	**209 375 892**	**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.

Collateral split by asset quality

The table below sets out the carrying amount and the value of the identifiable collateral held against loans and advances to customers measured at amortized cost.

	INFLATION ADJUSTED				HISTORICAL			
	31 DEC 2022		31 DEC 2021		31 DEC 2022		31 DEC 2021	
	Carrying amount ZWL$000	Collateral ZWL$000	Carrying amount ZWL$000	Collateral ZWL$000	Carrying amount ZWL$000	Collateral ZWL$000	Carrying amount ZWL$000	Collateral ZWL$000
Stage 1 & 2	163 374 949	177 085 545	122 929 679	150 334 796	163 374 949	177 085 545	35 760 334	43 875 526
Stage 3	84 528 419	32 290 347	96 981 857	2 184 649	84 528 419	32 290 347	28 212 093	492 492
	247 903 368	**209 375 892**	**219 911 536**	**152 519 445**	**247 903 368**	**209 375 892**	**63 972 427**	**44 368 018**

The are no financial instruments for which no expected credit loss allowance was recognized due to collateral held.

The Group holds collateral against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Collateral for loans and advances split by asset type

	Percentage of exposures that is subject to collateral requirements		
	31 DEC 2022 %	31 DEC 2021 %	Principal Type of collateral held
Loans & advances to retail customers	1.65%	-	Cash
	24.27%	32.45%	Mortgage security
	63.19%	67.50%	Other
Loans and advances to corporate customers	0.07%	0.58%	Cash
	17.18%	26.17%	Mortgage security
	25.19%	54.67%	Marketable Commodities
	16.23%	25.67%	Government Guarantee
	8.48%	12.50%	Notarial General Covering Bonds
	4.58%	14.33%	Other
Loans and advances to farmers	9%	78.00%	Government guarantee

Included in other collateral for retail customers are largely direct deductions, structured receivables, corporate guarantees and liens.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	50 711 538	73 170 213	7 083 000	237 397	-	-	57 794 538	73 407 610
Special mention	"4a - 7c"	97 436 659	25 717 615	8 143 753	23 804 454	-	-	105 580 412	49 522 069
Non-performing	"8 - 10"	-	-	-	-	84 528 418	96 981 857	84 528 418	96 981 857
Total		**148 148 197**	**98 887 828**	**15 226 753**	**24 041 851**	**84 528 418**	**96 981 857**	**247 903 368**	**219 911 536**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	50 711 538	21 285 269	7 083 000	69 059	-	-	57 794 538	21 354 328
Special mention	"4a - 7c"	97 436 659	7 481 273	8 143 753	6 924 733	-	-	105 580 412	14 406 006
Non-performing	"8 - 10"	-	-	-	-	84 528 418	28 212 093	84 528 418	28 212 093
Total		**148 148 197**	**28 766 542**	**15 226 753**	**6 993 792**	**84 528 418**	**28 212 093**	**247 903 368**	**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	AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	98 887 828	163 828 034	24 041 851	5 457 814	96 981 857	(11 080 752)	219 911 536	158 205 096
New assets originated or purchased (excluding write offs)	232 381 827	119 520 097	156 800 896	920 464	302 187 059	132 798 082	691 369 782	253 238 643
Transfers from Stage 1	(38 864 089)	(119 269 930)	13 077 614	35 320 595	25 786 475	83 949 335	-	-
Transfers from Stage 2	56 279 208	6 686 615	(118 104 450)	(7 435 935)	61 825 242	749 320	-	-
Transfers from Stage 3	693 965	315 018	155 090	6 669	(849 055)	(321 687)	-	-
Repayments during the period	(33 682 479)	(21 766 566)	(36 977 409)	(1 738 432)	(275 263 705)	(141 199)	(345 923 593)	(23 646 197)
Amounts written off	-	-	-	-	(11 410 616)	(45 837)	(11 410 616)	(45 837)
Monetary adjustment	(167 548 063)	(50 425 440)	(23 766 839)	(8 489 324)	(114 728 839)	(108 925 405)	(306 043 741)	(167 840 169)
Gross loans and advances to customers	**148 148 197**	**98 887 828**	**15 226 753**	**24 041 851**	**84 528 418**	**96 981 857**	**247 903 368**	**219 911 536**
ECL allowance	(9 219 851)	(3 081 261)	(4 062 737)	(2 496 739)	(58 401 888)	(22 167 406)	(71 684 476)	(27 745 406)
Net loans and advances to customers	**138 928 346**	**95 806 567**	**11 164 016**	**21 545 112**	**26 126 530**	**74 814 451**	**176 218 892**	**192 166 130**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	28 766 542	29 649 453	6 993 792	870 427	28 212 093	81 765	63 972 427	30 601 645
New assets originated or purchased (excluding write offs)	127 956 867	26 403 578	86 339 636	81 498	166 394 077	11 753 953	380 690 580	38 239 029
Transfers from Stage 1	(21 399 810)	(24 280 678)	7 200 953	7 962 428	14 198 857	16 318 250	-	-
Transfers from Stage 2	30 989 129	1 361 243	(65 032 085)	(1 530 165)	34 042 956	168 922	-	-
Transfers from Stage 3	382 118	64 130	85 398	1 503	(467 516)	(65 633)	-	-
Repayments during the period	(18 546 649)	(4 431 184)	(20 360 941)	(391 899)	(151 569 000)	(31 833)	(190 476 590)	(4 854 916)
Amounts written off	-	-	-	-	(6 283 049)	(13 331)	(6 283 049)	(13 331)
Gross loans and advances to customers	**148 148 197**	**28 766 542**	**15 226 753**	**6 993 792**	**84 528 418**	**28 212 093**	**247 903 368**	**63 972 427**
ECL allowance	(9 219 851)	(896 342)	(4 062 737)	(726 303)	(58 401 888)	(6 448 514)	(71 684 476)	(8 071 159)
Net loans and advances to customers	**138 928 346**	**27 870 200**	**11 164 016**	**6 267 489**	**26 126 530**	**21 763 579**	**176 218 892**	**55 901 268**

ECL RECONCILIATION	AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	3 081 261	5 807 631	2 496 739	375 561	22 167 406	241 395	27 745 406	6 424 587
New assets originated or purchased	14 678 542	7 060 580	22 663 936	17 798	33 149 801	24 603 453	70 492 279	31 681 831
Transfers from Stage 1	(6 879 621)	(7 263 275)	376 062	3 615 333	6 503 559	3 647 942	-	-
Transfers from Stage 2	672 040	95 630	(19 580 837)	(388 803)	18 908 797	293 173	-	-
Transfers from Stage 3	8 146	8 602	5 343	3 276	(13 489)	(11 878)	-	-
Amounts written off	-	-	-	-	(6 283 050)	(49 319)	(6 283 050)	(49 319)
Monetary adjustment	(2 184 923)	(2 040 036)	(1 770 437)	(799 139)	(15 718 890)	(6 485 209)	(19 674 250)	(9 324 384)
Amounts paid off	(155 594)	(587 871)	(128 069)	(327 287)	(312 246)	(72 151)	(595 909)	(987 309)
Closing balance	**9 219 851**	**3 081 261**	**4 062 737**	**2 496 739**	**58 401 888**	**22 167 406**	**71 684 476**	**27 745 406**

ECL RECONCILIATION	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 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	14 678 538	1 591 692	22 663 936	4 011	33 149 801	5 546 427	70 492 275	7 142 130
Transfers from Stage 1	(6 879 623)	(1 637 383)	376 061	815 015	6 503 562	822 368	-	-
Transfers from Stage 2	672 044	21 558	(19 580 837)	(87 649)	18 908 793	66 091	-	-
Transfers from Stage 3	8 145	1 939	5 343	738	(13 488)	(2 677)	-	-
Amounts written off	-	-	-	-	(6 283 052)	(11 118)	(6 283 052)	(11 118)
Amounts paid off	(155 595)	(132 524)	(128 069)	(73 781)	(312 242)	(16 264)	(595 906)	(222 569)
Closing balance	**9 219 851**	**896 342**	**4 062 737**	**726 303**	**58 401 888**	**6 448 514**	**71 684 476**	**8 071 159**

The Group may write off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2022 amounted to ZWL$ 4 752 606 084. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovery.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 711 154	3 365 154	-	-	-	-	49 711 154	3 365 154
Total		**49 711 154**	**3 365 154**	**-**	**-**	**-**	**-**	**49 711 154**	**3 365 154**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	49 711 154	978 926	-	-	-	-	49 711 154	978 926
Total		**49 711 154**	**978 926**	**-**	**-**	**-**	**-**	**49 711 154**	**978 926**

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

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	3 365 154	5 464 077	-	-	-	-	3 365 154	5 464 077
New assets originated or purchased	88 566 543	-	-	-	-	-	88 566 543	-
Monetary adjustment	(42 156 360)	(2 054 750)	-	-	-	-	(42 156 360)	(2 054 750)
Maturities during the period	(64 183)	(44 173)	-	-	-	-	(64 183)	(44 173)
Gross financial securities	**49 711 154**	**3 365 154**	**-**	**-**	**-**	**-**	**49 711 154**	**3 365 154**
ECL allowance	(77 563)	(49 532)		-		-	(77 563)	(49 532)
Closing balance	**49 633 591**	**3 315 622**	**-**	**-**	**-**	**-**	**49 633 591**	**3 315 622**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	978 926	988 884	-	-	-	-	978 926	988 884
New assets originated or purchased	48 767 571	-	-	-	-	-	48 767 571	-
Maturities during the period	(35 343)	(9 958)	-	-	-	-	(35 343)	(9 958)
Gross financial securities	**49 711 154**	**978 926**	**-**	**-**	**-**	**-**	**49 711 154**	**978 926**
ECL allowance	(77 563)	(14 409)	-	-	-	-	(77 563)	(14 409)
Closing balance	**49 633 591**	**964 517**	**-**	**-**	**-**	**-**	**49 633 591**	**964 517**

Movement in ECLs for financial guarantees relate to new origination and maturities. All financial guarantees were classified as stage 1 and there were no inter stage transfers during the year. Refer to Note 14 for ECLs recognized in the statement of comprehensive in come in respect of financial guarantees.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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

AUDITED INFLATION ADJUSTED										
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000		
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	
Internal rating grade										
Performing	"1 - 3c"	36 051 522	83 983 935	-	-	-	-	36 051 522	83 983 935	
Total		**36 051 522**	**83 983 935**	-	-	-	-	**36 051 522**	**83 983 935**	

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	36 051 522	24 430 988	-	-	-	-	36 051 522	24 430 988
Total		**36 051 522**	**24 430 988**	-	-	-	-	**36 051 522**	**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:

GROSS CARRYING AMOUNT	AUDITED INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	83 983 935	41 972 820	-	-	-	-	83 983 935	41 972 820
New assets originated or purchased (excluding write offs)	65 401 219	117 946 238	-	-	-	-	65 401 219	117 946 238
Maturities during the period	(44 297 223)	(35 251 541)	-	-	-	-	(44 297 223)	(35 251 541)
Monetary adjustment	(69 036 409)	(40 683 582)	-	-	-	-	(69 036 409)	(40 683 582)
Gross money market assets	**36 051 522**	**83 983 935**	-	-	-	-	**36 051 522**	**83 983 935**
ECL allowance	(593 373)	(265 993)					(593 373)	(265 995)
Closing balance	**35 458 149**	**83 717 942**	-	-	-	-	**35 458 149**	**83 717 940**

