INTEGRATED

ANNUAL REPORT

2023

cbz Holdings

VISION & MISSION DRIVEN

VISION

To be the preferred provider of financial solutions in Zimbabwe, with a global reach.

MISSION

To bring convenience to our clients through innovation, efficient service delivery, competence and flexibility whilst adhering to principles of integrity, transparency and fairness.

CORE VALUES

Integrity | Customer Focus | Staff Focus | Innovation | Corporate Citizenship | Teamwork.

VALUE PROPOSITION

We offer customer convenience and customer satisfaction by providing innovative low cost products utilising state of the art technology efficiently and effectively processing high speed and high volume transactions.

PAY OFF LINE

Partners for success.


cbz.co.zw
cbz Holdings

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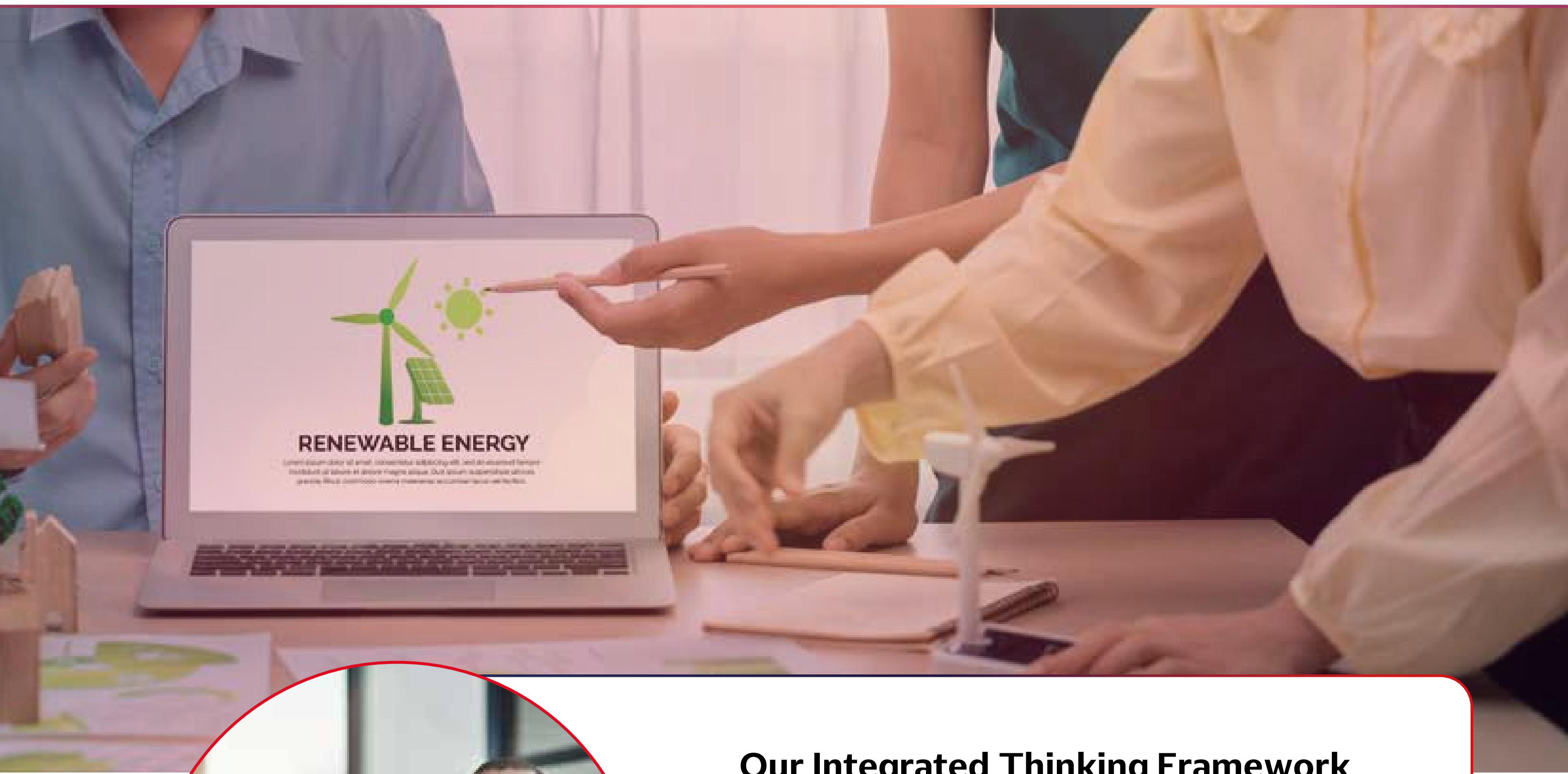
ABOUT OUR INTEGRATED REPORT

This integrated report explores the steps we have taken in progressing towards the attainment of our strategic goals in 2023. We conduct an analysis of our financial and non-financial performance in conjunction with the strategic value drivers that we have identified. Our main priority is to provide material that focuses on the medium to long-term. This report also examines the potential risks and opportunities involved in delivering long-term, sustainable shared value to our stakeholders.

"Uniting business intellects to achieve synergistic success."



Our Integrated Thinking Framework

Our core purpose is to thrive by prioritizing our stakeholders and ensuring they are at the centre of all our actions. We offer our stakeholders a wide range of products to help them build and manage wealth in various areas such as banking, insurance, investments and agro business. We strive to be their trusted partner for success in all market segments we operate in. We employ a strategic approach known as the "Thematic Growth Strategy" to focus on promising opportunities for long-term growth. When making decisions, we carefully consider the impact on society and the 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 Holdings 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 Company complied with all the provisions of the Code throughout the year ended 31 December 2023.

LEADERSHIP INSIGHTS:
Performance Review and Outlook

Group Chairman's Statement

Group Chief Executive Officer's Review

Luxon Zembe
GROUP CHAIRMAN

GROUP CHAIRMAN'S STATEMENT

Introduction

I take pleasure in presenting the financial performance of the CBZ Holdings Group for the year ended 31 December 2023.

Economic developments

The Global economy collectively overcame geopolitical tensions, restrictive monetary policies and fragmentation, to grow by 3.1% in 2023 (IMF). Emerging markets and developing economies are estimated to have grown by 4.1% in 2023, same as 2022, amid a slowdown in India and greater recovery in China. Growth in Sub Saharan Africa, however, declined from 4.0% in 2022 to 3.3% in 2023, weighed down by South Africa, which moved from 1.9% to 0.6%. Sovereign debt distress in Zambia, Ethiopia, Kenya and Ghana also weighed down the Sub Saharan Africa growth numbers.

In Zimbabwe, economic growth is estimated to have moderately decelerated from 6.5% in 2022 to 5.5% in 2023. This notable growth was anchored on strong activity in the agricultural, transport, construction, manufacturing, wholesale and real estate activities, which outweighed slowdowns and declines in mining, electricity supply, accommodation & food services, information & communication and financial & insurance services. The Group continued to play a pivotal role in supporting its customers in the various sectors to both withstand economic headwinds as well as expand their operations.

Notwithstanding the relatively strong growth and elevated foreign currency inflows through Diaspora remittances, the economy experienced intermittent currency weaknesses and price instabilities during the period under review. Reflecting the foreign currency demand and supply imbalances, the local currency depreciated from ZWL$671.45:USD1 in January 2023 to end the year at ZWL$6106:USD1 on the official foreign exchange market. On the other hand, the underlying monthly inflation averaged 2.0%, albeit having reached a high of 12.1% in June 2023. To address these market volatilities, the authorities introduced a number of monetary and fiscal measures, among them enhancement of the tight monetary policy stance, standardisation of the exports retentions and an extension of the multi-currency system to December 2030.

In particular, the extension of the multi-currency system to 2030 provided the much needed policy clarity and consistency for the given period, thereby enabling the Group to effectively underwrite long term products. The Group also continued to leverage on its strong investment in intellectual, manufactured and financial capital to continuously develop and offer solutions that satisfy the needs of its wide range of clients. These included, among others, enhancement of products and mobilisation of external lines of credit to better meet the loan requirements of industry.

Environmental, Social & Governance "ESG"

The Group accelerated its drive to create long term value through embedding Environmental, Social and Governance ,"ESG", factors into its strategy and operations. As a result, in addition to the ongoing certification with the European Organisation for Sustainable Development "EOSD", the Group obtained a nomination for accreditation with the Green Climate Fund "GCF". The Group also engaged the International Finance Corporation "IFC" for advisory services on ESG, Climate Governance and Climate Risk. Through this engagement, the Group's various Board Members and Senior Management received training on Climate Governance and Climate Risk Management.

Corporate Social Responsibility

CBZ Holdings recognizes the vital role it plays in the communities it serves, extending beyond financial services to encompass responsible corporate citizenship. In 2023, the Group remained steadfast in the commitment to create long-term value for key stakeholders including investors, customers, employees, suppliers and the communities that it operates in. The Group hosted the 2023 CBZ marathon, attracting approximately 1,800 athletes across the country and promoting health and wellness. On the Environmental Sustainability front, the Group partnered with the Forestry Commission contributing to environmental preservation. The Group continues to actively participate in initiatives that protect and preserve the natural world for future generations and foster strong relationships with the communities through investing in their well-being and development.

Governance & Directorship

The qualities of professionalism, integrity and high ethical standards are upheld by the CBZ Holdings governance structure. The Board is committed to upholding the highest standards of governance and understands that it has a responsibility to its stakeholders for sound corporate governance.

The Board seeks to strike a balance between the need to provide competitive financial returns and the expectations of stakeholders and shareholders regarding governance in the context of growing change and regulatory complexity. The Board has done a commendable job of establishing the Group's strategic direction and making sure the Group successfully manages risk. Our primary emphasis continues to be setting measurable goals to support a positive company culture that is in line with our steadfast dedication to our stakeholders.

Marc Holtzman, retired as Group Chairman effective 31 December 2023 after serving in that position since September 2019. During his tenure as Group Chairman, Marc served with distinction and showed strong leadership as he steered the Company and the Group on a clear growth trajectory. On behalf of the Board and management I would like to express our sincere gratitude to Marc for his service over the past four years during which the Company has embarked on a number of corporate actions which will transform it into an integrated financial services group.

After five distinguished years with the Group as the Group Chief Executive Officer, Dr Blessing Mudavanhu retired from the Group on 31 December 2023. With over 20 years of experience in regional and international financial services organisations, Blessing was key in driving the Company's growth strategy headlined by the successful acquisition of a significant shareholding in a leading, publicly listed insurance group.

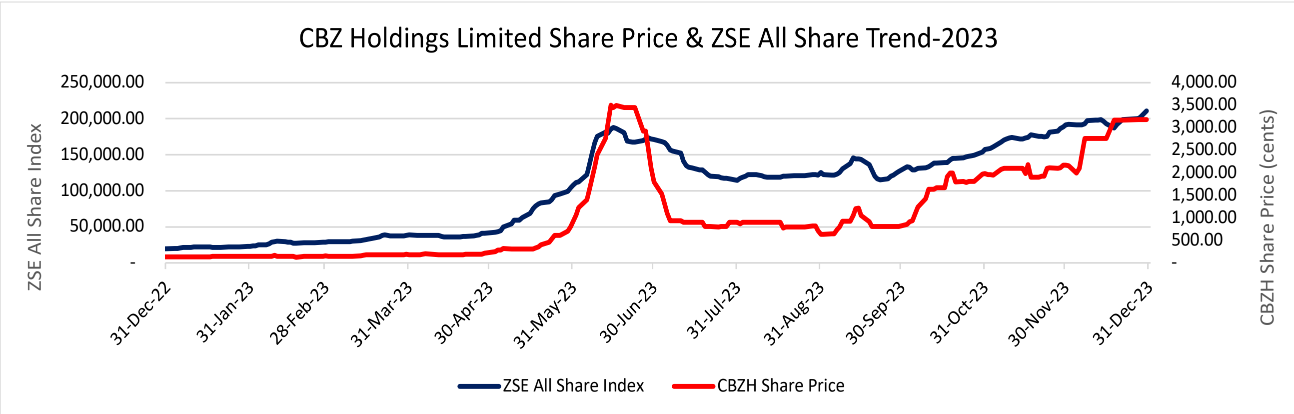
Governance & Directorship (continued...)

His astute leadership was instrumental in restoring the Company's brand and reputation, the momentum of which will no doubt continue into the future. On behalf of everyone at CBZ, I want to thank Blessing for his huge contribution to the Group and wish him well as he enters a new chapter in his life.

Pursuant to the retirement of Dr. Blessing Mudavanhu, the Board appointed Mr. Lawrence Nyazema to the position of Acting Group Chief Executive Officer and an Executive Director of CBZ Holdings Limited with effect from 1 December 2023. Prior to this appointment, Lawrence was the Managing Director of CBZ Bank Limited, a position he took up on 1 January 2022 having joined CBZ Bank as Executive Director – Wholesale Banking, in January 2020. Prior to that, he spent 19 years with Barclays Bank (now First Capital Bank) in various capacities including as Commercial Director from 1 April 2011 to January 2020 when he then joined CBZ Bank. He also spent 10 years at ZB Financial Holdings. I would like to congratulate Lawrence on his appointment and wish him all the best in his new role.

Stock Market Performance

The Zimbabwe Stock Exchange "ZSE" benchmark industrial index rose by 982%, buoyed by a 2412% growth in the medium-cap counters index. The small-cap index also rose by 1,113%, whilst the Top Ten Index rose by 632%. Resultantly, the market capitalisation closed the year at ZWL$16.8 trillion, a 719% gain. CBZ Holdings closed the year with a market capitalization of ZWL$1.98 trillion, being the 2nd largest trading counter on the bourse. On the US dollar denominated Victoria Falls Stock Exchange "VFEX", the All Share Index declined by 30.8% from 101.80 on 01 January 2023 to close the year at 70.48. The graph below shows the movements in the CBZH share price and the benchmark. All share index from December 2022 to December 2023.



Overview of the Group's performance

The table below summarises the Group's financial performance for the year ended 31 December 2023.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$m	RESTATED 31 DEC 2022 ZWL$m	HISTORICAL 31 DEC 2023 ZWL$m	RESTATED 31 DEC 2022 ZWL$m
Key Financial Highlights				
Profit after taxation	693 566.9	161 288.0	1 009 049.5	81 027.1
Total comprehensive income	921 377.7	209 346.6	1 382 208.0	111 288.5
Total assets	8 258 316.4	4 593 017.8	8 008 350.4	923 850.4
Total equity	1 743 733.4	808 700.1	1 528 444.4	143 217.9
Total deposits	5 577 534.4	3 269 575.0	5 577 534.4	680 399.5
Total advances	2 072 759.7	846 797.9	2 072 759.7	176 218.9
Other statistics				
Basic earnings per share (cents)	125 351.10	30 907.15	182 358.04	15 523.41
Non-interest income to total income (%)	78.3	71.2	86.0	78.3
Cost to income ratio (%)	42.4	34.2	32.5	26.6
Return on assets (%)	13.7	6.9	26.6	17.9
Return on equity (%)	54.3	23.1	120.7	93.9
Growth in deposits (YTD %)	70.6	50.7	719.7	417.9
Growth in advances (YTD %)	144.8	18.1	1 076.2	215.2
Growth in PAT (YOY %)	330.0	(29.1)	1 145.3	409.7

Dividend

The Board has proposed the declaration of a final dividend of US$5,000,000 or US$0.80 cents per share. This declaration brings the total dividend declaration to US$8,000,000. A separate dividend announcement with entitlement dates will be published.

Outlook

In 2024, the IMF expects global growth to remain flat at 3.1%, with the risks to the outlook largely balanced. Sub Saharan Africa is expected to recover to 3.8%. In Zimbabwe, however, the Government expects growth to moderate further to 3.5% as the adverse effects of the El Nino effect become more pronounced particularly on the agricultural and related sectors. Relatively strong performance is, however, still expected in the mining, accommodation & food services and wholesale & retail trade sectors. The downside risks to the growth projections include, among others, prolonged weak commodity prices, especially for base metals and PGMs, potential further disruptions to supply chains and trade flows and currency weaknesses. The Group will continue to monitor these developments for quicker detection of and response to, emerging risks and opportunities.

Appreciation

Our valued customers continue to be the foundation of our business and we are incredibly grateful for their support. I express my gratitude to CBZH Board of Directors, Boards of Subsidiary Companies, Management and Staff for their dedication to the CBZ brand and willingness to support the nation's economic development.

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L. Zembe

GROUP CHAIRMAN

30 April 2024

Lawrence Nyazema
GROUP CHIEF EXECUTIVE OFFICER

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

During the financial year ended 2023, the state of the global economy was fraught with many intricate challenges that did not spare the local economy. Some of the challenges comprised of increasing interest rates, inflation, unemployment, and the rising cost of living which significantly reduced consumer spending. However, the Zimbabwean economy continued to show resilience in the face of deteriorating commodity prices, currency depreciation, high inflationary pressures, and a difficult agricultural season. Multiple initiatives were implemented to mitigate the effects of the aforementioned issues. In response to the country's macro-economic challenges, the year saw significant policy adjustments, including the extension of the multi-currency regime to 2030 and the introduction of the structured currency (ZiG).

Given the circumstances, I was impressed by the dedication of our employees throughout the Group. They continuously play a crucial role in maintaining the Group's strength and delivering value to our customers, employees, communities, and shareholders. In addition, we have actively sought out new opportunities for diversification and expansion, strategically positioning the Group to achieve even greater growth.

Strategy Update

As we review the year ended 2023, it is an appropriate opportunity to reflect on how far we have come and equally how far we need to go. The enormous task at hand is developing CBZ Holdings into a financial services behemoth tha is poised to be a big player in Sub-Saharan Africa and this is top priority for the Board, Management, and staff. We continue to look for avenues to enhance our subsidiaries' scale and product depth. We have been on a mergers and acquisitions journey, actively pursuing possible acquisitions and partnerships in local and regional markets that correspond with our strategic objectives. Overall, the Group's thrust is focused on expanding operations and making a greater contribution to economic activity in all the markets we participate. CBZ Holdings endeavours to be a preferred partner in Zimbabwe's high-value infrastructure projects. We recognize that there are severe liquidity challenges and a sizable portion of currency in circulation outside the banking industry, thus presenting a significant opportunity for the Group. However, to adapt to the challenges presented, most financial institutions source funding through unfeasible premium lines of credit offered outside of our borders. CBZ Holdings' goal is to create a global brand that will significantly diversify country risk and competitively source cheaper capital.

Our transformation road map

We believe we are continuing with an exciting transformation journey that is set to change the definition of financial services in Zimbabwe and beyond. We are looking at fixing our base, consolidating our position in the region, and effectively optimizing all our investments to be able to churn out a reasonable return.

Short term (12months)

Fix base: Invest in and consolidate a more valuable Zimbabwean business

Medium term (3years)

Regional Consolidation: Expand and entrench our regional footprint

Long term (3 years+)

Optimise Regional Expansion and Global influence: Creation of an international brand

Redefining digital transformation

Our focus for 2024 and beyond is on digital transformation, as we strive to make CBZ Holdings stand out and be a clear market leader in all the markets in which we participate. We have revamped our digital transformation process to enhance cycle time and provide clients with a comprehensive 360-degree experience. Through a well-defined technological roadmap, we aim to leverage data, technology, and digital capabilities to drive our next phase of transformation and improve our performance. The strategy follows a business-led, value-driven approach. Looking ahead, the strategy and execution places significant emphasis on:

- Ensuring exceptional experiences for our customers and staff through continuous improvements in digital technology, resulting in added value.
- Creating a vibrant ecosystem through data collaboration and innovation lays the groundwork for influencing the future with data and applied AI, including GenAI. To increase the number of digitally active clients and improve client engagement, we will prioritize digitizing sales and onboarding. We will also combine technology and digitalization to enhance agility, client insights, and bespoke propositions. We aim to change the face of technology by prioritising cloud, data, and APIs while also supporting sustainable technological practices and cooperative collaborations.
- Expanding our technological transformation to allow outperformance and change channel shape, as we strengthen our talent retention strategy and worldwide strategic attraction model, we will become the home of Africa's best technology talent.

What is critical is the stabilisation of our core systems across all Group companies, with the overarching goal of lowering our technology debt. We now have the highest in the market, and following this strategy will allow us to get economies of scale after the project is successfully completed.

Group Financial performance review

The Group achieved impressive financial results for the financial year ending 31 December 2023, showcasing the effectiveness of our resilient strategy. Over 1 million customers have consistently relied on the Group to meet their financial service needs, demonstrating their trust in our capabilities. Our profit after tax in historical terms at ZWL$1.0 trillion experienced a substantial growth compared to ZWL$81.03 billion reported in FY 2022. This growth was supported by a larger customer base, higher transactional volumes, robust deposit growth, and increased disbursements to our valued clients.

We are extremely grateful to our clients for embracing our approach and allowing us to be their partners for success. Our transactional, loan, and deposit activity have experienced substantial growth, while the demand for our investment and insurance products has seen a notable increase. The Group's financial position remains strong, with loans and advances to customers reaching ZW$2.07 trillion, supported by a customer deposit base of ZW$5.6 trillion. The Group closed the period with a robust capital base, ensuring that all subsidiaries have sufficient capital. To maintain our competitive edge, we will continue to build upon our strong market presence, our commitment to innovation, and our unwavering focus on customer satisfaction.

Group clusters' perfomance reviews

Banking Cluster

Under the Banking Cluster, CBZ Bank (the Bank) maintained its status as the Group's flagship entity in terms of financial performance and market leadership. In the face of a substantial threat of write-offs that could have potentially reduced performance, the bank promptly implemented a strategy to adjust for the potential negative consequences of the Expected credit losses (ECLs), and successful efforts were made to facilitate recoveries. The Bank also maintained its dominant market share positions in the following categories: total deposits (26%), loans and advances (31%), total assets (24%), POS Acquiring (24%), assets under custody (19%), and VFEX Settlements (42%). Through the retail division, the Bank launched a revamped Private Banking branch that prioritizes the provision of highly personalized financial solutions to the more affluent. To serve the stratum immediately below private banking, the Bank introduced a new segment called Prime Banking. The Bank closed the year with US$22.8 million in lines of credit, with a significant portion to be finalized in 2024. Securing lines of credit continues to be the top priority for the wholesale banking division. To effectively achieve the five-year strategic objective of doubling its contribution to the economy, the Bank intends to evaluate and bolster its capital preservation model. We are delighted that the Bank was able to preserve its Global Credit Rating despite the operational challenges it faced. This achievement is indicative of our efforts to reduce the risk associated with obtaining new assets.

Red Sphere Finance, our microfinance subsidiary, increased its loan portfolio to US$8.1 million during the year under review. The loan portfolio is now predominantly USD-denominated due to portfolio changes that happened during the year. The company's market share increased from 10% in 2022 to 13% in 2023 becoming the second largest Micro Finance Institution in terms of assets. The company also received a customer service award from the Contact Centre Association of Zimbabwe (CCAZ) and a runner-up prize for "Most Digitalized MFI" by the Zimbabwe Association of Microfinance Institutions (ZAMFI).

Agro-Business Cluster

Our Agro business cluster comprises of CBZ Agro-Yield. The year ended 31 December 2023 proved to be a mixed bag for agricultural productivity for the country. Owing to normal to above-average rainfall during the 2022–2023 season, the year began with a respectable crop and approximately 1.6 million metric tons of grain were produced. The winter wheat season saw the country producing more than 465,000 tons of wheat, breaking the previous record of 375,000 tonnes set in the prior season. Due to the consequences of the El Nino-induced drought, the year 2023 concluded with poor expectations for the summer 2023–2024 season. The amount of rainfall was less than usual, which had a negative impact on farmers' yields and planting depth. The Zimbabwean government declared the season a national calamity, stating that the drought's effects on the country's economy required US$2 billion in financial support. The Group's aim of promoting farm output was aligned with the bumper wheat harvest of 2023, to which CBZ Agro-Yield made a substantial contribution. Due to the expected dry season brought on by the El Nino, the Group contracted less hectares for the summer of 2023–2024 and gave priority to farmers with irrigation capabilities. Despite the challenges posed by the drought, the Group has remained resilient in the agricultural sector, maintaining its leadership position in advancing agricultural value chains, financial inclusion, and productivity in Zimbabwe. Going forward, it will still be crucial to keep the book rationalized and adjust to the best possible business model, which is typified by proper product portfolio diversity and scale.

Insurance Cluster

The Insurance and Pensions Commission (IPEC) presented Statutory Instrument 81 of the 2023 Insurance (Amendment) Regulations, 2023 (No. 26). The statutory instrument's purpose is to limit the issuance of insurance policies on credit due to non-payment of premiums. This will result in an increase in premium debtors, which will impact the financial status of the industry and the settlement of claims. The need for competitive capital and the delays in the completion of the planned transactions affected the cluster's performance. Collaborations with other Group entities enabled CBZ Life to expand its business development networks. Management maintained its emphasis on operational efficiencies and cost containment while simultaneously exploring new opportunities to enhance customer convenience and product offerings. Our brokerage business, CBZ Risk Advisory experienced a substantial increase in profitability on the back of increased brokerage commission that was driven by new business underwritten. To increase investment income, management will persist in expanding the investment portfolio, with a particular focus on property investments that will cushion the Group against the effects of inflation. Cost containment will also continue to be our key focus area as we aim to increase profitability.

Investment Cluster

The Group's asset management business through Datvest demonstrated resilience and profitability in 2023. This contrasted with a challenging year in the capital markets, which saw the Zimbabwe Stock Exchange All Share Index record a 7.78% year-over-year decline in real terms, with only 19 of the 42 active counters experiencing real-term price appreciation. The value traded on the ZSE decreased by 51% year on year, from US$262 million in 2022 to US$128 million. Datvest also played a substantial role in the development of new initiatives, including the recently listed National Railways of Zimbabwe REIT and significant property ventures. Datvest is implementing its regional diversification strategy to address risks specific to Zimbabwe. Our advisory arm, CBZ Capital, was involved in substantial mandates and capital raising transactions. Going forward, the Group through CBZ Properties, will concentrate on the development of a strong property business model that is expected to significantly improve the cluster's profitability.

Enhancing the strategic importance of sustainability

The world is confronted with substantial sustainability challenges, which have prompted governments, businesses, society, and international finance institutions to take resolute action. We are fully dedicated to leading this transformative change as a financial services player focused on creating a better Africa while establishing strong global connections. This commitment is not just a statement but an integral part of our identity, reflected in our active participation in spearheading initiatives locally in a bid to lead by example. We are pursuing various accreditation processes, a position that will enhance our efforts towards strategy alignment with the fundamentals of sustainability.

Appreciation

We want to express our deepest gratitude to the Board, Management, and staff for their unwavering dedication to upholding the values of CBZ Holdings during this challenging period. Finally, we would like to express our heartfelt appreciation to our valued customers for their unwavering loyalty to the CBZ brand. We are fully dedicated to delivering on our commitments.

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Lawrence Nyazema
GROUP CHIEF EXECUTIVE OFFICER

30 April 2024

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.

In 1980, the Government of Zimbabwe and Bank of Credit and Commerce International Holdings Limited came together to form the Bank of Credit and Commerce Zimbabwe Limited (BCCZ) as a joint venture (BCCIH). In 2004, a new vision was selected, leading to the establishment of CBZ Holdings (CBZH) as a financial institution that aims to cater to all customer segments with a comprehensive range of services.

Our main objective at CBZ Holdings is to establish a diverse collection of top-performing companies that can consistently generate substantial profits, deliver attractive returns on equity and provide robust dividends. We have built our strategy on strong business principles and exceptional financial performance, with the aim of making a meaningful difference in the lives of people and our communities.

The Group's unwavering commitment to unparalleled service delivery, coupled with its extensive portfolio of financial offerings, makes it the ideal partner for reliable financial solutions.

cbz Holdings

Partners for Success

OUR JOURNEY

In 1980...
Our journey began.

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.

In 2005...
We grew our investments portfolio and acquired Datvest Asset Management.

In 2022...
We set up CBZ Trustee Services to enhance our offering in capital markets governance

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.

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

CBZ Holdings

CBZ Insurance

2006

In 2006...

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

2007

In 2007...

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

CBZ Life

2010

In 2010...

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

2016

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 Risk Advisory Services

2017

In 2017...

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

2019

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

CBZ Holdings

2020

In 2020...

CBZ Holdings rebranded.

2020

In 2020...

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

CBZ Capital

2021

In 2021...

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

GROUP STRUCTURE

cbz Holdings

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

CBZ Holdings Limited is a diversified financial services Group, listed on the Zimbabwe Stock Exchange (ZSE) with operations throughout Zimbabwe and employing 1 467 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.

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

THE GROUP'S CLUSTERS

The Group strategically expanded its business operations, incorporating financial services such as banking, insurance and investment. This strengthened its market position and enabled a wide range of financial solutions for a diverse client base.


Introducing ZikiCash
"With ZikiCash, I can use my money the right way"
Receive USD from the UK via ZikiCash and choose what to do with it. You can cash it out, bank it if you have a CBZ Bank FCA account or use it to pay bills, school fees and many other services directly from your wallet.
#FromUKtoZim
USD cash-out service available at all CBZ Bank branches"
USD cash available 24/7 at all CBZ ATMs for all receivers
Receive USD from UK to Zimbabwe
vpcg_2329
Download the CBZ Touch APP to open an account today!
GET IT ON Google Play
Download on the App Store
Partners for Success
zikicash
Trusted | Convenient | Empowered
cbz Bank
Call: +263 8677004050 • WhatsApp: +263 774 460 460 / 774 461 461
Toll free: 460 / 461 • Mail: contactcentre@cbz.co.zw • Site: www.cbz.co.zw

OUR STRATEGIC THEMES

Our strategic focus encompasses Sustainable Businesses, People and Culture, Financial & Social Impact, Technology and Digital Transformation.

01 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

02 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

03 Technology and Digital Transformation

- Integration of technology and digitalisation for agility, client insights, and customized offerings.
- Provide exceptional customer and team experiences while enhancing value through digital technology improvements.
- Expand technological transformation, to achieve superior performance and enhance channels.

04 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

cbz

Technology and Digital Transformation

Fully integrated business model with a seamless one client journey

COMPELLING COMPETITIVE ADVANTAGES

Key attributes that differentiate us:

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.

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.

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 People

- The Group has some of the most experienced and diverse senior management teams in the financial services sector.
- We have harnessed and continue 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.

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

Diversity & Scale

Our scale allows us to participate in projects that have a significant tangible national impact.

INTEGRATED FINANCIALS

Financial Performance Highlights

Inflation adjusted ZWL

Profit After taxation
693.6billion
330%

Total Income
2.4trillion
97%

71%
Total Deposits
5.6trillion

Total Equity
116%
1.7trillion

54.3%
Return on Equity

13.7%
Return on Assets

340%
921.4billion
Total Comprehensive Income

Total Advances
2.1trillion
145%

Insurance Assets
24.1billion
76%

306%
125,351.10cents
Basic Earnings per share

Short Term Insurance GWP (ZWL$)
47%
30.8billion

Long Term Insurance GWP (ZWL$)
101%
21.4billion

Total Assets
80%
8,3trillion

Operational Statistics

1,467
Total Staff Compliment

Online Customers
+700k

CBZ Touch Volume
20.12m

CBZ Touch ZWL Value
1.14trillion

Number of Customers Retail
+800k

234%
No of Micro finance Agents
127

Micro finance active customers
26.44k

Internet Banking Volume
+2.20m

Internet Banking ZWL Value
84.47trillion

297%
POS USD Volume
1.07m

167%
POS USD Value
107.22m

34%
POS ZWL Volume
40.63m

477%
POS ZWL Value
3.55trillion

38 Number of Bank Branches

52 Number of ATMs

19k Number of POS machines

Mobile Banking Users
+600K

OUR PURPOSE

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

	What they are?	Expectations	How we meet our stakeholders' expectations
Employees	• The most important asset to the achievement of the Group's strategic goals. • 1,467 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 and career advancement.
Customers	• The foundation of our business and our source of deposits and revenue. • More than 800,000 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 to suit a sound control environment
Society	• The public • Communities • Civic organisation/NGO • Media • Local suppliers	• Contribution to 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 carbon footprint as an organisation

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

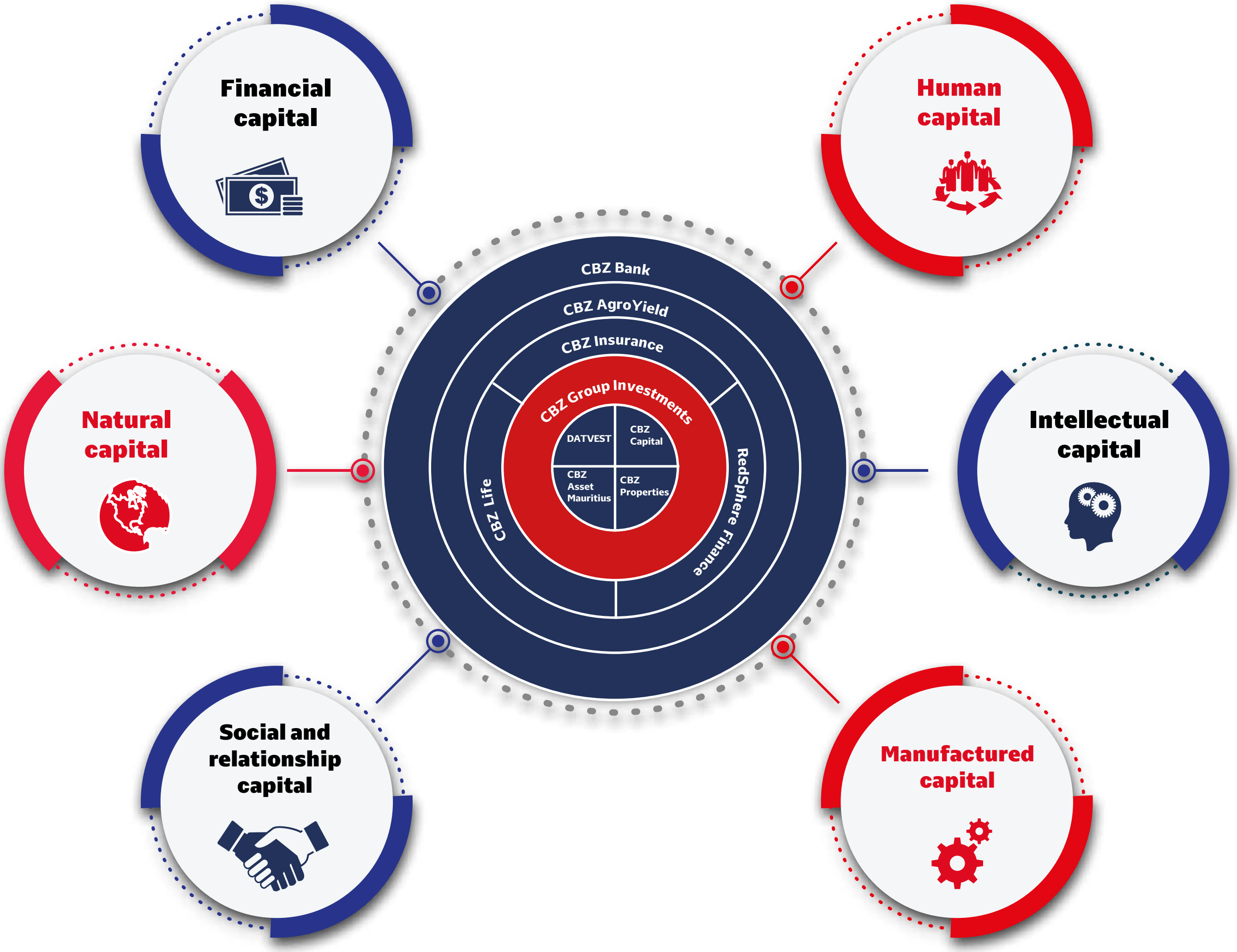
	Key Performance Indicators	Channels and frequency of communication	Quality of relationship
Employees	• Staff attrition rate • Employee engagement index • No of Learning and Development hours	• Regular communication and as required when there are key events	• Good
Customers	• Brand perception score (BPS) • 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.