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	24 430 988	7 596 204	-	-	-	-	24 430 988	7 596 204
New assets originated or purchased (excluding write offs)	36 012 002	24 011 205	-	-	-	-	36 012 002	24 011 205
Maturities during the period	(24 391 468)	(7 176 421)	-	-	-	-	(24 391 468)	(7 176 421)
Gross money market assets	**36 051 522**	**24 430 988**	-	-	-	-	**36 051 522**	**24 430 988**
ECL allowance	(593 373)	(77 378)	-	-	-		(593 373)	(77 378)
Closing balance	**35 458 149**	**24 353 610**	-	-	-	-	**35 458 149**	**24 353 610**

Movement in ECLs for financial guarantees relate to new origination and maturities. All financial guarantees were classified as stage 1 and there were no inter stage transfers during the year. Refer to Note 14 for ECLs recognized in the statement of comprehensive in come in respect of financial guarantees

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

AUDITED INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	575 382	-	-	-	-	623 411	575 382
Total		**623 411**	**575 382**	**-**	**-**	**-**	**-**	**623 411**	**575 382**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	623 411	167 379	-	-	-	-	623 411	167 379
Total		**623 411**	**167 379**	**-**	**-**	**-**	**-**	**623 411**	**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:

AUDITED INFLATION ADJUSTED

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	575 382	396 466	-	-	-	-	575 382	396 466
New assets originated or purchased (excluding write offs)	1 132 172	822 181	-	-	-	-	1 132 172	822 181
Monetary adjustment	(780 167)	(290 814)	-	-	-	-	(780 167)	(290 814)
Guarantees Expired	(303 976)	(352 451)	-	-	-	-	(303 976)	(352 451)
Gross Guarantees	**623 411**	**575 382**	**-**	**-**	**-**	**-**	**623 411**	**575 382**
ECL allowance	(1 019)	(1 293)					(1 019)	(1 293)
Closing balance	**622 392**	**574 089**	**-**	**-**	**-**	**-**	**622 392**	**574 089**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
Opening balance	167 379	71 752	-	-	-	-	167 379	71 752
New assets originated or purchased (excluding write offs)	623 409	167 377	-	-	-	-	623 409	167 377
Guarantees expired during the period	(167 377)	(71 750)	-	-	-	-	(167 377)	(71 750)
Gross Guarantees	**623 411**	**167 379**	**-**	**-**	**-**	**-**	**623 411**	**167 379**
ECL allowance	(1 019)	(376)	-		-		(1 019)	(376)
Closing balance	**622 392**	**167 003**	**-**	**-**	**-**	**-**	**622 392**	**167 003**

Movement in ECLs for financial guarantees relate to new origination and maturities. All financial guarantees were classified as stage 1 and there were no inter stage transfers during the year. Refer to Note 14 for ECLs recognized in the statement of comprehensive in come in respect of financial guarantees.

The Financial Assets that were impaired under IFRS 9 were Loans and advances to customers, Leases receivables, Bank Guarantees, and Letters of Credit, Money Market Placements, Treasury Bills and Other receivables. Expected Credit Losses of these assets were calculated as at 31 December 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).

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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/or 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 event of a default. It is a function of the pledged collateral after application of the relevant haircuts, a conservative LGD floor estimate of 25% were applicable and an estimate LGD cap for losses on unsecured portions of exposures. 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.

When estimating the ECLs, the Group considers three scenarios (a Base Case, a Best Case and a Worst Case). Each of these is associated with different PDs. EAD and LGD are case invariant for the sake of simplicity, interpretability and computational convenience. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

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

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

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

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

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

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

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

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

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

The combination of the Bernoulli-Beta and Gaussian distribution for forward looking PDs resulted in the weightings of 28%, 52% and 20% 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, are current and fully compliant with all contractual terms and conditions. When loa ns 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 12 month ECL allowance based on the 12 month contractual cash flow for the EAD, an applicable LGD and the applicable credit risk measure (PD).

Stage 2: (Underperforming)
The assets have 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 where monthly repayments are required, 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 Lifetime ECLs. 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, except that the maturity horizon is the contractual maturity time and not 12 months.

Stage 3: (Credit Impaired)
For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. Lifetime ECLs were calculated for all the assets which were classified under this stage with PD equal to 100%. 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; and
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 Effective Interest Rate (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.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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 likely 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

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 there's no reasonable expectation of recovery or due to lengthy processes required to enforce collateral. 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 prices such as interest rates, Inflation 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 periodic 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 subsidiaries' 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 recognizes 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 liquidity 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 levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures as well as prudential liquidity ratio.

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2022

AUDITED INFLATION ADJUSTED	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	263 054 255	34 889	-	-	-	-	263 089 144
Money market assets	14 784 023	831 676	10 779 495	11 086 209	-	-	37 481 403
Financial securities	32 013 519	19 365 251	218	3 341	311 375	922 683	52 616 387
Loans and advances to customers	15 927 932	44 883 906	54 316 470	139 000 086	75 828 898	12 707 655	342 664 947
Insurance assets	290 766	111 754	234 474	34 621	-	-	671 615
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Current tax receivable	387	104 000	27 672	34 987	-	-	167 046
Other liquid assets	5 938 829	81 615 462	112 970 985	15 286 469	48 080 255	-	263 892 000
Total assets	**332 030 898**	**147 033 714**	**178 329 967**	**165 536 045**	**124 644 991**	**13 630 338**	**961 205 953**
Liabilities							
Deposits	600 314 055	63 898 242	8 163 410	4 837 150	10 614 778	-	687 827 635
Insurance liabilities	592 968	197 656	197 656	-	-	-	988 280
Other liabilities	10 875 924	33 237 006	7 994 591	248 049	500 000	-	52 855 570
Current tax payable	-	1 345 526	14 129	25 563	-	-	1 385 218
Lease liabilities	11 485	29 095	34 623	58 318	159 832	3 237	296 590
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Loan commitments	5 924 484	-	-	-	-	-	5 924 484
Total liabilities	**617 740 103**	**98 794 301**	**16 405 062**	**5 259 412**	**11 699 073**	**3 237**	**749 901 188**
Liquidity gap	**(285 709 205)**	**48 239 413**	**161 924 905**	**160 276 633**	**112 945 918**	**13 627 101**	**211 304 765**
Cumulative liquidity gap	**(285 709 205)**	**(237 469 792)**	**(75 544 887)**	**84 731 746**	**197 677 664**	**211 304 765**	**211 304 765**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

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	Total ZWL$ 000
Assets							
Balances with banks and cash	136 001 483	-	-	-	-	-	136 001 483
Money market assets	59 715 150	5 654 994	22 613 683	-	8 223	-	87 992 050
Financial securities	51 121	-	189 553	146 139	577 046	4 749 957	5 713 816
Loans and advances to customers	20 841 560	18 151 343	46 628 879	140 628 842	26 117 109	6 875 421	259 243 154
Insurance assets	1 826 214	594 495	797 464	-	-	-	3 218 173
Financial guarantees	8 089	193 454	74 372	287 930	11 537	-	575 382
Current tax receivable	2 874	127 831	-	-	-	-	130 705
Other liquid assets	12 455 558	59 445 619	4 027 804	10 249 624	55 459 290	-	141 637 895
Total assets	**230 902 049**	**84 167 736**	**74 331 755**	**151 312 535**	**82 173 205**	**11 625 378**	**634 512 658**
Liabilities							
Deposits	410 746 512	16 744 702	23 774 000	815 089	877 598	13 376	452 971 277
Insurance liabilities	1 204 517	401 505	401 505	-	-	-	2 007 527
Other liabilities	8 358 896	33 276 197	1 167 952	58 354 649	-	-	101 157 694
Current tax payable	-	1 796 358	-	-	-	-	1 796 358
Life fund	1 367 473	-	-	-	-	-	1 367 473
Investment contract liabilities	214 994	-	-	-	-	-	214 994
Lease liability	7 484	18 312	22 454	40 000	47 882	-	136 132
Financial guarantees	8 089	193 454	74 372	287 930	11 537	-	575 382
Loan commitments	14 766 419	-	-	-	-	-	14 766 419
Total liabilities	**436 674 384**	**52 430 528**	**25 440 283**	**59 497 668**	**937 017**	**13 376**	**574 993 256**
Liquidity gap	**(205 772 335)**	**31 737 208**	**48 891 472**	**91 814 867**	**81 236 188**	**11 612 002**	**59 519 402**
Cumulative liquidity gap	**(205 772 335)**	**(174 035 127)**	**(125 143 655)**	**(33 328 788)**	**47 907 400**	**59 519 402**	**59 519 402**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 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	263 054 255	34 889	-	-	-	-	263 089 144
Money market assets	14 784 023	831 676	10 779 495	11 086 209	-	-	37 481 403
Financial securities	32 013 519	19 365 251	218	3 341	311 375	922 683	52 616 387
Loans and advances to customers	15 927 932	44 883 906	54 316 470	139 000 086	75 828 898	12 707 655	342 664 947
Insurance assets	290 766	111 754	234 474	34 621	-	-	671 615
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Current tax receivable	387	104 000	27 672	34 987	-	-	167 046
Other liquid assets	5 938 829	81 615 462	112 970 985	15 286 469	48 080 255	-	263 892 000
Total assets	**332 030 898**	**147 033 714**	**178 329 967**	**165 536 045**	**124 644 991**	**13 630 338**	**961 205 953**
Liabilities							
Deposits	600 314 055	63 898 242	8 163 410	4 837 150	10 614 778	-	687 827 635
Insurance liabilities	592 968	197 656	197 656	-	-	-	988 280
Other liabilities	10 875 924	33 237 006	7 994 591	248 049	500 000	-	52 855 570
Current tax payable	-	1 345 526	14 129	25 563	-	-	1 385 218
Lease liability	11 485	29 095	34 623	58 318	159 832	3 237	296 590
Financial guarantees	21 187	86 776	653	90 332	424 463	-	623 411
Loan commitments	5 924 484	-	-	-	-	-	5 924 484
Total liabilities	**617 740 103**	**98 794 301**	**16 405 062**	**5 259 412**	**11 699 073**	**3 237**	**749 901 188**
Liquidity gap	**(285 709 205)**	**48 239 413**	**161 924 905**	**160 276 633**	**112 945 918**	**13 627 101**	**211 304 765**
Cumulative liquidity gap	**(285 709 205)**	**(237 469 792)**	**(75 544 887)**	**84 731 746**	**197 677 664**	**211 304 765**	**211 304 765**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Total ZWL$ 000
Assets							
Balances with banks and cash	39 562 931	-	-	-	-	-	39 562 931
Money market assets	17 371 181	1 645 042	6 578 337	-	2 392	-	25 596 952
Financial securities	14 871	-	55 141	42 512	167 863	1 381 766	1 662 153
Loans and advances to customers	6 062 825	5 280 239	13 564 375	40 909 033	7 597 486	2 000 065	75 414 023
Insurance assets	531 247	172 939	231 983	-	-	-	936 169
Financial guarantees	2 353	56 276	21 635	83 759	3 356	-	167 379
Current tax receivable	836	37 186	-	-	-	-	38 022
Other liquid assets	3 623 331	17 292 774	1 171 691	2 981 623	16 133 148	-	41 202 567
Total assets	**67 169 575**	**24 484 456**	**21 623 162**	**44 016 927**	**23 904 245**	**3 381 831**	**184 580 196**
Liabilities							
Deposits	119 486 461	4 871 046	6 915 874	237 110	255 294	3 891	131 769 676
Insurance liabilities	350 395	116 798	116 798	-	-	-	583 991
Other liabilities	2 431 609	9 680 070	339 758	16 975 410	-	-	29 426 847
Current tax payable	-	522 562	-	-	-	-	522 562
Life fund	397 799	-	-	-	-	-	397 799
Investment contract liabilities	62 542	-	-	-	-	-	62 542
Lease 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
Loan 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**