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

The 6 Capitals	Inputs to value creation	KPIs for our inputs as at 1 January 2023 (ZWL$ 000)
Financial capital	• Our strong balance sheet • Strong Capital position and support from our shareholders • Funding and deposits from our investors and customers	• Equity: **808,668,936** • Deposits: **3,269,575,002** • Gross Loans & advances: **1,191,268,678**
Human capital	• Our entrepreneurial culture • Experienced leadership team from diverse backgrounds • Engaged and well qualified employees • Equitable reward structure	• Number of employees: **1,386** • % of female employees: **44%** • Compensation to staff: **298,090,764**
Intellectual capital	• Strong brand equity and reputation • Innovative Digital banking platforms • Our compelling customer value proposition • Our policies, controls and guidelines	• We continue to invest in our digital platforms and improve on our processes to improve customer experience. • A wide product portfolio which most competitors cannot match.
Manufactured capital	• Our wide branch network • Robust technology infrastructure	• Branches: **39** • ATMs: **46** • No. of POS machines: **18,557** • Number of mobile banking users: **803,187**
Social and relationship capital	• Our strong relationships with our customers • Strategic partnerships and service providers	• Number of customers: **>800,000** • Good relationships with all our stakeholders
Natural capital	• Consumption of energy, water and other natural resources • Our influence in the consumption of natural resources through our business activities.	• Availed facilities focused on renewable energy and reduction of emission of Green House Gases.


Value

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS



Outcomes as at 31 December 2023

Long-term Stakeholder impact

Financial capital

- Revenue growth: **96.7%**
- Equity: **1,743,672,883** (2022: **808,668,933**)
- ROE: **54%** (2022: **23%**)
- Capital Adequacy Ratio: **21.66%**
- Share price movement: **2,252%**
- Dividend per share(usd cents): **1.29** (2022: **Nil**)

Employees	Clients	Shareholders	Regulators	Society
+	+	+	+	+

Human capital

- Salaries and benefits paid: ZWL$(000)**694,146,282** (2022: ZWL$(000) **298,090,763**)
- Number of employees: **1,467**
- % of female employees: **44%**

Employees	Clients	Shareholders	Regulators	Society
+	+	+	+	+

Intellectual capital

- Key skills hired and retained
- Increased brand equity:
- BPS: **5.55**(2022: **5.77**)
- NPS: **41** (2022: **39**)
- CSI: **79%** (2022: **83%**)
- Continuous Technology platforms upgrades

Employees	Clients	Shareholders	Regulators	Society
+	+	+	+	+

Manufactured capital

- Branches: 2023: **35** (2022: **39**)
- ATMs: 2023: **52** (2022: **46**)
- No. of POS machines: 2023: **19,165** (2022: **18,557**)
- Number of mobile banking users: 2023: **606,759** (2022: **803,187**)

Employees	Clients	Shareholders	Regulators	Society
+	+	+	+	+

Social and relationship capital

- Brand equity
- Education and skills development
- The group continued to invest in a number of CSR initiatives to uplift communities.
- Supported a wide variety of local suppliers

Employees	Clients	Shareholders	Regulators	Society
+	+	+	+	+

Key: + Positive

BEYOND LENDING:

OUR SUSTAINABILITY JOURNEY CONTINUES

METHODOLOGY

Introduction

As a Group, we understand that our success is intimately linked to the well-being of the communities we serve, the environment in which we operate and the responsible practices we promote. This portion of our report digs into our commitment to environmental, social and governance (ESG) considerations, as well as how we apply sustainability principles throughout our diversified financial services business. The Group has been enhancing its capacity to respond to the Zimbabwe's shifting economic and environmental 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 it operates. To this end, the Group has engaged various sustainability certification entities to ensure that our stakeholders receive the best value in all our effort to be a sustainable corporate citizen. Through CBZ Bank, the Group continues to pursue European Organisation for Sustainable Development (EOSD's) Sustainability Standards & Certification Initiative (SSCI) certification championed by the Reserve Bank of Zimbabwe (RBZ).

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 SI2019/134.

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.

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.

The ESG efforts and performance of the Group were assessed using quantitative and qualitative metrics. The materiality assessment approach was anchored on 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.

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

Materiality Assessment

- Conducted a review on material ESG topics, using the SASB and GRI frame-works 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 Holdings SBUs.
- Obtained feedback and inputs from CBZ Holdings SBUs on selected metrics.

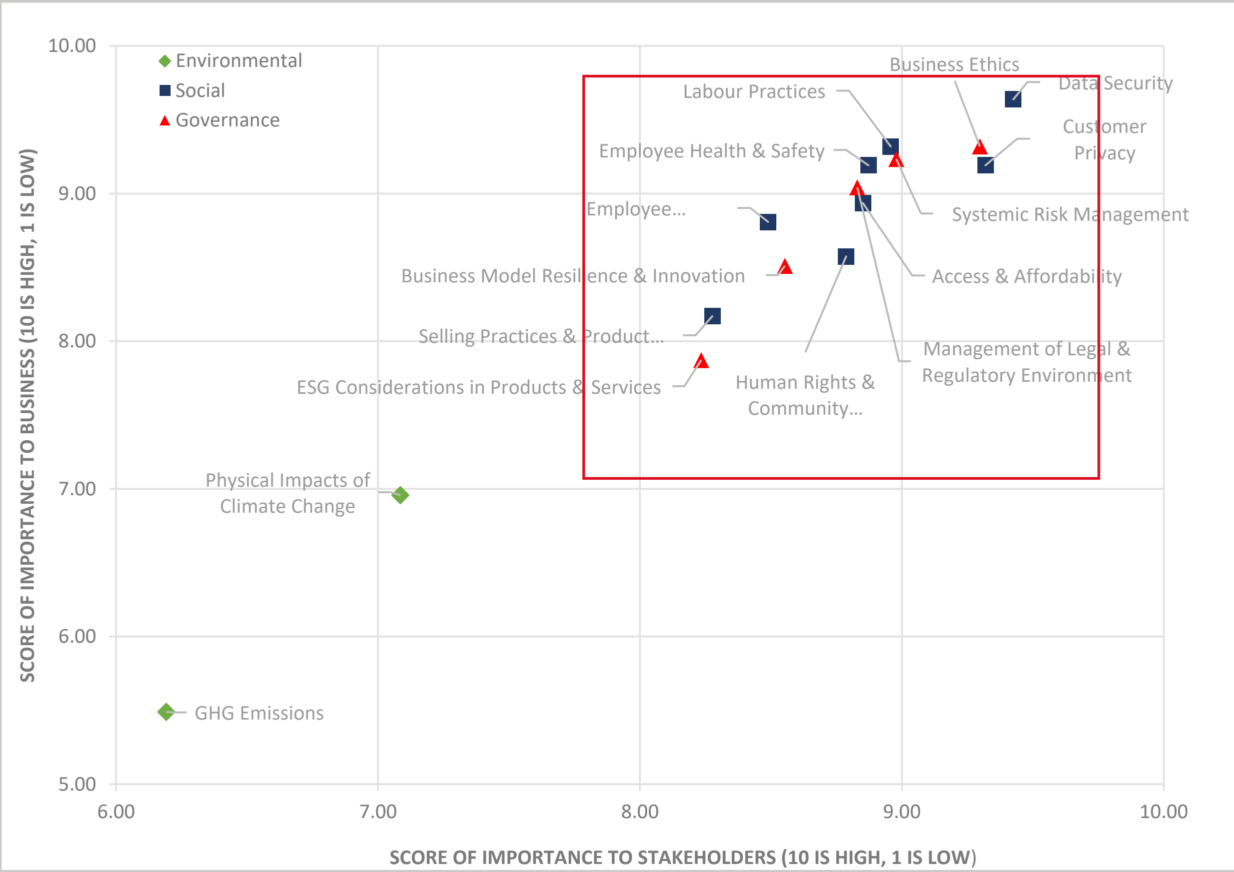
ESG Report

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

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

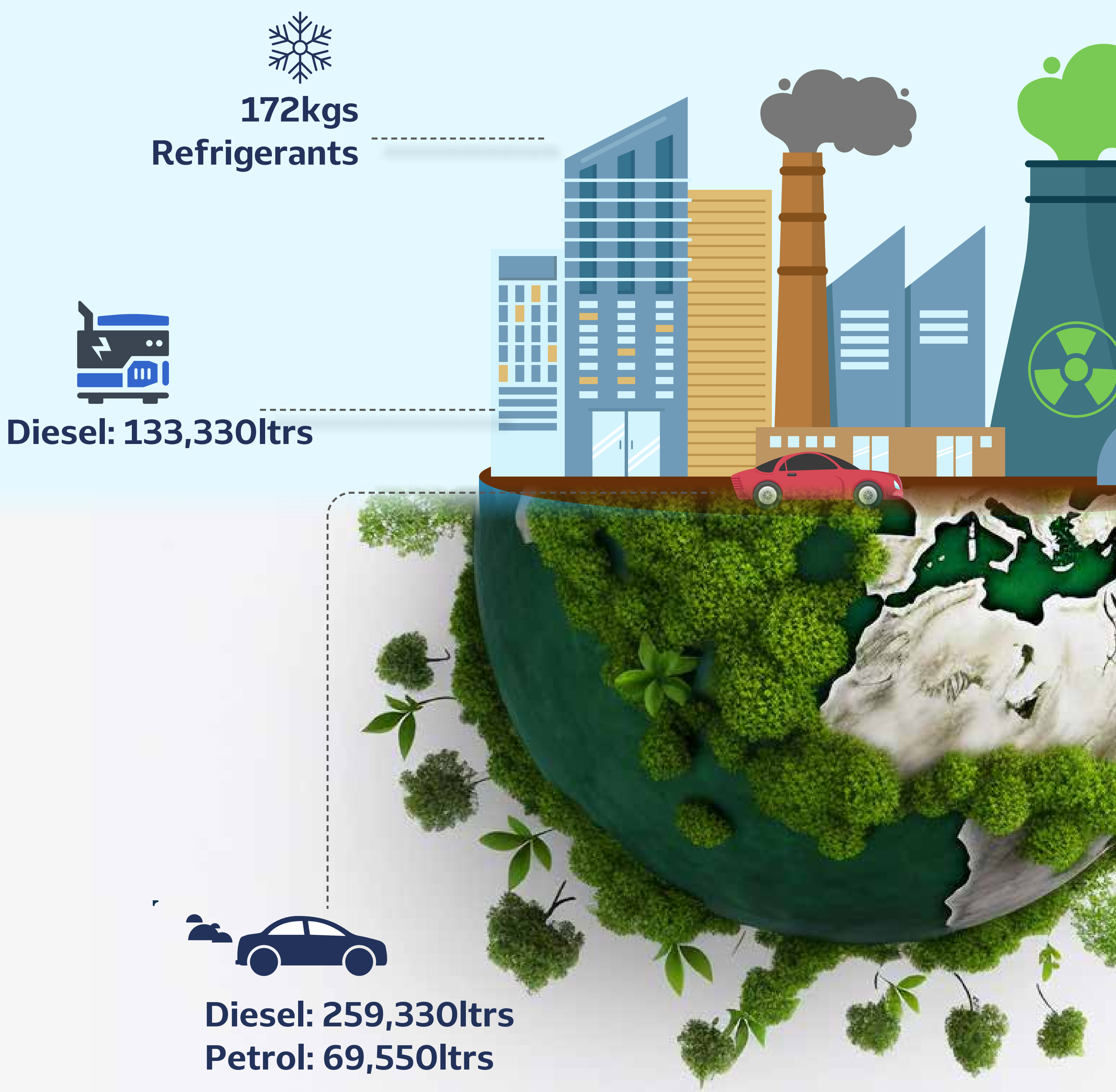
MATERIALITY MATRIX



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 organisation'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.


172kgs
Refrigerants
Diesel: 133,330ltrs
Diesel: 259,330ltrs
Petrol: 69,550ltrs

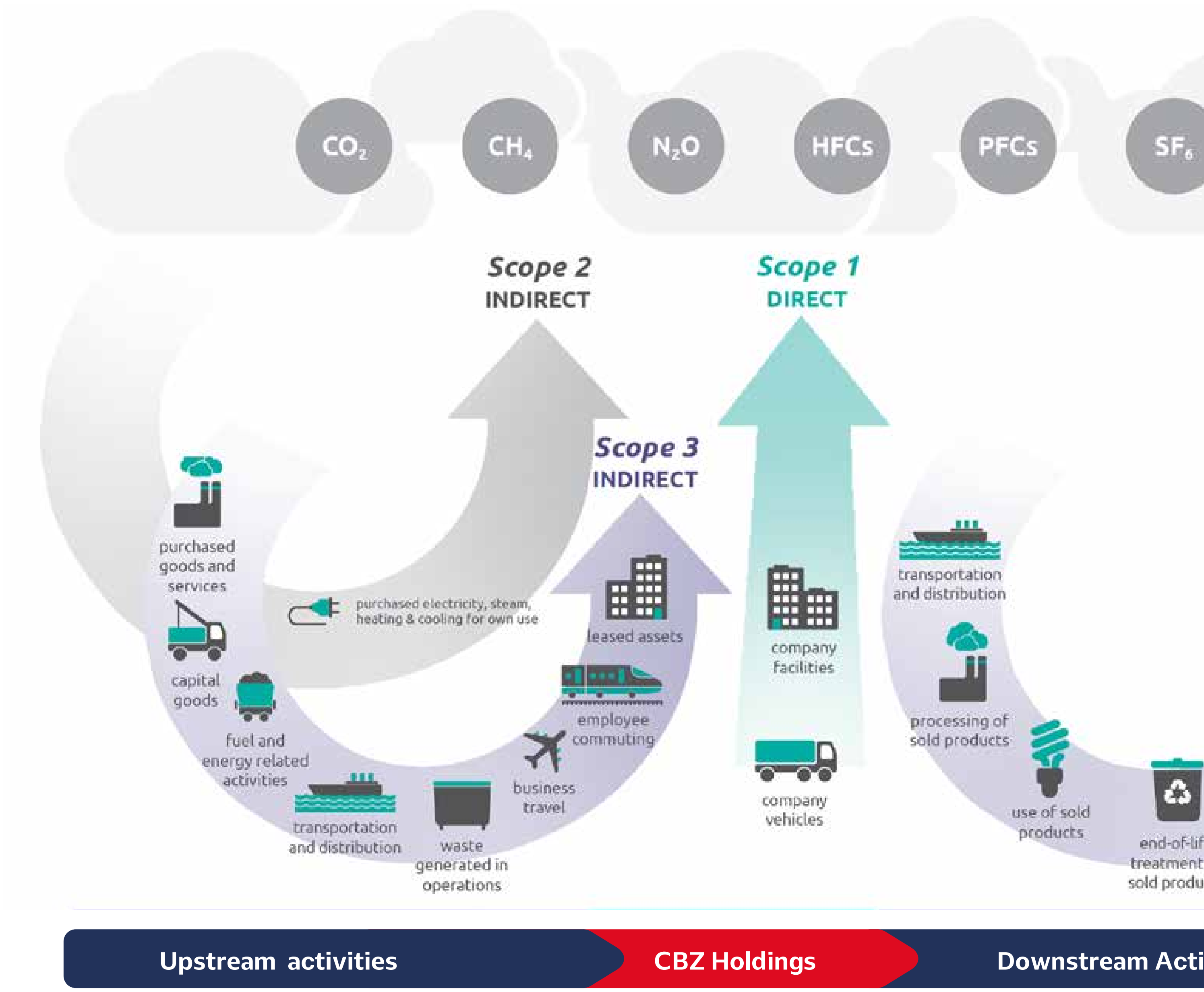
925,368 kWh

ENVIRONMENTAL

Environmental

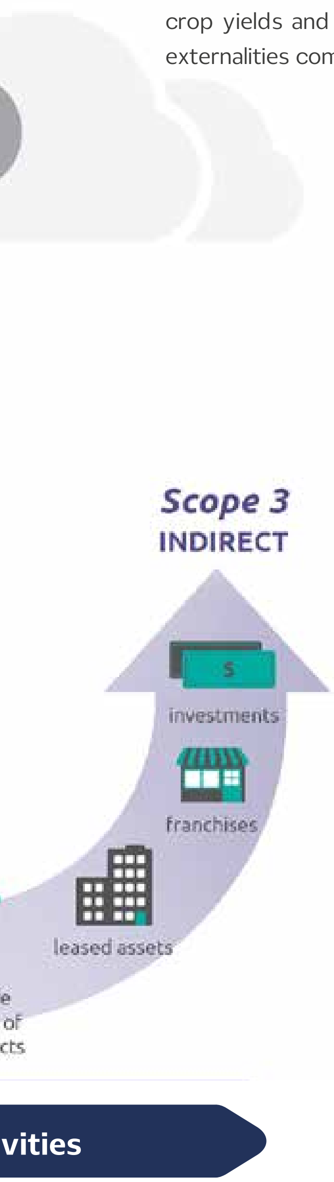
GREENHOUSE GAS EMISSIONS

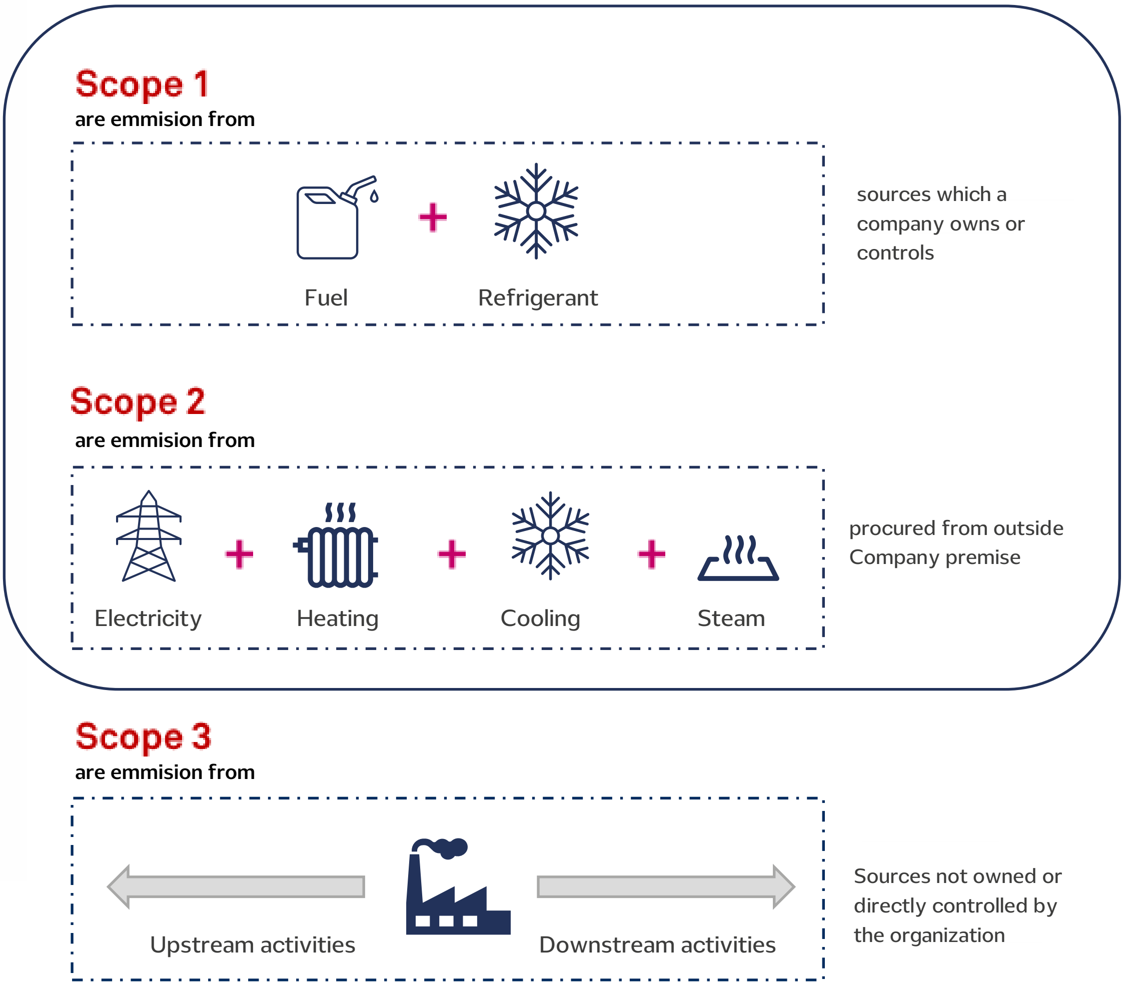
CO_2 - Carbon dioxide **CH_4** – Methane **N_2O** - Nitrous Oxide **HFCs** – Hydrofluorocarbons **PFCs** – Perfluorocarbons **SF_6** – Sulphur Hexafluoride



Our Operational GHG Footprint

CBZ Holdings understands how Greenhouse Gas Emissions (GHGs) affect society, the environment, and the economy in linked ways. As an agriculture industry financier, highly relevant to part of the Group's operations are the variations in atmospheric carbon dioxide that could lower crop nutritional quality. Direct damage to agricultural fields can result from changing weather patterns including increased temperatures, heat waves, droughts and/or floods. Emissions also lead to maximum business costs through climate change which accelerates pest infestation on crops, plant diseases and weed development and in turn reduces crop yields and nutritional value. The Group continues to actively explore ways to reduce its carbon footprint and negative externalities coming from its operations.





Our Operational GHG Footprint (continued...)

Direct (Scope 1) GHG Emissions

CBZ Holdings environmental data includes data from offices and vehicles owned by the Group, the table below relates to the key findings for the environmental impacts. These impacts are described in absolute terms and in intensity terms by revenue and by full time employees. The intensities of GHG emission measured by revenue and total employees were 0.0022 tCO2e/mZWL and 1.48 tCO2e/employee, respectively.

ABSOLUTE AND INTENSITY EMISSIONS

Scope	Emissions (tCO2e)	Contribution %	tCO2e per revenue (mZWL)	tCO2e per employee
Scope 1	1 533	74.2	0.0017	1.09
Scope 2, Location based	533	25.8	0.0006	0.38
Total	2 066	100	0.0022	1.48

FIGURE 1: GHG EMISSIONS - ABSOLUTE AND INTENSITY, FY 2023

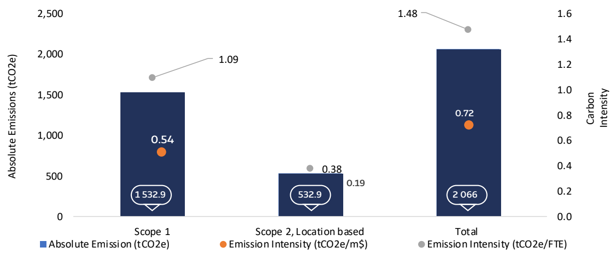


FIGURE 1: GHG EMISSIONS - ABSOLUTE AND INTENSITY, FY 2023

Direct (Scope 1) GHG Emissions

Direct emissions (or Scope 1) are GHG emissions from organisational operations derived from use of fuels such as diesel, gasoline, natural gas etc. in generators, vehicles boiler, gas turbine, owned transportation and refrigeration processes.

CBZH's total Scope 1 emissions for FY2023 is 1,533 tCO2e. Scope 1 emissions stems from use of fuel (Diesel and Petrol) in its electricity generators and automobiles and is in the magnitude of 1,207.3 tCO2e (79%). Fugitive emissions (use of refrigerants) contribute to 325.6 tCO2e (21%) emissions.

100% of the emissions are contributed by the sites in Zimbabwe.

TABLE 2: FUEL AND REFRIGERANT USE AND EMISSIONS, FY2023

Fuel	Unit	Quantity	Emissions (tCO2e	Contribution (%)
Diesel	Litre	392 660	1 044.2	68
Petrol	Litre	69 550	163.1	11
Refrigerants	Kg	171.5	325.6	21
R410A	Kg	149.5	287.6	
HCFC-22/R22	Kg	19	33.4	
HFC-134a	Kg	2	2.6	
R407A	Kg	1	1.9	

Scope 1

are emissions from sources which the Group owns or controls

Scope 1 Emissions	Unit	FY 2023	Contribution (%)
Stationary	tCO2e	354.6	23
Mobile	tCO2e	852.8	56
Fugitive	tCO2e	325.6	21
Total	tCO2e	1 532.9	100

Indirect (Scope 2) GHG Emissions

The second component of CBZ Holdings GHG emissions relates to indirect (or scope 2) emissions from the consumption of purchased electricity. CBZ Holdings has modelled the overall electricity consumption based on the floor area. 100% of the electricity was purchased from the grid.

Dual Reporting

According to the GHG Protocol Scope 2 Guidance released in January 2015, corporates are now to report two Scope 2 emission totals – location-based and market-based, known as 'dual reporting'. Since market-based emission factors (such as renewable energy certificates, supplier emission factors or other tracking mechanisms) are not available to any of CBZ Holdings' locations, the Group adopted residual emission factors where they are available.

CBZH's Scope 2 emissions (location-based) during FY2023 were 532.9 tCO2e. In the absence of residual emission factors, market-based emissions are computed as 532.9 tCO2e.

100% of the emissions are contributed by the sites in Zimbabwe.

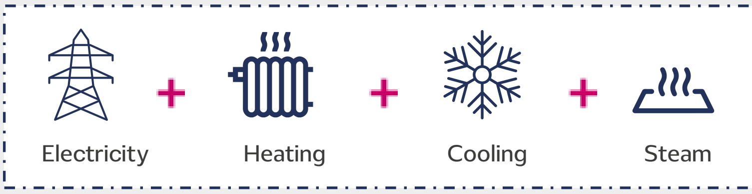
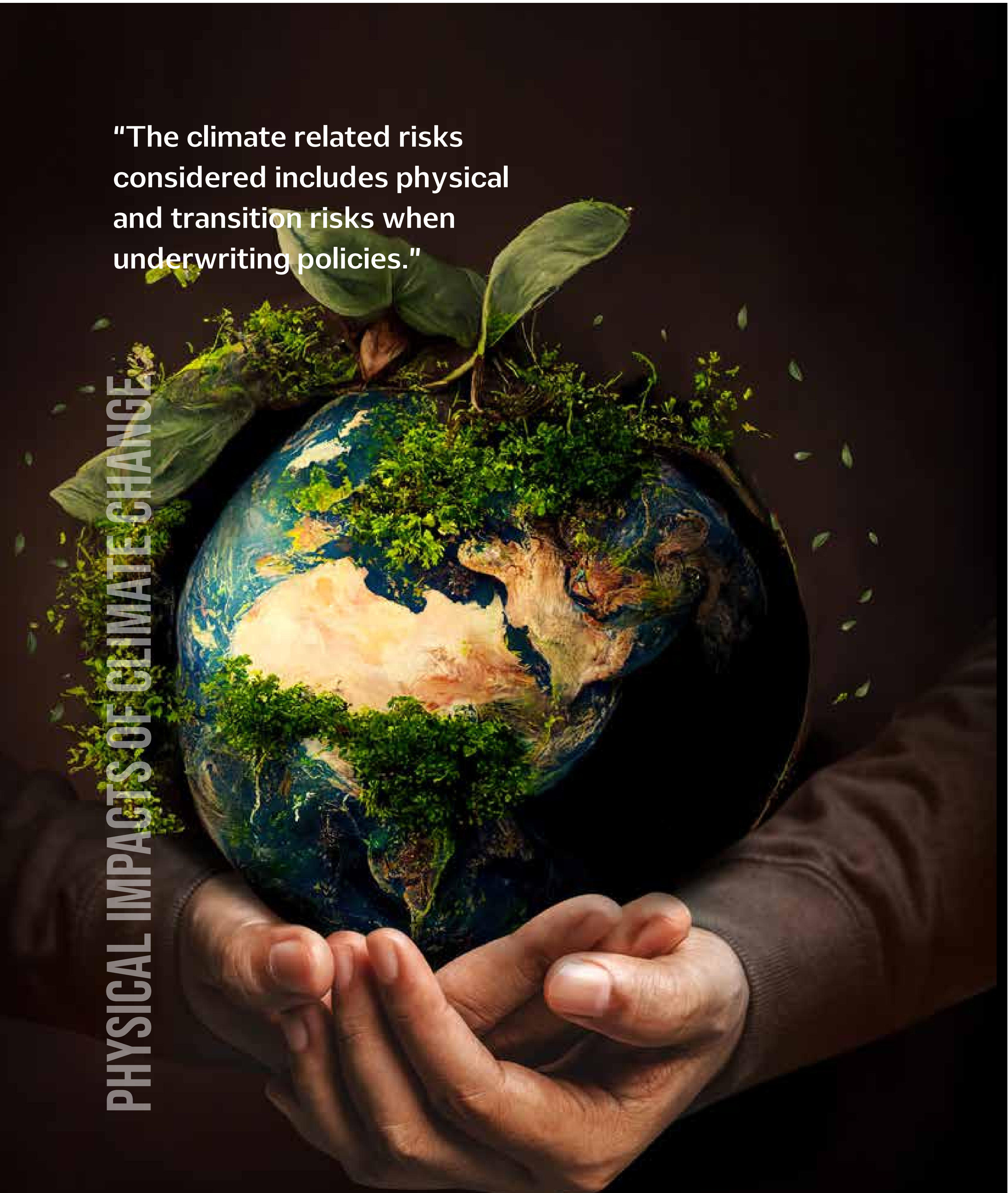


TABLE 3: FUEL AND REFRIGERANT USE AND EMISSIONS, FY2023

Energy	Unit	FY 2023	Emissions (tCO2e)
Electricity	kWh	925,368	532.9

PHYSICAL IMPACTS OF CLIMATE CHANGE

"The climate related risks considered includes physical and transition risks when underwriting policies."



Physical Impacts of Climate Change

The Group is cognisant of how climate change impacts its operations and that of its stakeholders. The Group effectively navigates the challenges by addressing physical impacts through proactive risk management, scenario planning, and incorporating climate considerations into every facet of its operations and strategic planning. To help with catastrophe modelling, defining and characterizing risk exposures, products, and risk pricing in a range of various demands, the Group regularly reviews its systems to acquire detailed data. The Group has in place, a Crisis Management Plan (CMP) that helps to chart the way forward for the Group Operations. The goal is to harmonize the methods used to characterise risk components so that various risks, products, and policies may be compared and understood.

The Group is not spared from the physical impacts of climate change with the following challenges being an everpresent threat:

- Increased credit risk
- Insurance costs and availability
- Regulatory and compliance costs
- Liquidity risk and reputation
- Operational disruption
- Asset devaluation
- Investment in adaptation and mitigation
- Market perception

Providing solutions to the challenges stated above is a key differentiator for CBZ Holdings to succeed in the fast-paced operating environment. Some of the solutions that have proven to be effective are:

Climate Risk Management: Creating frameworks for assessing and managing the climate risks connected with loan portfolios and investments. The Group through the Group Risk Management and Compliance functions has aligned processes, policies and procedures to the Reserve Bank of Zimbabwe championed Climate Risk Management Guidelines.

Sustainable Lending methods: Prioritisation of finance and support to customers that use sustainable methods and reduce their carbon footprint. The Group has in place an Environmental and Social Checklist that is part of every funding application that is considered by the various lending committees.

Collaborations: Partnering with governments, non-governmental organizations (NGOs), and other stakeholders to develop solutions for increasing climate resilience. CBZ Holdings through its lending subsidiaries has collaborated in various activities and opportunities with government and line ministries in high impact activities.

For insurable risks that relates to environmental risks, the Group carries out assessments to ascertain whether a risk is insurable and can be accommodated within the current reinsurance structures. If there is appetite for the risk, a premium is charged taking into consideration reinsurer's terms clarifying any further reinsurance support required. Risk assessment and survey is carried out to ensure proper and adequate risk management tools are in place. Prior to assuming responsibility, assessors and other specialists are assigned the duty of evaluating the nature of the risk and any possible exposures associated with climate change. To determine the premium and reach a consensus with the client, the assessment team provides a report that can be used alongside a market scan of the risk. After this, the focus is on mitigating risk and securing additional reinsurance coverage.

When underwriting policies, climate-related risks are assessed, including physical and transition concerns. Physical risks are related to climatic catastrophes such as floods, wildfires, and drought, while transition risk is related to changes in business processes that have an influence on the environment. The Group continues to collaborate with reinsurers to model climate-related risks and examines the reinsurer's risk appetite while considering the agreed-upon rating and placement structure.

By proactively addressing the physical impacts of climate change, the Group ensures financial stability and contributes to more sustainable operations.


SOCIAL
SOCIAL

SOCIAL
Human Rights & Community Relations

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

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.

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, improves standards of living of communities and provides 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.

Through CBZ Agro-Yield the Group supports financial inclusion in sustainable agricultural financing by the delivery of financial services and agricultural inputs at affordable costs to sections of disadvantaged and low-income segments of society. The company supports small scale farmers, women and youth in rural areas. The country achieved food self-sufficiency in 2023 with record winter wheat harvest of more than 400,000 tonnes in the country. More than 5,000 jobs were directly created and agriculture contributed towards the economic growth and development in 2023. More than 5 local agricultural inputs suppliers were engaged and benefited from the input supply business.

The Group through Redsphere finance has continued to support a solar project which benefited 85 schools in Manicaland and Matebeleland provinces. Mwenje Technologies Private Limited was awarded a contract by UNICEF to procure and install solar power packages and infrastructure as an alternative and sustainable power source for 85 schools in two provinces, Matabeleland South (Beitbridge, Umzingwane and Matobo) and Manicaland (Buhera) Lots 2, 5 and 6. The project began in 2022 and the Company has received two facilities from the company one in 2022 and another in 2023. At the end of this project, each school would have access to clean energy on its premises, as well as a maximum of 40 computers for use by students, promoting digital learning within the schools. Learners will have equal opportunities because they will have access to a variety of learning methods.

Customer Privacy

CBZ Holdings has in place policies and procedures that govern the use of information for secondary purposes. Part of the customer onboarding and loan application process requires client agreement with regards to sharing of their information to any credit bureau by acknowledging a declaration and acceptance clause. The Central Bank which regulates the Group's operations 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.

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 Holdings 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
We experienced a cyber-attack on our SMS gateway which was being used on an account onboarding system. The resultant was a denial of service on the system as there was generation of high volumes of SMS messages being generated leading to authentic SMS messages not being delivered in time due to the backlog created by the cyber-attack.

We ha ve sim swap frauds where fraudsters gain access to other clients mobile banking application through social engineering. The social engineering gives the fraudsters access to clients ID number and account number which is then used to do password resets and gain access into the mobile app.

During the period under review a captcha was put in place on the account opening website and security questions were improved on the mobile banking application as a corrective measure to prevent scripts from inadvertently running onto the platform and causing cyberattacks. There were 21 customers whose mobile app had breaches, which led to a loss of ZWL$ 135,904,612.

Card-related Fraud and Incidents
The Group has seven Card Not Present (CNP) fraud incidents, all of which included non-three-dimensional verified transactions with an E-Commerce signal. The merchant began 10 transactions using saved credentials in file Entry mode. All transactions were correctly charged back in dispute category 10.4 Fraud - Card Absent Environment. There were no losses on transactions that were protested as fraudulent. 288 instances were contested as fraudulent and 46 accounts were compromised, totalling US$18,994.

In a quest to minimise and eliminate the challenges stated above the Group is continuously looking to strengthen its security protocols on all platforms and customer touch points. The Group has also instituted client education, employee fraud awareness campaigns and employee training.

Access & Affordability

CBZ Holdings plays a crucial role in promoting small business and community development, as well as fostering financial inclusiveness in Zimbabwe. CBZ Holdings is currently prioritizing the onboarding of new partners and driving their promotion through Product Finance as opposed to disbursing cash for loans provided to clients in the microfinance space. The Group has rolled its order finance programme to help businesses increase their capacity and reach their target markets more effectively.

During the period under review, the Group through Redsphere Finance supported small businesses through loan facilities in line with RBZ's Financial Inclusion Strategy which is in turn is aligned with Sustainable Development Goals (SDGs). The Group is also looking to reduce reliance on payroll-based lending and support small businesses in agriculture, health, producing marketable commodities and those into infrastructure development.

Financial Inclusion & Literacy

Redsphere Finance partnered with Goal Zimbabwe in enhancing financial literacy under the UPLIFT program sponsored by USAID. The company is also partnering with Federation of Organizations of Disabled People in Zimbabwe (FODPOZ) and other disability organisations to provide funding to people with disabilities for businesses under a supervised program. There are loan products that the company has such as pay day loans, pension loans as well salary-based loans that do not discriminate on the nature of account one has. The Group will also be looking to secure grants and funding with favourable terms, we believe this will have a significant positive impact on small businesses and community development.

The Group's products and services are distributed through a wide range of channels, including brokers for insurance products, independent and tied agents, branches, electronic platforms and direct marketing. The Group's Contact Centre plays a crucial role in distributing information and enhancing the marketing team's efforts by directly engaging with prospects and existing customers via email, telephone calls and social media. Communication with clients is guided by our Group Communication policy, which ensures effective and professional interaction. Products and services come with their terms and conditions attached and they are also communicated via SMS during the customer onboarding process. The Sales & Marketing Divisions also communicate product benefits, rates and coverage. Customers are kept informed and involved throughout the after-sales lifecycle via SMS, which includes reminders about premiums, instalments and other necessary obligations. We also utilize physical visits and telephone calls to effectively communicate important information to our clients as part of our customer engagement process.

Labour Relations

CBZ Holdings' labour practices are in accordance with the Zimbabwean Labour Act.

Labour Relations Management:
Employees and their representatives are given a minimum of 4 weeks' notice before any significant operational changes that may impact them are implemented, which is equivalent to 1 month. The notice is effectively communicated through workers council and circular announcements.

Freedom of Association & Collective Bargaining:
CBZ Holdings acknowledges and fully supports the rights of workers to engage in collective bargaining for their terms and conditions of work, as it is a universally recognized right of workers. Under the company's Employee Relations and Communications policy, employees have the right to engage in collective bargaining using the appropriate channels and procedures outlined in the Labour Act and relevant Statutory Instruments for Banking and Insurance Industries. These measures facilitate the following:

- Providing employees with the opportunity to attend trainings that promote workers' rights,
- Permit employees to conduct union meetings on the premises of the employer,
- Permit the union to run worker rights education campaigns.

Child Labour
The Labour Act prohibits the employment of any minors (below 18 years of age). CBZ Holdings does not engage minors for labour and does not support parties engaged in child labour. The Group will ensure that all its Service Level Agreements with suppliers adhere to the labour laws of Zimbabwe and the International Labor Organisation 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 organisations in other countries and targets to engage compliant parties which are open to scrutiny against malpractices. To 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 Holdings 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 adheres to the Protocol of 2014 to the Forced Labour Convention 1930 as ratified by the Zimbabwean Government, showcasing the company's dedication to eradicating forced labour in all its manifestations. CBZ Holdings prioritizes the well-being of its employees by implementing an Anti-Bullying, Harassment and Discrimination policy. This policy not only educates workers but also empowers them to understand their rights, assert their rights and maintain a respectful work environment. The Group extends the same policy to third parties who engage in business with us.

Employee Health & Safety

Occupational Health & Safety Management System: The Safety, Health & Wellness System of CBZ Holdings Ltd and its Subsidiaries (The Group) is designed to foster a secure work environment, mitigate potential safety and health risks and always prioritize the well-being of employees. The OSH System applies to all employees within the Group, including CBZ Holdings Limited, CBZ Bank Ltd, CBZ Capital, CBZ Life, CBZ Insurance, CBZ Risk Advisory Services, CBZ Asset Management (DATVEST), CBZ Properties, Redsphere Finance and other workers who are not directly employed by CBZ Holdings. The Zimbabwean government oversees 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 an established formal joint management-worker health and safety committee. The committee is made up of Health, Safety & Wellness representatives, a representative from the Premises & Projects Department and a representative from the Premises Security & Risk Department. It is led by the Employee Safety, Health & Wellness Coordinator. The role of a Health and Safety Committee is to identify and assess workplace hazards and actively contribute to the creation and execution of initiatives aimed at safeguarding the well-being and security of employees. Meetings are held on a quarterly basis and workplace safety assessments are conducted monthly.

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 the adequacy of firefighting equipment at all buildings including branches during their routine visits.

Reporting of work-related hazards and hazardous situations: Employee Wellness Champions are informed about work-related hazards and are committed to address them through established channels. The policy provides protection for employees who take charge and make the executive call to remove themselves from a hazardous situation. Effective participation from both management and staff is crucial for the success of safety, health, wellness and environmental matters. Employees take ownership of their work environment and promptly notify management of any equipment issues or hazardous conditions in their workstations. Management then escalates these matters to CBZ Properties. Additionally, there is a dual reporting system in place with the Loss Control and Security Department for the purpose of servicing and maintaining fire extinguishers and ensuring the security of emergency exit routes.

Removing workers from hazardous situations: Wellness Champions and Fire Marshalls have the authority to communicate with the leader of the Strategic Business Unit (SBU) and provide recommendations for necessary actions to be taken to prioritize the well-being of our employees and safeguard our valuable assets and equipment. Emergency Evacuation procedures are thoroughly taught to all employees and prominently displayed in each SBU.

Occupational Health Services: The Group does not gather personal medical health information from personnel. To get treatments, employees contact their preferred medical practitioner and use their medical insurance coverage. Medical practitioners keep medical health records while respecting patient-doctor confidentiality. Counselling cases handled by the resident therapist adhere to counsellor-client confidentiality. In circumstances that need further referrals, the client's permission is requested to contact professionals to resolve the issue. Medical records for workers treated by a Group-appointed doctor stay with the attending physician, who solely provides advice and direction.

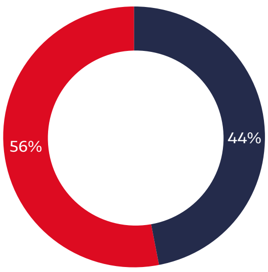
Promotion of Worker Health

Employee Healthcare Access: The Group provides comprehensive medical insurance for all permanent employees, extending coverage to spouses and up to 4 children. All medical insurance subscriptions are fully covered by the company. Furthermore, awareness campaigns for both communicable and non-communicable diseases are implemented. Some examples of screening campaigns are Breast Cancer, Cervical Cancer and Prostate Cancer. The company keeps track of staff who have used the service and the service provider maintains records of the medical treatment provided. The implementation of the campaign for annual medical check-ups aims to prioritize the well-being of staff members by promoting early care and treatment, while also encouraging a culture of proactive health-seeking behavior and long-term lifestyle changes. We establish partnerships with health service providers to ensure that all staff have convenient access to service providers.

Prevention and Mitigation of OH&S Impacts Directly Linked to Business Relationships: Staff receive comprehensive training on emergency evacuation procedures to ensure the safety of all individuals in the event of unexpected incidents such as fires, bomb scares and robberies. Furthermore, the Crisis Management Committee establishes plans to be executed in the case of natural disasters such as cyclones. Business Continuity Plans (BCPs) are regularly developed, evaluated and tested to ensure the efficiency of disaster management strategies.

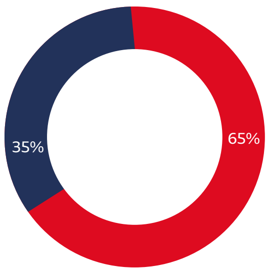
SOCIAL
Our Human Capital Framework

Gender
Group-wide



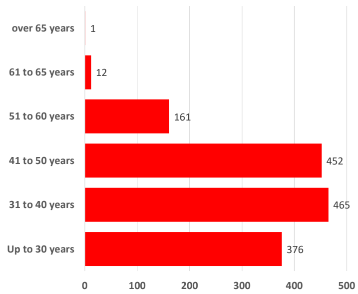
Male
Female

Gender
Management & Executive



Male
Female

Age
Group-wide



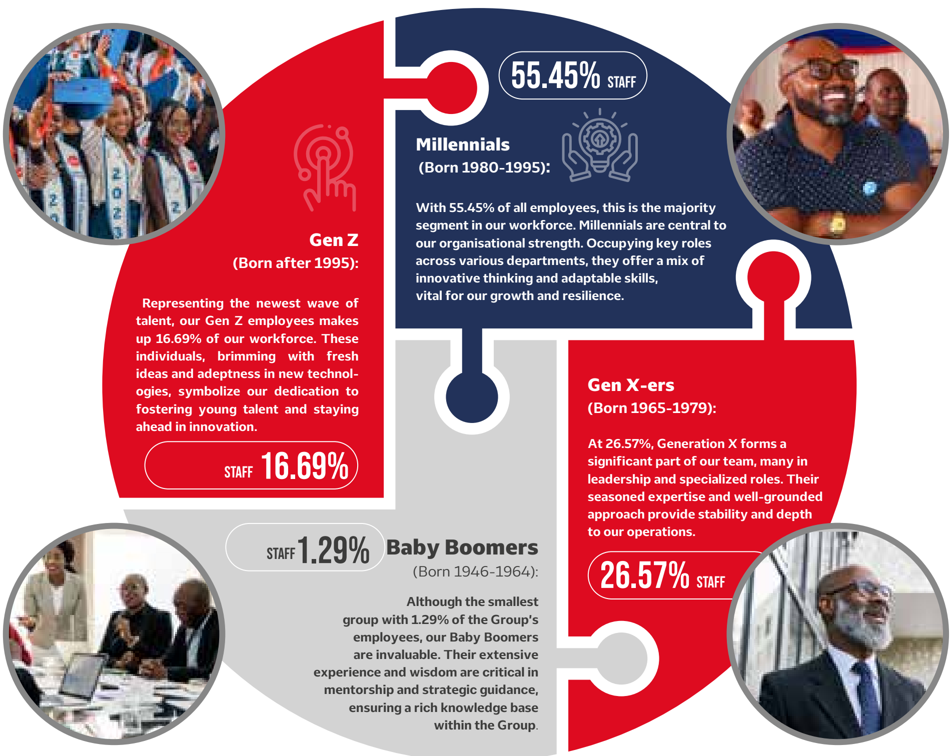
Geographical distribution

CBZ Holdings, as a leading financial services group, places significant emphasis on nurturing a diverse and skilled workforce that drives innovation, fosters growth, and contributes to our success. With representation across the nation, our workforce is a reflection of the rich diversity and that defines Zimbabwe, spanning across the expansive territories. Our employees, strategically positioned in various regions, bring a kaleidoscope of experiences, talents, and insights to the Group. Their dedication and commitment to our shared vision resonate deeply across these diverse landscapes, driving our collective efforts to serve our customers and contribute meaningfully to the socio-economic fabric of every community we touch. Together, our employees across Zimbabwe stand as a testament to CBZ Holdings' commitment to inclusivity, and harnessing the strength of diversity for a brighter future.

Generational Breakdown

The Group's workforce is a dynamic blend of different generations, each contributing unique strengths and perspectives.

The accompanying chart offers a visual representation of this generational diversity, highlighting our commitment to creating a workforce that blends experience with innovation and tradition with forward thinking. This diverse generational mix not only enriches our company culture but also ensures a wide range of viewpoints and ideas, fostering creativity and a robust approach to business challenges.



Gender Distribution in Managerial and Executive Roles

Our commitment to gender diversity is evident in the composition of our workforce. Notably, women hold a significant presence in our managerial and executive tiers. Women in managerial positions constitutes 36.84% of our total female workforce. Overall, women represent 44.21% of the Group's total staff complement.

Beyond financial impact, this commitment reflects our dedication to creating an inclusive workplace that attracts top talent, engages employees, and aligns with ethical and regulatory standards. The diverse composition of our team and leadership not only strengthens our corporate reputation but also positions us as a socially responsible entity, resonating positively with stakeholders, customers, and investors alike.

Our Commitment to Young Leaders

CBZ Holdings has a notable representation of young employees under the age of 40 in key positions within the company, constituting 15.6% of the total staff complement.

This statistic highlights the youthful dynamism within our managerial and executive levels, showcasing our commitment to empowering young talent in leadership roles. The inclusion of managers under 40 in our corporate leadership brings a vital infusion of energy, innovation, and dynamic thinking to our organisation. These young managers, embodying a diverse range of experiences and perspectives, play a pivotal role in driving our company's adaptability in the ever-evolving business landscape. Their familiarity with emerging technologies and contemporary business trends position us to effectively navigate digital transformations and remain competitive. Moreover, these managers exhibit a forward-thinking approach to leadership, fostering a workplace culture that embraces change and continuous improvement whilst blending experienced wisdom with youthful enthusiasm and fresh perspectives. By cultivating a leadership team that spans various age demographics, we ensure a holistic decision-making process that harnesses the strengths of both seasoned experience and youthful vigour, reinforcing our commitment to sustained growth and corporate resilience.

Building Our Talent Pipelines

Attachées and Interns

The CBZ Holdings Student Enhancement and Experiential Development (SEED) program launched in 2023 stands as a testament to our unwavering commitment to education and youth development. Tailored to empower students, SEED provides a platform for experiential learning, skill enhancement, and career readiness. By offering internships and mentorship opportunities, SEED equips students with practical knowledge and a holistic skill set, preparing them for the challenges of the professional world. This program is crucial not only in fostering the next generation of leaders and innovators but also in bridging the gap between academic knowledge and real-world application. SEED exemplifies our dedication to investing in the future, ensuring that young talents are well equipped to contribute meaningfully to society and drive economic progress.

In 2023, we welcomed 134 SEED attachment students, reflecting our commitment to nurturing new talent and providing practical experience to the future workforce. Our first cohort participated in a graduation ceremony which commemorated their hard work as well as showed our appreciation to them. This initiative not only supports their professional development but also injects fresh perspectives into our company.

TOPP Students:

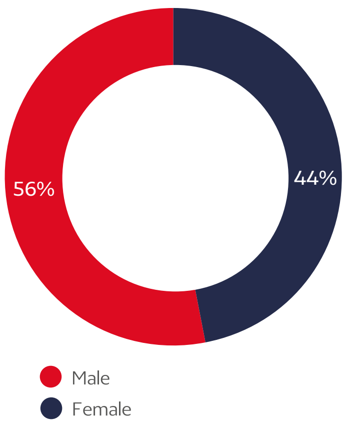
The CBZ Holdings Training out of Public Practice (TOPP) program for aspiring chartered accountants is a pivotal initiative aimed at advancing the professional development of our finance experts. This program offers trainee chartered accountants specialised training opportunities beyond the conventional public practice domain, providing exposure to diverse industry challenges and fostering a holistic skill set. By empowering them with cross-functional knowledge and industry-specific expertise, TOPP plays a crucial role in shaping well-rounded financial professionals. This initiative not only ensures our team's readiness to navigate the complexities of the financial landscape but also reinforces our commitment to staying at the forefront of industry best practices. As we invest in the TOPP program, we are strategically fortifying our talent pool, contributing to individual growth, organisational resilience, and sustaining CBZ Holdings' position as a leader in the financial services sector.

In 2023, we had 16 TOPP students with these individuals representing the next generation of Chartered Accountant professionals being groomed for future challenges, underscoring our dedication to continuous learning and leadership development. **We managed to have 100% pass rate for both our CTA Level 1 class as well as the ITC level students!**

Gender Distribution

The gender composition of our staff is balanced, with 55.79% males and 44.21% females This distribution highlights our efforts towards gender equality and creating an inclusive workplace.

Gender
Group-wide



Leadership Development

In 2023, our commitment to professional growth and leadership development reached new heights. All managers underwent comprehensive managerial development training, equipping them with the skills and insights necessary to navigate the evolving business landscape. Simultaneously, supervisors participated in a tailored supervisory development program, enhancing their ability to lead and support their teams effectively. Additionally, we proudly invested in the advancement of gender diversity and empowerment by sending selected female leaders to a Women in Leadership Boot camp. This initiative fostered a supportive community, provided strategic insights, and empowered these leaders with the tools to overcome challenges unique to their professional journey. These development programs collectively underscore our dedication to fostering a dynamic, skilled, and inclusive leadership team, ultimately contributing to our continued success.

Executive Coaching and Mentorship

As part of our ongoing commitment to executive development and fostering a culture of continuous improvement, CBZ Holdings proudly launched a Coaching and Mentorship program for executives. By providing our executives with personalised coaching and mentorship, coupled with a strong focus on emotional intelligence, CBZ Holdings aims to cultivate a leadership cadre that is not only strategic and skilled but also attuned to the nuances of interpersonal dynamics, thereby driving sustainable success for the organisation.

AWARD WINNER

Awards & Recognition

The Group won the following IPMZ HR Awards:

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE

- The Grand Prize for HR Practices in Zimbabwe
- HR Director of the year
- Leadership Development Program of the Year
- Early Career Development Award
- Wellness Leadership Award

CBZ Pink Breakfast attendees

Employee Safety, Health & Wellness

Occupational Safety, Health and Wellness is a major component of a healthy working environment. An ideal workplace is one that does not compromise the safety, health and wellness of Employees. , the promotion of a good safe and healthy working environment for employees is, therefore, a key factor that lubricates the organisational engine to achieve higher productivity. We continue to create a work environment that supports employee well being, with an ongoing focus on the mental, physical, social and financial wellbeing of our human capital.

To this end, 146 First Aiders were trained to equip them to adequately handle any emergencies that may arise, whilst 155 Wellness Champions were trained to enable them to carry out risk assessments in the workplace, identify hazards as well offer psychosocial support to peers.

We recorded zero work related fatalities and two injuries during the period under review.

Wellness Initiatives

Activities included participation in Breast Cancer Awareness sessions in partnership with the Cancer Association of Zimbabwe, hosting of the CBZ Pink Breakfast as well as the celebrations of Women's month during the month of March.

The aim was to raise awareness about the impact of breast cancer and encourage women to go for cancer screening and have mammograms as early detection saves lives.

CBZ Men Cave

We also hosted the 2023 CBZ Man Cave Edition for our male staff members. The objective was to address some of the biggest health issues faced by men i.e. prostate cancer, testicular cancer and mental health and suicide prevention in a safe space under the auspices of medical professionals.

Psycho-Social Support

Counselling continues to be offered to staff members to empower them to successfully cope with the various challenges that they come across on a day to day basis. The emotional support enables the affected employee to have a sense of belonging, feel valued, accepted and understood.

Staff Sporting & Recreational Activities

CBZ successfully defended its title as the overall winners of the 2023 IOBZ Interbank marking yet another milestone in the history of the Interbank Games.

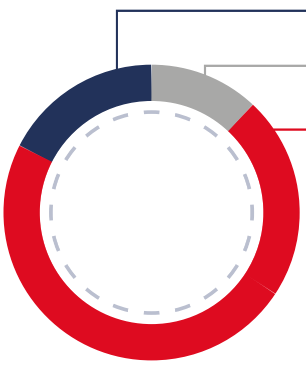
The much celebrated accomplishment was a moment of pride for CBZ that provided a platform for staff members to engage in friendly competition with other players in the financial services sector while fostering a sense of unity and camaraderie.

Events such as the Interbank Games epitomise the positive impact that a holistic approach to business can have on staff members by facilitating a healthy work life balance.

OUR ONLINE PRESENCE

The Group maintained online presence as part of its effective customer engagement drive. Platforms on which the Group has presence include Facebook, Instagram, X, LinkedIn and a YouTube channel. Followership grew by 20.23% to 250,430, with content impressions of 7.5million. We established a WhatsApp channel to keep our customers updated on any key developments and our products.

Digital Media Update



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.

Social Media Followership

Channel	2022	2023	Change %
Facebook	135,295	145,520	7.56
X	35,500	40,500	14.08
Instagram	6,186	9,310	50.50
LinkedIn	31,309	55,100	75.99
Total	208,290	250,430	20.23

Metrics	2022	2023	Change %
Reach (Av.)	701,425	830,900	18.46
Impressions	2,900,000	7,500,000	158.62

Website Insights

Metrics	2022	2023	Change %
Visitors (Av. Per week)	1,200	3,000	150

AWARD WINNER

Key achievements and awards

Global Finance Award

- Global Finance Best Bank Award in Zimbabwe 2023

MAZ Awards

- SuperBrand – Banking Sector Category
- Listed in Top 20 Business to Business category

Annual Service Excellence Awards

- CBZ Bank, Southern Region – Overall Banking category Winner
- Red Sphere Finance – Winner – Microfinance Sector Category
- CBZ Bank – 2nd Runner Up – Banking Sector Category
- CBZ Insurance – 1st Runner Up in the Short-Term Insurance sector

2023 Zimbabwe Agricultural Show Award

- 1st prize for the 2023 Best Display by Financial Institution

5. ZAMFI AWARDS

- First Runner up- Most Digitalised MFI

Pay City Of Harare with CBZ Touch
CBZ Touch allows you to make bill, fee and levy payments to City of Harare with a simple touch.
cbz TOUCH
Login
Sign Up
Open Account
cbz Bank
cbz Insurance
cbz Life
DATVEST
Download the CBZ Touch Mobile App on
GET IT ON Google Play
Download on the App Store
Select Zimbabwe when prompted for Country
Partners for Success
cbz Bank
Call: +263 8677004050 • WhatsApp: +263 774 460 460 / 774 461 461
Toll free: 460 / 461 • Mail: contactcentre@cbz.co.zw • Site: www.cbz.co.zw
vpcg.

GOVERNANCE

"As renewable energy becomes more affordable and fossil fuels are phased out, the Group anticipates a decrease in energy expenses."

GOVERNANCE

Governance ESG Considerations in Products & Services

Approach to ESG Incorporation:
CBZ Holdings incorporates ESG factors in all aspects of its operations as a commitment to sustainable and responsible investing while potentially generating long-term value for clients and stakeholders. The Group through CBZ Bank has a Credit Department that is responsible for evaluating the creditworthiness of borrowers. This requires ensuring compliance with the Credit Policy, where credit applications that violate the policy are not recommended for facilities. According to the company's Credit Policy, lending facilities will not be extended to businesses that engage in environmentally destructive practices or unethical conduct, including unethical labour practices. The management of ESG incorporation is handled at the Group level.

ESG trends deemed applicable to CBZ Holdings:
The Group seeks to continuously improve sustainability and ESG data collection methods and platforms. This success is based on raising awareness of the importance of operating sustainably in the broader ecosystem. Climate adaptation entails assessing the potential impacts of climate change on CBZ Holdings' operations, supply chains, and customers, as well as effectively managing any resulting disruptions.

Business Model Resilience & Innovation

Business Strategy and Resilience: Integrating ESG factors into the overall business strategy enhances the resilience of an entity's business model, opens opportunities for innovation and generates long-term value for all stakeholders.

Opportunities: The Group appreciates that there are significant opportunities and great responsibilities that comes with walking the sustainability journey to which we continually look forward to. It is a journey the Group cannot walk alone and it has therefore engaged thought leaders and subject matter experts in the following areas:

New Markets & Products:

Creating innovative financial products and services to meet the increasing need for sustainable solutions, such as green loans, ESG-focused insurance and sustainable investment funds is the focus.

Attract New Clients:

Attracting the attention of clients who value companies with robust ESG practices, both in terms of the environment and social impact.

Enhanced Reputation:

Showcasing strong leadership in sustainability is crucial for enhancing brand reputation and attracting top talent.

Risk Mitigation:

Recognising and handling environmental and social risks within the Group's diversified portfolio, which could potentially enhance your financial performance.

Regulatory Advantage:

Staying ahead of evolving regulations related to ESG disclosure and sustainability practices, with a focus on staying at the forefront of industry standards and best practices.

Philanthropic Impact:

Harnessing the CBZ Holdings available resources to champion sustainable development initiatives and promote social good especially through the efforts of the CBZ Foundation.

Risks

In business, where there are significant opportunities, there are also risks that need to be considered. Some of the risks that are present in the Group's journey are:

Shifting Client Needs:
There is an ever present threat of not being able to keep up with changing client sustainability preferences and failing to adapt our products and services accordingly.

Reputational Risk from Controversial Investments:
Increased scrutiny for financing companies with poor environmental or social practices.

Increased Costs:
Investments in developing new ESG-focused products, staff training and potential technology upgrades.

Data & Measurement Challenges:
Challenges in precisely measuring and reporting ESG.

Stranded Assets:
Loans to businesses that are unable to adapt to a changing environment may eventually become non-performing.

Greenwashing Accusations:
Potential concern of being seen as merely paying lip service to sustainability without taking tangible steps.

Every SBU in the Group will encounter distinct opportunities and risks associated with ESG and Sustainability. But the appreciation across business is that of a long-term view that will allow the Group to operate sustainably into the foreseeable future.

Impact of Environmental and Social Risks and Opportunities on CBZ Holdings

The impact of Environmental and Social risks and opportunities has been more prevalent in the period under review. Due to the drought that was forecasted and experienced there was a need to strategize and adapt the overall Group Strategy particularly on lending business exposed to Agriculture. The Group has a Business Continuity Plan (BCP) in place and it is reviewed regularly to align with climate change particularly when it comes to climate adaptation and mitigation activities.

The Group has in place 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

CBZ Holdings is actively addressing environmental and social risks, diversifying its product offering and adapting to market requirements. It is now providing financing for solar and income-generating products, demonstrating its commitment to sustainability and meeting customer needs. This is driven by the desire to expand our customer base beyond government clients and to ensure that our interest rates are in line with economic conditions and funding costs. Efforts to enhance efficiency in information technology will greatly enhance competitiveness and customer retention. The Group's Environmental and Social Risk Policy Framework outlines its approach to effectively managing and overseeing environmental and social risks within its operations, with a particular emphasis on the most critical issues. The Group thoroughly evaluates projects to ensure they align with all relevant laws, permits and ethical considerations. For medium and high-risk projects, the Group prioritizes frequent site inspections and monitoring to ensure that performance criteria are consistently met, to ensure it meets performance standards.

Digital Transformation

CBZ Holdings has been strategically adapting to the changing customer needs and competitive environment through an extensive digital transformation. The digital transformation is fueled by a strong drive to elevate the customer experience, optimize efficiency, foster innovation and minimize risk. The Group is deliberately investing in automating and digitizing transaction monitoring and risk assessment technologies to align with its expanding ESG commitments. It is crucial for the organisation to take a proactive approach in identifying, mitigating and responding to ESG issues as they arise. This ongoing digital transformation is a testament to the Group's forward-thinking funding in information and technology strategy, which have positioned it strongly for the future of banking.

Business Ethics

The Group continually grapples with the delicate task of harmonizing its drive for profitability with a commitment to ethical business practices. We understand that due to the scale and scope of CBZ Holdings' operations, potential conflicts of interest can arise. As an illustration, CBZ Capital can provide expert guidance to a company regarding mergers and acquisitions, while CBZ Bank fulfils a crucial funding role. Investors and consumers are always interested in the Group's commitments and history when evaluating our business ethics. It's crucial for us to maintain transparency and integrity to gain and maintain their trust.

Anti-Corruption and Anti-Money Laundering Training

Every employee and board member at CBZ Holdings receives comprehensive training on Anti-Corruption during their induction into the organisation. Training on other areas crucial to the Group's operations, such as Anti-Money Laundering, is also conducted concurrently. Regular training sessions and informative updates are provided throughout the year to ensure that all stakeholders are well-informed about the latest advancements in their respective fields.

Management of Legal & Regulatory Environment

The Group actively engages in public policy development and lobbying efforts, working through the Bankers Association of Zimbabwe. Through this association, the Group expresses its recommendations to the Central Bank for amending, reviewing, or repealing finance-related legislations that are not in the best interest of the public. In the agricultural sector, CBZ Agroyield is actively involved in public policy formation through its participation in associations and forums such as the Zimbabwe Agricultural Society.

CBZ Holdings also provides support in areas such as education, humanitarian efforts, sports, national progress, healthcare and the arts. The company strives to support public policy-related activities in these areas.

Political Contributions

The Group does not provide any financial or non-financial support to political parties, whether directly or indirectly. The company's policies dictate the procedures for handling Politically Exposed Persons (PEPs), such as the Credit Policy and Anti-Money Laundering (AML) Policy, are crucial for maintaining transparency and preventing financial crimes.

Compliance with Laws and Regulations

During the reporting period, CBZ Holdings did not have any recorded instances of noncompliance that led to fines or non-monetary sanctions.

Systematic Risk Management Approach

Stress testing plays a crucial role in managing systemic risk and has become a standard requirement for banks to assess their financial and operational capabilities. Demonstrating resilience is crucial. Although the Group conducts stress tests, these tests do not consider ESG risks and therefore do not contribute to the company's ESG strategy.

CBZ Holdings is committed to minimizing potential risks that may arise from non-insurance activities. Our comprehensive risk management policies and our credit and liquidity risk appetite guide our decision-making process.

CORPORATE GOVERNANCE

OUR APPROACH TO CORPORATE GOVERNANCE

Integrity, strong ethical values, professionalism and the highest standards of governance are core to CBZ Holdings Limited. The Board understands that effective governance is key to the successful development and execution of the Group's strategy. Governance is how the Board makes decisions and provides oversight to promote the success of the Group for the long-term sustainable benefit of our shareholders, having regard to the interests of our stakeholders, including our clients, customers, staff and the society and wider environment in which we operate.

The Group aims to stay abreast with the developments in good governance and has a governance framework that guarantees continous minimal 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 of 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 that has been approved and adopted throughout the Group. The Board is pleased to report that the Company complied with the provisions of the Code during the year ended 31 December 2023.

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, Legal and Compliance Committee and the Human Resources and Corporate Governance Committee (this committee also serves as the Nomination Committee), the Information Technology Committee and Strategy Committee are the Board's five primary committees. The Board reserves certain matters for its own consideration.

OUR GROUP EXECUTIVE TEAM

The Group Executive Committee comprises the Group's most senior executives. The Executive management team supports the Group Chief Executive Officer in managing the company's businesses. The team reviews and debates relevant items before consideration by the Company's Boards and Committees.
The Executive management team is responsible for developing and delivering strategy and priorities approved by the Boards, monitoring performance against key financial objectives, managing and overseeing asset and liability management, capital allocations, risk, disclosure issues, investments, acquisitions and disposals, operational issues, customer issues and succession planning. The Executive management team actively promotes the Group's culture and values.

Tawanda Gumbo
Capacity: Group Chief Finance Officer

Jack Smith
Capacity: Deputy CEO Investments Cluster

Rumbidzayi Angeline Jakanani
Capacity: Group Chief Governance Officer

Clemence Chimwanda
Capacity: Group Chief Risk Officer

Lawrence Nyazema
Capacity: Group Chief Executive Officer

Nyasha Mangwiza
Capacity: Group Chief Human Resources Officer

Matilda Nyathi
Capacity: Group Chief Marketing and Corporate Affairs Officer

Melanie May Vogt
Capacity: Group Chief Legal Officer

OUR GROUP BOARD

Luxon Zembe

Capacity: Group Chairman

Age: 67

Qualifications

- MBA degree from Henley International Business School.
- Chartered Fellow of the Chartered Institute of Personnel Development (CIPD) (UK).
- Fellow of the Institute of Directors.
- Fellow of the Zimbabwe Institute of Management.

Profile

Luxon is a highly experienced business management consultant who has consulted for many reputable private, public and non governmental organisations locally and regionally over the past 30 years. His corporate journey has taken him through practical executive experience in manufacturing, mining, financial and commercial sectors of the economy. This includes serving on the Reserve Bank of Zimbabwe Advisory Board and Monetary Policy Committee, as well as holding executive positions at Standard Chartered Bank. Luxon is a respected and experienced corporate strategist and currently is a Senior Consultant, Mentor and Trainer for the Zimbabwe Institute of Directors. His corporate leadership, moral compass and integrity has stood the test of time making him adequately positioned to provide strategic leadership to the Company.

Luxon is the former President of the African Chamber of Commerce and founding Vice President of the Pan African Chamber of Commerce and Industry.

He served as an Independent Non-Executive Director on the ZB Financial Holdings Board from 21 September 2022, was appointed as Chairman on 1 August 2023 and retired from the ZB Board on 12 April 2024 upon his appointment onto the CBZ Holdings Limited Board.

Lawrence Nyazema

Capacity: Group Chief Executive Officer (Executive Director)

Age: 53

Qualifications

- B.BA in Business Management from Mancosa, South Africa.
- M. Sc in Finance from University of London, United Kingdom.
- Diplomas in Banking from the Institute of Bankers South Africa & Zimbabwe.

Profile

Lawrence has 32 years banking experience working with local, regional and international financial institutions in various capacities.

Before his appointment as Group Chief Executive Officer, Lawrence was the Managing Director of CBZ Bank Limited, a position he took up on 1 January 2022 after joining the Bank as Executive Director – Wholesale Banking in January 2020. Prior to that he spent 19 years with Barclays Bank (now First Capital Bank) in various capacities including that of Commercial Director from April 2011 to December 2019 and Treasurer from July 2007 to March 2011. His career started at ZB Financial Holdings spanning from 1990 to the year 2000 where he occupied various positions starting off as an Analyst to Senior Treasury Dealer by the time he left.

Lawrence also serves as the current President of the Bankers Association of Zimbabwe.

Tawanda Lloyd Gumbo

Capacity: Group Chief Finance Officer (Executive Director)

Age: 52

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 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 the former 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.

Edward Ushemazoro Mashingaidze

Capacity: Board Director (Independent Non-Executive Director)

Age: 68

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: 70

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.

Edward Elio Galante

Capacity: Board Director (Independent Non-Executive Director)

Age: 65

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.

Edward 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.

Rebecca Louisa Gaskin Gain

Capacity: Board Director (Independent Non-Executive Director

Age: 57

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: Group Chief Governance Officer (Company Secretary)

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.

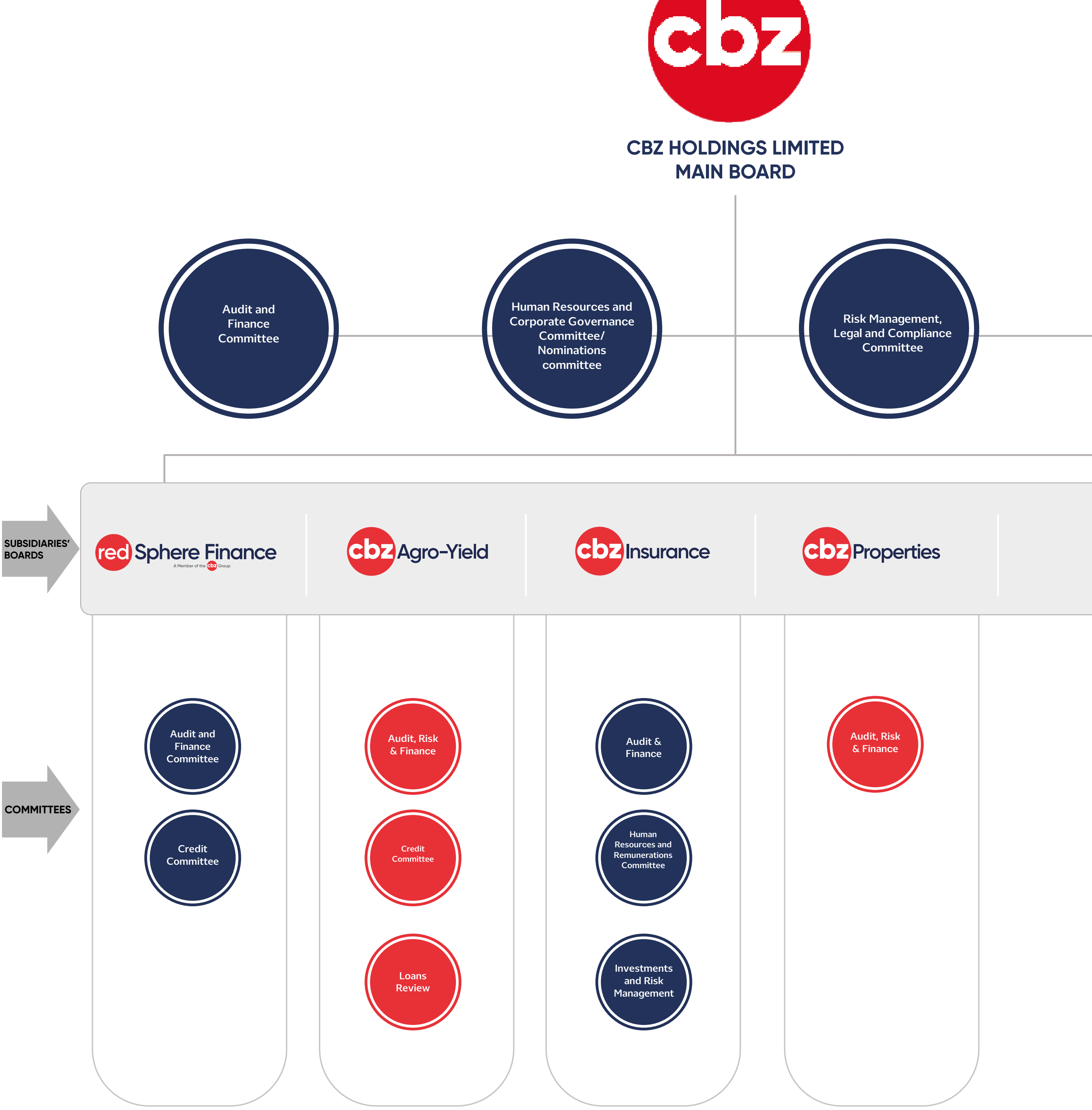
Profile

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 a position she held until December 2022 when she was appointed as the Group Chief Governance Officer.