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

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

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

	CBZ Bank Limited %
At 31 December 2022	47.46
At 31 December 2021	51.35
Average for the year	47.95
Maximum for the year	51.91
Minimum for the year	44.63

37.4.2 Concentration Risk & Counterparty Risk

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

The risk associated with significant liability concentrations in specific foreign currencies is that if the exchange rate moves against the Group assuming no adequate monetary assets denominated in the same currency, significant exchange loses will be experienced and the significant local currency balances will be required to expunge the associated liabilities. The impact of foreign exchange risk is shown on the foreign exchange risk note.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

37.5 Interest rate risk

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

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

At 31 December 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$ 110,635,738.50 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

AUDITED INFLATION ADJUSTED

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non-interest bearing ZWL$ 000	Total ZWL$ 000
31 December 2022								
Assets								
Balances with banks and cash	33 686 942	-	-	-	-	-	229 390 642	263 077 584
Money market assets	13 873 024	749 315	10 382 609	10 453 201	-	-	-	35 458 149
Financial securities	32 935 579	15 803 312	-	-	149 383	745 317	-	49 633 591
Loans and advances to customers	78 043 452	78 530 937	4 482 358	14 857 003	305 142		-	176 218 892
Insurance assets	-	-	-	-	-	-	2 074 050	2 074 050
Equity investments	-	-	-	-	-	-	17 335 017	17 335 017
Land inventory	-	-	-	-	-	-	20 801 368	20 801 368
Other assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	132 998 559	283 425 317
Current tax receivable	-	-	-	-	-	-	167 047	167 047
Intangible assets	-	-	-	-	-	-	926 145	926 145
Investment properties	-	-	-	-	-	-	28 591 973	28 591 973
Property and equipment	-	-	-	-	-	-	45 533 661	45 533 661
Deferred taxation	-	-	-	-	-	-	31 850 453	31 850 453
Total assets	**160 179 616**	**175 297 921**	**21 833 922**	**38 832 776**	**48 534 780**	**745 317**	**509 668 915**	**955 093 247**
Equity & Liabilities								
Deposits	85 644 710	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	680 399 535
Insurance liabilities	-	-	-	-	-	-	1 972 132	1 972 132
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	39 913 993	56 995 029
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Life Fund	-	-	-	-	-	-	1 574 500	1 574 500
Investment contract liabilities	-	-	-	-	-	-	369 246	369 246
Deferred taxation	-	-	-	-	-	-	43 590 560	43 590 560
Lease liability	18 082	22 859	35 395	35 808	149 612	-	-	261 756
Equity	-	-	-	-	-	-	168 545 271	168 545 271
Total liabilities and equity	**87 413 724**	**75 967 648**	**7 713 251**	**3 339 434**	**9 484 987**	**-**	**771 174 203**	**955 093 247**
Interest rate repricing gap	**72 765 892**	**99 330 273**	**14 120 671**	**35 493 342**	**39 049 793**	**745 317**	**(261 505 288)**	**-**
Cumulative gap	**72 765 892**	**172 096 165**	**186 216 836**	**221 710 178**	**260 759 971**	**261 505 288**	**-**	**-**

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 December 2021								
Assets								
Balances with banks and cash	64 814 044	-	-	-	-	-	71 187 439	136 001 483
Money market assets	10 689 997	5 489 244	18 918 928	-	7 745	-	48 612 027	83 717 941
Financial securities	34 751	-	157 212	-	510 882	2 612 778	-	3 315 623
Loans and advances to customers	12 875 818	13 694 978	28 780 894	113 034 033	19 240 302	4 540 105	-	192 166 130
Insurance assets	-	-	-	-	-	-	4 090 959	4 090 959
Equity investments	-	-	-	-	-	-	18 638 795	18 638 795
Land Inventory	-	-	-	-	-	-	20 459 427	20 459 427
Other assets	-	-	-	-	-	-	129 655 228	129 655 228
Current tax receivable	-	-	-	-	-	-	127 831	127 831
Intangible assets	-	-	-	-	-	-	1 045 502	1 045 502
Investment properties	-	-	-	-	-	-	31 313 400	31 313 400
Property and equipment	-	-	-	-	-	-	21 209 840	21 209 840
Deferred taxation	-	-	-	-	-	-	12 442 131	12 442 131
Total assets	**88 414 610**	**19 184 222**	**47 857 034**	**113 034 033**	**19 758 929**	**7 152 883**	**358 782 579**	**654 184 290**
Equity & Liabilities								
Deposits	359 695 946	16 326 559	23 666 874	757 451	738 348	8 154	50 418 254	451 611 586
Insurance liabilities	-	-	-	-	-	-	3 336 179	3 336 179
Other liabilities	-	-	-	-	-	-	56 019 611	56 019 611
Current tax payable	-	-	-	-	-	-	1 796 358	1 796 358
Life Fund	-	-	-	-	-	-	1 367 473	1 367 473
Investment contract liabilities	-	-	-	-	-	-	214 994	214 994
Deferred taxation	-	-	-	-	-	-	16 667 046	16 667 046
Lease Liability	7 484	18 312	22 454	40 000	36 432	-	-	124 682
Equity	-	-	-	-	-	-	123 046 361	123 046 361
Total liabilities and equity	**359 703 430**	**16 344 871**	**23 689 328**	**797 451**	**774 780**	**8 154**	**252 866 276**	**654 184 290**
Interest rate repricing gap	**(271 288 820)**	**2 839 351**	**24 167 706**	**112 236 582**	**18 984 149**	**7 144 729**	**105 916 303**	**-**
Cumulative gap	**(271 288 820)**	**(268 449 469)**	**(244 281 763)**	**(132 045 181)**	**(113 061 032)**	**(105 916 303)**	**-**	**-**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

UNAUDITED HISTORICAL

	Less than 1 month ZWL$ 000	1 to 3 months ZWL$ 000	3 to 6 months ZWL$ 000	6 to 12 months ZWL$ 000	1 to 5 years ZWL$ 000	5 years and above ZWL$ 000	Non- interest bearing ZWL$ 000	Total ZWL$ 000
31 December 2022								
Assets								
Balances with banks and cash	33 686 942	-	-	-	-	-	229 390 642	263 077 584
Money market assets	13 873 024	749 315	10 382 609	10 453 201	-	-	-	35 458 149
Financial securities	32 935 579	15 803 312	-	-	149 383	745 317	-	49 633 591
Loans and advances to customers	78 043 452	78 530 937	4 482 358	14 857 003	305 142	-	-	176 218 892
Insurance assets	-	-	-	-	-	-	1 973 587	1 973 587
Equity investments	-	-	-	-	-	-	17 335 017	17 335 017
Land inventory	-	-	-	-	-	-	1 657 513	1 657 513
Other assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	128 248 671	278 675 429
Current tax receivable	-	-	-	-	-	-	167 047	167 047
Intangible assets	-	-	-	-	-	-	257 276	257 276
Investment properties	-	-	-	-	-	-	28 591 973	28 591 973
Property and equipment	-	-	-	-	-	-	37 593 673	37 593 673
Deferred taxation	-	-	-	-	-	-	32 394 532	32 394 532
Total assets	**160 179 616**	**175 297 921**	**21 833 922**	**38 832 776**	**48 534 780**	**745 317**	**477 609 931**	**923 034 263**
Equity & Liabilities								
Deposits	85 644 710	61 114 685	7 677 856	3 303 626	8 835 375	-	513 823 283	680 399 535
Insurance liabilities	-	-	-	-	-	-	1 977 841	1 977 841
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	39 530 120	56 611 156
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Life Fund	-	-	-	-	-	-	1 574 500	1 574 500
Investment contract liabilities	-	-	-	-	-	-	369 246	369 246
Deferred taxation	-	-	-	-	-	-	37 035 502	37 035 502
Lease liability	18 082	22 859	35 395	35 808	149 612	-	-	261 756
Equity	-	-	-	-	-	-	143 419 509	143 419 509
Total liabilities and equity	**87 413 724**	**75 967 648**	**7 713 251**	**3 339 434**	**9 484 987**	**-**	**739 115 219**	**923 034 263**
Interest rate repricing gap	**72 765 892**	**99 330 273**	**14 120 671**	**35 493 342**	**39 049 793**	**745 317**	**(261 505 288)**	**-**
Cumulative gap	**72 765 892**	**172 096 165**	**186 216 836**	**221 710 178**	**260 759 971**	**261 505 288**	**-**	**-**

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 December 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)**	**-**	**-**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

37.6 Exchange rate risk

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

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

At 31 December 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 year would have been ZWL$4 053 624 000 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.

Sensitivity by currency:

	USD	ZAR	GBP	EUR	Other foreign currencies
Impact in ZWL	4,189,283	(317,842)	1,179	56,797	(69,470)

The foreign currency position for the Group as at 31 December 2022 is as below:

FOREIGN CURRENCY POSITION

AUDITED INFLATION ADJUSTED

Postion expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
31 December 2022							
Assets							
Balances with banks and cash	263 077 584	88 761 225	153 370 227	17 018 825	119 721	3 673 792	133 794
Money market assets	35 458 149	11 545 494	23 912 655	-	-	-	-
Financial securities	49 633 591	18 845 102	30 788 489	-	-	-	-
Loans and advances to customers	176 218 892	38 283 202	137 899 968	35 722	-	-	-
Insurance assets	2 074 050	903 349	1 170 701	-	-	-	-
Equity investments	17 335 017	16 978 187	42 991	-	-	313 839	-
Land inventory	20 801 368	20 391 798	409 570	-	-	-	-
Other assets	283 425 317	27 820 782	255 271 048	235 125	19 385	78 977	-
Current tax receivable	167 047	167 047	-	-	-	-	-
Intangible assets	926 145	926 145	-	-	-	-	-
Investment properties	28 591 973	28 591 973	-	-	-	-	-
Property and equipment	45 533 661	45 533 661	-	-	-	-	-
Deferred taxation	31 850 453	31 850 453	-	-	-	-	-
	955 093 247	**330 598 418**	**602 865 649**	**17 289 672**	**139 106**	**4 066 608**	**133 794**
Equity & Liabilities							
Deposits	680 399 535	181 398 579	468 763 613	25 664 695	85 463	2 507 461	1 979 724
Insurance liabilities	1 972 132	785 427	1 186 705	-	-	-	-
Other liabilities	56 995 029	35 809 674	21 043 825	69 283	21 920	50 297	30
Current tax payable	1 385 218	1 385 218	-	-	-	-	-
Life Fund	1 574 500	1 574 500	-	-	-	-	-
Investment contract liabilities	369 246	369 246	-	-	-	-	-
Deferred taxation	43 590 560	43 590 560	-	-	-	-	-
Lease Liability	261 756	98 968	162 788	-	-	-	-
Equity	168 545 271	168 545 271	-	-	-	-	-
Total equity and liabilities	**955 093 247**	**433 557 443**	**491 156 931**	**25 733 978**	**107 383**	**2 557 758**	**1 979 754**