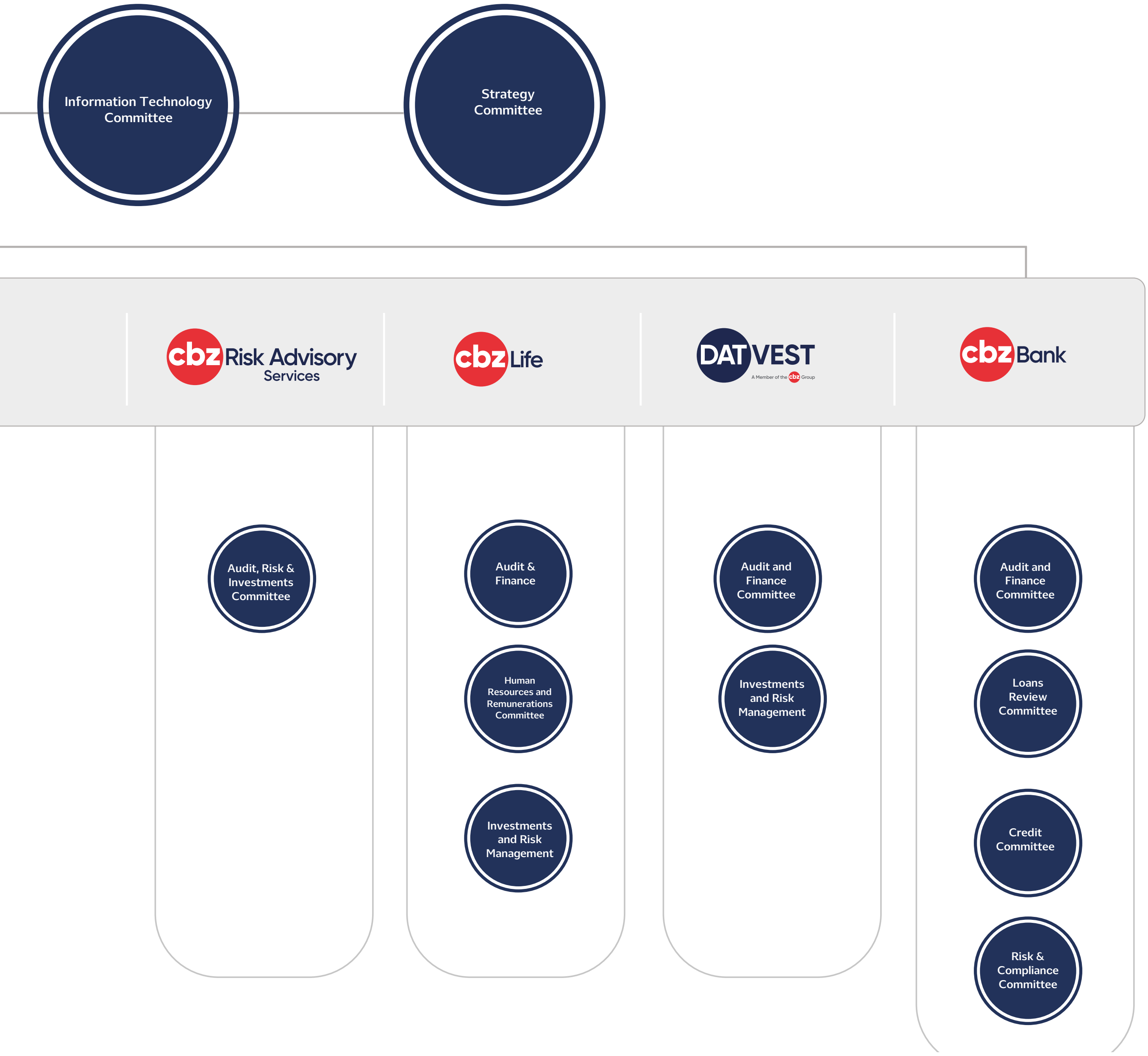
With her 19 years of diversified and uninterrupted experience providing corporate governance and company secretarial duties, she has facilitated corporate processes, securing favourable company terms and acquisitions. Rumbidzayi offers strong governance and leadership skills and provides guidance to 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.

OUR BOARD GOVERNANCE STRUCTURE



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


Information Technology Committee
Strategy Committee
cbz Risk Advisory Services
cbz Life
DATVEST
A Member of the cbz Group
cbz Bank
Audit, Risk & Investments Committee
Audit & Finance
Human Resources and Remunerations Committee
Investments and Risk Management
Audit and Finance Committee
Investments and Risk Management
Audit and Finance Committee
Loans Review Committee
Credit Committee
Risk & Compliance Committee

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, economics 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.

The Board of directors reviews and sets the strategic direction of the Group and, as appropriate, the strategies for each of its businesses, within the parameters set by the Group Board. The Board also oversees the execution of the Group strategy and holds executive management to account for its delivery.

Integrity and availability of information to the Board

All directors receive accurate, timely and clear information on all relevant matters and have access to the advice and services of the Chief Governance Officer. In addition, all directors are able, if necessary, to obtain independent professional advice at the Company's expense.

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.

Balance and Diversity

The Board is structured to ensure that the directors provide the Group with the appropriate balance of skills, experience, knowledge and diversity, as well as independence. Given the nature of the Group's businesses, experience of banking and financial services is clearly of benefit and the Board has Directors with substantial experience in those areas.

The Board promotes diversity at board level focusing on the promotion of 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;
- The governance arrangements for the Board and its committees have been designed to enable the Board to exercise appropriate oversight.

Director Training and Professional Development

Directors have access to a wide range of briefing and training sessions and other professional development opportunities. Directors undertake the training they consider necessary to assist them in carrying out their duties and responsibilities. Non-executive directors discus``s professional development needs with either the Group Chief Governance Officer or the Chairman at least annually.

During 2023 the Board training programme covered corporate governance as a continuous refresher course, ESG principles & Director Responsibilities, Digital Transformation & Innovation for Boards and Senior Executives, Cybersecurity for Boards & Senior Management, IFRS 17, Financial Crime, Anti Money Laundering, Countering the Financing of Terrorism/Counter Proliferation Financing and training around the electronic board portal.

In addition, directors broadened their knowledge and understanding of the AML risks facing the Group by participating in inhouse discussions with executive management on top and emerging risks. A number of directors also accepted an invitation to attend the 2023 KPMG Audit Committee Forum.

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 exercise.

This report provides an overview of the Director Training programs conducted in 2023. 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.

Board Training Schedule

DATE	COURSE	FACILITATOR	CBZ HOLDINGS	CBZ BANK	CBZ AGRO YIELD	CBZ ASSET MANAGEMENT	CBZ INSURANCE	CBZ LIFE	CBZ PROPERTIES	CBZ RISK ADVISORY	RedSphere FINANCE
7 - 10 Mar	36th Corporate Governance Conference 7- 10 March	Advantage Training	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4-Apr-23	ESG Training	Zimbabwe Stock Exchange in partnership with Institute for Sustainability Africa	n/a	2	0	1	3	1	0	1	1
24 & 25 April 2023	Digital Transformation & Innovation for Boards & Senior Executives	Enterprise Governance of IT (EGIT) (South Africa)	5	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
24-Apr-23	Anti Money Laundering Countering the Financing of Terrorism/Counter Proliferation Financing	In house	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4
4-May-23	Environmental, Social & Governance (ESG)	Cathie Lewis Earth Energy (South Africa)	2	2	0	2	1	1	2	1	3
29 & 30 Jun 2023	Cybersecurity for Boards & Senior Executives	Enterprise Governance of IT (EGIT) (South Africa)	2	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10-Aug-23	2023 KPMG Audit Committee Forum	KPMG	0	1	n/a	1	2	1	1	1	1
11-Aug-23	BoardVantage (Electronic Meeting Pack Portal)	NasDaq	0	1	0	0	0	1	0	1	1
16-Aug-23	BoardVantage (Electronic Meeting Pack Portal)	NasDaq	3	1	0	2	1	2	1	0	0
28-Sep-23	Anti Money Laundering Countering the Financing of Terrorism/Counter Proliferation Financing	Financial Intelligence Unit and CBZ Group Compliance	1	4	0	1	1	2	2	2	0
12-Oct-23	Anti Money Laundering Countering the Financing of Terrorism/Counter Proliferation Financing	Financial Intelligence Unit and CBZ Group Compliance	2	0	0	0	1	0	0	1	1
2-Nov-23	IFRS 17	Shasat	n/a	n/a	n/a	n/a	3	3	n/a	2	n/a
8 - 11 Nov 23	35th Corporate Governance Conference		2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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.

Key focus in 2023 was on ESG training to bolster Directors' skills and knowledge in areas of sustainability.

Board Meetings
In 2023 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 Chairman. Other executives such as the Group 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.

DIRECTORS' RESPONSIBILITIES

Accountability
All directors receive guidance on their statutory duties under the Companies and Other Business Entities Act [Chapter 24:31] and are supported in the discharge of their duties by the Group Chief Governance Officer. Directors roles and responsibilities are continuously articulated through the Governance Report that is tabled quarterly through the Human Resources and Governance Committee. In 2023 the Directors roles and accountabilities were refreshed and updated through targeted governance training programmes to ensure that directors continue to accurately reflect their role and responsibilities and are aligned with best practice. The Board has also approved and maintains the "CBZ Governance Code" which sets out the governance, systems and controls applicable to Group. The code is supported by relevant board policies and is made available to all directors and is reviewed and approved by the Board annually.

The Board maintains a register of directors' interests and appointments, which is reviewed annually by the Board, and there is discussion of directors' conflicts in Board meetings, as required.

RETIREMENT AND APPOINTMENT OF NEW DIRECTORS

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

Board Appointments during 2023

Name	Status	Board	Date of Appointment
Mr Luxon Zembe	Independent Non-Executive Director	CBZ Holdings Limited	1 December 2023
Mr Lawrence Nyazema	Acting Group Chief Executive Officer	CBZ Holdings Limited	1 December 2023

Board Retirements during 2023

Name	Status	Board	Date of Retirement
Mr Marc Holtzman	Independent Non-Executive	CBZ Holdings Limited	1 December 2023
Dr Blessing Mudavanhu	Group Chief Executive Officer	CBZ Holdings Limited	1 December 2023
Mr Caleb Makwiranzou	Independent Non-Executive	CBZ Properties	30 November 2023

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 cognisance 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. Our Board committees comprise of Directors with a variety of skills and experience so that no undue reliance is placed on any one individual.

The Board understands that by utilising committees, it achieves:

Enhanced expertise:

Committees allow board members with specific expertise to focus on relevant issues, leading to more informed decisions.

Increased efficiency:

By delegating specific tasks and diving deeper into complex matters, committees streamline board meetings and improve efficiency.

Improved oversight:

Committees provide a closer look at critical areas like financial reporting, risk management and executive compensation.

Enhanced accountability:

Committee members are directly accountable for their designated areas, promoting board ownership and responsibility.

Succession planning:

Committees can help identify and groom potential board candidates, ensuring a robust pipeline for future leadership.

The committees meet quarterly 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 (also sits as the Nominations 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	• 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. • The Nominations Committee is responsible for considering and making recommendations to the Board in respect of Board appointments. The Nominations Committee reviews the structure, size and composition of the Board, and makes recommendations to the Board in relation to any necessary changes, having regard to the overall balance of skills, knowledge, experience and diversity on the Board, the length of service of the Board as a whole; and the requirement to keep membership regularly refreshed. The Nominations Committee considers Board composition and succession planning at least annually.
Risk Management, Legal & 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.

Our Board believes that committees are the backbone of effective corporate governance. In the first quarter of 2024, the Board approved the setting up of additional Committees to allow the board to delve deeper into critical areas, fostering informed decision-making and enhanced oversight. The new committees that were set up are IT Committee and Strategy committee.

Committee	Members	Summary of Roles & Responsibilities
IT Committee	Mr. L. Gerken Mr. L. Zembe Ms. R.L Gaskin Gain	• The Committee assists the Board in the discharge of its duties relating to the provision of strategic direction, oversight and governance to ensure that IT initiatives support the Company's objectives while mitigating risks and maximizing value; • The Committee is established to assist the Board in fulfilling its oversight responsibilities related to information technology strategy, digital transformation initiatives, cybersecurity and data management; • The Committee serves as a forum for discussion, evaluation and recommendation on matters pertaining to Information Technology governance and digital innovation within the CBZ Group; • The Committee reviews, monitors and provides guidance on matters related to the Group's IT and information management strategies, governance, operations, policies and controls.
Strategy Committee	Mr. L Zembe Mr. E.U. Mashingaidze Ms. R.L Gaskin Gain Mr. L. Gerken Mr. T Galante Mr. L. Nyazema Mr. T Gumbo	• The Committee has the following duties and responsibilities: • Consider, review, analyse, monitor, evaluate and exercise general oversight of and make recommendations to the Board on the Company and the Group's strategic plan and overall strategy; • Consider and review (and where it thinks appropriate, recommending to the Board) all potential acquisitions and disposals of any business or business unit or significant asset by any member of the Group; • Review and evaluate any proposed merger, joint venture, profit sharing or similar transaction involving any member of the Group; • Review key strategic projects of the Group; • Assist the Board in assessing major financial plans and investment plans and other material issues that affect the strategic plan of the Company.

BOARD EVALUATION

A review of the effectiveness of the Board, including the Chairman, individual Directors and Board committees is conducted annually. An effective Board is the key driver of business growth and success; this is complemented where an organisation 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 2023 covered the following assessments:

- Board self-evaluation;
- Chairman's assessment;
- Individual Director assessment;
- Committee assessment.

All categories were evaluated as strong.

Progress following the 2023 evaluation
In 2023, the Board and Committee evaluation was facilitated by an external consultant. Key findings, recommendations and actions were aligned across the Group. The Board agreed on an action plan in response to the 2023 evaluation recommendations and implementation of the actions was overseen by the Human Resources and Governance Committee during 2024.

The Boards of Directors of the various units as at 31 December 2023 were constituted as tabulated below:

CBZ Holdings

Group Board

1. Luxon Zembe - **Board Chairman****
2. Edward Galante
3. Rebecca Gaskin Gain
4. Edward Mashingaidze
5. Louis Gerken
6. Lawrence Nyazema - **Group Chief Executive Officer****
7. Tawanda Gumbo - **Group Chief Finance Officer**
8. Rumbidzayi A. Jakanani - **Group Chief Governance Officer**

Group EXCO

1. Lawrence Nyazema - **Group Chief Executive Officer****
2. Tawanda Gumbo - **Group Chief Finance Officer**
3. Jack Smith - **Deputy CEO (Investments)**
4. Rumbidzayi A. Jakanani - **Group Chief Governance Officer**
5. Nyasha Mangwiza - **Group Chief HR Officer**
6. Matilda Nyathi - **Group Chief Marketing and Corporate Affairs Officer**
7. Melanie May Vogt - **Group Chief Legal Officer**
8. Clemence Chimwanda - **Group Chief Risk Officer**

CBZ Bank

1. Alex Marufu - **Interim Chairman**
2. Dr. Blessing Mudavanhu*
3. Edwin Shangwa
4. Dr. Christian Beddies
5. Tawanda L. Gumbo
6. Jiten Shah
7. Lawrence Nyazema**
8. Smangele Mandidi** **Acting Managing Director**

DATVEST

1. Never Mhlanga - **Chairman**
2. Conrad Mukanganga
3. Mirirai Moyo
4. Heena Joshi
5. Tendayi Muzadzi - **Managing Director**
6. Dr. Blessing Mudavanhu*
7. Tawanda L. Gumbo
8. Jack F. Smith
9. Lawrence Nyazema**

Red Sphere Finance

1. Jamille Jinnah - **Acting Chairman**
2. Walker Jabulani Ntini
3. Tsitsi Mariwo
4. Violet Masunda
5. Desmund Ali - **Managing Director**
6. Dr. Blessing Mudavanhu*
7. Tawanda L. Gumbo
8. Lawrence Nyazema**

CBZ Agro-Yield

1. Wayne Parham - **Chairman**
2. Percival Mazike
3. Walter Chigodora - **Managing Director***
4. Simbarashe Mhungu - **COO**
5. Dr. Blessing Mudavanhu*
6. Tawanda L. Gumbo
7. Lawrence Nyazema**
8. Wellington Mutizwa** **Acting Managing Director**

CBZ Risk Advisory Services

1. Livingstone Magorimbo- **Chairman**
2. Nomathema Ndlovu
3. Nhamo Marandu
4. Takawira Chinyani - **Principal Officer**
5. Dr. Blessing Mudavanhu*
6. Tawanda L. Gumbo
7. Lawrence Nyazema**

CBZ Insurance

1. Ambrose Matika- **Chairman**
2. Wilberforce Chitiga
3. Jame Mharadze - **Principal Officer**
4. Dr. Blessing Mudavanhu*
5. Tawanda L. Gumbo
6. Lawrence Nyazema**

CBZ Life

1. Henry Tshuma - **Chairman**
2. Munesh Narotam
3. Kamal Khalfan***
4. Jonah Mutizwa - **Principal Officer**
5. Dr. Blessing Mudavanhu*
6. Tawanda L. Gumbo
7. Lawrence Nyazema**

CBZ Properties

1. Motsi Sinyoro - **Acting Chairman**
2. Dr. Caleb Makwiranzou
3. Robert Snow - **Managing Director***
4. Hasmon Bvumbirai - **General Manager**
5. Dr. Blessing Mudavanhu*
6. Tawanda L. Gumbo
7. Lawrence Nyazema**
8. Jack F. Smith

Key:

* Retired in 2023

** Appointed 1 December 2023

*** Deceased 11 May 2024

Board Committee and Board Attendance Register

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER
(January to December 2023)

	Audit & Finance	Special Audit & Finance	HR & Corporate Governance	Special HR & Corporate Governance	Risk Management & Compliance	Main Board	Special Main Board	Board Strategy	Total Committees	Total Boards
Meetings Held	**4**	**3**	**4**	**7**	**4**	**4**	**6**	**1**	**22**	**11**
Holtzman, M.L	**	**	3	1	*	3	1	***	4	4
Zembe, L	1*	1*	1	1	1*	1	2	1	5	4
Gerken, L C	4	1	*	*	4	4	6	1	9	11
Gaskin Gain, R L	**	**	4	2	4	4	6	1	10	11
Mashingaidze, E U	4	1	4	7	**	4	6	1	16	11
Galante, E E	4	3	**	**	**	4	6	1	7	11
Dr. Mudavanhu, B ****	3*	***	2*	1*	3	2	1	*	6	3
Gumbo, T L****	4*	*	*	*	4	4	1	1	8	6
Nyazema, L****	1*	*	1	*	1	1	*	1	3	2

Key

*	Attended but not a member
**	not a member
***	did not attend
****	Executive
*****	Ex-officio member

CBZ Bank Limited Board and Committees Attendance Register
(January to December 2023)

Name	Audit & Finance	Special Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Main Board	Special Main Board	Total Committees	Total Main Board
Meetings Held	**4**	**3**	**4**	**4**	**4**	**4**	**4**	**8**	**23**	**12**
Dr MPA Marufu	**	**	**	4*	3*	4	4	8	4	12
ET Shangwa	4	2	*	4	3	*	4	4	13	8
Dr CH Beddies	4	3	4	4	3	*	4	4	18	8
J G Shah	4	3	4	*	*	4	4	5	15	9
Dr B Mudavanhu	2	-	*	2	3	2 *	2	2	9	4
T L Gumbo	4	1 *	4*	*	*	4	4	5	18	9
L Nyazema****	4	1*	4*	4	4	4 *	4	5	21	9
S Mandidi****	1	*	1	1	***	1 *	1	1	1	1

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

CBZ Asset Management (Private) Limited Board and Committees Attendance Register (January to December 2023)

Name	Audit & Compliance	Special Audit Committee (Annual Engagements)	Investments & Risk	Main Board	Total Committees	Total Boards
Meetings held	4	2	4	4	10	4
N Mhlanga	**	**	4*	4	8	4
MTV Moyo	4	2	*	4	6	4
CF Mukanganga	4	2	4	4	10	4
H. J. Joshi	4	2	4	4	10	4
Dr B Mudavanhu	3*	**	3*	3	6	3
T. L Gumbo	4*	**	4*	4	8	4
JF Smith	4*	**	4*	4	8	4
T Muzadzi****	4*	**	4*	4	8	4

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

CBZ Life Limited Board and Committees Attendance Register (January to December 2023)

Name	Investments & Risk	HR & Remuneration	Audit & Finance	Special Audit & Finance	Main Board	Total Committees	Total Boards
Meetings held	4	4	4	2	4	14	4
H Tshuma	4	4	4*	2	4	14	4
M B Narotam	4	4	4	2	4	14	4
K Khalfan	3	3	3	***	2	9	2
Dr B Mudavanhu	2*	2	2*	**	3	6	3
T L Gumbo	3*	3*	3*	**	3	9	3
J Mutizwa *****	4*	4*	4*	**	4*	12	4

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

CBZ Insurance Board and Committees Attendance Register (January to December 2023)

Name	HR & Remuneration	Investments & Risk	Audit & Finance	Special Audit & Finance	Main Board	Total Committees	Total Boards
Meetings Held	4	4	4	2	4	14	4
AKT Matika	4	4	4	2	4	14	4
W Chitiga	4	4	4	2	4	14	4
Dr B Mudavanhu	4	4*	4*	**	4	12	4
T L Gumbo	2*	2*	2*	**	2	6	2
J Mharadze*****	4*	4*	4*	**	4*	12	4

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

CBZ Risk Advisory Services Board and Committees Attendance Register (January to December 2023)

Name	Audit & Risk	Special Audit & Finance	Board	Total Committees	Total Boards
Meetings Held	4	2	4	4	4
L Magorimbo	*	*	4	*	4
N Ndlovu	4	2	4	6	4
N Marandu	4	2	4	6	4
Dr B Mudavanhu	4*	**	4	4	4
T L Gumbo	4*	**	4	4	4
J F Smith	4*	**	4	4	4
T Chinyani	4*	**	4	4	4

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

Red Sphere Finance Board and Committees Attendance Register (January to December 2023)

Name	Audit & Risk	Special Audit & Finance	Board Credit	Board	Total Committees	Total Board
Meetings Held	4	1	4	4	9	4
J. Jinnah	**	**	4	4	4	4
W.J. Ntini	4	1	*	4	4	4
T. Mariwo	4	1	4	4	9	4
V. Masunda	4	1	4	4	9	4
Dr B Mudavanhu	3	**	3*	3	6	3
T L Gumbo	4*	**	4*	4	8	4
D Ali**	4*	**	4*	4	8	4

Key
* Attended but not a member ** not a member *** did not attend **** Executive ***** Ex-officio member

CBZ Properties Board and Committees Attendance Register (January to December 2023)

Name	Main Board	Total Boards
Meetings held	4	4
M. Sinyoro	2	2
Dr Eng. C Makwiranzou	3	3
Dr B Mudavanhu	3	3
T L Gumbo	3	3
J F Smith	4	4
R.J. Snow**	4	4
H Bvumburai**	4	4

Key
* Attended but not a member
** not a member
*** did not attend
**** Executive
***** Ex-officio member

CBZ Agro Yield Board Attendance Register (January to December 2023)

Name	Main Board	Total Boards
Meetings Held	4	4
W D Parham	4	4
P S Mazike	3	3
Dr B Mudavanhu	4	4
T L Gumbo	2	2
W Chigodora**	3	3
S Mhungu**	3	3
W Mutizwa	1	1

Key
* Attended but not a member
** not a member
*** did not attend
**** Executive
***** Ex-officio member

REPORT OF THE DIRECTORS

We have the pleasure in presenting our report and the audited financial statements for the year ended 31 December 2023.

SHARE CAPITAL
The authorized and issued share capital of the Company is as follows:
Authorised: 1 000 000 000 ordinary shares
Issued and fully paid: 622 120 783 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 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Dividend Payout	45 927 978	6 086 249	32 100 000	1 012 734
Retained for future growth	647 700 799	155 254 076	976 976 018	80 021 987
	693 628 777	**161 340 325**	**1 009 076 018**	**81 034 721**

Directorate as at 31 December 2023

Mr Luxon Zembe (Group Chairman)	Independent Non Executive Director
Mr 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
Mr Lawrence Nyazema*	Group Chief Executive Officer
Mr Tawanda Lloyd Gumbo*	Group Chief Finance Officer
Ms Rumbidzayi Angeline Jakanani	Group Chief Governance Officer

*Executive

By Order of the Board

....
Rumbidzayi Angeline Jakanani
Group Chief Governance Officer

30 April 2024

SHAREHOLDER'S INFORMATION

ANALYSIS OF SHAREHOLDERS

Industry	Holders	% of Holders	Shares	% of Shares
COMPANIES	381	3.46	177 975 929	28.61
INDIVIDUALS	10 385	94.36	20 887 752	3.36
NON RESIDENTS	76	0.69	123 288 889	19.82
PENSION FUND	78	0.71	180 679 957	29.05
NOMINEES	41	0.37	117 014 234	18.81
INVESTMENTS TRUSTS & PROPERTY COMPANIES	33	0.30	635 799	0.10
INSURANCE	12	0.11	1 586 223	0.25
Total	**11 006**	**100**	**622 068 783**	**100**

Range	Holders	% of Holders	Shares	% of Shares
0 - 5 000	10 050	91.31	7 617 081	1.22
5 001 - 10 000	406	3.69	2 988 785	0.49
10 001 - 25 000	324	2.94	4 438 018	0.71
25 001 - 100 000	154	1.40	7 557 248	1.21
100 001 - 200 000	24	0.22	3 255 497	0.52
200 001 - 500 000	20	0.18	6 199 087	1.00
500 001 -	28	0.25	590 013 067	94.85
Total	**11 006**	**100**	**622 068 783**	**100**

CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2023

Account Name	Shares	% of Total
NATIONAL SOCIAL SECURITY AUTHORITY	145 049 769	23.32
AKRIBOS WEALTH MANAGERS NOMINEES	114 103 477	18.34
GOVERNMENT OF ZIMBABWE	110 000 000	17.68
LIBYAN FOREIGN BANK (NEW NON RESIDENT)	96 609 470	15.53
DATVEST NOMINEES (PVT) LTD	47 310 830	7.60
PUBLIC SERVICE PF	29 068 431	4.67
BLMH INTERNATIONAL HOLDINGS	15 670 453	2.52
KAJA TRADING LIMITED	10 601 987	1.70
QUANTAFRICA WEALTH MANAGEMENT	7 546 936	1.21
STANBIC NOMINEES (PVT) LTD	4 791 111	0.78
TOTAL	**580 752 464**	**93.35**
OTHER SHAREHOLDERS	**41 316 319**	**6.65**
SHARES IN ISSUE	**622 068 783**	**100**

SHAREHOLDER'S CALENDAR

Anticipated dates

Half year financial results to 30 June 2024
August 2024

Full year financial results to 31 December 2024
March 2025

Integrated Annual report and Annual General Meeting
July 2025

cbz Holdings


INSURANCE

ACTUARY'S REPORTS

CBZ INSURANCE (PRIVATE) LIMITED INDEPENDENT ACTUARY'S REPORT

As at 31 December 2023

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 2023, 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 2023, CBZ Insurance Company (Private) Limited:

- Had adequate solvency capital to meet the prescribed minimum regulatory requirement in accordance with ZiCARP, 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.
- There is however need to continuously monitor the liquidity position of the business.

For and on Behalf of,
Atchison Actuarial Services (Pvt) Limited

....

James Olubayi
Fellow of the Institute of Actuaries (FIA)

29 April 2024

CBZ LIFE (PRIVATE) LIMITED INDEPENDENT ACTUARY'S REPORT

AS AT 31 DECEMBER 2023

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

CERTIFICATE AS TO THE SOLVENCY OF CBZ LIFE AS AT 31 DECEMBER 2023

I, the undersigned, hereby certify that CBZ Life is solvent on an ongoing basis as at 31 December 2023 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 2023.

	31 DEC 2023 (ZWL$)	31 DEC 2022 (ZWL$)
Total Assets	87 285 932 577	7 207 991 869
Current and other Liabilities	(3 572 710 003)	(1 820 716 024)
Policyholder Liabilities	(39 082 103 464)	(1 943 745 135)
Excess Assets	**44 631 119 110**	**3 443 530 710**

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 2023.

	31 DEC 2023 (ZWL$)	31 DEC 2022 (ZWL$)
Total Admissible Assets	72 646 201 253	5 784 801 682
Current and other Liabilities	(3 572 710 003)	(1 820 716 024)
Policyholder Liabilities	(39 082 103 464)	(1 943 745 135)
Excess Assets	29 991 387 786	2 020 340 523
Minimum Capital Requirements	**75 000 000**	**75 000 000**
Minimum Capital Requirements*	**12 209 445 200**	**1 368 660 000**

*Based on Circular 42 of 2022 and yet to be gazetted into law. It is US$2 million at the year-end interbank rate.

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

The Company had admissible assets that exceeded actuarial and current liabilities as at 31 December 2023 by ZWL$29,991,387,786. The ratio of the Company's excess assets to the minimum capital requirement of ZWL$75 million as at 31 December 2023 was 39,989%.

Independent Actuary's Report (continued)

I hereby certify that, to the best of my knowledge and belief, at 31 December 2023, the value of the admissible assets in respect of all classes of life business carried out by CBZ Life Limited exceeded the amount of liabilities in respect of those classes of insurance by 39,989% of the minimum requirement of ZWL$ 75,000,000 subject to my comment above.

Published Basic Reconciliation of Excess Assets	**31 DEC 2023 (ZWL$)**	**31 DEC 2022 (ZWL$)**
Excess Assets per Published Accounts	**44 631 119 110**	**3 443 530 710**
Less: Inadmissible Assets	**14 639 731 324**	**1 423 190 187**
Plant and Equipment	226 076 019	8 821 242
Intangible Assets	-	-
Discount 20% on listed equity	2 106 293 220	245 467 649
Discount 20% on Investment Property	9 213 294 228	882 779 600
Discount 20% on property under PPE	2 240 224 770	175 512 881
Deferred Commission	-	-
Intercompany Assets	853 843 087	30 719 278
Prepayments	-	-
Deferred Reinsurance Commission	-	-
Investments at CBZ Bank Excess for one Bank	-	-
Premium Debtors	-	79 889 537
Excess Assets per Statutory Valuation	**29 991 387 786**	**2 020 340 523**

For and on Behalf of
Atchison Actuarial Services (Pvt) Limited

Signature: ....
Tinashe Mashoko FIA, FASSA
In my capacity as Revaluation Actuary
23 April 2024

GROUP FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the oversight of the Inflation adjusted consolidated financial statements preparation to ensure that they comply with the Companies and Other Business Entities Act (Chapter 24:31) and IFRS® Accounting Standards. 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 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 the 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 and IFRS
The Group's consolidated inflation adjusted financial statements have been prepared in accordance with IFRS® Accounting Standards and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations. 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 24:26).

The consolidated inflation adjusted financial statements results have been restated to take account 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 consolidated inflation adjusted financial statements were prepared by CBZ Holdings Limited's Group Finance Department, under the direction and supervision of the Group Chief Finance Officer, Mr Tawanda L. Gumbo, PAAB Number 0223.

By order of the Board.

T. GUMBO	L. NYAZEMA
GROUP CFO	**GROUP CEO**
30 April 2024	30 April 2024

INDEPENDENT AUDITOR'S 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

Qualified opinion

We have audited the inflation adjusted consolidated and separate financial statements of CBZ Holdings Limited (the Group and Company) set out on pages 114 to 212, which comprises of the inflation adjusted consolidated and company's statement of financial position as at 31 December 2023 and inflation adjusted consolidated and company's statement of profit or loss and other comprehensive income, inflation adjusted consolidated and company's statement of changes in equity and the inflation adjusted consolidated and company's statement of cash flows for the year then ended and notes to the inflation adjusted consolidated and company financial statements, comprising material accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matter described in the Basis for qualified opinion section of our report, 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 2023 and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the manner required by the 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 qualified opinion

As explained in notes 17.1 to 17.3 to the inflation adjusted consolidated financial statements, CBZ Holdings Limited increased its shareholding to 36.47% in First Mutual Holdings Limited (FMHL) and to 16.8% in First Mutual Properties Limited (FMP) during the year. As at 31 December 2023, both FMHL and FMP were accounted for using the equity method based on unaudited amounts with the equity-accounted investees amounting to ZWL339,5 billion, inflation adjusted, included in the inflation adjusted consolidated statement of financial position and the share of profit of equity-accounted investees, net of tax of ZWL 132,5 billion, inflation adjusted and share of other comprehensive loss of equity-accounted investees of ZWL 23.6 billion, inflation adjusted, being included in the inflation adjusted consolidated statement of profit or loss and other comprehensive income for the year then ended. Included in the inflation adjusted company's statement of financial position as at 31 December 2023 is the investments in associates, relating to FMHL and FMP amounting to ZWL 230,7 billion inflation adjusted carried at cost.

As disclosed in note 17.3, FMHL's subsidiary First Mutual Life Assurance Company signed a Memorandum of Agreement with the Insurance and Pensions Commissions which sets out correction actions required to ensure compliance with statutory and legal requirements. The possible impact on FMHL's financial position and financial performance of the actions set out in the Memorandum of Agreement are yet to be determined. Consequently, this may also have an impact on FMP's, a subsidiary of FMHL, financial position and financial performance which has been equity accounted for in the Group's financial statements.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group and Company's investment in FMHL as at 6 September 2023 (acquisition date) and as at 31 December 2023 and the Group's share of FMHL's profit and other comprehensive income for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts in the inflation adjusted Group and Company's financial statements were necessary in the circumstances.

Independent Auditors' Report (continued...)

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 qualified 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. In addition to the matter described in the Basis for qualified opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.
The key audit matters apply only to the audit of the consolidated financial statements. We have determined that there are no key audit matters to communicate in our report on the separate financial statements.

1. Valuation of investment properties and land and buildings

Refer to;

- Group and Company material accounting policies - the significant accounting estimates and judgements note 1.3 fair value measurement principles, 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 1.29
- notes to the inflation adjusted consolidated financial statements - the fair value measurement note19, the property and equipment note 20 and the investment properties note 21

Key audit matter	How the matter was addressed in our audit
The Group and holds land and buildings measured at fair value in accordance with IAS 16, Property, Plant and Equipment (IAS 16). The Group also holds investment properties which is measured at fair value in accordance with IAS 40, Investment Property (IAS 40). As at reporting date the Group had land and buildings valued at ZWL 399.5 billion inflation adjusted and also held investment properties valued at ZWL 395.9 billion inflation adjusted. Investment properties and land and buildings are subject to variability in values. The fair values of the properties were determined by a registered internal appraiser. The Group uses several methods, such as the implicit investment approach and market value of similar properties method in performing the valuations. The Group 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. Given the degree of complexity involved in determining the fair value of the land and buildings 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's land and buildings and the investment properties was considered a key audit matter.	Our procedures included the following: • Obtaining an understanding of the Group property portfolio and the selection of the methods used in the valuation of the different properties. • Performing an independent deeds search to confirm the ownership and accuracy of data such as land sizes and locations used in the property valuations. • Evaluating the professional qualifications, competence, capabilities and objectivity of the registered internal appraiser, employed by management, who valued the Group's properties through the inspection of their professional membership and reviewing their curriculum vitae. • Engaging our own professional independent property valuation expert to reperform valuations through a desktop valuation of a sample of the properties and compared their results to the valuations that were determined by the internal appraiser appointed by the directors. • 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 confirming their membership to professional associations. • Assessing the adequacy of the disclosures in the inflation adjusted consolidated financial statements in respect of the valuation of land and buildings and investment properties in accordance with IAS 16, IAS 40 and IFRS 13, Fair value measurement. • Testing the completeness of key inputs such as the land size, lettable area and property descriptions by inspecting the title deeds and assessing the changes from the prior year. Our engaged external property valuation expert 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 • Challenging the assumptions such as capitalisation rates, rent per square meter and market comparable prices used to the 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.

Independent Auditors' Report (continued...)

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

Refer to:

- Group and Company material accounting policies - significant accounting estimates and judgements note 1.3, expected credit loss and the impairment of financial assets policy accounting policy note 1,9
- notes to the inflation adjusted consolidated financial statements - the loans and advances to customers note 12, the expected credit losses on financial instruments note 13 and the credit risk note 35.3.

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 the loans and advances to customers. 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 loans and advances to customers has increased significantly since initial recognition. As at reporting date, the Group had net loans and advances to customers of ZWL 2.07 trillion inflation adjusted. The Group's ECL model includes certain judgements and assumptions such as: • the credit rating allocated to the counterparties; • the determination of the Group's definition of default; • the estimate of the likelihood of default over a given time horizon (probability of default (PD)); • the estimate of the loss arising in the case where a default occurs at a given time (loss given default (LGD)); • the estimate of the exposure at a future default date (exposure at default (EAD)); • the criteria for assessing a 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 held. • the incorporation of forward-looking information related to the expected outlook on the country's macro-economic variables and the gross domestic product growth rates used in determining the expected credit losses in the loans and advances portfolios; Due to the significance of the loans and advances to customers to the Group and the level of judgement 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; • Obtaining an understanding the Group's IFRS 9, Financial instruments (IFRS 9) policy and models. • Assessed whether the models are compliant with the requirements of IFRS 9 by inspecting the IFRS 9 accounting policy and IFRS 9 ECL model document. • Evaluating the effectiveness of credit risk management and governance controls by testing the design, implementation and operating effectiveness of controls implemented by the Group. • Identifying changes that were implemented in the ECL models parameters during the year and challenging management on the reasonableness and validity of the changes applied to key parameters. • Performing advanced credit risk reviews on a sample of loans and advances to customers which include significant borrowers and watchlist facilities by assessing the reasonability of credit risk ratings that had been applied in determining the probability of default (PD). • Testing the accuracy and completeness of historical credit loss information that is used in the development of the probability of default (PD) model by our engaged specialist by inspecting the source documents in the credit origination process. • Assessing the completeness, accuracy and validity of data and inputs used during the application of the ECL model by obtaining external confirmations for loan balances, reconciling the balances on the sub-ledger to the general ledger and agreeing interest rates to loan agreement. • Testing collateral data to confirm the registration of collateral recognised in the model by agreeing the value of collateral to supporting legal documentation • Assessing the adequacy of the Group's disclosures in respect of ECL as required in terms of IFRS 7, Financial instruments disclosures. Engaged our internal financial risk management specialists to: • Assessing the reasonableness of management's assumptions in the determination of the PD, EADs and LGDs for stage 1 and stage 2 loans by comparing against industry benchmarks. • Testing the LGD model for unsecured loans by using historical write-off and recovery data to create an independent LGD estimate. • Assessing the appropriateness of the Group's IFRS 9 ECL models by reperforming management's calculations using our own independent models. • Engaging an economist and using available external and independent macro-economic information (gross domestic product growth rates) to challenge management's judgements and assumptions incorporated into forward looking ECLs. • Performing an analysis of the financial performance of selected entities and independently computing the credit rating through use of an independent credit rating model.

Independent Auditors' Report (continued...)

The directors are responsible for the other information. The other information comprises the information included in the document titled "CBZ Holdings Group and Company Annual Inflation Adjusted Financial Statements for the year ended 31 December 2023", including the unaudited financial information in the consolidated and separate inflation adjusted 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and 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.

Independent Auditors' Report (continued...)

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

KPMG

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

30 April 2024

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 2023

	NOTES	AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000
Interest income	2	666 566 650	419 112 291	347 161 099	62 283 222
Interest expense	2	(118 802 280)	(64 681 474)	(57 312 467)	(10 206 580)
Net interest income		**547 764 370**	**354 430 817**	**289 848 632**	**52 076 642**
Non-interest income	3	1 858 045 431	859 443 413	1 681 718 367	182 882 917
Net insurance service result	4.1	(29 965 534)	(6 608 424)	(15 260 735)	(1 305 456)
Net insurance finance cost	4.2	(2 409 598)	(554 425)	(1 434 594)	(94 353)
Total income		**2 373 434 669**	**1 206 711 381**	**1 954 871 670**	**233 559 750**
Operating expenditure	5	(1 007 380 846)	(412 394 127)	(635 026 925)	(62 141 372)
Expected credit loss expense on financial assets**	13	(262 862 019)	(345 035 430)	(262 862 019)	(71 801 976)
Operating income		**1 103 191 804**	**449 281 824**	**1 056 982 726**	**99 616 402**
Net change in investment contract liabilities		(15 015 930)	(6 041 707)	(7 021 983)	(692 299)
Monetary loss		(340 002 176)	(177 422 220)	-	-
Share of profit of equity-accounted investees net of tax	17	133 084 060	-	136 078 242	-
Profit before taxation		**881 257 758**	**265 817 897**	**1 186 038 985**	**98 924 103**
Taxation	6.1	(187 690 830)	(104 529 946)	(176 989 495)	(17 896 978)
Profit after tax for the year		**693 566 928**	**161 287 951**	**1 009 049 490**	**81 027 125**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains on property revaluation		269 409 430	44 334 088	377 065 051	24 981 633
Gains on equity instruments at FVOCI		49 887 940	20 922 834	88 089 177	9 756 040
Deferred income tax relating to components of other comprehensive income	6.3	(67 395 551)	(18 423 626)	(96 545 944)	(4 731 324)
Other comprehensive income for the year net of tax		**251 901 819**	**46 833 296**	**368 608 284**	**30 006 349**
Items that are or may be reclassified subsequently to profit or loss					
Exchange gains/ (losses) on translation of foreign subsidiary	28.7	(452 367)	1 225 347	(452 367)	254 995
Share of other comprehensive income/(loss) of equity-accounted investees net of tax		(23 638 704)	-	5 002 560	-
Other comprehensive income for the year net of tax		**(24 091 071)**	**1 225 347**	**4 550 193**	**254 995**
Total comprehensive income for the year		**921 377 676**	**209 346 594**	**1 382 207 967**	**111 288 469**
Profit for the year attributable to:					
Equity holders of parent		693 628 777	161 340 325	1 009 076 018	81 034 721
Non-controlling interests	28.5	(61 849)	(52 374)	(26 528)	(7 596)
		693 566 928	**161 287 951**	**1 009 049 490**	**81 027 125**
Total comprehensive income for the year attributable to:					
Equity holders of parent		921 348 368	209 385 003	1 382 089 269	111 284 952
Non-controlling interests	28.5	29 308	(38 409)	118 698	3 517
Total comprehensive income for the year		**921 377 676**	**209 346 594**	**1 382 207 967**	**111 288 469**
Earnings per share (ZWL$cents)					
Basic	7.1	125 351.10	30 907.15	182 358.04	15 523.41
Basic diluted	7.1	125 351.10	30 907.15	182 358.04	15 523.41
Headline	7.1	92 124.51	24 946.18	132 758.13	12 195.62

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

*Restated due to the application of IFRS 17 and IAS 29. For IFRS 17 refer to transition note 1.2 under changes in significant accounting policies.

**Expected credit loss expense has been retrospectively classified as part of the operating income as it forms part of the normal operating activities of the Group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		AUDITED			UNAUDITED		
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000	RESTATED* 31 DEC 2021 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000	RESTATED* 31 DEC 2021 ZWL$ 000
ASSETS							
Cash and cash equivalents	9	1 862 786 839	1 264 186 479	653 538 146	1 862 786 839	263 077 584	39 562 931
Money market assets	10	203 411 608	170 389 707	402 296 086	203 411 608	35 458 149	24 353 610
Financial securities	11	1 256 248 248	238 508 024	15 932 814	1 256 248 248	49 633 591	964 517
Loans and advances to customers	12	2 072 759 719	846 797 880	923 430 349	2 072 759 719	176 218 892	55 901 268
Insurance assets	25	11 633 343	6 860 586	19 892 375	11 633 343	1 322 300	1 176 569
Reinsurance assets	25	12 435 590	6 816 156	4 651 553	12 435 590	1 418 444	309 234
Equity investments	16	121 924 725	83 301 256	89 566 377	121 924 725	17 335 017	5 422 039
Equity-accounted investees	17	339 520 466	-	-	283 577 859	-	-
Land inventory	15	100 079 665	99 958 376	98 315 213	5 929 505	1 657 513	552 094
Other assets	14	1 229 242 396	1 361 902 547	623 042 007	1 197 898 826	278 767 823	37 217 108
Current tax receivable		29 011 110	802 723	614 265	29 011 110	167 047	37 186
Intangible assets	22	4 488 301	4 450 467	5 024 028	2 178 935	257 276	213 757
Property and equipment	20	506 041 575	218 806 284	150 472 636	439 821 287	37 593 673	7 395 991
Investment properties	21	395 907 462	137 395 156	101 921 240	395 907 462	28 591 973	6 169 958
Deferred tax assets	23.1	112 825 350	152 842 164	59 899 487	112 825 350	32 351 158	3 628 478
TOTAL ASSETS		**8 258 316 397**	**4 593 017 805**	**3 148 596 576**	**8 008 350 406**	**923 850 440**	**182 904 740**
LIABILITIES							
Deposits	24	5 577 534 357	3 269 575 002	2 170 163 080	5 577 534 357	680 399 535	131 374 141
Insurance liabilities	25	47 766 328	19 497 579	32 084 170	47 766 328	4 057 452	1 942 264
Reinsurance liabilities	25	1 331 564	2 378 690	3 088 797	1 331 564	495 006	186 985
Other liabilities	26	551 249 641	272 850 395	265 906 340	550 393 457	56 450 213	15 764 242
Current tax liabilities		5 096 780	6 656 492	8 632 180	5 096 780	1 385 218	522 562
Investment contract liabilities	25.2	5 510 568	2 219 242	1 033 129	5 510 568	461 825	62 542
Lease liabilities	20.1b	4 204 553	1 257 836	599 141	4 204 553	261 756	36 270
Deferred tax liabilities	23.2	321 889 215	209 882 433	79 536 357	288 068 389	37 121 539	3 573 573
		6 514 583 006	**3 784 317 669**	**2 561 043 194**	**6 479 905 996**	**780 632 544**	**153 462 579**
EQUITY							
Share capital	28.1	4 447 876	4 444 842	4 444 842	6 221	5 220	5 220
Share premium	28.2	104 629 161	27 162 229	27 162 229	38 651 422	33 876	33 876
General reserve	28.10	(23 638 704)	-	-	5 002 560	-	-
Revaluation reserve	28.3	316 740 513	110 376 944	83 425 743	314 247 790	26 517 008	5 790 710
Shares awaiting allotment reserve	28.9	-	17 886 409	-	-	3 500 000	-
Share based payment reserve	28.8	9 414 991	9 414 991	9 414 991	569 951	569 951	569 951
Fair value reserve	28.6	91 840 016	46 392 923	26 524 793	91 965 224	11 232 948	1 964 010
Retained earnings	28.4	1 236 001 207	588 300 408	433 046 332	1 077 995 251	101 019 233	20 997 246
Foreign currency translation reserve	28.7	4 237 823	4 690 190	3 464 843	(120 343)	332 024	77 029
Equity attributable to equity holders of the parent		**1 743 672 883**	**808 668 936**	**587 483 773**	**1 528 318 076**	**143 210 260**	**29 438 042**
Non-controlling interests	28.5	60 508	31 200	69 609	126 334	7 636	4 119
TOTAL EQUITY		**1 743 733 391**	**808 700 136**	**587 553 382**	**1 528 444 410**	**143 217 896**	**29 442 161**
TOTAL LIABILITIES AND EQUITY		**8 258 316 397**	**4 593 017 805**	**3 148 596 576**	**8 008 350 406**	**923 850 440**	**182 904 740**

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

*Restated due to the application of IFRS 17 and IAS 29. For IFRS 17, refer to transition note 1.2 under changes in significant accounting policies.

L.ZEMBE
GROUP CHAIRMAN

30 April 2024

L.NYAZEMA
GROUP CHIEF EXECUTIVE OFFICER

30 April 2024

R. A. JAKANANI
GROUP CHIEF GOVERNANCE OFFICER

30 April 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

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	General reserve ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non-controlling interests ZWL$ 000	Total Equity ZWL$ 000
Restated												
31 December 2022												
Opening balance at 1 January 2022	4 444 842	27 162 229	-	9 414 991	83 425 743	26 524 793	3 464 843	-	436 774 159	591 211 600	72 249	591 283 849
Impact of initial application of IFRS 17 net of tax***	-	-	-	-	-	-	-	-	(3 727 827)	(3 727 827)	(2 640)	(3 730 467)
Restated opening balance at 1 January 2022	**4 444 842**	**27 162 229**	**-**	**9 414 991**	**83 425 743**	**26 524 793**	**3 464 843**	**-**	**433 046 332**	**587 483 773**	**69 609**	**587 553 382**
Profit for the year	-	-	-	-	-	-	-	-	161 340 325	161 340 325	(52 374)	161 287 951
Other comprehensive income for the year	-	-	-	-	26 951 201	19 868 130	1 225 347	-	-	48 044 678	13 965	48 058 643
Dividend paid	-	-	-	-	-	-	-	-	(6 086 249)	(6 086 249)	-	(6 086 249)
Issue of shares awaiting allotment	-	-	17 886 409	-	-	-	-	-	-	17 886 409	-	17 886 409
Closing balance at 31 December 2022	**4 444 842**	**27 162 229**	**17 886 409**	**9 414 991**	**110 376 944**	**46 392 923**	**4 690 190**	**-**	**588 300 408**	**808 668 936**	**31 200**	**808 700 136**
31 December 2023												
Opening balance at 1 January 2023	4 444 842	27 162 229	17 886 409	9 414 991	110 376 944	46 392 923	4 690 190	-	588 300 408	808 668 936	31 200	808 700 136
Profit for the year	-	-	-	-	-	-	-	-	693 628 777	693 628 777	(61 849)	693 566 928
Other comprehensive income for the year	-	-	-	-	206 363 569	45 447 093	(452 367)	(23 638 704)	-	227 719 591	91 157	227 810 748
Dividend paid	-	-	-	-	-	-	-	-	(45 927 978)	(45 927 978)	-	(45 927 978)
Issue of shares	3 034	77 466 932	(17 886 409)	-	-	-	-	-	-	59 583 557	-	59 583 557
Closing balance at 31 December 2023	**4 447 876**	**104 629 161**	**-**	**9 414 991**	**316 740 513**	**91 840 016**	**4 237 823**	**(23 638 704)**	**1 236 001 207**	**1 743 672 883**	**60 508**	**1 743 733 391**

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

*Restated due to initial application of IFRS 17 and the restatement due to requirements of IAS 29. For IFRS 17 refer to transition note 1.2 under changes in significant accounting policies.

* Foreign currency translation reserve ** Shares awaiting allotment reserve (Refer to note 28.9) *** Refer to Note 28.4.2

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	General reserve ZWL$ 000	Retained earnings ZWL$ 000	Total equity attributable to parent ZWL$ 000	Non-controlling interests ZWL$ 000	Total Equity ZWL$ 000
Restated												
31 December 2022												
Opening balance at 1 January 2022	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
Impact of initial application of IFRS 17 net of tax***	-	-	-	-	-	-	-	-	(267 269)	(267 269)	(838)	(268 107)
Restated opening balance at 1 January 2022	**5 220**	**33 876**	**-**	**569 951**	**5 790 710**	**1 964 010**	**77 029**	**-**	**20 997 246**	**29 438 042**	**4 119**	**29 442 161**
Profit for the year	-	-	-	-	-	-	-	-	81 034 721	81 034 721	(7 596)	81 027 125
Other comprehensive income for the year	-	-	-	-	20 726 298	9 268 938	254 995	-	-	30 250 231	11 113	30 261 344
Issue of shares awaiting allotment	-	-	3 500 000	-	-	-	-	-	-	3 500 000	-	3 500 000
Dividend paid	-	-	-	-	-	-	-	-	(1 012 734)	(1 012 734)	-	(1 012 734)
Closing balance at 31 December 2022	**5 220**	**33 876**	**3 500 000**	**569 951**	**26 517 008**	**11 232 948**	**332 024**	**-**	**101 019 233**	**143 210 260**	**7 636**	**143 217 896**
31 December 2023												
Opening balance at 1 January 2023	5 220	33 876	3 500 000	569 951	26 517 008	11 232 948	332 024	-	101 019 233	143 210 260	7 636	143 217 896
Profit for the year	-	-	-	-	-	-	-	-	1 009 076 018	1 009 076 018	(26 528)	1 009 049 490
Other comprehensive income for the year	-	-	-	-	287 730 782	80 732 276	(452 367)	5 002 560	-	373 013 251	145 226	373 158 477
Dividend paid	-	-	-	-	-	-	-	-	(32 100 000)	(32 100 000)	-	(32 100 000)
Issue of shares	1 001	38 617 546	(3 500 000)	-	-	-	-	-	-	35 118 547	-	35 118 547
Closing balance at 31 December 2023	**6 221**	**38 651 422**	**-**	**569 951**	**314 247 790**	**91 965 224**	**(120 343)**	**5 002 560**	**1 077 995 251**	**1 528 318 076**	**126 334**	**1 528 444 410**

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*Restated due to initial application of IFRS 17 and the restatement due to requirements of IAS 29. For IFRS 17 refer to transition note 1.2 under changes in significant accounting policies

* Foreign currency translation reserve ** Shares awaiting allotment reserve (Refer to note 28.9) *** Refer to Note 28.4.2

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	881 257 758	265 817 897	1 186 038 985	98 924 103
Non-cash items:				
Monetary loss	340 002 176	177 422 220	-	-
Depreciation	33 710 702	12 802 735	15 200 414	1 386 362
Amortisation of intangible assets	2 845 597	1 934 335	227 167	125 724
Write off of intangible assets	26 624	-	18 216	-
Write off of equity investments	-	10	-	1
Fair value adjustments on investment properties	(249 595 568)	(44 923 102)	(364 091 472)	(23 136 415)
Write off of right of use asset and lease liability	(1 385)	-	(13 530)	-
Fair value adjustments on financial instruments	(24 711 019)	27 997 634	(35 374 582)	(2 204 496)
Expected credit loss expense	262 862 019	345 035 430	262 862 019	71 801 976
Unrealised gain on foreign currency position	(871 449 606)	(533 164 083)	(871 449 606)	(110 951 605)
Loss/ (Profit) on disposal of investment properties	(1 463 754)	3 496 506	(695 883)	174 651
Changes in insurance and reinsurance assets/ liabilities**	6 037 483	(466 386)	6 037 483	(85 604)
Accrued interest on financial assets	(18 724 334)	(128 836 754)	(12 519 585)	(14 762 975)
Profit on sale of property and equipment	(999 202)	(62 682)	(814 146)	(13 280)
Share of profit in associate	(133 084 060)	-	(136 078 242)	-
Write off of property and equipment	7 799 888	153 907	1 010 574	73 711
Interest on lease liability	315 034	129 725	232 880	23 943
Operating cash inflow before changes in operating assets and liabilities	**234 828 353**	**127 337 392**	**50 590 692**	**21 356 096**
Changes in operating assets and liabilities				
Deposits	8 954 017 792	4 601 093 589	3 413 699 950	527 224 021
Loans and advances to customers	(3 450 290 454)	(202 114 563)	(1 292 329 864)	(23 159 637)
Life assurance investment contract liabilities	13 107 227	1 533 165	5 048 743	124 070
Insurance assets	(6 584 250)	(3 174 729)	(10 311 044)	(662 269)
Reinsurance assets	(1 961 613)	(2 007 239)	(1 818 481)	(376 009)
Insurance liabilities	36 247 275	24 135 660	25 700 457	3 003 044
Reinsurance liabilities	3 108 390	1 730 127	644 535	308 020
Money market assets	(250 933 252)	(85 440 026)	(43 046 031)	(8 108 060)
Financial securities	(4 568 106 926)	(425 364 627)	(1 114 424 784)	(48 713 208)
Land inventory	(121 288)	(1 643 164)	(4 271 992)	(1 105 419)
Other assets	56 969 542	(4 572 316 138)	28 867 049	(304 790 012)
Other liabilities	1 520 178 280	1 871 368 408	440 959 752	40 216 869
	2 305 630 723	**1 207 800 463**	**1 448 718 290**	**183 961 410**
TAXATION				
Corporate tax paid	(183 581 434)	(94 616 947)	(128 694 251)	(17 084 252)
Net cash inflow from operating activities	**2 356 877 642**	**1 240 520 908**	**1 370 614 731**	**188 233 254**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	5 000 253	6 493 249	1 862 982	605 826
Investment in equities during the year	(33 401 432)	(7 542 709)	(27 634 923)	(820 408)
Equity investments disposed during the year	34 124 152	6 733 042	22 514 274	867 965
Investments in associates	(53 794 442)	-	(16 574 904)	-
Purchase of investment property	(16 084 714)	(540 571)	(5 154 941)	(66 077)
Proceeds on disposal of property and equipment	1 087 333	88 092	819 005	14 213
Purchase of property and equipment	(50 937 573)	(36 248 670)	(38 379 802)	(6 534 157)
Purchase of intangible assets	(2 910 055)	(1 360 777)	(2 167 041)	(169 243)
Net cash outflow from investing activities	**(116 916 478)**	**(32 378 344)**	**(64 715 350)**	**(6 101 881)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	16 311 869	17 886 409	5 665 793	3 500 000
Lease liability principal repayment	(3 280 956)	(728 616)	(1 514 354)	(90 884)
Interest on lease liability paid	(315 034)	(129 725)	(232 880)	(23 943)
Dividend paid	(45 927 978)	(6 086 249)	(32 100 000)	(1 012 734)
Net cash inflow/(outflow) from financing activities	**(33 212 099)**	**10 941 819**	**(28 181 441)**	**2 372 439**
Net increase in cash and cash equivalents	**2 206 749 065**	**1 219 084 383**	**1 277 717 940**	**184 503 812**
Cash and cash equivalents at beginning of the year	1 264 186 479	653 538 144	263 077 584	39 562 931
Exchange gains on foreign cash balances	321 991 315	187 461 725	321 991 315	39 010 841
Inflation effects on cash and cash equivalents	(1 930 140 020)	(795 897 773)	-	-
Cash and cash equivalents at the end of the year	**1 862 786 839**	**1 264 186 479**	**1 862 786 839**	**263 077 584**

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

*Restated due to initial application of IFRS 17 and the restatement due to requirements of IAS 29.

**Includes non-cash effects of changes in risk adjustment factor, discounts rates and outstanding claims movement whilst the changes under operating assets and liabilities represents cash changes through premiums paid and claims and other directly attributable expenses paid.

GROUP ACCOUNTING POLICIES

For the year ended 31 December 2023

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 inflation adjusted financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the International Financial Reporting Interpretations Committee, ("IFRS IC") interpretations. 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 24:26). The consolidated inflation adjusted financial statements results have been restated to take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

Functional and presentation currency

In recent years, monetary policy and exchange control measures have undergone significant changes, which have affected the Group's operations. The economy has also experienced significant improvement, as a result of an increase in foreign currency transactions during the year. Consequently, the Group's foreign currency transactional activity, deposits and advances also increased. The Directors have reviewed these prevalent market activities in order to determine whether the underlying transactions, events and conditions may indicate a potential change in the functional currency of the Group.

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

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

Additionally, management used judgement to determine the currency that would faithfully represent and reflect the economic effects of the underlying transactions that are relevant to the Group and its operations and that a change in functional currency is not a single event, but rather a process reflecting a paradigm shift in the Group's operational and economic environment with a long term lasting effect. In light of the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL$) as presented in the prior year financial statements and all values are rounded to the nearest ZWL$ except when otherwise indicated.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

The Consolidated Inflation Adjusted financial results for the year ended 31 December 2023 have been prepared in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWL$ inflation rates and Consumer Price Index (CPI) effective February 2023, the Group used a combination of the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) up to January 2023 and an internal estimation based on the published Total Consumption Poverty Line (TCPL) from February to June 2023 to determine the Consumer Price Index (CPI). The indices and conversion factors used to restate these financials are given below.

Date	Indices	Percentage (%) movement	Conversion Factors
31 December 2023	65 703.45	381	100
31 December 2022	13 672.91	244	4.8054
31 December 2021	3 977.46	61	16.5190

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 2022 were restated by applying the change in the index from the date of last re-measurement to 31 December 2023.
- 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 2023. Property and equipment is restated by applying the change in the index from the date of transaction to 31 December 2023.
- 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.

1.1 BASIS OF PREPARATION (continued)

- 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 2023.
- 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.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

- 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 2022 were restated by applying the change in the index from the date of last re-measurement to 31 December 2023.
- 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.

i. Business combinations

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

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which it ceases. 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.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group Interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

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.

v. Interests in equity- accounted investees

The Group's interests in equity accounted investees comprises interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control over the financial and operating policies. Interests in associates are accounted under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent, to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity- accounted investees, until the date on which significant influence ceases.

vi. Transactions eliminated on consolidation

Intra Group balances and transactions and any unrealised income and expenses (except for foreign currency transactions gains and losses) arising from intra Group transactions are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but to the extent that there is no evidence of impairment.

1.2 CHANGES IN MATERIAL ACCOUNTING POLICIES AND DISCLOSURES

The Group has initially applied IFRS 17 from 1 January 2023. The standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts and presented restated comparatives as at 31 December 2022. Except for the changes below, the Group has consistently applied prior year accounting policies to all periods presented in these consolidated financial statements. The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of IFRS 17 are highlighted on note 1.11.

Early adopted standards, amended standards and interpretations

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide 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 have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no material impact on the Group's consolidated financial statements.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Fair value measurement principles

The fair value of financial instruments 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.

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 2023 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 Group held foreign currency denominated legacy debts and nostro gap accounts amounting to US$ 111,059,336 at 31 December 2023 (2022: US$133,369,793). These debts relate to liabilities denominated in US$ and are presented in deposits in the statement of financial position and in Note 20 and are classified as financial liabilities subsequently measured at amortised cost.

The Reserve Bank of Zimbabwe (RBZ) committed to provide foreign currency funding in full to support the Group in financing legacy debts and nostro gap at an exchange rate of US$1:ZWL$1. In the prior periods, the RBZ requested the Group to pay over the Zimbabwe dollar equivalent of legacy debt and nostro gap accounts at an exchange rate of US$1:ZWL$1. The Group recognised a foreign denominated asset for this amount and as at 31 December 2023, US$140,013,942 (2022: US$154,438,092) 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$14,424,149 (2022: US$4,536,427) were received from the RBZ against the RBZ financial asset and were utilised to settle legacy debt and nostro gap. The Group exercised judgement, in setting its expectation that the RBZ financial asset will be recovered and that the RBZ has the intention and ability to settle on a gradual basis, the outstanding amounts. In light of amortised cost measurement, the Group estimated the timing and amount of the cash flows associated with the legacy debt and nostro gap financial liability and RBZ financial asset.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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.

Inputs for valuation of unlisted equity investments
When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques 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.

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.

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.

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.

Classification and measurement of insurance contracts

The Group assessed whether the contracts it issues are within the scope of IFRS 17 and whether they meet the definition of an insurance contract. In applying that judgement, the Group considered whether the contracts it issues transfer significant insurance risk.

In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (i.e. if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant. Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9.

Determination of unit of account for portfolio and insurance group determination.

a) Determination of portfolios of contracts

Insurance contracts that are subject to similar risks and managed together are included within a portfolio. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts). Portfolio risks are based on the possible perils that insurance holders may be exposed to.

b) Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts.

All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are;

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
- a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment to test whether contracts are onerous.

Sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level.

Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous and groups of other contracts.

All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are:

i) contracts that are onerous at initial recognition;
ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
iii) a group of remaining contracts.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered. For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Sets of contracts usually correspond to policyholder pricing groups that the Group determined to have similar insurance risk and that are priced within the same insurance rate ranges. The Group monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of these pricing groups with no information available at a more granular level. This judgement was based on a number of assumptions in forecasting of future cash flows and their discounting.

The effect of these judgements it entails that onerous contracts loss is immediately recognised in the profit or loss statement. Similar grouping assessment is also done for reinsurance contracts held.

Measurement approaches

The Group uses different measurement approaches depending on the type of contracts, as follows:

Contracts issued	Product classification	Measurement model
Term life insurance contracts	Insurance contracts	PAA for policies issued (with coverage of one year or less)
All contracts under the short term	Insurance contracts	PAA for policies issued
Universal life insurance contracts	Insurance contracts without direct participation features	GMM
Direct participating contracts	Insurance contracts with direct participation features	VFA
Investment contracts with DPF	Investment contracts with direct participation features	VFA
Investment contracts without DPF	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9
Reinsurance contracts held		
Term life - quota share reinsurance	Reinsurance contract held	GMM

The Group does not have any reinsurance contracts issued to compensate another entity for claims arising from one or more insurance contracts issued by that other entity.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Measurement methods applicable for each portfolio

The Group applied either the GMM, PAA, or VFA measurement models to its groups of contracts. Contracts accounted for using the PAA model had to meet the eligibility test. Significant judgement was applied in concluding the PAA approach on some term life insurance products (GLA and Comfort-sure portfolios). These portfolios where PAA has been applied have a coverage period of one year or less. The Group applied significant judgement in determining whether the renewal period cash flows fall within the contract boundary for these portfolios. Full consideration was given to facts and conditions at point of renewal including the factoring of insurance risk in the renewal price. The conclusion on this judgement has been to exclude the renewal period from the coverage period as it constitutes a new contract. This has an implication of the portfolios qualifying in the PAA measurement approach.

Cash flows to fulfil insurance contracts

The Group uses judgement to determine which cash flows are within the boundary of insurance contracts, thus those that relate directly to the fulfilment of the contracts. The Group performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts using the following systematic methods in allocating overheads.

Expense attribution

Insurance acquisition costs such as costs of selling, underwriting and starting a group of insurance contracts were allocated to products based on the percentage of new business premiums per product, products with higher premiums have high allocated insurance acquisitions costs. Similarly, policy administration & maintenance costs and fixed & variable overheads, were allocated based on total premiums so that the products with a large amount of premiums also had a high amount of expenses allocated to it. The claims handling costs were split using the actual of claims paid so that a product with a high amount of claims paid will also have a high amount of claims handling expenses.

Based on the facts and circumstances during the reporting period, management judged that there were no abnormal expenses attributed to insurance service.

The effect of this judgement has been the inclusion of all directly attributable expenses in the insurance service results.

Determination of discount rates

The bottom-up approach was applied in the determination of the discount rates for all products. Under this approach, the discount rate is determined as the risk-free yield adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium). The ZWL risk free yield was derived using the Reserve Bank of Zimbabwe's Treasury bill projections to come up with a yield curve. The Treasury bills projections from the 2021 RBZ annual report were used to come up with the ZWL risk free rate.

The risk-free yield was derived using credit rating information from the Corporate Finance Institute. Since Zimbabwe is not rated, management assumed the worst-case scenario and adopted the default probability of CCC.

Credit Rating	Default Probability
AAA	0%
AA	0.30%
A	0.39%
BBB	1.02%
BB	4.22%
B	13.84%
CCC	49.28%

Table - Credit Rating against default probability

Mortality Risk

The Group derives mortality rates assumptions from all lives graduated mortality rates with SA85-90 and SA56-62 published mortality rates from and the Actuarial Society of South Africa as well as the (55) mortality rates as per 1000 lives from the United Kingdom. Mortality rates are differentiated between policyholder groups based on age.

Persistency/Lapse Risk

The Group derives assumptions about lapse and surrender rates based on the Group's own experience. Historical lapse and surrender rates are derived from the company's policy administration data. An analysis is then performed of the company's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the company's own experience and any trends in the data to arrive at the probability weighted expected lapse and surrender rates. Analysis is performed and assumptions are set by major product line. Currently the only product affected by lapse risk is the Funeral Cash Plan.

Determination of risk adjustment

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated at the entity level and then allocated down to each group of contracts in accordance with their risk profiles. The provision for adverse deviation method was used to derive the overall risk adjustment for non-financial risk for contracts measured under GMM and VFA whilst the Mack method was used to derive the overall risk adjustment for non-financial risk for contracts measured under PAA.

In the provision for adverse deviation method, the risk adjustment is determined by applying a stress to the best estimate assumptions and re-projecting the cash flows under that stress. The stress factors chosen will be in line with the mandatory margins prescribed in the SAP 104 Standard. A confidence level of 90% was used to determine the risk adjustment for non-financial risk.

In the Mack method, the risk adjustment is determined by using past claims data to derive the estimates of the mean and variance of the total ultimate claims arising from each accident period. The method is based on pure chain-ladder method. Management set a confidence level of 90% in determining the risk adjustment for non-financial risk.

Coverage units
The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits and the Group determines coverage units as follows:

a) for term life and universal life insurance contracts, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;
b) for direct participating contracts, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
c) for investment contracts with DPF, coverage units are based on policyholders' account values;
d) for automobile insurance contracts acquired in the run-off period, coverage units are based on the expected amount of claims covered in the period and the expected amount of claims remaining to be covered in future periods.

The Group reflects the time value of money in the allocation of the CSM to coverage units.

IFRS 17 Transition
IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Group has applied significant judgement in applying the transitional provisions.

Methods used and judgements applied in determining the IFRS 17 transition amounts
The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The full retrospective approach was applied to groups of insurance contracts in force at the transition date that were originated less than two years prior to transition (all contracts that started after 31 December 2019) and to all short term insurance products. The modified retrospective approach was applied to groups of Long term insurance contracts that were originated more than two years prior to transition (contracts that started prior to 31 December 2019).

The transition approach was determined at a group of insurance contracts level and affected the approach to calculating the CSM on initial adoption of IFRS 17 as follows:

a) full retrospective approach - the CSM at inception is based on initial assumptions when groups of contracts were incepted and rolled forward to the date of transition as if IFRS 17 had always been applied;
b) modified retrospective approach - the CSM at inception is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition FCF.

The Group has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

The effects of the full retrospective application were not determinable, for example:

a. Some reasonable and supportable information about actual historical cash flows may have been available from the Group's systems, but in many cases such information was only available at higher levels or different levels of aggregation compared to the groups required by IFRS 17. This lack of information makes it impracticable to accurately calculate the FCF on a retrospective basis and segregate groups based on profitability.
b. The information necessary to estimate the effect of contracts derecognised before the transition date on allocation of the CSM between past and future periods on the transition date was not available in many cases. This was particularly challenging for large portfolios of long-term contracts for which terms and circumstances (for example, size and number of contracts issued in prior reporting periods) often change.

1. The full retrospective application required assumptions that would have been made in an earlier period, for example:

a. For contracts with direct participation features, the Group's expectations regarding the policyholder's share of underlying assets at contract inception would not have been possible to recreate without the use of hindsight.
b. Difficulties in retrieving relevant reliable information existed where assumptions developed at the date of initial recognition were not on an IFRS 17 basis (e.g., discount rates, risk adjustment for non-financial risk, expenses).
c. Changes in assumptions have not been historically documented on an ongoing basis.
d. The older the in-force contracts (e.g., term life products), the more challenging it would have been to retrieve data from the past on assumptions.

2. The full retrospective application required significant estimates of amounts and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that (i) existed on the date at which those amounts were to be recognised, measured or disclosed; and (ii) would have been available when the consolidated financial statements for that prior period were authorised for issue and other information, for example:

a. The Group had limited, or no information required for the allocation of acquisition costs and other overhead expenses to respective groups under IFRS 17. Systems have not been tracking or allocating acquisition costs as previous accounting policies did not require this. In addition, the allocation of applicable overheads to groups of contracts could require information that has not historically been tracked/recorded.
b. The Group has not historically been accumulating information about the changes in estimates that would have been recognised in profit or loss for each accounting period because they did not relate to future service and the extent to which changes in the FCF would have been allocated to the loss component.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Full retrospective approach
The Group has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within two years prior to the transition (all contracts that started after 31 December 2019).

In addition, for insurance contracts originated by the Group that are eligible for the PAA, management concluded that sufficient information was available to apply the full retrospective approach as if IFRS 17 had always been applied. The retrospective approach was used for certain life insurance contracts and all short term insurance contracts issued by the Group.

Accordingly, the Group has recognised and measured each group of insurance contracts in this category as if IFRS 17 had always applied; derecognised any existing balances that would not exist had IFRS 17 always applied; and recognised any resulting net difference in equity.