FOREIGN CURRENCY POSITION

AUDITED INFLATION ADJUSTED

Postion expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Restated							
31 December 2021							
Assets							
Balances with banks and cash	136 001 483	44 448 608	82 106 669	7 339 975	100 340	2 005 750	141
Money market assets	83 717 940	24 815 170	56 599 775	2 302 995	-	-	-
Financial securities	3 315 622	3 315 622	-	-	-	-	-
Loans and advances to customers	192 166 130	62 820 945	129 262 098	82 389	698	-	-
Insurance assets	4 090 959	4 090 959	-	-	-	-	-
Equity investments	18 638 795	18 638 795	-	-	-	-	-
Land Invetory	20 459 426	20 459 426	-	-	-	-	-
Other assets	129 655 225	56 636 039	44 104 110	25 269 988	1 439 941	2 184 212	20 935
Current tax receivable	127 831	127 831	-	-	-	-	-
Intangible assets	1 045 501	1 045 501	-	-	-	-	-
Investment properties	21 209 840	21 209 840	-	-	-	-	-
Property and equipment	31 313 403	31 313 403	-	-	-	-	-
Deferred taxation	12 442 131	12 442 131	-	-	-	-	-
Total assets	**654 184 286**	**301 364 270**	**312 072 652**	**34 995 347**	**1 540 979**	**4 189 962**	**21 076**
Equity & Liabilities							
Deposits	451 611 586	171 106 809	271 145 911	9 027 203	74 995	256 668	-
Insurance liabilities	3 336 179	3 336 179	-	-	-	-	-
Other liabilities	56 019 613	43 040 092	2 065 780	6 729 901	1 442 300	2 224 185	517 355
Current tax payable	1 796 358	1 796 358	-	-	-	-	-
Life Fund	1 367 473	1 367 473	-	-	-	-	-
Investment contract liabilities	214 994	214 994	-	-	-	-	-
Deferred taxation	16 667 046	16 667 046	-	-	-	-	-
Lease Liability	124 682	124 682	-	-	-	-	-
Equity	123 046 355	123 046 355	-	-	-	-	-
Total equity and liabilities	**654 184 286**	**360 699 988**	**273 211 691**	**15 757 104**	**1 517 295**	**2 480 853**	**517 355**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

FOREIGN CURRENCY POSITION

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
31 December 2022							
Assets							
Balances with banks and cash	263 077 584	88 761 225	153 370 227	17 018 825	119 721	3 673 792	133 794
Money market assets	35 458 149	11 545 494	23 912 655	-	-	-	-
Financial securities	49 633 591	18 845 102	30 788 489	-	-	-	-
Loans and advances to customers	176 218 892	38 283 202	137 899 968	35 722	-	-	-
Insurance assets	1 973 587	802 886	1 170 701	-	-	-	-
Equity investments	17 335 017	16 978 187	42 991	-	-	313 839	-
Land inventory	1 657 513	1 247 943	409 570	-	-	-	-
Other assets	278 675 429	23 070 894	255 271 048	235 125	19 385	78 977	-
Current tax receivable	167 047	167 047	-	-	-	-	-
Intangible assets	257 276	257 276	-	-	-	-	-
Investment properties	28 591 973	28 591 973	-	-	-	-	-
Property and equipment	37 593 673	37 593 673	-	-	-	-	-
Deferred taxation	32 394 532	32 394 532	-	-	-	-	-
	923 034 263	**298 539 434**	**602 865 649**	**17 289 672**	**139 106**	**4 066 608**	**133 794**
Equity & Liabilities							
Deposits	680 399 535	181 398 579	468 763 613	25 664 695	85 463	2 507 461	1 979 724
Insurance liabilities	1 977 841	791 136	1 186 705	-	-	-	-
Other liabilities	56 611 156	35 425 801	21 043 825	69 283	21 920	50 297	30
Current tax payable	1 385 218	1 385 218	-	-	-	-	-
Life Fund	1 574 500	1 574 500	-	-	-	-	-
Investment contract liabilities	369 246	369 246	-	-	-	-	-
Deferred taxation	37 035 502	37 035 502	-	-	-	-	-
Lease liability	261 756	98 968	162 788	-	-	-	-
Equity	143 419 509	143 419 509	-	-	-	-	-
Total equity and liabilities	**923 034 263**	**401 498 459**	**491 156 931**	**25 733 978**	**107 383**	**2 557 758**	**1 979 754**

FOREIGN CURRENCY POSITION

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	TOTAL	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
31 December 2021							
Assets							
Balances with banks and cash	39 562 931	12 930 133	23 884 890	2 135 204	29 189	583 474	41
Money market assets	24 353 610	7 218 751	16 464 916	669 943	-	-	-
Financial securities	964 517	964 517	-	-	-	-	-
Loans and advances to customers	55 901 268	18 274 659	37 602 439	23 967	203	-	-
Insurance assets	1 162 033	1 162 033	-	-	-	-	-
Equity investments	5 422 039	5 422 039	-	-	-	-	-
Land Inventory	552 094	552 094	-	-	-	-	-
Other assets	37 217 108	15 975 773	12 829 918	7 351 058	418 880	635 389	6 090
Current tax receivable	37 186	37 186	-	-	-	-	-
Intangible assets	213 757	213 757	-	-	-	-	-
Investment properties	6 169 958	6 169 958	-	-	-	-	-
Property and equipment	7 395 991	7 395 991	-	-	-	-	-
Deferred taxation	3 618 424	3 618 424	-	-	-	-	-
Total assets	**182 570 916**	**79 935 315**	**90 782 163**	**10 180 172**	**448 272**	**1 218 863**	**6 131**
Equity & Liabilities							
Deposits	131 374 141	49 775 096	78 876 544	2 626 020	21 816	74 665	-
Insurance liabilities	930 419	930 419	-	-	-	-	-
Other liabilities	15 963 342	12 187 590	600 937	1 957 733	419 566	647 017	150 499
Current tax payable	522 562	522 562	-	-	-	-	-
Life Fund	397 799	397 799	-	-	-	-	-
Investment contract liabilities	62 542	62 542	-	-	-	-	-
Deferred taxation	3 573 573	3 573 573	-	-	-	-	-
Lease Liability	36 270	36 270	-	-	-	-	-
Equity	29 710 268	29 710 268	-	-	-	-	-
Total equity and liabilities	**182 570 916**	**97 196 119**	**79 477 481**	**4 583 753**	**441 382**	**721 682**	**150 499**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2022

	UNDERLYING CURRENCY				
	USD $ 000	ZAR $ 000	GBP $ 000	EUR $ 000	Other foreign currencies $ 000
Assets					
Balances with banks and cash	224 116	422 067	145	5 042	196
Money market assets	34 943	-	-	-	-
Financial securities	44 990	-	-	-	-
Loans and advances to customers	201 510	886	-	-	-
Insurance assets	1 711	-	-	-	-
Equity investments	63	-	-	431	-
Other assets	373 021	5 831	24	108	-
Total assets	**880 354**	**428 784**	**169**	**5 581**	**196**
Liabilities					
Deposits	684 993	636 484	104	3 441	2 893
Insurance liabilities	1 734	-	-	-	-
Other liabilities	30 751	1 718	27	69	-
Lease liability	238	-	-	-	-
Total liabilities	**717 716**	**638 202**	**131**	**3 510**	**2 893**
Net position	**162 638**	**(209 418)**	**38**	**2 071**	**(2 697)**

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	-	-	-
Financial securities	-	-	-	-	-
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)**

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Long term)	AA-	A+	A+	A+	A	A	A	A	A+

CBZ Life Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Financial strength)	A(zw)-	A(zw)-	A(zw)-	A-	A-	BBB+	BBB+	BBB+	-

CBZ Insurance Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating(Claims paying ability)	BBB-	BBB-	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-

CBZ Asset Management Private Limited

Rating agent	2022	2021	2020	2019	2018	2017	2016	2015	2014
Global Credit Rating (Manager quality)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	A	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

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

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.

Notes to the Audited Inflation Adjusted Consolidated Financial Results (continued...)

39. CAPITAL ADEQUACY

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

	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2021 ZWL$ 000
Risk Weighted Assets	**439 115 478**	**90 234 098**
Total Qualifying Capital	**95 962 702**	**18 784 313**
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	69 686 466	14 392 284
	81 905 526	**19 004 826**
Exposure to insiders	(12 240 900)	(4 634 382)
Less Tier 3	(16 210 762)	(2 954 423)
	53 475 704	**11 437 861**
Tier 2		
Revaluation reserves	14 997 418	2 615 114
Fair Value Reserve	5 789 871	648 987
General provisions	5 488 943	1 127 926
	26 276 232	**4 392 027**
Tier 3		
Capital allocated for market risk	5 171 866	802 177
Capital allocated to operations risk	11 038 896	2 152 246
	16 210 762	**2 954 423**
Capital Adequacy (%)		
Tier 1	12.18%	12.68%
Tier 2	5.98%	4.87%
Tier 3	3.69%	3.27%
Total	**21.85%**	**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 (2021:US$30 million) with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%

40. GOING CONCERN

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

41. SUBSEQUENT EVENTS

Subsequent to the Group's reporting date, on 4 April 2023, the Group received a letter from the Government of Zimbabwe (GoZ) towards settlement of outstanding Agro- business loans amounting to US$217.5 million. The Directors have assessed these events in line with IAS 10, Events after the reporting period and have concluded these to be adjusting events. In this regard, the Guarantee receivable was adjusted and accounted for in the Statement of Financial Position as a receivable. For details of the guarantee receivable, refer to Note 15.

COMPANY FINANCIAL STATEMENTS

Company's Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	**RESTATED** 31 DEC 2021 ZWL$ 000	**HISTORICAL** 31 DEC 2022 ZWL$ 000	**HISTORICAL** 31 DEC 2021 ZWL$ 000
	NOTES				
Revenue	2	13 386 276	17 382 115	14 534 291	4 548 067
Operating expenditure	3	(18 144 643)	(17 398 736)	(13 820 174)	(3 306 907)
Operating profit		**(4 758 367)**	**(16 621)**	**714 117**	**1 241 160**
Credit loss expense		(79 007)	-	(79 007)	-
Monetary gain		11 194 982	3 867 436	-	-
Profit before tax		**6 357 608**	**3 850 815**	**635 110**	**1 241 160**
Taxation	4	255 849	17 061	499 028	1 008
Profit for the year after tax		**6 613 457**	**3 867 876**	**1 134 138**	**1 242 168**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods.					
Gains on property revaluation		46 463	38 036	124 658	19 833
Fair value gains (losses) on equity investments		1 463 272	(790 524)	3 261 978	130 843
Deferred income tax relating to other comprehensive income	4	(90 825)	30 124	(207 667)	(11 445)
Other comprehensive income for the year net of tax		**1 418 910**	**(722 364)**	**3 178 969**	**139 231**
Total comprehensive income for the year		**8 032 367**	**3 145 512**	**4 313 107**	**1 381 399**
Profit for the year attributable to:					
Equity holders of parent		6 613 457	3 867 876	1 134 138	1 242 168
Total profit for the year		**6 613 457**	**3 867 876**	**1 134 138**	**1 242 168**
Total comprehensive income attributable to:					
Equity holders of parent		8 032 367	3 145 512	4 313 107	1 381 399
Total comprehensive income for the year		**8 032 367**	**3 145 512**	**4 313 107**	**1 381 399**
Earnings per share (ZWL cents):					
Basic		1 267	741	217	238
Fully diluted		1 267	741	217	238

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

Company's Statement of Financial Position

As at 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
	NOTES				
ASSETS					
Cash & cash equivalents	5(b)	870 621	113 537	870 621	33 028
Other assets	12	9 580 283	4 742 529	7 360 192	1 365 747
Investments in equities	8	8 175 520	11 900 197	8 157 520	3 461 775
Investments in subsidiaries	8.1	9 617 057	7 038 742	1 308 612	306 564
Intangible assets	10	136	533	3	22
Property and equipment	10	1 478 689	583 698	572 298	74 615
Deferred taxation	11	135 359	-	335 009	-
TOTAL ASSETS		**29 839 665**	**24 379 236**	**18 604 255**	**5 241 751**
LIABILITIES					
Overdraft	5(a)	7 330 956	13 393 019	7 330 956	3 896 039
Other liabilities	13	3 898 296	2 797 726	3 898 296	813 861
Lease liability	10	70 098	50 100	70 098	14 574
Deferred taxation	11	-	86 060	-	12 744
TOTAL LIABILITIES		**11 299 350**	**16 326 905**	**11 299 350**	**4 737 218**
EQUITY AND RESERVES					
Share capital	**30.1	924 972	924 972	5 220	5 220
Share premium	**30.2	5 652 468	5 652 468	33 876	33 876
Revaluation reserve	16	116 404	81 426	119 957	26 115
Revenue reserve	14	3 102 251	(2 244 656)	(679 036)	(800 440)
Fair Value reserve	15	3 062 790	1 678 858	3 754 937	669 811
Shares awaiting allotment reserve*	**30.9	3 722 167	-	3 500 000	-
Share based payment reserve	**30.8	1 959 263	1 959 263	569 951	569 951
TOTAL EQUITY AND RESERVES		**18 540 315**	**8 052 331**	**7 304 905**	**504 533**
TOTAL LIABILITIES AND EQUITY		**29 839 665**	**24 379 236**	**18 604 255**	**5 241 751**

**Notes 30.1, 30.2, 30.8 and 30.9 are consistent with the Group notes respectively

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

Company Statement of Changes in Equity

For the year ended 31 December 2022

AUDITED INFLATION ADJUSTED	Share capital ZWL$ 000	Share premium ZWL$ 000	SAAR** ZWL$ 000	Revaluation reserve ZWL$ 000	Share based Payment reserve ZWL$ 000	Fair value reserve ZWL$ 000	Revenue reserve ZWL$ 000	Total ZWL$ 000
Restated								
31 December 2021								
Opening balance	924,972	5,652,468	-	52,792	-	2,429,856	2,683,555	11,743,643
Profit for the year	-	-	-	-	-	-	3,867,876	3,867,876
Total comprehensive income for the year	-	-	-	28,634	-	(750,998)	-	(722,364)
Share based payment	-	-	-	-	1,959,263	-	-	1,959,263
Dividend paid	-	-	-	-	-	-	(8,796,087)	(8,796,087)
Closing balance	**924,972**	**5,652,468**	**-**	**81,426**	**1,959,263**	**1,678,858**	**(2,244,656)**	**8,052,331**
31 Dec 2022								
Opening balance	924,972	5,652,468	-	81,426	1,959,263	1,678,858	(2,244,656)	8,052,331
Profit for the year	-	-	-	-	-	-	6,613,457	6,613,457
Other comprehensive income for the year	-	-	-	34,978	-	1,383,932	-	1,418,910
Shares awaiting allotment	-	-	3,722,167	-	-	-	-	3,722,167
Dividend paid	-	-	-	-	-	-	(1,266,550)	(1,266,550)
Closing balance	**924,972**	**5,652,468**	**3,722,167**	**116,404**	**1,959,263**	**3,062,790**	**3,102,251**	**18,540,315**

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

UNAUDITED HISTORICAL

	Share capital ZWL$ 000	Share premium ZWL$ 000	SAAR** ZWL$ 000	Revaluation reserve ZWL$ 000	Share based Payment reserve ZWL$ 000	Fair value reserve ZWL$ 000	Revenue reserve ZWL$ 000	Total ZWL$ 000
31 December 2021								
Opening balance	5,220	33,876	-	11,185	-	545,510	(17,099)	578,692
Profit for the year	-	-	-	-	-	-	1,242,168	1,242,168
Other comprehensive income for the year	-	-	-	14,930	-	124,301	-	139,231
Share based payment	-	-	-	-	569,951	-	-	569,951
Dividend paid	-	-	-	-	-	-	(2,025,509)	(2,025,509)
Closing balance	**5,220**	**33,876**	**-**	**26,115**	**569,951**	**669,811**	**(800,440)**	**504,533**
31 Dec 2022								.
Opening balance	5,220	33,876	-	26,115	569,951	669,811	(800,440)	504,533
Profit for the year	-	-	-	-	-	-	1,134,138	1,134,138
Other comprehensive income for the year	-	-	-	93,842	-	3,085,126	-	3,178,968
Shares awaiting allotment	-	-	3,500,000	-	-	-	-	3,500,000
Dividend paid	-	-	-	-	-	-	(1,012,734)	(1,012,734)
Closing balance	**5,220**	**33,876**	**3,500,000**	**119,957**	**569,951**	**3,754,937**	**(679,036)**	**7,304,905**

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

Company's Statement of Cash Flows

For the year ended 31 December 2022

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		6 357 608	3 850 814	635 111	1 241 160
Non-cash items:					
Depreciation	3	177 720	140 355	21 600	9 321
Monetary gain		(11 194 982)	(3 867 436)	-	-
Fair value adjustment on financial instruments	2	4 984 486	(2 779 729)	(1 639 635)	(1 277 921)
Unrealised loss or gain on foreign currency position		108 310	(463 457)	108 309	(134 820)
Amortisation of intangible assets		398	398	19	19
(Profit)\loss on sale of property and equipment		753	-	(246)	-
Expected credit loss expense		79 007		79 007	
Write offs and impairment of fixed assets		-	2 942 979	-	19 115
Interest on lease liability		5 359	4 679	3 943	1 071
Operating cash outflow before changes in operating assets and liabilities		**518 659**	**(171 397)**	**(791 892)**	**(142 055)**
Changes in operating assets and liabilities					
Other assets		(8 533 239)	(635 367)	(4 655 171)	(893 426)
Other liabilities		11 411 034	(538 365)	1 595 173	539 276
		2 877 795	**(1 173 732)**	**(3 059 998)**	**(354 150)**
Corporate tax paid		(58 921)	(116 632)	(51 611)	(32 359)
Net cash outflow from operating activities		**3 337 533**	**(1 461 761)**	**(3 903 501)**	**(528 564)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in equities during the year		(2 805 033)	(607 087)	(1 218 940)	(160 691)
Purchase of property and equipment		(1 002 923)	(91 971)	(372 020)	(20 765)
Equity investments disposed during the year		448 179	-	422 759	-
Proceeds on disposal of property and equipment		411	-	411	-
Net cash outflow from investing activities		**(3 359 366)**	**(699 058)**	**(1 167 790)**	**(181 456)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares awaiting allotment		3 722 167	-	3 500 000	-
Dividends paid	7	(1 266 550)	(8 796 087)	(1 012 734)	(2 025 509)
Lease liability payment	10.2	(34 268)	(22 234)	(26 897)	(5 045)
Interest on lease liability	10.2	(5 359)	(4 680)	(3 943)	(1 071)
Net cash inflow/(outflow) from financing activities		**2 415 989**	**(8 823 001)**	**2 456 426**	**(2 031 625)**
Net increase/ (decrease) in balances with banks and cash		**2 394 156**	**(10 983 820)**	**(2 614 865)**	**(2 741 645)**
Balances with banks and cash at the beginning of the year		(13 279 482)	(6 146 870)	(3 863 011)	(1 112 455)
Exchange gains on foreign cash balances		17 541	(30 636)	17 541	(8 911)
Inflation effects on cash		4 407 449	3 881 844	-	-
Cash and cash equivalents at the end of the year	****5a & 5b**	**(6 460 335)**	**(13 279 482)**	**(6 460 335)**	**(3 863 011)**

**Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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

Notes to the Company's Inflation adjusted Financial Statements

For the year ended 31 December 2022

1. INCORPORATION AND ACTIVITIES

The financial results of the Company for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 08 May 2023. The Company has subsidiaries, which offer commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services, and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
2. REVENUE				
Fair value adjustments on financial instruments	(4 984 486)	2 779 729	1 639 635	1 277 921
Dividend income	9 703 178	9 781 656	6 979 106	2 132 151
Interest received	239 778	106 929	198 371	28 893
Other operating income	13 008	25 270	9 982	6 175
Unrealised profit on foreign currency exchange	(108 310)	463 457	(108 310)	134 820
Management fees	8 523 108	4 225 074	5 815 507	968 107
	13 386 276	**17 382 115**	**14 534 291**	**4 548 067**

The Company's revenue is recognised at a point in time.
**Management fees are wholly from subsidiaries companies.

2.1 Disaggregation of revenue				
Income from investments				
Dividends received from listed and unlisted investments	9 703 178	9 781 656	6 979 106	2 132 151
Fair value adjustments on financial instruments	(4 984 486)	2 779 729	1 639 635	1 277 921
Total	**4 718 692**	**12 561 385**	**8 618 741**	**3 410 072**
Exchange gains or loss on monetary balances				
Exchange gains on monetary assets	1 574 371	545 976	1 574 371	158 825
Exchange loss on monetary liabilities	(1 682 681)	(82 519)	(1 682 681)	(24 005)
Total	**(108 310)**	**463 457**	**(108 310)**	**134 820**
Revenue recognised at a point in time				
Management fees	8 523 108	4 225 074	5 815 507	968 107
Other operating income	13 008	25 270	9 982	6 175
Total	**8 536 116**	**4 250 344**	**5 825 489**	**974 282**

3 OPERATING EXPENDITURE				
Staff costs	9 926 356	7 299 178	7 487 550	1 617 683
Other administration expenses	2 790 787	4 138 294	2 287 970	312 252
Audit fees	102 537	66 294	98 970	18 577
Depreciation	177 720	140 355	21 600	9 321
Amortisation of Intangible assets	398	398	19	19
Interest expense	5 146 845	5 754 217	3 924 065	1 349 055
	18 144 643	**17 398 736**	**13 820 174**	**3 306 907**

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

Fees for services as directors	500 998	157 877	275 866	33 581
Pension for past and present directors	213 556	106 401	117 591	22 632
Salaries and other benefits	3 953 234	1 516 938	2 176 777	322 657
	4 667 789	**1 781 216**	**2 570 234**	**378 870**
Short term employment benefits	4 454 232	1 674 815	2 452 643	356 238
Post employment benefits	213 556	106 401	117 591	22 632
	4 667 789	**1 781 216**	**2 570 234**	**378 870**

* Included in 2022 staff costs above is an amount of ZWL$ 2 072 979 758; 2021 ZWL$2 462 475 544 (Historical ZWL$ 2 072 979 758: 2021 ZWL$469 840 239), representing share based payment transactions which are linked to the Group's share price. These costs are settled in cash and do not have any bearing to the total number of outstanding shares at any point in time.