Modified retrospective approach
After making reasonable efforts to gather necessary historical information, the Group determined that for certain groups of contracts, such information was not available or not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach. Significant judgement was applied in determining the transition amounts under these approaches.

1.4 FOREIGN CURRENCIES

The Group's consolidated 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 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.

1.7 FINANCIAL ASSETS (continued)

Subsequent measurement (continued)

ii Financial assets at fair value through other comprehensive income

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

iii Financial assets at fair value through profit or loss

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

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

Derecognition

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

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

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

1.8 FINANCIAL LIABILITIES

Initial recognition and measurement

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

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.

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 17 insurance Contracts (Refer to note 1.11).

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:

1.10 REVENUE RECOGNITION (continued)

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 parties. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when control has been transferred upon signing of the sale agreement. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

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

b) Revenue within the scope of IFRS 9

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

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

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

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

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

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

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

i. 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.

ii. 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.

iii. 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 off transactions.

iv. 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.

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.

1.11 IFRS 17 INSURANCE CONTRACTS

Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under IFRS17, Insurance revenue in each reporting period represents the changes in liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

The new standard also requires that insurance finance income and expenses are presented separately from insurance revenue and insurance expenses. When measuring the liability for remaining coverage, the Premium Allocation Approach is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition cost were recognised and presented as separate assets from the related insurance contracts (deferred acquisition costs) until those costs were included in the profit or loss. Under IFRS17, only insurance acquisition cash flows that arise before the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in carrying amount of related portfolio of contracts and are derecognised once the related contracts are recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are presented as a net amount in the profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

Definition of an insurance contract

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

The Company offers short term insurance, term funeral, credit life and annuity contracts, as well as life assurance. The main risks that the Group is exposed to are as follows:

- Mortality risk – risk of loss arising due to the incidence of policyholder death being different than expected,
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected,
- Longevity risk – risk of loss arising due to the annuitant living longer than expected,
- Expense risk – risk of loss arising from expense experience being different than expected,
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of outwards reinsurance arrangements.

Separating components from insurance and reinsurance contracts

The Group assesses its life insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non insurance components). After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract.

Where insurance premiums include an investment (i.e. deposit) component - an amount that will be paid to policyholders or their beneficiaries regardless of whether an insured event occurs. The receipt and repayment of these non-distinct investment components do not relate to the provision of insurance service; therefore, such amounts are not presented as part of the insurer's revenue or insurance service expenses. The Group applies IFRS 9 to account for distinct investment components (not interrelated with insurance and able to be sold separately). That is, the related net investment income is excluded from the insurance service result and presented separately.

Some of the products issued by the Group include an investment component. This has been assessed to meet the definition of a distinct investment component in IFRS 17.

An investment component is distinct if and only if, both of the following conditions are met:

- The investment component and the insurance component are not highly interrelated and
- A contract with equivalent terms is sold, or could be sold, separately at least in the same jurisdiction.

An investment component and an insurance component are highly interrelated if and only if:

- The insurer is unable to measure one component without considering the other component. For instance, when the value of one component changes in direct response to a change in the other component, or
- The policyholder is unable to benefit from one component unless the other component is also present. For instance, if the lapse or maturity of one component would cause the lapse or maturity of the other component, this would suggest the two components are highly interrelated.

1.11 IFRS 17 INSURANCE CONTRACTS (continued)

Otherwise, the investment component and the insurance component would not be considered highly interrelated.

Recognition and de-recognition of insurance contracts
Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis (proportionate or quota share reinsurance) is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Group does not recognise a group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts. A group of reinsurance contracts held that covers aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognise at the earlier of:

(a) the beginning of the coverage period of the group of reinsurance contracts held; and
(b) the date the Group recognises an onerous group of underlying insurance contracts,
(c) if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is de-recognised when it is:

- extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the de-recognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

   (i) is not in scope of IFRS 17;
   (ii) results in different separable components;
   (iii) results in a different contract boundary; or
   (iv) belongs to a different group of contracts;

b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract not accounted for under the PAA is derecognised from within a group of insurance contracts, the Group:

a) Adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group.

b) Adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the de-recognition:
   (i) If the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service.
   (ii) If the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium charged by the third party.
   (iii) If the original contract is modified resulting in its de-recognition, in the amount of the FCF adjustment in a. adjusted for the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Group assumes such a hypothetical premium as actually received.

c) Adjusts the number of coverage units for the expected remaining coverage to reflect the number of coverage units removed.

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF are done to remove relating rights and obligations and account for the effect of the de-recognition result in the following amounts being charged immediately to profit or loss.

(i) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
(ii) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party;
(iii) if the original contract is modified resulting in its de-recognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

Insurance acquisition costs

The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling, underwriting and starting a group of insurance contracts and that are:

a) costs directly attributable to individual contracts and groups of contracts; and
b) costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

These includes for example, non-refundable commissions paid on issuance of a contract.

Before a group of insurance contracts is recognised, the Group can pay directly attributable acquisition costs to originate them. When such prepaid costs are refundable in case of insurance contracts termination, they are recorded as a prepaid insurance acquisition cash flows asset within other assets and allocated to the carrying amount of a group of insurance contracts when the insurance contracts are subsequently recognised.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.
After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss. The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

Initial measurement - Groups of contracts not measured under the PAA

On initial recognition, the Group measures a group of insurance contracts as the total of:

(a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks and a risk adjustment for non-financial risk; and the CSM,
(b) the fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

Fulfilment cash flows
The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

(i) are based on a probability weighted mean of the full range of possible outcomes;
(ii) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
(iii) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Group will recognise as it provides coverage in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

a) the initial recognition of the FCF;
b) the de-recognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows; and

1.11 IFRS 17 INSURANCE CONTRACTS (continued)

Initial measurement - Groups of contracts not measured under the PAA (continued)

c) cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance expense as it receives reinsurance coverage in the future.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

a) the initial recognition of the FCF; and
b) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

Reinsurance contracts held measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes.
- The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.
- The Company recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
    (i) the Group has the practical ability to reprice the portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
    (ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Riders represent add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, which are issued together with the main insurance contract forms part of a single insurance contract with all the cash flows within its boundary. Some insurance contracts issued by the Group provide policyholders with an option to buy an annuity upon the initially issued policy maturity. The Group assesses its practical ability to reprice such insurance contracts in their entirety to determine if annuity-related cash flows are within or outside of the insurance contract boundary. As a result of this assessment, non-guaranteed annuity options are not measured by the Group until they are exercised.

Cash flows are outside the insurance contracts boundary if they relate to future insurance contracts and are recognised when those contracts meet the recognition criteria. Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Group to deliver cash at a present or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer. The Group's quota share life reinsurance agreements held are one year renewable contracts. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within one-year's boundary are included in each of the reinsurance contracts' measurement.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts may include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Subsequent measurement - Groups of contracts not measured under the PAA

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a) the LRC, comprising:
   (i) the FCF related to future service allocated to the group at that date; and
   (ii) the CSM of the group at that date; and
b) the LIC, comprising incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a) the remaining coverage, comprising:
   (i) the FCF related to future service allocated to the group at that date; and
   (ii) the CSM of the group at that date; and
b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates. The changes in estimates of the FCF are treated as follows:

a) changes that relate to current or past service are recognised in profit or loss; and
b) changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC as follows;

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
b) changes in estimates of the present value of future cash flows in the LRC, except for those that arise from the effects of the time value of money, financial risk and changes therein.
c) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
d) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments for (a) to (d) are measured using the locked-in discount rates.

For insurance contracts under the GMM, the following adjustments do not relate to future service and thus do not adjust the CSM:

a) changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b) changes in the FCF relating to the LIC; and
c) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

For insurance contracts issued, at the end of each reporting period (which the Group defines as three-month interim), the carrying amount of the CSM is adjusted by the Group to reflect the effect of the following changes:

a) The effect of any new contracts added to the group.
b) For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
c) Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d) The effect of any currency exchange differences.
e) The amount recognised as insurance revenue for services provided during the period determined after all other adjustments above.

For a group of reinsurance contracts held, the carrying amount of the CSM at the end of each reporting period is adjusted to reflect changes in the FCF in the same manner as a group of underlying insurance contracts issued, except that when underlying contracts are onerous and thus changes in the underlying FCF related to future service are recognised in insurance service expenses by adjusting the loss component, respective changes in the FCF of reinsurance contracts held are also recognised in the insurance service result.

1.11 IFRS 17 INSURANCE CONTRACTS (continued)

Subsequent measurement - Groups of contracts not measured under the PAA (continued)

Release of the CSM to profit or loss (continued)

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items (locked-in discount rates). If more contracts are added to the existing groups in the subsequent reporting periods, the Group revises the locked-in discount curves by calculating weighted-average discount curves over the period that contracts in the group are issued. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF measured applying the locked-in discount rates.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. For contracts issued, the Group determines the coverage period for the CSM recognition as follows:

a) for term life and universal life insurance contracts, the coverage period corresponds to the policy coverage for mortality risk;
b) for direct participating contracts and for investment contracts with DPF, the coverage period corresponds to the period in which insurance or investment management services are expected to be provided; and

The total number of coverage units in a group is the quantity of coverage provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

i. the quantity of benefits provided by contracts in the group;
ii. the expected coverage duration of contracts in the group; and
iii. the likelihood of insured events occurring, only to the extent that they affect the expected duration of contracts in the group.

The Group uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits and the Company determines coverage units as follows:

a) for term life and universal life insurance contracts, coverage units are determined based on the policies' face values that are equal to the fixed death benefit amounts;
b) for direct participating contracts, coverage units are based on the fixed death benefits amounts (during the insurance coverage period) plus policyholders' account values;
c) for investment contracts with DPF, coverage units are based on policyholders' account values;
d) for automobile insurance contracts acquired in the run-off period, coverage units are based on the expected amount of claims covered in the period and the expected amount of claims remaining to be covered in future periods.

For reinsurance contracts held, the CSM is released to profit or loss as services are received from the reinsurer in the period. Coverage units for the proportionate term life reinsurance contracts are based on the insurance coverage provided by the reinsurer and are determined by the ceded policies' fixed face values taking into account new business projected within the reinsurance contract boundary.

The coverage period for these contracts is determined based on the coverage of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses and records it as a loss component of the LRC.
When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a. expected incurred claims and expenses for the period;
b. changes in the risk adjustment for non-financial risk for the risk expired; and
c. finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in a. and b. above reduce the respective components of insurance revenue and are reflected in insurance service expenses. Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Investment Contracts with Discretionary Participation Features measured under VFA

For investment contracts with DPF that are measured under the VFA and provide the Group with discretion as to the timing and amount of the cash flows to be paid to the policyholders, a change in discretionary cash flows is regarded as relating to future service and accordingly adjusts the CSM. At inception of such contracts, the Group specifies its commitment as crediting interest to the policyholder's account balance based on the return on a pool of assets less a spread. The effect of discretionary changes in the spread on the FCF adjusts the CSM while the effect of changes in assumptions that relate to financial risk on this commitment are reflected in insurance finance income or expenses.

When no commitment is specified, the effect of all changes in assumptions that relate to financial risk and changes thereof on the FCF is recognised in insurance finance expenses.

Group Accounting Policies (continued...)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

a) changes in the Group's share of the fair value of the underlying items; and
b) changes in the FCF that do not vary based on the returns of underlying items:
(i) changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
(ii) experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
(iii) changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
(iv) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
(v) changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments for (ii) to (v) are measured using the current discount rates.

Investment Contracts with Discretionary Participation Features

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust (a) the CSM:

a) changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
b) changes in the FCF that do not vary based on the returns of underlying items:
   i. changes in the FCF relating to the LIC; and
   ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Initial and subsequent measurement - Groups of contracts measured under the PAA

The Group may simplify the measurement of a group of insurance contracts using the premium allocation approach if and only if, at the inception of the group:

(a) the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced by applying the General measurement Model ; or
(b) the coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary is one year or less.

For insurance contracts issued, insurance acquisition cash flows are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, on initial recognition, the Group measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the de-recognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the LIC, comprising the for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period;
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period; and
d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For contracts measured under the PAA, the LIC is measured at the fulfilment cash flows relating to incurred claims. Future cash flows are not adjusted for the time value of money since short term insurance contracts issued by the Company and measured under the PAA typically have a settlement period of less than one year.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the period; and
b. decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM. Future cash flows are not adjusted for the time value of money since short term insurance contracts issued by the Company and measured under the PAA typically have a settlement period of over one year. If a group of contracts becomes onerous, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses.

Subsequently, the Group amortises the amount of the loss component within the LRC by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Company re-measures the FCF by applying the GMM and reflects changes in the FCF by adjusting the loss component as required until the loss component is reduced to zero.

1.11 IFRS 17 INSURANCE CONTRACTS (continued)

Initial and subsequent measurement - Groups of contracts measured under the PAA (continued)
As the Group provides services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Company expects to be entitled to in exchange for those services.

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts. For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Reinsurance contracts
The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

Insurance service expenses
Insurance service expenses include the following:

a. incurred claims and benefits excluding investment components;
b. other incurred directly attributable insurance service expenses;
c. amortisation of insurance acquisition cash flows;
d. changes that relate to past service (i.e. changes in the FCF relating to the LIC); and
e. changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, whilst for contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Insurance service result from reinsurance contracts held
The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;
b. incurred claims recovery;
c. other incurred directly attributable insurance service expenses;
d. effect of changes in risk of reinsurer non-performance;
e. for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the group of underlying insurance contracts); and
f. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance recoveries recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services. For contracts not measured under the PAA, net -reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

a) ceded premium experience adjustments relating to past and current service
b) Insurance claims and other expenses in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
c) changes in the risk adjustment for non-financial risk, excluding:
   - changes included in finance income (expenses) from reinsurance contracts held; and
   - changes that relate to future coverage (which adjust the CSM);
d) amounts of the CSM recognised in profit or loss for the services received in the period; and

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Insurance finance income or expenses
Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a. the effect of the time value of money and changes in the time value of money; and
b. the effect of financial risk and changes in financial risk.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a. interest accreted on the FCF and the CSM;
b. the effect of changes in interest rates and other financial assumptions; and
c. foreign exchange differences arising from contracts denominated in a foreign currency.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

a. changes in the fair value of underlying items;
b. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
c. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the GMM and the PAA, the Group includes all insurance finance income or expenses for the period in profit or loss (i.e. the profit or loss option (the PL option) is applied).

For the contracts measured using the VFA, the OCI option is applied. As the Group holds the underlying items for these contracts, the use of the OCI option results in the elimination of accounting mismatches with income or expenses included in profit or loss on the underlying assets held. The amount that exactly matches income or expenses recognised in profit or loss on underlying assets is included in finance income or expenses from insurance contracts issued. The remaining amount of finance income or expenses from insurance contracts issued for the period is recognised in OCI.

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.

1.13 TAXATION (continued)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

1.14 CONTINGENCIES AND COMMITMENTS

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

1.15 OPERATING SEGMENTS

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

1.16 FIDUCIARY ACTIVITIES

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

1.17 FINANCIAL GUARANTEES 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 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.

1.20 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.

1.21 REVALUATION RESERVE

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

1.22 RETAINED EARNINGS RESERVE

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

1.23 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.

1.24 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.

1.25 FUNCTIONAL CURRENCY TRANSLATION RESERVE

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

1.26 SHARE BASED PAYMENT RESERVE

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

1.27 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.

1.28 RELATED PARTIES

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

1.29 FAIR VALUE MEASUREMENT

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.

1.30 LAND INVENTORY

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

1.31 CASH AND CASH EQUIVALENTS

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

1.32 LEGACY DEBTS & NOSTRO GAP ACCOUNTS

The undertaking by the Reserve Bank of Zimbabwe (RBZ) to provide US Dollars to assist in settling Legacy debt and Nostro gap accounts at an exchange rate of 1:1 was recognised as a government assistance. The resulting outstanding 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.

1.33 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.

1.34 BUSINESS COMBINATIONS UNDER COMMON CONTROL

During the year ended 31 December 2022, 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.

1.35 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 measure 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 measure 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.

1.36 CHANGES THE PRESENTATION OR CLASSIFICATION OF FINANCIAL STATEMENTS ITEMS

The group changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue. During the year, the group changed the following:

The presentation of expected credit losses on the statement of comprehensive income, to include them in operating income. The change has no impact of profit for the period, as it is just a reclassification.

1.37 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020 and October 2022, 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.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 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.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

NOTES TO THE AUDITED INFLATION ADJUSTED CONSOLIDATED FINANCIAL RESULTS

For the year ended 31 December 2023

1.3 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2024. The Group offers commercial banking, property management, asset management, short term insurance, life assurance, agro business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
2. INTEREST				
Interest income				
Bankers acceptances	-	3 030 092	-	297 146
Overdrafts	101 129 172	101 683 607	46 373 853	17 711 973
Loans	299 988 375	228 346 020	169 572 885	30 312 936
Mortgage loans	12 809 599	5 820 093	7 677 798	821 657
Staff loans	11 979 401	6 292 793	7 076 934	1 127 227
Securities investments	195 717 888	23 068 093	97 909 117	4 332 202
Other investments	44 942 215	50 871 593	18 550 512	7 680 081
	666 566 650	**419 112 291**	**347 161 099**	**62 283 222**
Interest expense				
Savings deposits	8 044 356	20 355 200	4 135 411	2 557 559
Money market deposits	74 850 722	40 398 361	31 968 124	6 945 246
Other offshore deposits	18 801 795	3 798 188	9 226 090	679 832
Lease liability	315 034	129 725	232 880	23 943
Other	16 790 373	-	11 749 962	-
	118 802 280	**64 681 474**	**57 312 467**	**10 206 580**
NET INTEREST INCOME	**547 764 370**	**354 430 817**	**289 848 632**	**52 076 642**

Interest income and Interest expense is calculated using the Effective Interest Rate method.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
3 NON-INTEREST INCOME				
Fair value adjustments on financial instruments	24 711 019	(27 997 634)	35 374 582	2 204 496
Fair value adjustments on investment properties	249 595 568	44 923 102	364 091 472	23 136 415
Net income from trading securities	780 987	756 582	293 494	60 000
Net income from foreign currency dealing	257 778 529	48 793 534	173 405 523	9 028 745
Unrealised gains on foreign currency exchange	871 449 606	533 164 083	871 449 606	110 951 605
Agro business income	21 918 518	76 977 862	11 651 106	10 034 269
Commission and fee income	405 579 658	172 648 426	243 379 486	24 970 442
Profit on disposal of property and equipment	999 202	62 682	814 146	13 280
(Loss)/ Profit on disposal of investment property	1 463 754	(3 496 506)	695 883	(174 651)
Bad debts recovered	79 087 201	357 328	54 747 600	52 051
Property sales	22 161 970	500 739	12 993 505	874 471
Lease income	5 641 881	3 100 591	3 544 220	499 750
Other operating income	(83 122 462)	9 652 624	(90 722 256)	1 232 044
Total non-interest income	**1 858 045 431**	**859 443 413**	**1 681 718 367**	**182 882 917**
Disaggregation by class				
Fair value gains recognised through profit or loss				
Fair value adjustments on financial instruments	24 711 019	(27 997 634)	35 374 582	2 204 496
Fair value adjustments on investment properties	249 595 568	44 923 102	364 091 472	23 136 415
	274 306 587	**16 925 468**	**399 466 054**	**25 340 911**
Trading and foreign exchange gains income				
Net income from trading securities	780 987	756 582	293 494	60 000
Net income from foreign currency dealing	257 778 529	48 793 534	173 405 523	9 028 745
Unrealised gain on foreign currency exchange	871 449 606	533 164 083	871 449 606	110 951 605
Total	**1 130 009 122**	**582 714 199**	**1 045 148 623**	**120 040 350**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Disaggregation by class (continued)				
Transactional income at a point in time				
Agro business income	21 918 518	76 977 862	11 651 106	10 034 269
Commission and fee income	405 579 658	172 648 426	243 379 486	24 970 442
Total	**427 498 176**	**249 626 288**	**255 030 592**	**35 004 711**
Other income				
Property sales	22 161 970	500 739	12 993 505	874 471
Profit on disposal of property and equipment	999 202	62 682	814 146	13 280
(Loss)/ Profit on disposal of investment property	1 463 754	(3 496 506)	695 883	(174 651)
Bad debts recovered	79 087 201	357 328	54 747 600	52 051
Lease income	5 641 881	3 100 591	3 544 220	499 750
Other operating income	(83 122 462)	9 652 624	(90 722 256)	1 232 044
Total	**26 231 546**	**10 177 458**	**(17 926 902)**	**2 496 945**
Total non interest income	**1 858 045 431**	**859 443 413**	**1 681 718 367**	**182 882 917**

Included in unrealised gains, are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agrobusiness segments.

Included in commission and fee income are largely POS transaction fees, ledger fees, cash withdrawal fees 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 and losses on de-recognition of promissory notes.

3.1	**Non interest income disaggregation by timing**				
	Performance obligations satisfied at a point in time	1 858 045 431	859 443 413	1 681 718 367	182 882 917
		1 858 045 431	**859 443 413**	**1 681 718 367**	**182 882 917**

4. INSURANCE INCOME

4.1	**Insurance service result**				
	Insurance revenue (i)	76 541 696	29 798 484	40 862 174	3 941 090
	Insurance service expenses (ii)	(101 452 860)	(24 540 052)	(53 971 665)	(3 676 003)
	Net income/ (expenses) from reinsurance contracts held (iii)	(5 054 370)	(11 866 856)	(2 151 244)	(1 570 543)
	Insurance service result	**(29 965 534)**	**(6 608 424)**	**(15 260 735)**	**(1 305 456)**
(i)	**Insurance revenue**				
	Changes in Liability for remaining coverage	14 391 659	6 404 855	7 000 757	532 611
	Revenue from contracts measured under Premium Allocation Approach (PAA)	62 150 037	23 393 629	33 861 417	3 408 479
	Total	**76 541 696**	**29 798 484**	**40 862 174**	**3 941 090**

Included in changes in liability for remaining coverage is a combined impact of largely contractual service margin and related changes, risk adjustments and experience adjustments resulting from re-measurement of insurance contract assets under the general measurement model.

(ii)	**Insurance service expenses**				
	Incurred claims and other directly attributable expenses	60 024 390	18 892 689	28 217 511	2 816 255
	Changes to liabilities for incurred claims	4 193 475	(5 827 108)	2 662 398	(877 293)
	Onerous contracts	601 872	(2 182 862)	306 550	(271 771)
	Insurance acquisition cash flow amortisation	11 805 966	5 253 462	7 570 143	656 416
	Claims and related expenses	24 827 157	8 403 871	15 215 063	1 352 396
	Total	**101 452 860**	**24 540 052**	**53 971 665**	**3 676 003**
(iii)	**Net income/ expenses from reinsurance contracts held**				
	Changes in remaining coverage	(2 659 742)	(703 301)	(1 349 214)	105 320
	Reinsurance expenses for contracts measured under PAA	(21 940 220)	(9 485 077)	(12 641 744)	1 260 728
	Claims recovered from reinsurance contracts under PAA	18 986 957	88 862	11 599 330	(13 752)
	Other	558 635	(1 767 340)	240 384	218 247
	Total	**(5 054 370)**	**(11 866 856)**	**(2 151 244)**	**1 570 543**

Included in the changes in remaining coverage is contractual service margin recognised for services provided amounting to ZWL$3,673,887,631 (2022: ZWL$6,738,323,757). Also included in the changes in remaining coverage are profit/ loss movement relating to change in risk adjustment for non-financial risk, expected incurred claims & other insurance service expenses.

4.2	**Net insurance finance cost**				
	Expenses from insurance contracts issued	2 409 598	554 425	1 434 594	94 353
		2 409 598	**554 425**	**1 434 594**	**94 353**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
4.	**INSURANCE INCOME (continued)**				
4.3	**Disaggregation of insurance service result by product**				
	Life assurance	(13 462 284)	(1 978 880)	(3 880 137)	(455 301)
	Short term insurance	(16 503 250)	(4 629 544)	(11 380 598)	(850 155)
		(29 965 534)	**(6 608 424)**	**(15 260 735)**	**(1 305 456)**
5	**OPERATING EXPENDITURE**				
	Staff costs	694 146 282	298 090 764	454 406 505	45 389 173
	Administration expenses	304 090 490	101 689 809	158 392 770	16 024 666
	Audit fees*	8 074 280	4 975 010	4 825 047	575 811
	Depreciation	33 710 702	12 802 735	15 200 414	1 386 362
	Amortisation of intangible assets	2 845 597	1 934 335	227 167	125 724
	Property cost of sales	9 096 206	2 548 516	1 567 613	422 311
	Write off & Impairment of property and equipment	7 799 888	153 907	1 010 574	73 711
	Write off intangible assets	26 624	-	18 216	-
	Write off of equities	-	10	-	1
	Write offs of right of use asset and lease liability	(1 385)	-	(13 530)	-
	Total operating expenditure	**1 059 788 684**	**422 195 086**	**635 634 776**	**63 997 759**
	Expenditure relating to insurance service	(52 407 838)	(9 800 959)	(607 851)	(1 856 387)
	Operating expenditure as reported	**1 007 380 846**	**412 394 127**	**635 026 925**	**62 141 372**

*Included in Audit fees are charges for non-audit services for the reviews of interim consolidated financial statements performed by the entity's audit. Fees for non-audit services amounted to ZWL$ 520,120,962 (2022: ZWL$ 193,471,410).

	INFLATION ADJUSTED 31 DEC 2023	RESTATED 31 DEC 2022	HISTORICAL 31 DEC 2023	RESTATED 31 DEC 2022
Remuneration of directors and key management personnel (included in staff costs)				
Fees for services as directors	11 352 033	5 680 785	4 327 938	650 942
Pension and retirement benefits for past and present directors	5 346 761	1 733 265	2 038 441	198 609
Salaries and other benefits	163 407 727	31 262 002	62 298 843	3 413 174
	180 106 521	**38 676 052**	**68 665 222**	**4 262 725**
Short term employment benefits	174 759 760	36 942 787	66 626 781	4 064 116
Post-employment benefits	5 346 761	1 733 265	2 038 441	198 609
	180 106 521	**38 676 052**	**68 665 222**	**4 262 725**

5.1 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.

	INFLATION ADJUSTED 31 DEC 2023	RESTATED 31 DEC 2022	HISTORICAL 31 DEC 2023	RESTATED 31 DEC 2022
NSSA Contributions	2 727 223	8 169 291	2 727 223	936 092
Defined Contribution scheme	12 332 349	29 038 272	12 332 349	3 327 399
	15 059 572	**37 207 563**	**15 059 572**	**4 263 491**

6 **INCOME TAX EXPENSE**

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

		INFLATION ADJUSTED 31 DEC 2023	RESTATED 31 DEC 2022	HISTORICAL 31 DEC 2023	RESTATED 31 DEC 2022
	Analysis of tax charge in respect of the profit for the year				
	Current income tax charge	101 058 072	85 550 175	101 058 072	17 803 016
	Deferred income tax	86 632 758	18 979 771	75 931 423	93 962
	Income tax expense	**187 690 830**	**104 529 946**	**176 989 495**	**17 896 978**
6.2	**Tax rate reconciliation**	**%**	**%**	**%**	**%**
	Notional tax	24	24	24	24
	Aids levy	0.72	0.72	0.72	0.72
	Exempt income	(15.97)	(7.10)	(10.80)	(3.72)
	Non-Deductible expenditure	19.71	30.49	6.69	6.48
	Effect of rebasing tax bases	(1.56)	(0.48)	(0.99)	(3.77)
	Effect of special tax rate	(1.40)	(1.33)	(1.83)	(1.55)
	Change in tax rate	0.62	-	0.41	-
	Tax credits	(4.82)	(6.98)	(3.28)	(4.07)
	Effective tax rate	**21.30**	**39.32**	**14.92**	**18.09**

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

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
6.3	**The following constitutes the major components of deferred income tax expense recognised in the Statement of Other Comprehensive Income.**				
	Revaluation of property and equipment	62 964 115	17 376 794	89 213 404	4 247 487
	Unlisted equities	4 431 436	1 046 832	7 332 540	483 837
	Total taxation relating to components of other comprehensive income	**67 395 551**	**18 423 626**	**96 545 944**	**4 731 324**

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 per year after adjusting for treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the sum of weighted average number of ordinary shares outstanding and the weighted average number of potentially dilutive ordinary shares after adjusting for treasury shares.

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
7.1	**Annualised earnings per share (ZWL cents)**				
	Basic	125 351.10	30 907.15	182 358.04	15 523.41
	Diluted basic	125 351.10	30 907.15	182 358.04	15 523.41
	Headline	92 124.51	24 946.18	132 758.13	12 195.62
7.2	**Earnings attributable to holders of parent**				
	Basic	693 628 777	161 340 325	1 009 076 018	81 034 721
	Diluted basic	693 628 777	161 340 325	1 009 076 018	81 034 721
	Headline	509 769 876	130 223 065	734 615 496	63 663 121
	Number of shares used in calculations (weighted)				
	Basic	553 348 787	522 016 108	553 348 787	522 016 108
	Diluted basic	553 348 787	522 016 108	553 348 787	522 016 108
	Headline	553 348 787	522 016 108	553 348 787	522 016 108
7.3	**Reconciliation of denominators used for calculating basic and diluted earnings per share:**				
	Weighted average number of shares used for basic EPS	**553 349**	**522 016**	**553 349**	**522 016**
	Potentially dilutive shares	-	-	-	-
	Weighted average number of shares used for diluted EPS	**553 349**	**522 016**	**553 349**	**522 016**
7.4	**Headline Earnings**				
	Profit attributable to ordinary shareholders	693 628 777	161 340 325	1 009 076 018	81 034 721
	adjusted to exclude re-measurements				
	Write off & impairment of property and equipment	7 799 888	153 907	1 010 574	73 711
	Write off of right of use asset and lease liability	(1 385)	-	(13 530)	-
	Write off of intangible assets	26 624	-	18 216	-
	Write offs of equities	-	10	-	1
	Disposal gain on property and equipment	(999 202)	(62 682)	(814 146)	(13 280)
	Profit/(loss) on disposal of investment property	(1 463 754)	3 496 506	(695 883)	-
	Gain/(Loss) on investment properties valuation	(249 595 568)	(44 923 102)	(364 091 472)	(23 136 415)
	Tax relating to remeasurements	60 374 496	10 218 101	90 125 719	5 704 383
	Headline earnings	**509 769 876**	**130 223 065**	**734 615 496**	**63 663 121**
8.	**DIVIDENDS**				
	Cash dividend on ordinary shares declared and paid:				
	Interim dividend	22 825 488	-	17 100 000	-
	Final dividend	23 102 490	6 086 249	15 000 000	1 012 734
	Interim paid per share (ZWL$)	41.25	-	30.90	-
	Final dividend paid per share (ZWL$)	41.75	11.66	27.11	1.94

Dividends are paid on qualifying shares held at the record date.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
9.	**CASH AND CASH EQUIVALENTS**				
	Balances with local banks	70 114 728	16 513 585	70 114 728	3 436 482
	Cash and current accounts	537 585 563	183 855 743	537 585 563	38 260 435
	Balances with foreign banks	154 089 053	161 878 393	154 089 053	33 686 942
	Balances with the Reserve Bank of Zimbabwe	669 422 954	799 299 539	669 422 954	166 334 473
	RBZ Statutory reserve	431 574 541	102 639 219	431 574 541	21 359 252
		1 862 786 839	**1 264 186 479**	**1 862 786 839**	**263 077 584**

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 10% and 15% for foreign and local currency demand deposits respectively and 5% for all term deposits.

9.1	**Restricted cash and cash equivalents**				
	RBZ Statutory reserve	431 574 541	102 639 219	431 574 541	21 359 252
	Amounts secured as guarantees or collateral	19 894 537	21 529 344	19 894 537	4 480 263
		451 469 078	**124 168 563**	**451 469 078**	**25 839 515**
10.	**MONEY MARKET ASSETS**				
	Interbank placements	206 985 922	170 741 499	206 985 922	35 531 357
	RBZ Savings bonds	3 057 109	-	3 057 109	-
	Bankers acceptances	1 856 900	990 806	1 856 900	206 187
	Accrued interest	2 433 183	1 508 782	2 433 183	313 978
	Total gross money market assets	**214 333 114**	**173 241 087**	**214 333 114**	**36 051 522**
	Allowance for expected credit loss	(10 921 506)	(2 851 380)	(10 921 506)	(593 373)
	Total net money market assets	**203 411 608**	**170 389 707**	**203 411 608**	**35 458 149**
10.1	**Maturity analysis**				
	The maturity analysis of money market assets is shown below:				
	Between 0 and 3 months	147 922 591	72 087 594	147 922 591	15 001 450
	Between 3 and 6 months	3 024 597	50 921 945	3 024 597	10 596 872
	Between 6 and 12 months	63 385 926	50 231 548	63 385 926	10 453 200
		214 333 114	**173 241 087**	**214 333 114**	**36 051 522**

Maturity analysis is based on the remaining period from 31 December 2023 to contractual maturity.

11.	**FINANCIAL SECURITIES**				
	Treasury bills	1 198 882 513	232 726 748	1 198 882 513	48 430 506
	Savings bonds	316 058	256 531	316 058	53 384
	Accrued interest	84 507 278	5 897 464	84 507 278	1 227 264
	Total gross financial securities	**1 283 705 849**	**238 880 743**	**1 283 705 849**	**49 711 154**
	Allowance for expected credit loss	(27 457 601)	(372 719)	(27 457 601)	(77 563)
	Total net financial securities	**1 256 248 248**	**238 508 024**	**1 256 248 248**	**49 633 591**
11.1	**Maturity analysis**				
	The maturity analysis of financial securities is shown below:				
	Between 0 and 3 months	270 753 621	234 324 844	270 753 621	48 763 070
	Between 3 and 6 months	365 371 534	-	365 371 534	-
	Between 6 and 12 months	295 090 389	-	295 090 389	-
	Between 1 and 5 years	349 963 999	974 367	349 963 999	202 766
	Above 5 years	2 526 306	3 581 532	2 526 306	745 318
		1 283 705 849	**238 880 743**	**1 283 705 849**	**49 711 154**

Maturity analysis is based on the remaining period from 31 December 2023 to contractual maturity.

12.	**LOANS AND ADVANCES TO CUSTOMERS**				
	Overdrafts	274 745 866	123 458 939	274 745 866	25 691 842
	Commercial loans	1 641 846 857	643 465 582	1 641 846 857	133 905 380
	Staff loans	59 461 336	35 281 511	59 461 336	7 342 093
	Mortgage advances	84 523 082	38 490 704	84 523 082	8 009 927
	Agro business loans	258 331 018	247 691 807	258 331 018	51 544 739
	Interest accrued	33 928 972	102 880 135	33 928 972	21 409 387
	Total gross loans and advances to customers	**2 352 837 131**	**1 191 268 678**	**2 352 837 131**	**247 903 368**
	Allowance for Expected Credit Loss (ECL)	(280 077 412)	(344 470 798)	(280 077 412)	(71 684 476)
	Total net advances	**2 072 759 719**	**846 797 880**	**2 072 759 719**	**176 218 892**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	%	RESTATED 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2023 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%
12.1	**Sectoral analysis:**								
	Private	580 267 016	24	119 401 669	10	580 267 016	24	24 847 523	10
	Agriculture	524 762 943	22	425 806 294	36	524 762 943	22	88 610 417	36
	Mining	385 876 532	16	119 658 483	10	385 876 532	16	24 900 966	10
	Manufacturing	331 899 004	14	153 578 362	13	331 899 004	14	31 959 703	13
	Distribution	325 390 806	14	204 554 353	17	325 390 806	14	42 567 822	17
	Construction	24 185 682	1	15 272 756	1	24 185 682	1	3 178 265	1
	Transport	7 142 233	-	3 141 072	-	7 142 233	-	653 658	-
	Communication	85 842 824	4	31 278 662	3	85 842 824	4	6 509 099	3
	Services	82 373 706	5	116 905 669	10	82 373 706	5	24 328 105	10
	Financial organisations	5 096 385	-	1 671 358	-	5 096 385	-	347 810	-
		2 352 837 131	**100**	**1 191 268 678**	**100**	**2 352 837 131**	**100**	**247 903 368**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
12.2	**Maturity analysis**				
	Less than 1 month	566 772 912	3 539 082	566 772 912	736 484
	Between 1 and 3 months	250 265 866	35 348 412	250 265 866	7 356 015
	Between 3 and 6 months	248 086 012	217 012 072	248 086 012	45 160 277
	Between 6 months and 1 year	529 544 320	616 038 707	529 544 320	128 197 839
	Between 1 and 5 years	741 424 350	288 014 224	741 424 350	59 935 846
	More than 5 years	16 743 671	31 316 181	16 743 671	6 516 907
		2 352 837 131	**1 191 268 678**	**2 352 837 131**	**247 903 368**
	Maturity analysis is based on the remaining period from 31 December 2023 to contractual maturity.				
12.3	**Loans to directors and key management**				
	Opening balance	10 704 064	10 318 928	2 227 519	624 672
	Advances made during the year	42 520 632	14 961 026	16 210 899	1 714 335
	Monetary adjustment	(34 019 223)	(13 602 926)	-	-
	Repayment during the year	(1 239 681)	(972 964)	(472 626)	(111 488)
	Closing balance	**17 965 792**	**10 704 064**	**17 965 792**	**2 227 519**
	Loans to employees				
	Included in advances are loans to employees:				
	Opening balance	24 577 461	20 777 010	5 114 577	1 257 768
	Advances made during the year	108 897 538	37 348 538	41 516 951	4 279 645
	Monetary adjustment	(78 507 947)	(29 857 987)	-	-
	Repayments during the year	(13 471 506)	(3 690 100)	(5 135 982)	(422 836)
	Closing balance	**41 495 546**	**24 577 461**	**41 495 546**	**5 114 577**

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 2023, the expected credit losses recognised with respect to amounts advanced to directors, key management and employees were ZWL$ 1,874,957,000 (2022:ZWL$ 383,570,232). The increase in Expected Credit Loss allowance (ECL) for the year ending 31 December 2023 is as a result of the growth in loans advanced to directors, key management and employees.