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
4 TAXATION				
4.1 The following constitutes the major components of income tax expense recognised in the Statement of profit or loss.				
Current tax	56 393	120 357	56 393	35 012
Deferred tax	(312 242)	(137 418)	(555 421)	(36 020)
Income tax expense/(income)	**(255 849)**	**(17 061)**	**(499 028)**	**(1 008)**
4.2 Tax rate reconciliation				
	%	%	%	%
Notional tax	24.00	24.00	24.00	24.00
Aids levy	0.72	0.72	0.72	0.72
Non-deductible expenses	44.14	34.30	321.12	42.25
Exempt income	(68.20)	(61.20)	(339.19)	(70.30)
Effect on rebasing tax bases	(4.91)	-	(87.47)	-
Effect of special tax rate	0.00	1.91	2.25	3.22
Effective tax rate	**(4.25)**	**(0.27)**	**(78.57)**	**(0.11)**

Included in exempt income is income from interest and local dividend income.
Non-deductible expenses include expenditure on exempt income excess pension costs and disallowed expenses.

4.3 The following constitutes the major components of deferred income tax expense recognised in the statement of other comprehensive income				
Revaluation of property and equipment	11 485	9 402	30 815	4 903
Unlisted equities	79 340	(39 526)	176 852	6 542
	90 825	**(30 124)**	**207 667**	**11 445**
5(a) BANK OVERDRAFTS				
Bank Overdraft	**7 330 956**	**13 393 019**	**7 330 956**	**3 896 039**
5(b) BANK AND CASH				
Cash at bank	**870 621**	**113 537**	**870 621**	**33 028**

6. EARNINGS PER SHARE

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

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

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

6.1 Annualised earnings per share (ZWL cents)				
Basic	1 266.91	740.95	217.26	237.96
Diluted Basic	1 266.91	740.95	217.26	237.96
Headline	1 266.80	740.95	217.30	237.96
Diluted Headline	1 266.80	740.95	217.30	237.96
6.2 Earnings attributable to holders of parent				
Basic	6 613 457	3 867 875	1 134 138	1 242 168
Diluted Basic	6 613 457	3 867 875	1 134 138	1 242 168
Headline	6 612 890	3 867 875	1 134 323	1 242 168
Diluted Headline	6 612 890	3 867 875	1 134 323	1 242 168
Number of shares used in calculations (weighted)				
Basic	522 016	522 016	522 016	522 016
Diluted Basic	522 016	522 016	522 016	522 016
Headline	522 016	522 016	522 016	522 016
Diluted Headline	522 016	522 016	522 016	522 016
6.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:				
Weighted average number of shares used for basic EPS	**522 016**	**522 016**	**522 016**	**522 016**
Potentially dilutive shares	-	-	-	-
Weighted average number of shares used for diluted EPS	**522 016**	**522 016**	**522 016**	**522 016**

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
6.4	**Headline Earnings**				
	Profit attributable to ordinary shareholders	6 613 457	3 867 875	1 134 138	1 242 168
	Adjusted to exclude re-measurements				
	Disposal gain on property and equipment	(753)	-	246	-
	Tax relating to remeasurements	186	-	(61)	-
	Headline earnings	**6 612 890**	**3 867 875**	**1 134 323**	**1 242 168**
7	**DIVIDENDS**				
	Cash dividend on ordinary shares declared and paid:				
	Interim dividend paid	-	1 840 835	-	506 339
	Final dividend paid	1 266 550	6 955 252	1 012 734	1 519 170
		1 266 550	**8 796 087**	**1 012 734**	**2 025 509**
	Interim dividend per share (Cents)	-	353	-	97
	Final dividend per share (Cents)	243	1 332	194.00	291

Dividends are paid on shares held at the record date net of treasury shares held on the same date. The Dividend per share is calculated inclusive of treasury shares.

		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
	Proposed dividends on ordinary shares				
	Final cash dividend	7 000 000	3 437 599	7 000 000	1 000 000
	Final dividend paid per share (Cents)	1 340.95	658.54	1 340.95	191.57

Proposed Dividends on ordinary shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at 31 December 2022

		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
8	**Equities investment**				
	Listed investments	3 961 995	9 375 556	3 961 995	2 727 356
	Unlisted investments	13 812 582	9 563 383	5 504 137	1 040 983
		17 756 342	**18 938 939**	**9 466 132**	**3 768 339**
	At cost-Investment in subsidiaries	9 617 057	7 038 742	1 308 612	306 564
	Investment in equities	**8 157 520**	**11 900 197**	**8 157 520**	**3 461 775**
	At fair value through Other comprehensive income	4 195 525	2 524 642	4 195 525	734 419
	At fair value through profit or loss	3 961 995	9 375 555	3 961 995	2 727 356
		17 756 342	**18 938 939**	**9 466 132**	**3 768 339**

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	%	RESTATED 31 DEC 2021 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2021 ZWL$ 000	%
8.1	**Investment in subsidiaries**								
	CBZ Bank Limited	3 362 508	100	3 362 508	100	21 840	100	21 840	100
	CBZ Asset Management (Pvt) Ltd	306 070	100	306 070	100	1 988	100	1 988	100
	CBZ Insurance (Pvt) Ltd	654 196	98.4	654 196	98.4	23 615	98.4	23 615	98.4
	CBZ Properties (Pvt) Ltd	963 276	100	735 808	100	226 867	100	4 779	100
	CBZ Life Assurance (Pvt) Ltd	213 698	100	213 698	100	1 388	100	1 388	100
	CBZ Asset Management-Mauritius	2 270 096	100	13 685	100	691 550	100	89	100
	CBZ Risk Advisory (Pvt) Ltd	207 091	100	207 091	100	1 345	100	1 345	100
	Redsphere Finance	1 511 753	100	1 511 753	100	250 520	100	250 520	100
	CBZ Agro Yield	33 933	100	33 933	-	1 000	100	1 000	-
	CBZ South Africa	94 436	100	-	-	88 499	100	-	-
		9 617 057		**7 038 742**		**1 308 612**		**306 564**	

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

9. FAIR VALUE MEASUREMENT

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	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Equity investments	3 961 995	9 375 553	-	-	4 195 526	2 524 637	8 157 521	11 900 191
Land and buildings	-	-	156 491	181 931	-	-	156 491	181 931
Total assets at fair value	**3 961 995**	**9 375 556**	**156 491**	**181 931**	**4 195 526**	**2 524 637**	**8 314 012**	**12 082 124**

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

UNAUDITED HISTORICAL	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2021 ZWL$ 000
Equity investments	3 961 995	2 727 356	-	-	4 195 526	734 419	8 157 521	3 461 775
Land and buildings	-	-	156 491	52 924	-	-	156 491	52 924
Total assets at fair value	**3 961 995**	**2 727 356**	**156 491**	**52 924**	**4 195 526**	**734 419**	**8 314 012**	**3 514 699**

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. "

Valuation techniques are highlighted on note 19 for Equity investments, note 20 for Property and Equipment and note 21 for Investment properties.

i. Unobservable inputs used in measuring fair value

Fair values of unlisted equity investments were derived using Earnings Multiple Valuation. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts. A range of probabilities was also applied to these inputs and the fair values derived there from were deemed to be within acceptable fair values ranges of the equities.

The following table sets out information about significant unobservable inputs used at 31 December 2022 and 2021 in measuring financial instruments categorized as level 3 in the fair value hierarchy.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	• Liquidity discount (10-20%)	The fair values would increase/ decrease if : • The Liquidity discount was higher or lower

ii. The effect of unobservable inputs on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different assumptions and methodologies could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Significant unobservable Input	Effect on OCI (unfavorable) ZWL$000
Liquidity discount at 15%	216 117
Liquidity discount at 20%	432 234

The unfavorable effects of using reasonably possible alternative assumptions for the valuation of unlisted investments have been calculated by recalibrating the model values using unobservable inputs based on lower and upper quartiles of the Group's range of possible estimates. Key input and assumption used in the model at 31 December 2022 included the Liquidity discount of 10% (with reasonably possible alternative assumptions of 15% & 20%.

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

10 . PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED						
	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers & Equipment ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2022						
COST						
Opening balance	430 040	148 134	80 980	301 959	-	961 113
Right of use asset	24 488	-	-	-	-	24 488
Additions	-	-	57 453	62 507	882 963	1 002 923
Revaluation gain	39 248	-	-	-	-	39 248
Disposal	-	-	-	(1 966)	-	(1 966)
Closing balance	**493 776**	**148 134**	**138 433**	**362 500**	**882 963**	**2 025 806**
Accumulated depreciation						
Opening balance	131 935	36 850	40 372	168 258	-	377 415
Right of use asset	107 210	-	-	-	-	107 210
Charge for the year	7 215	17 413	12 188	33 694	-	70 510
Disposal	-	-	-	(801)	-	(801)
Revaluation	(7 215)	-	-	-	-	(7 215)
Closing balance	**239 144**	**54 263**	**52 560**	**201 151**	**-**	**547 119**
Net book value	**254 632**	**93 871**	**85 873**	**161 349**		**1 478 688**
31 December 2021						
COST						
O Opening balance	393 712	148 134	33 445	257 523	-	832 814
Right of use asset	432	-	-	-	-	432
Additions	-	-	47 535	44 436	-	91 971
Revaluation gain	35 896	-	-	-	-	35 896
Closing balance	**430 040**	**148 134**	**80 980**	**301 959**	**-**	**961 113**
Accumulated depreciation						
Opening balance	45 121	19 437	30 666	143 976	-	239 200
Right of use asset	86 814	-	-	-	-	86 814
Charge for the year	2 140	17 413	9 706	24 282	-	53 541
Revaluation	(2 140)	-	-	-	-	(2 140)
Closing balance	**131 935**	**36 850**	**40 372**	**168 258**	**-**	**377 415**
Net book value	**298 1 05**	**111 284**	**40 608**	**133 701**	**-**	**583 698**