12.4	**Allowance for Expected Credit Loss (ECL)**				
	Opening balance	344 470 798	133 327 084	71 684 476	8 071 159
	Credit loss expense on loans and advances	229 411 533	335 878 263	229 411 533	69 896 367
	Foreign exchange losses	235 274 820	-	235 274 821	-
	Monetary adjustment	(272 786 321)	(94 542 137)	-	-
	Amounts written off during the year	(256 293 418)	(30 192 412)	(256 293 418)	(6 283 050)
	Closing balance	**280 077 412**	**344 470 798**	**280 077 412**	**71 684 476**
12.5	**Collateral**				
	Government Guarantee	211 360 496	30 627 962	211 360 496	6 373 688
	Cash cover	34 874 475	4 827 675	34 874 475	1 004 641
	Registered Marketable Commodities	77 502 880	219 760 552	77 502 880	45 732 237
	Mortgage bonds	494 288 487	277 534 993	494 288 487	57 755 115
	Notarial general covering bonds	476 326 869	473 378 518	476 326 869	98 510 211
		1 294 353 207	**1 006 129 700**	**1 294 353 207**	**209 375 892**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

13. EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL ASSETS

The table below shows the (ECL) charges on financial assets and insurance contract assets for the year 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 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Money market assets	3 325 151	2 479 550	-	-	-	-	3 325 151	2 479 550
Financial securities	27 242 121	303 479	-	-	-	-	27 242 121	303 479
Loans and advances to customers	(15 729 525)	39 827 285	1 734 439	12 485 619	243 406 620	283 565 359	229 411 534	335 878 263
Financial guarantees	(233 994)	3 090	-	-	-	-	(233 994)	3 090
Other commitments	2 513 676	2 336 787	(145 290)	733 877	463 681	3 071 234	2 832 067	6 141 898
Lease receivables	1 555	2 028	(1 694)	109 053	285 279	118 069	285 140	229 150
Expected credit loss expense	**17 118 984**	**44 952 219**	**1 587 455**	**13 328 549**	**244 155 580**	**286 754 662**	**262 862 019**	**345 035 430**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Money market assets	3 325 151	515 995	-	-	-	-	3 325 151	515 995
Financial securities	27 242 121	63 154	-	-	-	-	27 242 121	63 154
Loans and advances to customers	(15 729 525)	8 288 070	1 734 439	2 598 261	243 406 620	59 010 036	229 411 534	69 896 367
Financial guarantees	(233 994)	643	-	-	-	-	(233 994)	643
Other commitments	2 513 676	486 286	(145 290)	152 720	463 681	639 125	2 832 067	1 278 131
Lease receivables	1 555	422	(1 694)	22 694	285 279	24 570	285 140	47 686
Expected credit loss expense	**17 118 984**	**9 354 570**	**1 587 455**	**2 773 675**	**244 155 580**	**59 673 731**	**262 862 019**	**71 801 976**

14. OTHER ASSETS

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Prepayments and deposits	115 577 937	74 153 166	84 234 367	10 786 792
Other receivables	1 113 664 459	1 287 749 381	1 113 664 459	267 981 031
	1 229 242 396	**1 361 902 547**	**1 197 898 826**	**278 767 823**

Included in other receivables is an amount of ZWL$854,956,423,832 (2022: ZWL$507,835,866,843) 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 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.

15. LAND INVENTORY

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Opening balance	99 958 376	98 315 217	1 657 513	552 094
Additions	9 217 493	8 569 858	5 839 605	1 517 510
Disposals	(9 096 204)	(6 926 699)	(1 567 613)	(412 091)
Closing balance	**100 079 665**	**99 958 376**	**5 929 505**	**1 657 513**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
16.	**EQUITY INVESTMENTS**				
	Opening balance	83 301 256	89 566 403	17 335 017	5 422 039
	Additions	33 401 432	7 542 709	27 634 923	820 408
	Disposals	(34 124 152)	(6 733 042)	(22 514 274)	(867 965)
	Write offs	(35 252 770)	(14)	(23 994 700)	(1)
	Fair value adjustments through profit or loss	24 711 019	(27 997 634)	35 374 582	2 204 496
	Fair value adjustments through other comprehensive income	49 887 940	20 922 834	88 089 177	9 756 040
	Closing balance	**121 924 725**	**83 301 256**	**121 924 725**	**17 335 017**
16.1	**Investments in Equities**				
	Listed investments	21 305 897	24 756 649	21 305 897	5 151 866
	Unlisted investments	100 618 828	58 544 607	100 618 828	12 183 151
		121 924 725	**83 301 256**	**121 924 725**	**17 335 017**
	Equity investment designated at fair value through profit or loss	21 305 897	24 756 649	21 305 897	5 151 866
	Equity investment designated at fair value through other comprehensive income	100 618 828	58 544 607	100 618 828	12 183 151
		121 924 725	**83 301 256**	**121 924 725**	**17 335 017**

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	%	RESTATED 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2023 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%
16.2	**Investment in subsidiaries**								
	CBZ Bank Limited	16 158 126	100	16 158 112	100	21 840	100	21 840	100
	CBZ Asset Management (Private) Limited	2 544 837	100	1 470 781	100	227 900	100	1 988	100
	CBZ Insurance (Private) Limited	8 772 523	98.4	3 143 657	98.4	1 207 557	98.4	23 615	98.4
	CBZ Properties (Private) Limited	11 033 732	100	4 628 903	100	1 574 021	100	226 867	100
	CBZ Life Assurance (Private) Limited	8 414 770	100	1 026 899	100	1 555 305	100	1 388	100
	CBZ Asset Management Mauritius	10 821 035	100	10 821 037	100	691 550	100	691 550	100
	CBZ Risk Advisory Services (Private) Limited	4 043 807	100	995 150	100	642 581	100	1 345	100
	Red Sphere Finance (Private) Limited	8 860 790	100	7 264 540	100	586 270	100	250 520	100
	CBZ Agro Yield (Private) Limited	163 069	100	163 061	100	1 000	100	1 000	100
	CBZ South Africa Private Limited	5 138 247	100	453 800	100	2 614 961	100	88 499	100
		75 950 936		**46 125 940**		**9 122 985**		**1 308 612**	

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.

17. EQUITY ACCOUNTED INVESTEES

17.1 Recognition at acquisition – First Mutual Holdings Limited ("FMHL")

During the year, the Group acquired an additional 32.99% stake in FMHL. A 1.97% stake was purchased on 5 September 2023 and 31.02% more on 6 September 2023. The Group had previously held a 3.48% stake in FMHL, which was accounted for at fair value through profit or loss. Resultantly, the Group's interest in FMHL, increased from 3.48% to 36.47% on 6 September, resulting in CBZ Holdings "CBZH" attaining significant influence over FMHL, which subsequently became an Associate of the Group.

Acquiree

First Mutual Holdings Limited is a Holding company incorporated in Zimbabwe. It has diverse interests in Life Assurance, Health Insurance, Short Term Insurance, Short Term Re-insurance, Long Term Re-insurance, Wealth Management, Property sector, Funeral Services and Microfinance, housed under the following subsidiaries; First Mutual Life, First Mutual Health, Nicoz-Diamond Insurance, First Mutual Reinsurance, FMRE Property & Casualty (Botswana) First Mutual Wealth Management, First Mutual Properties, First Mutual Funeral Services and First Mutual Microfinance, respectively.

Consideration paid

To acquire 31.02% shareholding in FMHL on 6 September 2023, the Group paid (ZWL$000): 176,758,174 [Historical: (ZWL$000): 107,185,413] in consideration split as below:

	UNAUDITED	UNAUDITED
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000
Cash	133 486 487	77 732 660
Share Swap	43 271 687	29 452 753
Total	**176 758 174**	**107 185 413**

The Group swapped 46,833,110 CBZ Holdings Shares in exchange of 226,997,219 FMHL shares.

The Previously Held Interest (PHI) in FMHL (5.45%) was fair valued at (ZWL$000): 11,479,014 [Historical cost: ZWL$7,813,159]. This was taken as the deemed cost of the PHI resulting in a total cost of (ZWL$000): 188,237,188 [Historical cost: (ZWL$000): 114,998,571].

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

Identifiable assets acquired and liabilities assumed

The CBZH Group acquired FMHL's net assets fair valued at (ZWL$000): 521,331,989 [Historical: (ZWL$000) 354,843,155]. The material classes of assets and liabilities acquired are shown below:

	UNAUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000
Assets		
Insurance & reinsurance assets	61 234 641	41 679 186
Cash and bank balances	126 297 109	85 963 773
Property and equipment	107 907 651	73 447 040
Investment properties	1 262 480 046	859 303 504
Equity investments	222 380 556	151 362 702
Other assets	87 873 244	59 810 677
Total	**1 868 173 247**	**1 271 566 882**
Liabilities		
Insurance and reinsurance liabilities	(755 540 477)	(514 256 508)
Deferred tax liability	(107 578 158)	(73 222 771)
Other liabilities	(133 091 546)	(90 588 388)
Total	**(996 210 181)**	**(678 067 667)**
Net Assets (100%)	871 963 066	593 499 215
Non-controlling interests share of net assets acquired	(350 631 077)	(238 656 060)
Parent share of fair value of net assets acquired	**521 331 989**	**354 843 155**
Group share of net assets (36.47%)	190 129 776	129 411 299
Cost of the Investment	(188 237 188)	(114 998 571)
Gain on bargain purchase*	**1 892 588**	**14 412 728**

*The gain on bargain purchase was included as income in the determination of the Group's share of the associate profit or loss for the year.

RECONCILIATION OF INVESTMENT IN ASSOCIATES	UNAUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000
% shareholding	**36.47%**	**36.47%**
The carrying amount of interest in associate is split as follows:		
Investment in Associate during the year at Cost	188 237 188	114 998 571
Share of profit in associate	(12 148 445)	13 930 826
Share of OCI in associate	(23 638 704)	5 002 560
Carrying amount of interest in Associate	**152 450 039**	**133 931 957**

The following table analyses the unaudited financial information of FMHL as included in its own Financial Statements as at 31 December 2023

Non-current assets (100%)	1 413 784 803	1 374 115 895
Current assets (100%)	289 591 441	275 627 448
Non-current liabilities (100%)	911 232 481	902 353 947
Current liabilities (100%)	108 166 826	108 126 477
Fair value of FMHL (100%)	731 718 322	731 718 322
Group's share of the fair value (36.47%)	266 857 672	266 857 672
Revenue	1 158 542 698	503 246 025
Profit from continuing operations (100%)	349 569 422	583 184 344
Other comprehensive income (100%)	60 939 548	23 014 916
Total comprehensive income (100%)	410 508 970	606 199 260
Group share of Total comprehensive income	**(37 679 736)**	**4 520 659**

17.2 Recognition at acquisition – First Mutual Properties Limited ("FMP")

During the year, the Group acquired additional 3.19% stake in "FMP" through acquisition of shares from other shareholders. CBZ Holdings previously held 13.61% stake in "FMP" which was accounted for at fair value through profit or loss. Resultantly, the Group's direct interest increased from 13.61% to 16.8%.

The Directors assessed in line with the requirements of IAS 28, Investments in Associates and Joint Ventures on whether the Group had power to participate in the financial and operating policy decisions of "FMP "and concluded that CBZ Holdings had significant influence, therefore the investment in "FMP" was accounted for as an investment in Associate.

Acquiree
First Mutual Properties, is a subsidiary of First Mutual Holdings. It is a real estate company with vested interests in the development and management of commercial properties in the major towns of Zimbabwe.

Consideration paid

The Group Previously Held Interest (PHI) in FMP (13.61%) which was fair valued at (ZWL$000): 23,773,756 [Historical cost: (ZWL$000): 16,181,540]. This was taken as the deemed cost of the PHI at the date when the Group attained significant influence over FMP.

Total consideration for the additional direct stake (3.19%), acquired on the 29th of December 2023 transferred was cash amounting to (ZWL$000): 18,064,166 [Historical (ZWL$000): 11,316,947].

Identifiable assets acquired and liabilities assumed

On attainment of significant influence, the Group acquired net assets fair valued at (ZWL$000): 1,200,128,565 [Historical: (ZWL$000): 816,864 ,143]. The material classes of assets and liabilities acquired are shown below:

	UNAUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000
Assets		
Cash and bank balances	2 824 062	1 922 190
Property and equipment	222 199	151 239
Investment properties	1 263 225 654	859 811 000
Other assets	22 299 808	15 178 302
Total	**1 288 571 723**	**877 062 731**
Liabilities		
Deferred tax liability	(76 725 584)	(52 223 054)
Other liabilities	(11 717 574)	(7 975 534)
Total	**(88 443 158)**	**(60 198 588)**
Net Assets (100%)	**1 200 128 565**	**816 864 143**
Non-controlling interests share of net assets acquired	-	-
Parent share of fair value of net assets acquired	**1 200 128 565**	**816 864 143**
Group share of net assets (13.61%)	163 337 498	111 175 210
Cost of the investment	(23 773 756)	(16 181 540)
Gain on Bargain purchase*	**139 563 742**	**94 993 670**

*The gain on bargain purchase was included as income in the determination of the Group's share of the associate profit or loss for the year.

RECONCILIATION OF INVESTMENT IN ASSOCIATES

	UNAUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000
% shareholding	**16.8%**	**16.8%**
The carrying amount of interest in associate is split as follows:		
Investment in Associate during the year at Cost	41 837 922	27 498 487
Share of profit in associate	145 232 505	122 147 416
Carrying amount of interest in Associate	**187 070 427**	**149 645 902**

The following table analyses the unaudited financial information of FMP as included in its own Financial Statements as at 31 December 2023

Non-current assets (100%)	1 092 488 955	1 082 359 488
Current assets (100%)	11 030 318	10 502 089
Non-current liabilities (100%)	60 533 226	60 246 851
Current liabilities (100%)	16 096 755	16 056 406
Fair value of FMP (100%)	398 649 757	398 649 757
Group's share of the fair value (16.8%)	67 013 024	67 013 024
Revenue	560 208 146	970 972 607
Profit from continuing operations (100%)	553 932 655	553 932 655
Total other comprehensive income (100%)	553 932 655	553 932 655
Group share of Total comprehensive income	**5 668 762**	**27 153 747**

17.3 The Insurance and Pensions Commission ("IPEC") forensic investigation on First Mutual Life Assurance Company ("FML").

The Insurance and Pensions Commission ("IPEC" or "the Commission") performed a forensic investigation on First Mutual Life Assurance Company ("FML"), a subsidiary of First Mutual Holdings Limited ("FMHL" or "the Company"), arising from the asset separation exercise initiated by IPEC. On 21 December 2023, FML received a Corrective Order from IPEC which is based on the findings of the forensic auditor, BDO Chartered Accountants ("BDO"). The Order directed FML's shareholders to pay significant sums in Zimbabwe dollars and in United States dollars to the policyholders in respect of perceived actual and potential losses, as assessed by BDO.

FML was not in agreement with the findings in the BDO report and in the IPEC Corrective Order and believes its submissions were not properly considered. Interpretations of fact, accounting standards, legal and actuarial principles, as well as currency conversion issues are in dispute. Meanwhile, in order to protect FML's legal rights, after the reporting date, an application for review of the Corrective Order was filed with the High Court of Zimbabwe.

Further to the above actions, on the 22th of April 2024, IPEC and FML signed a Memorandum of Agreement which sets forth a plan of corrective actions for FML to adopt in order to ensure compliance with statutory and regulatory requirements. The Memorandum of Agreement also replaces the stated Corrective Order and sets in motion the withdrawal of the two High Court applications by FML against the IPEC.

In light of the foregoing, the Directors await the conclusion of the action plan as per the Memorandum of Agreement stated above to assess any possible impact on the Investment in FMHL.

The Directors have provided additional information as shown below on how the reported Group's financial performance would be excluding the equity-accounted investments in FMHL and FMP.

	Including equity-accounted investees		Excluding equity-accounted investees	
	UNAUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000
Statement of Profit or Loss and Other Comprehensive Income				
Profit after tax	693 566 928	1 009 049 490	561 066 968	872 971 248
Other comprehensive income	227 810 748	373 158 477	251 449 452	368 155 917
Total comprehensive income for the year	**921 377 676**	**1 382 207 967**	**812 516 420**	**1 241 127 165**
Statement of Financial Position				
Total Assets	8 258 316 397	8 008 350 406	7 918 795 931	7 724 772 544
Total Liabilities	6 514 583 006	6 479 905 996	6 514 583 006	6 479 905 996
Equity	1 743 733 391	1 528 444 410	1 634 872 135	1 387 363 608

18. CATEGORIES OF FINANCIAL ASSETS

AUDITED INFLATION ADJUSTED

	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
31 December 2023				
Balances with banks and cash	-	-	1 862 786 839	1 862 786 839
Money market assets	-	-	203 411 608	203 411 608
Financial securities	-	-	1 256 248 248	1 256 248 248
Loans and advances to customers	-	-	2 072 759 719	2 072 759 719
Equity investments	21 305 897	100 618 828	-	121 924 725
Other assets	-	-	1 113 664 459	1 113 664 459
TOTAL ASSETS	**21 305 897**	**100 618 828**	**6 508 870 873**	**6 630 795 598**
31 December 2022				
Balances with banks and cash	-	-	1 264 186 479	1 264 186 479
Money market assets	-	-	170 389 707	170 389 707
Financial securities	-	-	238 508 024	238 508 024
Loans and advances to customers	-	-	846 797 880	846 797 880
Equity investments	24 756 645	58 544 611	-	83 301 256
Other assets	-	-	1 287 749 381	1 287 749 381
TOTAL ASSETS	**24 756 645**	**58 544 611**	**3 807 631 471**	**3 890 932 727**

UNAUDITED HISTORICAL

	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
31 December 2023				
Balances with banks and cash	-	-	1 862 786 839	1 862 786 839
Money market assets	-	-	203 411 608	203 411 608
Financial securities	-	-	1 256 248 248	1 256 248 248
Loans and advances to customers	-	-	2 072 759 719	2 072 759 719
Equity investments	21 305 897	100 618 828	-	121 924 725
Other assets	-	-	1 113 664 459	1 113 664 459
TOTAL ASSETS	**21 305 897**	**100 618 828**	**6 508 870 873**	**6 630 795 598**
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	-	-	17 6 218 892	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**

Fair value of assets measured at amortised cost was not measured as the financial instruments' carrying amount is a reasonable approximate of the fair value on transaction date.

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 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Equity investments	21 305 897	24 756 649	-	-	100 618 827	58 544 611	121 924 724	83 301 260
Land and buildings	-	-	395 115 397	146 483 028	-	-	395 115 397	146 483 028
Investment properties	-	-	395 907 462	137 395 156	-	-	395 907 462	137 395 156
Total assets at fair value	**21 305 897**	**24 756 649**	**791 022 859**	**283 878 184**	**100 618 827**	**58 544 611**	**912 947 583**	**367 179 444**

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 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Equity investments	21 305 897	5 151 866	-	-	100 618 827	12 183 151	121 924 724	17 335 017
Land and buildings	-	-	395 115 397	30 483 162	-	-	395 115 397	30 483 162
Investment properties	-	-	395 907 462	28 591 973	-	-	395 907 462	28 591 973
Total assets at fair value	**21 305 897**	**5 151 866**	**791 022 859**	**59 075 135**	**100 618 827**	**12 183 151**	**912 947 583**	**76 410 152**

There were no transfers between Level 1 and Level 2 during 2023.

All the fair value gains on unquoted equities categorised within level 3 of the fair value hierarchy, were unrealised as at 31 December 2023. The fair value gains were recognised in the gains on equity instruments at FVOCI line item on Statement of Other Comprehensive Income.

Unobservable inputs used for land and buildings were not significant enough to result in these being Level 3.

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 2023 and 2022 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 therefrom were deemed to be within acceptable fair values ranges of the equities. Where the discounted cash flow method is used, projected cash flows are based on historical performance and adjusted for future assumptions.

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	• 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

If the average jurisdiction or country discount had been at 5% more or less, the impact on other comprehensive income would be ZWL$ 2,180,669,536 and impact on statement of financial position would be ZWL$2,339,712,591.

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%	15,158,183
Jurisdiction/country and size discount at 20%	17,145,182

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 Dec 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 For the year ended 31 December 2023 (continued...)

20. PROPERTY AND EQUIPMENT

AUDITED INFLATION ADJUSTED

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2023									
Cost									
Opening balance	19 371 553	131 308 793	1 530 956	7 681 258	49 169 525	14 452 877	9 863 594	27 076 415	260 454 971
Additions	-	4 714 359	470 266	10 431 211	5 638 920	7 104 275	4 732 600	22 754 346	55 845 977
Revaluation gain	36 358 650	208 627 289	-	-	-	-	-	-	244 985 939
Disposals	-	-	-	(188 206)	(80 155)	(8 362)	(43 539)	-	(320 262)
Transfers from investment properties	-	3 631 477	-	-	-	-	-	-	3 631 477
Write offs	-	(103 434)	-	(2)	(12 621)	(12 665)	(3 288)	(7 793 229)	(7 925 239)
Intercategory transfers	-	-	-	223 791	873 005	614 539	67 909	(1 779 244)	-
Closing balance	**55 730 203**	**348 178 484**	**2 001 222**	**18 148 052**	**55 588 674**	**22 150 664**	**14 617 276**	**40 258 288**	**556 672 863**
Accumulated depreciation									
Opening balance	-	3 523 705	842 945	5 378 681	18 883 236	8 790 511	4 229 609	-	41 648 687
Charge for the year	-	25 288 015	207 918	665 594	5 661 474	942 574	945 127	-	33 710 702
Disposals	-	-	-	(141 779)	(45 147)	(7 292)	(37 913)	-	(232 131)
Write offs	-	(50 562)	-	(2)	(8 272)	(10 760)	(2 883)	-	(72 479)
Revaluation	-	(24 423 491)	-	-	-	-	-	-	(24 423 491)
Closing balance	**-**	**4 337 667**	**1 050 863**	**5 902 494**	**24 491 291**	**9 715 033**	**5 133 940**	**-**	**50 631 288**
Net Book Value	**55 730 203**	**343 840 817**	**950 359**	**12 245 558**	**31 097 383**	**12 435 631**	**9 483 336**	**40 258 288**	**506 041 575**

AUDITED INFLATION ADJUSTED

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2022									
Cost									
Opening balance	13 660 682	99 403 048	1 509 995	5 712 140	36 305 762	11 971 593	7 575 294	10 928 072	187 066 586
Additions	-	768 096	130 855	1 697 720	12 989 582	2 675 815	2 299 785	16 419 741	36 981 594
Revaluation gain	5 710 871	31 140 859	-	-	-	-	-	-	36 851 730
Impairments	-	-	(109 894)	-	-	-	-	-	(109 894)
Disposals	-	-	-	-	(55 363)	(4 320)	(2 090)	-	(61 773)
Write offs	-	(3 210)	-	-	(70 456)	(190 211)	(9 395)	-	(273 272)
Intercategory transfers	-	-	-	271 398	-	-	-	(271 398)	-
Closing balance	**19 371 553**	**131 308 793**	**1 530 956**	**7 681 258**	**49 169 525**	**14 452 877**	**9 863 594**	**27 076 415**	**260 454 971**
Accumulated depreciation									
Opening balance	-	2 188 022	703 166	4 392 161	17 074 757	8 331 699	3 904 127	-	36 593 932
Charge for the year	-	8 818 171	139 779	987 399	1 881 506	648 692	327 188	-	12 802 735
Disposals	-	-	-	-	(31 014)	(3 888)	(1 461)	-	(36 363)
Write offs	-	(130)	-	(879)	(42 013)	(185 992)	(245)	-	(229 259)
Revaluation	-	(7 482 358)	-	-	-	-	-	-	(7 482 358)
Closing balance	**-**	**3 523 705**	**842 945**	**5 378 681**	**18 883 236**	**8 790 511**	**4 229 609**	**-**	**41 648 687**
Net Book Value	**19 371 553**	**127 785 088**	**688 011**	**2 302 577**	**30 286 289**	**5 662 366**	**5 633 985**	**27 076 415**	**218 806 284**

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 December 2023									
Cost									
Opening balance	4 031 223	26 649 788	40 637	378 275	3 135 567	578 909	499 106	2 703 907	38 017 412
Additions	-	2 042 651	183 139	8 812 549	3 905 696	5 076 963	3 245 571	17 349 930	40 616 499
Revaluation gain	51 698 980	312 169 432	-	-	-	-	-	-	363 868 412
Disposals	-	-	-	(1 573)	(7 479)	(428)	(388)	-	(9 868)
Transfers from Investment Properties	-	763 825	-	-	-	-	-	-	763 825
Write offs	-	(5 594)	-	-	(1 886)	(2 636)	(686)	(1 009 388)	(1 020 190)
Intercategory transfers	-	-	-	183 991	827 373	401 094	106 430	(1 518 888)	-
Closing balance	**55 730 203**	**341 620 102**	**223 776**	**9 373 242**	**7 859 271**	**6 053 902**	**3 850 033**	**17 525 561**	**442 236 090**
Accumulated depreciation									
Opening balance	-	86 362	3 489	52 663	211 968	42 960	26 296	-	423 738
Charge for the year	-	13 556 479	57 116	228 715	922 929	227 176	207 999	-	15 200 414
Disposals	-	-	-	(1 179)	(3 279)	(363)	(188)	-	(5 009)
Write offs	-	(3 679)	-	-	(1 183)	(2 239)	(600)	-	(7 701)
Revaluation	-	(13 196 639)	-	-	-	-	-	-	(13 196 639)
Closing balance	**-**	**442 523**	**60 605**	**280 199**	**1 130 435**	**267 534**	**233 507**	**-**	**2 414 803**
Net Book Value	**55 730 203**	**341 177 579**	**163 171**	**9 093 043**	**6 728 836**	**5 786 368**	**3 616 526**	**17 525 561**	**439 821 287**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

UNAUDITED HISTORICAL

	Land ZWL$ 000	Buildings ZWL$ 000	Leasehold improvements ZWL$ 000	Motor vehicles ZWL$ 000	Computer ZWL$ 000	Equipment ZWL$ 000	Furniture & Fittings ZWL$ 000	Work in progress ZWL$ 000	Total ZWL$ 000
31 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**

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

i Surveys and data collection on similar past transactions.

ii. Analysis of collected data.

- Comparison of the analysis with the subject properties and then carrying out the valuation of the subject properties. Adjustments were made to the following aspects:

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

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

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

The carrying amount of buildings would have been ZWL$82,183,695,755 (31 December 2022: ZWL$31,921,559,087) 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$10,001,825,089 (31 December 2022: ZWL$1,668,735,081) higher or lower than the reported position, impact on the Financial Position would be ZWL$13,470,471,500 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 uses the buildings.

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
20.1a	**Right of use assets**				
	Opening balance	454 045	1 056 788	111 487	25 859
	Additions	4 714 359	733 070	2 042 651	142 901
	Write offs	(52 872)	-	(1 915)	-
	Depreciation charge for the year	(864 524)	(1 335 813)	(359 838)	(57 273)
	Closing balance	**4 251 008**	**454 045**	**1 792 385**	**111 487**

The Group leases a number of branches and IT equipment under operating leases. The buildings and equipment are mainly used by the Bank for its various branches and operations. The leases run for a period of five years with an option to renew the lease for a further five years after that expiry date.

		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
20.1b	**Lease liability**				
	Opening balance	1 257 836	599 145	261 756	36 270
	Additions	4 951 793	732 930	2 280 085	142 899
	Write-offs	(54 257)	-	(15 446)	-
	Interest	315 034	129 725	232 880	23 943
	Repayment	(3 595 990)	(858 341)	(1 747 234)	(114 827)
	Exchange loss	3 192 512	833 598	3 192 512	173 471
	Monetary adjustment	(1 862 375)	(179 221)	-	-
	Closing balance	**4 204 553**	**1 257 836**	**4 204 553**	**261 756**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
20.1c	**Lease liability maturity analysis**				
	Less than one month	264 255	55 190	264 255	11 485
	One to three months	550 104	139 812	550 104	29 095
	Three to six months	639 196	166 377	639 196	34 623
	Six to twelve months	1 183 740	280 240	1 183 740	58 318
	One to five years	2 088 875	783 608	2 088 875	163 069
		4 726 170	**1 425 227**	**4 726 170**	**296 590**
20.1d	**Amounts recognised in Statement of Profit or Loss**				
	Interest on lease liabilities	315 034	129 725	232 880	23 943
	Depreciation	864 524	1 335 813	359 838	57 273
	Expenses relating to short term leases	2 098 206	-	1 075 740	-
		3 277 764	**1 465 538**	**1 668 458**	**81 216**
20.1e	**Amounts recognised in Statement of Cash Flow**	**3 595 990**	**858 341**	**1 747 234**	**114 827**
20.1f	**Lease income Maturity**				
	up to one year	1 246 459	460 437	1 246 459	95 817
	Between one and 2 years	1 026 222	452 493	1 026 222	94 164
	Between 2 and 3 years	565 978	750 528	565 978	156 185
	Between 3 and 4 years	565 978	12 999	565 978	2 705
	Between 4 and 5 years	428 082	12 999	428 082	2 705
		3 832 719	**1 689 456**	**3 832 719**	**351 576**
21.	**INVESTMENT PROPERTIES**				
	Opening balance	137 395 156	101 921 238	28 591 973	6 169 958
	Additions	16 084 714	540 571	5 154 941	66 077
	Disposals	(3 536 499)	(9 989 755)	(1 167 099)	(780 477)
	Transfer to property and equipment	(3 631 477)	-	(763 825)	-
	Fair valuation gain	249 595 568	44 923 102	364 091 472	23 136 415
	Closing balance	**395 907 462**	**137 395 156**	**395 907 462**	**28 591 973**

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 2023.

Description of valuation techniques used and key inputs to valuation of investment property.

	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$ 20 050– ZWL$ 169 335 9.5% - 15.25%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL$ 434 400 - ZWL$ 990 000

In arriving at the market value of the 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 2023. 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$ 5,641,881,345 (December 2022: ZWL$ 3,100,592,354) and direct Operating expenses amounted to ZWL$ 1 916 228 227 (December 2022: ZWL$ 449,562,569). All the Group's lettable Investment properties were occupied as at 31 December 2023.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL$11,855,789,480 (31 December 2022: ZWL$ 293,003,375) higher or lower than the reported position and the Statement of Financial Position would be ZWL$12,479,778,400 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.

The following sets outs a maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

22. INTANGIBLE ASSETS

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
At cost	15 343 747	12 487 464	2 590 972	443 079
Accumulated amortisation	(10 855 446)	(8 036 997)	(412 037)	(185 803)
	4 488 301	**4 450 467**	**2 178 935**	**257 276**
Movement in intangible assets				
Opening balance	4 450 467	5 024 025	257 276	213 757
Additions	2 910 055	1 360 777	2 167 041	169 243
Write offs	(26 624)	-	(18 215)	-
Amortisation charge	(2 845 597)	(1 934 335)	(227 167)	(125 724)
Closing balance	**4 488 301**	**4 450 467**	**2 178 935**	**257 276**

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 intangible assets.

23. DEFERRED TAXATION

23.1 Deferred tax asset

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

The deferred tax included in the Statement of Profit or Loss and Other Comprehensive Income composed of:

	AUDITED INFLATION ADJUSTED					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Opening balance	152 842 164	59 789 098	-	-	152 842 164	59 789 098
Assessed losses	(33 466 771)	25 879 675	-	-	(33 466 771)	25 879 675
Impairments and provisions	(429 999)	54 324 941	-	-	(429 999)	54 324 941
Tax claimable impairments	(7 727 355)	6 798 049	-	-	(7 727 355)	6 798 049
Other	1 607 311	6 050 401	-	-	1 607 311	6 050 401
Closing deferred tax balance	**112 825 350**	**152 842 164**	**-**	**-**	**112 825 350**	**152 842 164**

	UNAUDITED HISTORICAL					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Opening balance	32 351 158	3 618 424	-	-	32 351 158	3 618 424
Assessed losses	2 990 831	8 360 230	-	-	2 990 831	8 360 230
Impairments and provisions	70 288 577	16 466 449	-	-	70 288 577	16 466 449
Tax claimable impairments	(1 608 065)	1 551 808	-	-	(1 608 065)	1 551 808
Other	8 802 849	2 354 247	-	-	8 802 849	2 354 247
Closing deferred tax balance	**112 825 350**	**32 351 158**	**-**	**-**	**112 825 350**	**32 351 158**

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Assessed losses	12 571 385	46 038 156	12 571 385	9 580 554
Credit loss provisions	88 872 441	89 302 438	88 872 441	18 583 864
Tax claimable impairments	-	7 727 356	-	1 608 063
Other	11 381 524	9 774 214	11 381 524	2 578 677
Closing deferred tax balance	**112 825 350**	**152 842 164**	**112 825 350**	**32 351 158**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

23.2 Deferred tax liability

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

The deferred tax included in the Statement of Profit or Loss and Other Comprehensive Income composed of:

	AUDITED INFLATION ADJUSTED					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Opening balance	181 000 215	69 632 821	28 882 218	10 458 592	209 882 432	80 091 413
Intangible assets	(65 122)	375 529	-	-	(65 122)	375 529
Equity investments	(2 321 032)	20 738	4 431 437	1 046 829	2 110 405	1 067 567
Property and equipment	(8 207 814)	(8 500 944)	62 964 114	17 376 797	54 756 301	8 875 853
Investment properties	32 275 731	3 901 103	-	-	32 275 731	3 901 103
Other	22 929 468	115 570 968	-	-	22 929 468	115 570 968
Closing balance	**225 611 446**	**181 000 215**	**96 277 769**	**28 882 218**	**321 889 215**	**209 882 433**

	UNAUDITED HISTORICAL					
	Statement of Profit or Loss		Statement of Other Comprehensive Income		Total carrying amount	
	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Opening balance	31 183 655	2 367 014	5 937 884	1 206 560	37 121 539	3 573 574
Intangible assets	76 009	(13 177)	-	-	76 009	(13 177)
Equity investments	(1 722 202)	75 709	7 332 540	483 837	5 610 338	559 546
Property and equipment	(23 436 233)	(2 010 849)	89 213 404	4 247 487	65 777 171	2 236 638
Investment properties	44 208 851	1 752 697	-	-	44 208 851	1 752 697
Other	135 274 481	29 012 261	-	-	135 274 481	29 012 261
Closing balance	**185 584 561**	**31 183 655**	**102 483 828**	**5 937 884**	**288 068 389**	**37 121 539**

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

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Intangible assets	779 537	844 660	86 532	10 523
Equity investments	5 464 340	3 353 936	6 308 293	697 955
Property and equipment	77 447 806	22 691 505	68 604 257	2 827 086
Investment properties	42 552 897	10 277 164	46 347 533	2 138 682
Other	195 644 635	172 715 168	166 721 774	31 447 293
Closing balance	**321 889 215**	**209 882 433**	**288 068 389**	**37 121 539**

Included in other are deferred tax balances relating to unrealised foreign currency exchange gains/losses, deferred facilitation fees, deferred establishment fees and other commissions.