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

UNAUDITED HISTORICAL	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computers & Equipment ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2022						
Cost						
Opening balance	52 924	6 281	10 052	19 092	-	88 349
Right of use asset	22 769	-	-	-	-	22 769
Additions	-	-	56 783	44 659	270 578	372 020
Revaluation gain	122 385	-	-	-	-	122 385
Disposal	-	-	-	(256)	-	(256)
Closing balance	**198 078**	**6 281**	**66 835**	**63 495**	**270 578**	**605 267**
Accumulated depreciation						
Opening balance	8 130	1 038	1 915	2 652	-	13 735
Right of use asset	10 487	-	-	-	-	10 487
Charge for the year	2 273	628	2 753	5 459	-	11 113
Disposal	-	-	-	(91)	-	(91)
Revaluation	(2 273)	-	-	-	-	(2 273)
Closing balance	**18 617**	**1 666**	**4 668**	**8 111**	**-**	**32 971**
Net book value	**179 461**	**4 615**	**62 167**	**55 384**	**270 578**	**572 298**
31 December 2021						
Cost						
Opening balance	33 457	6 281	458	7 923	-	48 119
Right of use asset	82	-	-	-	-	82
Additions	-	-	9 595	11 170	-	20 765
Revaluation gain	19 384	-	-	-	-	19 384
Closing balance	**52 923**	**6 281**	**10 053**	**19 093**	**-**	**88 350**
Accumulated depreciation						
Opening balance	3 000	410	213	1 240	-	4 863
Right of use asset	5 130	-	-	-	-	5 130
Charge for the year	449	628	1 702	1 412	-	4 191
Revaluation	(449)	-	-	-	-	(449)
Closing balance	**8 130**	**1 038**	**1 915**	**2 652**	**-**	**13 735**
Net book value	**44 793**	**5 243**	**8 138**	**16 441**	**-**	**74 615**

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

10.1 Right of use Assets

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
At cost	337 285	312 797	41 587	18 818
Depreciation	(239 144)	(131 935)	(18 618)	(8 130)
Carrying Amount	**98 141**	**180 862**	**22 969**	**10 688**
Opening balance	180 862	267 244	10 688	15 736
Additions	24 488	432	22 769	83
Depreciation charge for the year	(107 209)	(86 814)	(10 488)	(5 131)
Closing balance	**98 141**	**180 862**	**22 969**	**10 688**
10.2 Lease liability				
Opening balance	50 100	86 435	14 574	15 643
Additions	24 488	433	22 769	83
Interest	5 359	4 680	3 943	1 071
Exchange loss	59 652	13 383	-	-
Monetary adjustment	(29 874)	(27 917)	59 652	3 893
Repayment	(34 268)	(22 234)	(26 897)	(5 045)
Interest paid	(5 359)	(4 680)	(3 943)	(1 071)
	70 098	**50 100**	**70 098**	**14 574**

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
10.3 Lease Liability maturity analysis				
Less than one year	34 663	26 188	34 663	7 618
One to five years	5 777	28 371	5 777	8 253
Total Undiscounted Lease liabilities	**40 440**	**54 559**	**40 440**	**15 871**
10.4 Amounts recognised in the statement of profit or loss				
Interest on Lease liabilities	5 359	4 680	3 943	1 071
Expenses relating to short term leases	14 935	3 359	12 431	852
	20 294	**8 039**	**16 374**	**1 923**
10.5 Amounts recognised in the statement of cash flows				
Total cash outflow for leases	**(39 627)**	**(26 914)**	**(30 840)**	**(6 116)**
10.6 Intangible assets				
At cost	1 193	1 194	56	56
Amortization	(1 057)	(660)	(53)	(34)
Carrying Amount	**136**	**534**	**3**	**22**
Opening balance	534	932	22	41
Additions	-	-	-	-
Amortization charge	(398)	(398)	(19)	(19)
Closing balance	**136**	**534**	**3**	**22**

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

11 DEFERRED TAXATION

11.1 Deferred tax asset

Deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary

The deferred tax included in the statement of profit or loss and other comprehensive income are comprised of:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
Opening balance	(86 060)	-	(12 744)	-
Intangible assets	79	-	-	-
Equity investments	(38 290)	-	(235 100)	-
Property and equipment	(243 985)	-	(101 014)	-
Impairments and provisions	478 348	-	658 601	-
Other	25 266	-	25 266	-
	135 359	**-**	**335 009**	**-**
The deferred tax included in the statement of financial position are comprised of:				
Impairments and provisions	732 549	-	732 549	-
Intangible assets	(30)	-	-	-
Equity investments	(315 839)	-	(315 839)	-
Property and equipment	(306 587)	-	(106 967)	-
Other	25 266	-	25 266	-
Closing balance	**135 359**	**-**	**335 009**	**-**

11.2 Deferred tax liability

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

The deferred tax included in the statement of profit or loss and other comprehensive income are comprised of:

Opening balance	-	253 602	-	37 320
Intangible assets	-	(65)	-	-
Equity investments	-	71 936	-	43 527
Property and equipment	-	19 259	-	5 844
Impairments and provisions	-	(254 201)	-	(73 947)
Other	-	(4 471)	-	-
Closing balance	**-**	**86 060**	**-**	**12 744**
The deferred tax included in the statement of financial position are comprised of:				
Impairments and provisions	-	(254 201)	-	(73 947)
Intangible assets	-	109	-	-
Equity investments	-	277 549	-	80 739
Property and equipment	-	62 603	-	5 952
Closing balance	**-**	**86 060**	**-**	**12 744**

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
12 Other Assets				
Intercompany balances		.		
CBZ Bank Limited	267 511	276 309	267 511	80 378
CBZ Building Society	-	3 572	-	1 039
CBZ Insurance (Pvt) Ltd	72 527	22 540	72 527	6 557
CBZ Properties (Pvt) Ltd	1 782 622	34 108	1 782 622	9 922
CBZ Life Assurance (Pvt) Ltd	26 642	2 208	26 642	642
CBZ Asset Management	33 713	-	33 713	
CBZ Asset Management-Mauritius	-	2 326 887	-	676 893
CBZ Risk Advisory (Pvt) Ltd	5 327	883	5 327	257
Redsphere Finance	376 493	2 929	376 493	852
CBZ Agro Yield	-	414 255	-	120 507
Prepayments	5 516 671	1 575 547	3 296 580	444 471
Other receivables	1 498 777	83 291	1 498 777	24 230
	9 580 283	**4 742 529**	**7 360 192**	**1 365 747**

Outstanding intercompany balances with subsidiary Companies are priced at arm's length and none of these balances are secured. No Expected Credit Loss (ECL) allowance has been recognised in the current or prior year in respect of these as management have assessed the probability of default to be nil.

12.1 Intra-Group related party transactions

	Management Fees				Interest Expense				Other Costs (Shared Costs, Insurance & Valuation fees)			
	Audited		Unaudited		Audited		Unaudited		Audited		Unaudited	
	Inflation Adjusted	Restated	Historical	Historical	Inflation Adjusted	Restated	Historical	Historical	Inflation Adjusted	Restated	Historical	Historical
	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000	31-Dec-22 ZWL$000	31-Dec-21 ZWL$000
Related Party												
CBZ Bank Limited	6 700 522	3 638 749	4 492 677	834 513	(4 935 199)	(5 749 537)	(3 724 856)	(1 347 983)	(351 215)	(156 778)	(259 172)	(37 004)
CBZ Asset Management (Pvt) Ltd	59 289	12 461	43 805	2 906	-	-	-	-	(35 647)	-	(30 840)	
CBZ Insurance (Pvt) Ltd	82 407	26 497	64 124	6 200	-	-	-	-	-	(22 553)	(18 961)	(6 025)
CBZ Properties (Pvt) Ltd	140 408	23 392	91 765	5 437	-	-	-	-	(1 095)	(29)	(670)	(7)
CBZ Life Assurance (Pvt) Ltd	132 011	33 450	86 043	7 887	(73 540)	-	(73 540)	-	-	-	-	-
CBZ Risk Advisory (Pvt) Ltd	38 435	7 932	30 112	1 888	-	-	-	-	-	-	-	-
Redsphere Finance	72 366	36 434	50 518	8 646	-	-	-	-	-	-	-	-
CBZ Agro Yield	1 305 198	340 009	963 990	76 552	-	-	-	-	-	-	-	-

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

12. Intra-Group related party transactions (continued...)

12.2 Amounts due from or (to) group companies

	Inflation Adjusted			Historical		
	Amounts due from ZWL$000	Amounts due to ZWL$000	Net 2022 ZWL$000	Amounts due from ZWL$000	Amounts due to ZWL$000	Net 2022 ZWL$000
Group Company						
31 Dec 2022						
CBZ Bank Limited	**1 074 183**	**(7 330 956)**	**(6 256 773)**	**1 074 183**	**(7 330 956)**	**(6 256 773)**
Overdraft balances	-	(7 330 956)	(7 330 956)		(7 330 956)	(7 330 956)
Cash and cash equivalents held by CBZ Bank	806 672	-	806 672	806 672	-	806 672
Other intercompany balances	267 511	-	267 511	267 511	-	267 511
Other-inter-company balances						
CBZ Asset Management (Pvt) Ltd	33 713	-	33 713	33 713	-	33 713
CBZ Building Society	-	-	-	-	-	-
CBZ Insurance (Pvt) Ltd	72 527	-	72 527	72 527	-	72 527
CBZ Properties (Pvt) Ltd	1 782 622	-	1 782 622	1 782 622	-	1 782 622
CBZ Life Assurance (Pvt) Ltd	26 642	-	26 642	26 642	-	26 642
CBZ Asset Management	33 713	(16 521)	17 192	33 713	-	33 713
CBZ Asset Management-Mauritius	-	-	-	-	(16 521)	(16 521)
CBZ Risk Advisory (Pvt) Ltd	5 327	-	5 327	5 327	-	5 327
Redsphere Finance	376 493	-	376 493	376 493	-	376 493
CBZ Agro Yield	-	(544 133)	(544 133)	-	(544 133)	(544 133)
	3 405 220	**(7 891 610)**	**(4 486 390)**	**3 405 220**	**(7 891 610)**	**(4 486 390)**

Amounts due from or (to) group companies

	Inflation Adjusted			Historical		
	Amounts due from ZWL$000	Amounts due to ZWL$000	Net 2022 ZWL$000	Amounts due from ZWL$000	Amounts due to ZWL$000	Net 2022 ZWL$000
31 Dec 2021						
CBZ Bank Limited	**389 844**	**(13 393 019)**	**(13 003 175)**	**113 406**	**(3 896 039)**	**(3 782 633)**
Overdraft balances	-	(13 393 019)	(13 393 019)	-	(3 896 039)	(3 896 039)
Cash and cash equivalents held by CBZ Bank	113 537	-	113 537	33 028	-	33 028
Other intercompany balances	276 307	-	276 307	80 378	-	80 378
Other-inter-company balances						
CBZ Asset Management (Pvt) Ltd	-	-	-	-	-	-
CBZ Building Society	3 572	-	3 572	1 039	-	1 039
CBZ Insurance (Pvt) Ltd	22 540	-	22 540	6 557	-	6 557
CBZ Properties (Pvt) Ltd	34 108	-	34 108	9 922	-	9 922
CBZ Life Assurance (Pvt) Ltd	2 208	-	2 208	642	-	642
CBZ Asset Management	-	(4 677)	(4 677)	-	(1 361)	(1 361)
CBZ Asset Management-Mauritius	2 326 887		2 326 887	676 893	-	676 893
CBZ Risk Advisory (Pvt) Ltd	883	-	883	257	-	257
Redsphere Finance	2 929	-	2 929	852	-	852
CBZ Agro Yield	414 255	-	414 255	120 507	-	120 507
	3 197 226	**(13 397 696)**	**(10 200 470)**	**930 075**	**(3 897 400)**	**(2 967 325)**

Notes to the Audited Inflation Adjusted Company Financial Results (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2022 ZWL$ 000	RESTATED 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2021 ZWL$ 000
13.	**Other Liabilities**				
	Intercompany balances	**560 654**	**4 677**	**560 654**	**1 361**
	CBZ Asset Management (Pvt) Ltd	-	4 677	-	1 361
	CBZ Agro Yield	544 133	-	544 133	-
	CBZ Asset Management-Mauritius	16 521	-	16 521	-
	Provisions	341 557	1 028 323	341 557	299 139
	Accruals	453 265	149 604	453 265	43 521
	Cash settled share based scheme	2 542 820	1 615 122	2 542 820	469 840
		3 898 296	**2 797 726**	**3 898 296**	**813 861**
14.	**Revenue reserve**				
	Opening balance	(2 244 656)	2 683 555	(800 440)	(17 099)
	Total comprehensive income for the year	6 613 457	3 867 876	1 134 138	1 242 168
	Dividends paid	(1 266 550)	(8 796 087)	(1 012 734)	(2 025 509)
		3 102 251	**(2 244 656)**	**(679 036)**	**(800 440)**

The revenue reserve includes all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

15.	**Fair Value reserve**				
	Opening balance	1 678 858	2 429 856	669 811	545 510
	Comprehensive income for the year	1 383 932	(750 998)	3 085 126	124 301
		3 062 790	**1 678 858**	**3 754 937**	**669 811**

The fair value reserve comprises of the cumulative net change in the fair value of unquoted equities designated at FVOCI

16.	**Revaluation reserve**				
	Opening balance	81 426	52 792	26 115	11 185
	Net revaluation gain	34 978	28 634	93 842	14 930
		116 404	**81 426**	**119 957**	**26 115**

The revaluation reserve relates to the revaluation of property and equipment .

17. Risk management

The companies risk management is in line with the Groups risk management framework (note 37) .

18. Accounting policies

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

19. Going concern

The management has assessed the ability of the Company to continue operating as a going concern and believe that the preparation of these company financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Company to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these company financial statements. At the end of reporting period 31 December 2022, CBZ Holdings, the company had a net current liability position in which current liabilities exceeded current assets.

Particular attention is given to the issues below:

Overdraft position

The company has a running overdraft facility with CBZ Bank (balances at year end of ZWL$7 330 956 442), one of its subsidiaries which will be serviced regularly through dividends and management fees in the coming year. In addition, the Company holds level one equity investments at 31 December 2022 of ZWL$3 961 994 568 which are highly liquid and there will be incremental cashflows coming from dividends and management fees after taking into account operating expenses, the net liability position for the company therefore affects neither the operations nor going concern of the company as capacity exists to manage it post December 2022 year end. There are therefore no going concern risks emanating from both the overdraft facility and the negative current liability position.

NOTICE OF AN ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty-First Annual General Meeting** of the Shareholders of **CBZ Holdings Limited** will be held through a virtual platform, **https://polling.fts-net.com** on Friday 21 July 2023 at 1600 hours (CAT) for the purpose of transacting the following business:

ORDINARY MATTERS

1. **Virtual meeting**
   To note and approve the convening of the 31st Annual General Meeting through a virtual platform.

2. **Minutes**
   Adoption of Minutes of the 30th Annual General Meeting held on 22 July 2022.

3. **Financial Statements and Statutory Reports**
   To receive, consider, and adopt, if appropriate, the financial statements, and the reports of the Directors and Auditors for the year ended 31 December 2022.

4. **Dividend**
   To confirm a final dividend as recommended by the Board and to consider the payment of such to its Members.

5. **Directorate**
   In terms of the Company's Memorandum and Articles of Association, one third of the Directors are required, after serving a period of three years, to retire from the Board by rotation and that in terms thereof, Messrs Edward Elio Galante and Tawanda Lloyd Gumbo are to retire and being eligible, offer themselves for re-election.

6. **Remuneration of Directors**
   To approve the remuneration of Directors for the past financial year.

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

7. **External Auditors**
   a. To approve the remuneration to KPMG Chartered Accountants (Zimbabwe), the Company's Auditor for the past financial year's audit, in terms of Article 112 of the Articles of the Company.

   b. To appoint auditors for the ensuing year until the conclusion of the next Annual General Meeting. KPMG Chartered Accountants (Zimbabwe), the current auditors of the Company, have indicated their willingness to continue as auditors of the Company KPMG Chartered Accountants (Zimbabwe) have served as auditors of the Companyfor two (2) financial periods.

SPECIAL BUSINESS

A. **Approval of The CBZ Holdings Limited Senior Management Share Option Scheme.**

To consider and if deemed fit, to pass with or without modification(s), the following resolutions as Special Resolutions:-

1. **RESOLVED THAT** pursuant to the provisions of the Companies and Other Business Entities Act [Chapter 24:41] (the Act), the Zimbabwe Stock Exchange Listing Requirements (Statutory Instrument 134/2019) as read with the Company's Articles and Memorandum of Association, the approval and authority of the Members be and is hereby granted to the Board to establish a share option scheme to be called the CBZ Holdings Senior Management Share Option Scheme effective from date of approval by the Shareholders and to grant, vest and allot, from time to time, and in one or more tranches, options under the CBZ Holdings Limited Senior Management Share Option Scheme, to the benefit of such person(s) as defined by the scheme rules.

2. **RESOLVED FURTHER THAT** such options in aggregate number of ordinary shares shall not exceed 48,286,490 (Forty-eight million two hundred and eighty-six thousand four hundred and ninety) Ordinary Shares of the Company, being 9.25% of the 522 016 108 (Five hundred twenty-two million sixteen thousand one hundred eight) ordinary shares in issue as at 31 March 2023.

3. **RESOLVED FURTHER THAT** the Directors be and are hereby authorised to determine the aggregate number of ordinary shares in respect of which any Senior Manager may hold options from time to time, not withstanding, options under the scheme whenever granted not to exceed 20% of total shares reserved for the scheme.

4. **RESOLVED FURTHER THAT** any existing Employee Share Option Scheme(s)be withdrawn with immediate effect from the date of commencement of the CBZ Holdings Limited Senior Management Share Option Scheme.

5. **RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute authority and as permitted under applicable laws, so as to ensure the fair and equitable benefits under the CBZ Holdings Limited Senior Management Share Option Scheme are passed on to the eligible employees.

6. **RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of the CBZ Holdings Limited Senior Management Share Option Scheme and to take all such steps and do all acts as may be incidental or ancillary thereto;

7. **RESOLVED FURTHER THAT** subject to applicable provisions of the Act and other applicable laws, the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors or Chairman or the Group Chief Executive Officer of the Company with power to further delegate to any Executive(s) or Officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, as may be necessary in this regard.

B. Approval of the Non-Executive Directors Share Plan

To consider and if deemed fit, to pass with or without modification(s), the following resolutions as Special Resolutions:-

8. **RESOLVED THAT** pursuant to the provisions of the Companies and Other Business Entities Act [Chapter 24:41] (the Act), the Zimbabwe Stock Exchange Listing Requirements (Statutory Instrument 134/2019) as read with the Company's Articles and Memorandum of Association, the approval and authority of the Members be and is hereby accorded to the Board to establish a share option scheme to be called the CBZ Holdings Non Executive Directors Share Plan effective from date of approval by the Shareholders and to grant, vest and allot, from time to time, and in one or more tranches, options under the CBZ Holdings Non Executive Directors Share Plan, to the benefit of such person(s) as defined by the scheme plan.

9. **RESOLVED FURTHER THAT** such shares in aggregate number of ordinary shares shall not exceed 3 915 121 (Three Million Nine Hundred and Fifteen thousand one hundred and twenty-one) Ordinary Shares of the Company, being 0.75% of the 522 016 108 (Five hundred twenty-two million sixteen thousand one hundred eight) ordinary shares in issue as at 31 March 2023.

10. **RESOLVED FURTHER THAT** resolutions 5, 6, 7 under the CBZ Holdings Senior Management Share Option Scheme be and are hereby adopted for the CBZ Holdings Non Executive Directors Share Plan.

C. Amendment of Memorandum and Articles of Association

To approve as a Special Resolution the adoption and substitution of a new Memorandum and Articles of Association for the Company compliant with the requirements of the Companies and Other Business Entities Act [Chapter 24:31] and ZSE Listing Requirements (Statutory Instrument 134/2019).

ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD

....
Rumbidzayi Angeline Jakanani
Chief Governance Officer

21 June 2023

i. Notes

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

a. The proxy form must be delivered at the registered office of the Company not less than 48 hours before the meeting is scheduled to commence. A proxy need not be a member of the Company. Completed proxies can also be lodged with the Company's Transfer Secretaries at:- First Transfer Secretaries, 1 Armagh Avenue, Eastlea, Harare.
b. Shareholders can also submit their proxy forms through email, to info@fts-net.com and ftsgen@fts-net.com

ii. General Information

a. The minutes of the last Annual General Meeting held on 22 July 2022 are available for inspection at the Company's registered office.
b. Electronic copies of the Company's 2022 Annual Report comprising of the Directors Report, the Independent Auditor's Report and the consolidated and separate financial statements of the Company for the year ended 31 December 2022, can be accessed on the Company's website https://www.cbz.co.zw. Copies have been emailed to shareholders whose e-mail addresses are on record.
c. The CBZ Holdings Limited Senior Management Share Option Scheme, the Non- Executive Directors Share Plan and the Substituted Memorandum and Articles of Association will be made available for inspection by shareholders at least 14 days before the meeting.

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

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

cbz Holdings

NOTES

FORM OF PROXY

I/We..

Of..

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

appoint..Of..

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

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

Signed by me this ___________________________ da y of_________________________ 2023

Signature: _________________________________

NOTES:

1. Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person, whether a member of the Company or not, as his proxy to attend, vote and speak in his stead.

2. Proxy Forms should be forwarded to reach office of the Company at least 48 (forty-eight) hours before the time appointed for holding the meeting.

3. An instrument appointing a proxy shall be valid only for the one specified meeting for which it shall be submitted and any adjournment thereof.

GROUP DETAILS

REGISTERED HEAD OFFICE

5 Campbell Road
Pomona, Borrowdale
Harare, Zimbabwe
Telephone: (263-242) 748 050 - 79
Email: info@cbz.co.zw
www.cbz.co.zw

TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
Harare
P O Box 11 Harare
Zimbabwe
Tel:+263 4 782869/72; +263 772 146157
+263 4 749048
Email: info@fts-net.com
www.fts-net.com

LEGAL PRACTITIONERS

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

AUDITORS

KPMG Chartered Accountants (Zimbabwe)
Mutual Gardens
100 The Chase (West), Emerald Hill
Harare
Tel: +263 (242) 302600
Fax: +263 (242) 303699

DIRECTORS

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

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