24. DEPOSITS

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Demand	4 985 589 861	8 734 826	4 985 589 861	1 817 720
Savings	76 640 915	2 658 582 558	76 640 915	553 251 825
Time	183 502 110	-	183 502 110	-
Treasury	45 973 899	530 541 100	45 973 899	110 405 761
Credit lines	234 239 527	56 561 879	234 239 527	11 770 544
Accrued interest	51 588 045	15 154 639	51 588 045	3 153 685
	5 577 534 357	**3 269 575 002**	**5 577 534 357**	**680 399 535**

Lines of credit relate to borrowings from foreign banks or financial institutions. These borrowings have an average tenure of 4.9 years (2022:4.9 years) and average interest rates of 10% (2022:9.7%) and are secured by a variety of instruments which include liens over bank accounts guarantees treasury bills and sub borrower securities.

24.1 Settlement of legacy liabilities and nostro gap accounts

Included in the deposits balance above are amounts that are denominated in USD amounting to US$110,468,844 (December 2022: US$133, 369,793), being legacy liabilities of US$46,221,338 (December 2022: US$50,833,318) and nostro gap accounts of US$64,247,506 (December 2022: US$84,866,891) which are shown at ZWL$674,522,758,716 (December 2022: ZWL$91,269,470,456). 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 ZWL$1:USD1. We note that to date US$54,083,770 (December 2022: US$39,069,129) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

The Group has however identified key risks attendant to the legacy liabilities and nostro gap accounts, which risks 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 2023 it had cash and cash equivalents US$ 255,337,782 (2022: 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 Bank 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 Bank.**

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 Bank draws comfort from the fact that as at 31 December 2023 it 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 35.5 to the financial statements if one excludes the RBZ financial asset disclosed within Other Assets in the "less than one month" bucket.

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	%	RESTATED 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2023 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%
24.2	**Sectoral Analysis**								
	Private	265 129 950	5	205 919 373	7	265 129 950	5	42 851 883	7
	Agriculture	66 388 725	1	32 898 319	1	66 388 725	1	6 846 150	1
	Mining	124 440 127	2	1 164 472	-	124 440 127	2	242 327	-
	Manufacturing	154 775 109	3	47 328 226	1	154 775 109	3	9 849 018	1
	Distribution	279 535 669	5	130 044 085	4	279 535 669	5	27 062 213	4
	Construction	38 556 261	1	8 295 649	-	38 556 261	1	1 726 327	-
	Transport	33 975 367	1	10 148 577	-	33 975 367	1	2 111 922	-
	Communication	93 663 107	2	16 220 202	-	93 663 107	2	3 375 429	-
	Services	3 966 695 380	71	2 813 207 662	87	3 966 695 380	71	585 429 355	87
	Financial organisations	442 206 907	7	1 856 187	-	442 206 907	7	386 273	-
	Financial and investments	112 167 755	2	2 492 251	-	112 167 755	2	518 638	-
		5 577 534 357	**100**	**3 269 575 003**	**100**	**5 577 534 357**	**100**	**680 399 535**	**100**

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
24.3	**Maturity analysis**				
	Less than 1 month	5 220 736 026	2 880 668 583	5 220 736 026	599 467 993
	Between 1 and 3 months	2 337 321	293 678 987	2 337 321	61 114 685
	Between 3 and 6 months	116 420 282	36 894 978	116 420 282	7 677 856
	Between 6 months and 1 year	-	15 875 164	-	3 303 626
	Between 1 and 5 years	5 733 858	42 457 291	5 733 858	8 835 375
	More than 5 year	232 306 870	-	232 306 870	-
		5 577 534 357	**3 269 575 003**	**5 577 534 357**	**680 399 535**

Maturity analysis is based on the remaining period from 31 December 2023 to contractual maturity.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

25 INSURANCE CONTRACTS

The Group offers insurance services under CBZ Insurance and CBZ Life, which offers short term insurance on property and life assurance services respectively.

25.1 Balance sheet composition of insurance assets and liabilities

	INFLATION ADJUSTED					
	Life Risk ZWL$ 000	Property Risk ZWL$ 000	Total ZWL$ 000	Current ZWL$ 000	Non current ZWL$ 000	Total ZWL$ 000
31 December 2023						
Insurance contract assets	11 611 138	22 205	11 633 343	22 205	11 611 138	11 633 343
Reinsurance assets	416 828	12 018 762	12 435 590	12 018 762	416 828	12 435 590
Insurance liabilities	(28 400 122)	(19 366 206)	(47 766 328)	(19 366 206)	(28 400 122)	(47 766 328)
Reinsurance liabilities	(91 292)	(1 240 272)	(1 331 564)	(1 240 272)	(91 292)	(1 331 564)
Total	**(16 463 448)**	**(8 565 511)**	**(25 028 959)**	**(8 565 511)**	**(16 463 448)**	**(25 028 959)**
31 December 2022						
Insurance contract assets	2 079 157	4 781 429	6 860 586	4 781 429	2 079 157	6 860 586
Reinsurance assets	310 573	6 505 583	6 816 156	6 505 583	310 573	6 816 156
Insurance liabilities	(9 758 691)	(9 738 888)	(19 497 579)	(9 738 888)	(9 758 691)	(19 497 579)
Reinsurance liabilities	-	(2 378 690)	(2 378 690)	(2 378 690)	-	(2 378 690)
Total	**(7 368 961)**	**(830 566)**	**(8 199 527)**	**(830 566)**	**(7 368 961)**	**(8 199 527)**

	HISTORICAL					
	Life Risk ZWL$ 000	Property Risk ZWL$ 000	Total ZWL$ 000	Current ZWL$ 000	Non current ZWL$ 000	Total ZWL$ 000
31 December 2023						
Insurance contract assets	11 611 138	22 205	11 633 343	22 205	11 611 138	11 633 343
Reinsurance assets	416 828	12 018 762	12 435 590	12 018 762	416 828	12 435 590
Insurance liabilities	(28 400 122)	(19 366 206)	(47 766 328)	(19 366 206)	(28 400 122)	(47 766 328)
Reinsurance liabilities	(91 292)	(1 240 272)	(1 331 564)	(1 240 272)	(91 292)	(1 331 564)
Total	**(16 463 448)**	**(8 565 511)**	**(25 028 959)**	**(8 565 511)**	**(16 463 448)**	**(25 028 959)**
31 December 2022						
Insurance contract assets	432 673	889 627	1 322 300	889 627	432 673	1 322 300
Reinsurance assets	64 630	1 353 814	1 418 444	1 353 814	64 630	1 418 444
Insurance liabilities	(2 030 786)	(2 026 666)	(4 057 452)	(2 026 666)	(2 030 786)	(4 057 452)
Reinsurance liabilities	-	(495 006)	(495 006)	(495 006)	-	(495 006)
Total	**(1 533 483)**	**(278 231)**	**(1 811 714)**	**(278 231)**	**(1 533 483)**	**(1 811 714)**

At 31 December 2023, the maximum exposure to credit risk from insurance contracts is ZWL$ 22,209,020 (Dec 2022: ZWL$ 4,274,990,031), which primarily relates to premiums receivable for services that the Group has already provided and the maximum exposure to credit risk from reinsurance contracts is ZWL$ 1,362,371,768 (2022: ZWL$ 1,929,893,139) expected credit losses on receivables, have been accounted for in line with accounting policies for other trade receivables held by the Group.

25.2 Movement in insurance assets and liabilities by risk

25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	INFLATION ADJUSTED					
	LIFE RISK			PROPERTY RISK		
	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000
31 December 2023						
Movements in insurance contract balances						
Opening insurance contract assets	1 982 245	96 912	2 079 157	4 781 429	-	4 781 429
Opening insurance contract liabilities	(9 524 803)	(233 888)	(9 758 691)	(5 517 075)	(4 221 813)	(9 738 888)
Net opening balance	**(7 542 558)**	**(136 976)**	**(7 679 534)**	**(735 646)**	**(4 221 813)**	**(4 957 459)**
Amounts recognised in comprehensive income						
Insurance revenue	30 894 811	-	30 894 811	49 338 483	-	49 338 483
Insurance service expenses	(15 788 775)	(25 908 577)	(41 697 352)	(19 901 494)	(39 854 015)	(59 755 509)
Finance expenses from insurance contracts issued	(2 407 410)	(2 188)	(2 409 598)	-	-	-
Foreign exchange gains/ losses	4 297 660	(332 143)	3 965 517	(4 270 565)	(5 373 099)	(9 643 664)
Other	30 089 099	(904 415)	29 184 684	4 771 215	5 423 470	10 194 685
Amounts recognised in cashflow statement						
Premiums received	(58 366 902)	-	(58 366 902)	(31 606 996)	-	(31 606 996)
Claims and other directly attributable expenses paid	-	11 456 313	11 456 313	-	34 627 081	34 627 081
Insurance acquisition cash flows	1 812 527	16 050 550	17 863 077	(7 540 622)	-	(7 540 622)
Net closing balance	**(17 011 548)**	**222 564**	**(16 788 984)**	**(9 945 625)**	**(9 398 376)**	**(19 344 001)**
Closing insurance contract assets	11 562 275	48 863	11 611 138	22 205	-	22 205
Closing insurance contract liabilities	(28 573 823)	173 701	(28 400 122)	(9 967 830)	(9 398 376)	(19 366 206)
Net closing balance	**(17 011 548)**	**222 564**	**(16 788 984)**	**(9 945 625)**	**(9 398 376)**	**(19 344 001)**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

25.2 Movement in insurance assets and liabilities by risk

25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	INFLATION ADJUSTED					
	LIFE RISK			PROPERTY RISK		
31 December 2022	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000
Movements in insurance contract balances						
Opening insurance contract assets	280 897	178 393	459 290	5 632 963	-	5 632 963
Opening insurance contract liabilities	(10 660 312)	(563 490)	(11 223 802)	(9 528 126)	(11 528 265)	(21 056 391)
Net opening balance	**(10 379 415)**	**(385 097)**	**(10 764 512)**	**(3 895 163)**	**(11 528 265)**	**(15 423 428)**
Amounts recognised in comprehensive income						
Insurance revenue	10 050 133	-	10 050 133	20 112 883	-	20 112 883
Insurance service expenses	(6 620 967)	(4 829 246)	(11 450 213)	(7 123 953)	(6 090 063)	(13 214 016)
Finance expenses from insurance contracts issued	(404 357)	(150 068)	(554 425)	-	-	-
Foreign exchange gains/ losses	8 048 535	(1 840 351)	6 208 184	(592 575)	(6 241 044)	(6 833 619)
Other	11 541 300	5 497 568	17 038 868	2 302 445	5 946 517	8 248 962
Amounts recognised in cashflow statement						
Premiums received	(24 607 704)	-	(24 607 704)	(14 783 347)	-	(14 783 347)
Claims and other directly attributable expenses paid	-	1 570 218	1 570 218	-	13 691 042	13 691 042
Insurance acquisition cash flows	4 829 917	-	4 829 917	3 244 064	-	3 244 064
Net closing balance	**(7 542 558)**	**(136 976)**	**(7 679 534)**	**(735 646)**	**(4 221 813)**	**(4 957 459)**
Closing insurance contract assets	1 982 245	96 912	2 079 157	4 781 429	-	4 781 429
Closing insurance contract liabilities	(9 524 803)	(233 888)	(9 758 691)	(5 517 075)	(4 221 813)	(9 738 888)
Net closing balance	**(7 542 558)**	**(136 976)**	**(7 679 534)**	**(735 646)**	**(4 221 813)**	**(4 957 459)**

25.2 Movement in insurance assets and liabilities by risk

25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	HISTORICAL					
	LIFE RISK			PROPERTY RISK		
31 December 2023	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000
Movements in insurance contract balances						
Opening insurance contract assets	412 506	20 167	432 673	889 627	-	889 627
Opening insurance contract liabilities	(1 956 815)	(73 971)	(2 030 786)	(1 148 105)	(878 561)	(2 026 666)
Net opening balance	**(1 544 309)**	**(53 804)**	**(1 598 113)**	**(258 478)**	**(878 561)**	**(1 137 039)**
Amounts recognised in comprehensive income						
Insurance revenue	15 062 917	-	15 062 917	29 083 019	-	29 083 019
Insurance service expenses	(7 716 251)	(9 877 589)	(17 593 840)	(4 583 515)	(31 794 309)	(36 377 824)
Finance expenses from insurance contracts issued	(1 433 760)	(834)	(1 434 594)	-	-	-
Foreign exchange gains/ losses	4 297 660	(332 143)	3 965 517	(4 270 565)	(5 373 099)	(9 643 664)
Amounts recognised in cashflow statement				**-**	**-**	
Premiums received	(26 369 608)	-	(26 369 608)	(34 499 602)	-	(34 499 602)
Claims and other directly attributable expenses paid	-	4 367 695	4 367 695	-	28 647 593	28 647 593
Insurance acquisition cash flows	691 803	6 119 239	6 811 042	4 583 516	-	4 583 516
Net closing balance	**(17 011 548)**	**222 564**	**(16 788 984)**	**(9 945 625)**	**(9 398 376)**	**(19 344 001)**
Closing insurance contract assets	11 562 275	48 863	11 611 138	22 205	-	22 205
Closing insurance contract liabilities	(28 573 823)	173 701	(28 400 122)	(9 967 830)	(9 398 376)	(19 366 206)
Net closing balance	**(17 011 548)**	**222 564**	**(16 788 984)**	**(9 945 625)**	**(9 398 376)**	**(19 344 001)**

25.2 Movement in insurance assets and liabilities by risk

25.2 (a) Analysis of insurance contract liabilities by remaining coverage and incurred claims

	HISTORICAL					
	LIFE RISK			PROPERTY RISK		
	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000	Liability for remaining coverage ZWL$ 000	Liability for incurred claims ZWL$ 000	Total ZWL$ 000
31 December 2022						
Movements in insurance contract balances						
Opening insurance contract assets	17 005	10 799	27 804	341 000	-	341 000
Opening insurance contract liabilities	(645 338)	(34 112)	(679 450)	(576 800)	(697 881)	(1 274 681)
Net opening balance	**(628 333)**	**(23 313)**	**(651 646)**	**(235 800)**	**(697 881)**	**(933 681)**
Amounts recognised in comprehensive income						
Insurance revenue	1 332 268	-	1 332 268	2 752 725	-	2 752 725
Insurance service expenses	(1 682 250)	-	(1 682 250)	(478 017)	(1 515 737)	(1 993 754)
Finance expenses from insurance contracts issued	(94 815)	463	(94 352)	-	-	-
Foreign exchange gains/ losses	1 674 903	(210 880)	1 464 023	-	-	-
Amounts recognised in cashflow statement						
Premiums received	(2 699 527)	-	(2 699 527)	(1 819 368)	-	(1 819 368)
Claims and other directly attributable expenses paid	-	179 926	179 926	-	1 335 057	1 335 057
Insurance acquisition cash flows	553 445	-	553 445	(478 018)	-	(478 018)
Net closing balance	**(1 544 309)**	**(53 804)**	**(1 598 113)**	**(258 478)**	**(878 561)**	**(1 137 039)**
Closing insurance contract assets	412 506	20 167	432 673	889 627	-	889 627
Closing insurance contract liabilities	(1 956 815)	(73 971)	(2 030 786)	(1 148 105)	(878 561)	(2 026 666)
Net closing balance	**(1 544 309)**	**(53 804)**	**(1 598 113)**	**(258 478)**	**(878 561)**	**(1 137 039)**

25.2 (b) Analysis by measurement approach
Life risk contracts not measured under the PAA

	INFLATION ADJUSTED			
	PV of Cashflows ZWL$ 000	Risk adjustment ZWL$ 000	CSM ZWL$ 000	Total ZWL$ 000
31 December 2023				
Net opening balance	1 699 940	260 258	2 969 480	4 929 678
Statement of comprehensive income				
Changes relating to current services				
CSM recognised change in risk adjustment	6 258 587	(293 219)	(164 930)	5 800 438
Adjustments to Cashflows	(2 358 840)	(150 427)	1 402 247	(1 107 020)
Changes relating to future services				
Initial recognition of contracts	(11 971 968)	9 070 375	-	(2 901 593)
Changes in estimates affecting CSM	-	-	10 050 331	10 050 331
Other	(849 435)	(206 098)	(2 351 531)	(3 407 064)
Changes relating to past services				
Adjustments to liabilities for incurred claims	(566 899)	-	-	(566 899)
Other				
Finance expenses	2 665 010	315 893	225 047	3 205 950
Net closing balance	**(5 123 605)**	**8 996 782**	**12 130 644**	**16 003 821**

	INFLATION ADJUSTED			
	PV of Cashflows ZWL$ 000	Risk adjustment ZWL$ 000	CSM ZWL$ 000	Total ZWL$ 000
31 December 2022				
Net opening balance	1 378 061	152 182	922 709	2 452 952
Statement of comprehensive income				
Changes relating to current services				
CSM recognised change in risk adjustment	2 658 682	(118 674)	(1 326 869)	1 213 139
Adjustments to Cashflows	(543 767)	-	-	(543 767)
Changes relating to future services				
Changes in estimates affecting CSM	-	-	(1 225)	(1 225)
Other changes	(2 451 021)	154 322	3 175 224	878 525
Changes relating to past services				
Adjustments to liabilities for incurred claims	190 574	-	-	190 574
Other				
Finance expenses	467 411	72 428	199 641	739 480
Net closing balance	**1 699 940**	**260 258**	**2 969 480**	**4 929 678**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

	HISTORICAL			
	PV of Cashflows ZWL$ 000	Risk adjustment ZWL$ 000	CSM ZWL$ 000	Total ZWL$ 000
31 December 2023				
Net opening balance	353 758	54 160	617 949	1 025 867
Statement of comprehensive income				
Changes relating to current services				
CSM recognised change in risk adjustment	6 258 587	(293 219)	(164 930)	5 800 438
Adjustments to Cashflows	(2 358 840)	(150 427)	1 402 247	(1 107 020)
Changes relating to future services				
Initial recognition of contracts	(11 971 968)	9 070 375	-	(2 901 593)
Changes in estimates affecting CSM	-	-	10 050 331	10 050 331
Other	496 747	-	-	496 747
Changes relating to past services				
Adjustments to liabilities for incurred claims	(566 899)	-	-	(566 899)
Other				
Finance expenses	2 665 010	315 893	225 047	3 205 950
Foreign exchange rate movement	-	-	-	-
Net closing balance	**(5 123 605)**	**8 996 782**	**12 130 644**	**16 003 821**

	HISTORICAL			
	PV of Cashflows ZWL$ 000	Risk adjustment ZWL$ 000	CSM ZWL$ 000	Total ZWL$ 000
31 December 2022				
Net opening balance	286 775	31 669	192 016	510 460
Statement of comprehensive income				
Changes relating to current services				
CSM recognised change in risk adjustment	553 273	(24 696)	(276 122)	252 455
Adjustments to Cashflows	(113 158)	-	-	(113 158)
Changes relating to future services				
Changes in estimates affecting CSM	-	-	(255)	(255)
Other changes	(510 059)	32 115	660 765	182 821
Changes relating to past services				
Adjustments to liabilities for incurred claims	39 659	-	-	39 659
Other				
Finance expenses	97 268	15 072	41 545	153 885
Net closing balance	**353 758**	**54 160**	**617 949**	**1 025 867**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
25.3 Investment contract liabilities				
Movement investment contract liabilities				
Opening balance	2 219 242	746 367	461 825	155 319
Amounts recognised in profit or loss				
Investment return on underlying items	12 323 673	865 275	4 698 374	99 149
Recurring investment management fees	-	(78 905)	-	(9 041)
Other	783 553	1 674 646	350 369	191 892
Cash flows				
Contributions received	-	283 861	-	32 527
Benefits paid	-	(69 996)	-	(8 021)
Monetary adjustment	(9 815 900)	(1 202 006)	-	-
Closing balance	**5 510 568**	**2 219 242**	**5 510 568**	**461 825**
Investment contract liabilities are supported by the following net assets				
Money market assets	155 894	-	155 894	-
Cash	195 398	53 123	195 398	11 055
Prescribed assets	4 046 247	1 833 832	4 046 247	381 621
Listed equity Investment	2 672 255	1 191 820	2 672 255	248 018
	7 069 794	**3 078 775**	**7 069 794**	**640 694**
26. OTHER LIABILITIES				
Revenue received in advance	3 453 668	3 580 431	2 597 484	200 271
Sundry creditors	191 588 470	143 198 132	191 588 470	30 014 357
Accruals	152 587 171	26 522 970	152 587 171	5 519 438
Suspense	93 301 436	28 682 443	93 301 436	5 968 824
Provisions	110 318 896	70 866 419	110 318 896	14 747 323
	551 249 641	**272 850 395**	**550 393 457**	**56 450 213**

All other liabilities are current and are expected to be realized within the next twelve months. Included in provisions are provisions for performance based incentive scheme, audit fees provision and leave pay provision, largely expected to be utilized in the following year.

As at 1 January 2023, the Group had unearned revenue of (ZWL$000): 3,453,668(2022: ZWL$3,580,431 which comprised of deferred advisory fees, deferred guarantee commission and revenue received in advance. The increase in contract liabilities in 2023 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.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
27. CATEGORIES OF FINANCIAL LIABILITIES				
The Group's financial liabilities are carried at amortised cost as follows:				
Deposits	5 577 534 357	3 269 575 002	5 577 534 357	680 399 535
Other liabilities	191 588 470	143 198 132	191 588 470	30 014 357
Lease liability	4 204 553	1 257 836	4 204 553	261 756
	5 773 327 380	**3 414 030 970**	**5 773 327 380**	**710 675 648**
28. EQUITY AND RESERVES				
28.1 Share capital				
Authorised				
1 000 000 000 ordinary shares of ZWL$ 000 0.01 each	10 000 000	10 000 000	10 000 000	10 000 000
	Shares 000	**Shares 000**	**Shares 000**	**Shares 000**
Opening balance	522 016	522 016	522 016	522 016
Issue of shares	100 053	-	100 053	-
Closing balance	**622 069**	**522 016**	**622 069**	**522 016**
	ZWL$ 000	**ZWL$ 000**	**ZWL$ 000**	**ZWL$ 000**
Opening balance	4 444 842	4 444 842	5 220	5 220
Issue of shares	3 034	-	1 001	-
Closing balance	**4 447 876**	**4 444 842**	**6 221**	**5 220**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
28.2	**Share premium**				
	Opening balance	27 162 229	27 162 229	33 876	33 876
	Issue of shares	77 466 932	-	38 617 546	-
	Closing balance	**104 629 161**	**27 162 229**	**38 651 422**	**33 876**
28.3	**Revaluation reserve**				
	Opening balance	110 376 944	83 425 743	26 517 008	5 790 710
	Net revaluation gain	206 363 569	26 951 201	287 730 782	20 726 298
	Closing balance	**316 740 513**	**110 376 944**	**314 247 790**	**26 517 008**
28.4	**Retained earnings**				
	Retained earnings comprises:				
	Opening balance	588 300 408	436 774 159	101 019 233	21 264 515
	Impact of Initial application of IFRS 17 net of tax	-	(3 727 827)	-	(267 269)
	Restated opening balance	**588 300 408**	**433 046 332**	**101 019 233**	**20 997 246**
	Profit for the year	693 628 777	161 340 325	1 009 076 018	81 034 721
	Dividend paid	(45 927 978)	(6 086 249)	(32 100 000)	(1 012 734)
		1 236 001 207	**588 300 408**	**1 077 995 251**	**101 019 233**
	Retained earnings comprises:				
	Holding company	58 785 133	14 907 470	(17 657 509)	(679 033)
	Subsidiary companies	1 154 715 594	614 401 323	1 027 612 895	109 873 437
	Effect of consolidation journals	22 500 480	(41 008 385)	68 039 865	(8 175 171)
		1 236 001 207	**588 300 408**	**1 077 995 251**	**101 019 233**

28.4.1 Reconciliation between the affected carrying amounts under IFRS 4 and the balances reported under IFRS 17 as at 1 January 2022:

	INFLATION ADJUSTED		
	Affected Assets and Liabilities ZWL$ 000	Affected Assets and Liabilities ZWL$ 000	Remeasurement Impact ZWL$ 000
	Under IFRS 4	Under IFRS 17	Under IFRS 17
Insurance assets	19 658 592	19 892 375	233 783
Reinsurance Contract assets	-	4 651 553	4 651 553
Insurance liabilities	(12 589 832)	(32 084 170)	(19 494 338)
Reinsurance Contract liabilities	(3 441 753)	(3 088 797)	352 956
Other liabilities	(269 195 235)	(265 906 332)	3 288 903
Life Fund	(6 571 230)	-	6 571 230
Deferred taxation	(20 302 316)	(19 636 870)	665 446
	(292 441 774)	**(296 172 241)**	**(3 730 467)**

	HISTORICAL		
	Affected Assets and Liabilities ZWL$ 000	Affected Assets and Liabilities ZWL$ 000	Remeasurement Impact ZWL$ 000
	Under IFRS 4	Under IFRS 17	
Insurance assets	1 162 033	1 176 570	14 537
Reinsurance Contract assets	-	309 234	309 234
Insurance liabilities	(722 068)	(1 942 264)	(1 220 196)
Reinsurance Contract liabilities	(208 352)	(186 985)	21 367
Other liabilities	(15 963 342)	(15 764 244)	199 098
Life Fund	(397 799)	-	397 799
Deferred taxation	44 851	54 905	10 054
	(16 084 677)	**(16 352 784)**	**(268 107)**

28.4.2 The Impact on adoption of IFRS 17 as at 1 January 2022 is split as follows:

	INFLATION ADJUSTED 1 JAN 2022 ZWL$ 000	HISTORICAL 1 JAN 2022 ZWL$ 000
Equity Holders of Parent	(3 727 827)	(267 269)
Non Controlling Interests	(2 640)	(838)
IFRS 17 impact	**(3 730 467)**	**(268 107)**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
28.5	**Non-controlling Interests**				
	Non-controlling interests comprise:				
	Opening balance	31 200	72 249	7 636	4 957
	Impact of Initial application of IFRS 17 net of tax	-	(2 640)	-	(838)
	Restated opening balance	**31 200**	**69 609**	**7 636**	**4 119**
	Profit for the year	(61 849)	(52 374)	(26 528)	(7 596)
	Other comprehensive income	91 157	13 965	145 226	11 113
	Closing balance	**60 508**	**31 200**	**126 334**	**7 636**
28.6	**Fair value reserve**				
	Opening balance	46 392 923	26 524 793	11 232 948	1 964 010
	Other comprehensive income	45 447 093	19 868 130	80 732 276	9 268 938
	Closing balance	**91 840 016**	**46 392 923**	**91 965 224**	**11 232 948**
28.7	**Foreign currency translation reserve**				
	Opening balance	4 690 190	3 464 843	332 024	77 029
	Exchange gain/(loss) on translation of foreign subsidiaries	(452 367)	1 225 347	(452 367)	254 995
	Closing balance	**4 237 823**	**4 690 190**	**(120 343)**	**332 024**
28.8	**Share based payment reserve**				
	Opening balance	9 414 991	9 414 991	569 951	569 951
	Closing balance	**9 414 991**	**9 414 991**	**569 951**	**569 951**
28.9	**Shares awaiting allotment reserve**				
	Opening balance	17 886 409	17 886 409	3 500 000	3 500 000
	Allotments during the year	(17 886 409)	-	(3 500 000)	-
	Closing balance	**-**	**17 886 409**	**-**	**3 500 000**

During the year ended 31 December 2022, the Group received ZWL$3.5 billion (Inflation adjusted ZWL$17.89 billion) for a share issue transaction. The shares were allotted during the current year.

		AUDITED		UNAUDITED	
28.10	**General reserve**				
	Opening balance	-	-	-	-
	Share of other comprehensive income of equity-accounted investees	(23 638 704)	-	5 002 560	-
	Closing balance	**(23 638 704)**	**-**	**5 002 560**	**-**

29. 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).

30. CONTINGENCIES AND COMMITMENT

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Guarantees	12 187 398	2 995 724	12 187 398	623 411
	12 187 398	**2 995 724**	**12 187 398**	**623 411**

Capital Commitments

There were no capital commitments as at 31 December 2023.

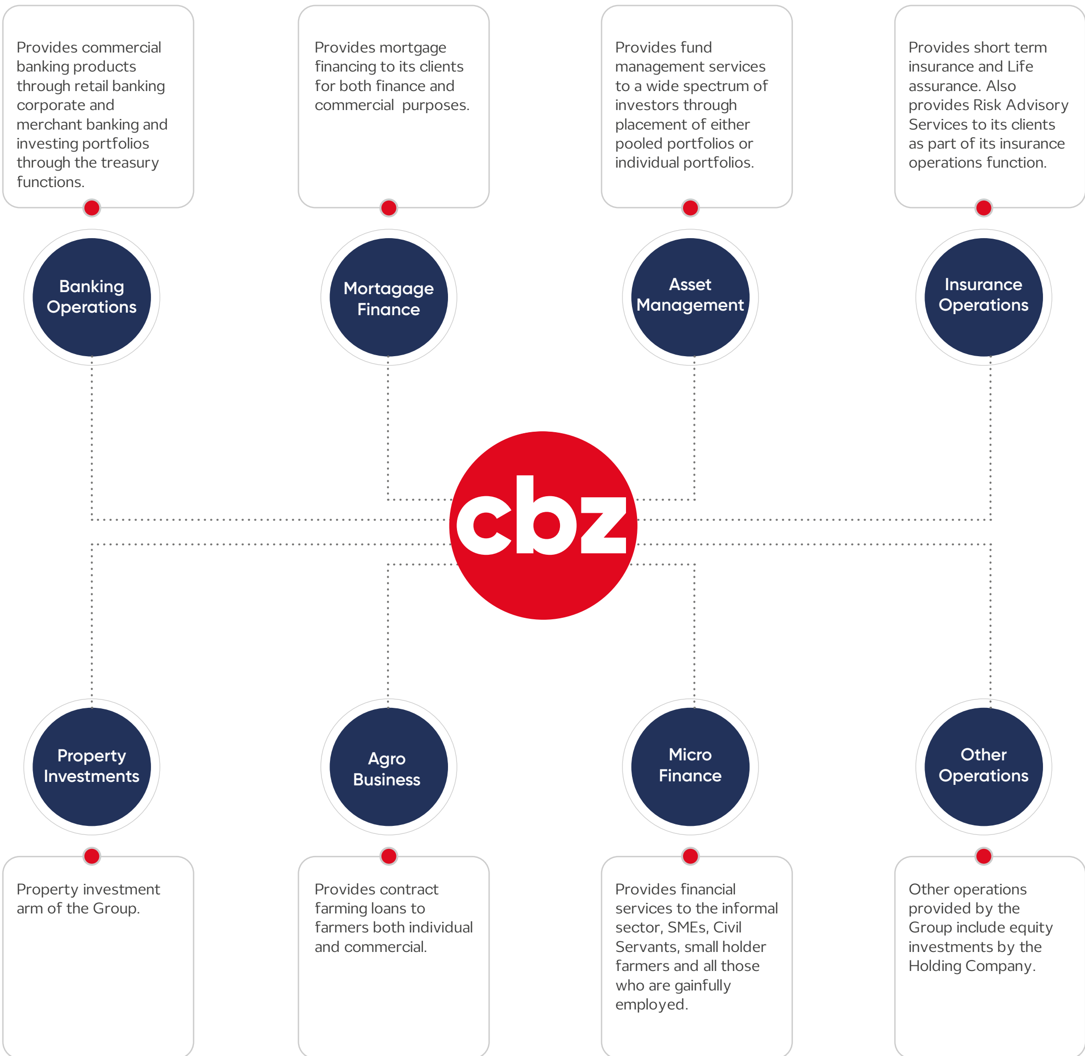
The capital commitments are funded from the Group's own resources.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
31. FUNDS UNDER MANAGEMENT				
Pensions	953 005 695	444 225 148	953 005 695	92 443 386
Institutional & individual clients - Equities	555 692 368	112 196 033	555 692 368	23 348 028
Institutional & individual clients - Fixed Income	90 017 275	149 903 456	90 017 275	31 194 954
Exchange traded funds	1 504 192	-	1 504 192	-
REIT	104 429 200	1 551 632	104 429 200	322 895
Unit trusts	1 589 816	887 548	1 589 816	184 699
	1 706 238 546	**708 763 817**	**1 706 238 546**	**147 493 962**

32. OPERATING SEGMENTS

The Group is comprised of the following operating segments:



Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

The table below shows the segment operational results for the year ended 31 December 2023:

32.1 Segment operational results

	INFLATION ADJUSTED									
	Banking operations ZWL$ 000	**Mortgage finance** ZWL$ 000**	**Asset management ZWL$ 000**	**Insurance operations ZWL$ 000**	**Property investment ZWL$ 000**	**Agro business ZWL$ 000**	**Micro Finance ZWL$ 000**	**Other operations ZWL$ 000**	**Elimination of intersegment amounts ZWL$ 000**	**Consolidated ZWL$ 000**
INCOME										
Net interest income for the year ended 31 December 2023	**617 678 447**	**-**	**18 923**	**(552 772)**	**(488 183)**	**(61 959 106)**	**23 699 959**	**(30 780 143)**	**147 245**	**547 764 370**
Net interest income for the year ended 31 December 2022	457 283 837	(4 992 050)	(761 416)	(9 259 434)	(3 966 198)	(70 181 576)	9 854 460	(23 639 856)	93 050	354 430 817
Non-interest income for the year ended 31 December 2023	**1 426 706 918**	**-**	**24 207 641**	**51 168 898**	**94 865 580**	**282 536 823**	**7 644 832**	**270 997 795**	**(300 083 056)**	**1 858 045 431**
Non-interest income for the year ended 31 December 2022	453 662 305	(25 691 299)	5 651 693	17 314 833	15 756 301	413 499 800	332 421	63 173 854	(84 256 495)	859 443 413
Insurance service result for the year ended 31 December 2023	**-**	**-**	**-**	**(26 273 935)**	**-**	**-**	**-**	**-**	**(3 691 599)**	**(29 965 534)**
Insurance service result for the year ended 31 December 2022	-	-	-	(6 671 325)	-	-	-	-	62 901	(6 608 424)
Total income for the year ended 31 December 2023	**2 044 385 365**	**-**	**24 226 564**	**21 932 593**	**94 377 397**	**220 577 717**	**31 344 791**	**240 217 652**	**(303 627 410)**	**2 373 434 669**
Total income for the year ended 31 December 2022	916 331 502	(30 683 349)	4 890 276	1 257 403	11 790 103	343 318 224	10 186 881	39 533 999	(89 913 658)	1 206 711 381
Depreciation and amortisation for the year ended 31 December 2023	**32 052 310**	**-**	**96 452**	**794 329**	**139 070**	**1 972 910**	**542 731**	**2 050 965**	**(1 092 468)**	**36 556 299**
Depreciation and amortisation for the year ended 31 December 2022	10 607 179	1 698 114	181 509	572 162	113 705	1 184 818	341 874	989 705	(951 996)	14 737 070
Expected credit losses for the year ended 31 December 2023	**184 156 033**	**-**	**761 542**	**111 934**	**(130 600)**	**70 012 801**	**1 188 138**	**27 083**	**6 735 088**	**262 862 019**
Expected credit losses for the year ended 31 December 2022	162 304 614	2 830 856	60 557	118 102	874 290	206 286 523	332 594	379 658	(28 151 764)	345 035 430
RESULTS										
Profit before taxation for the year ended 31 December 2023	**677 648 639**	**-**	**2 589 983**	**20 128 378**	**81 507 694**	**95 899 051**	**2 005 955**	**55 020 415**	**(53 542 357)**	**881 257 758**
Profit before taxation for the year ended 31 December 2022	199 721 903	3 130 274	5 382 102	2 252 874	8 729 372	61 068 379	(5 803 557)	29 765 320	(38 428 770)	265 817 897
CASH FLOWS										
Used in operating activities for the year ended 31 December 2023	**2 414 601 585**	**-**	**(3 960 611)**	**(9 129 918)**	**(6 899 654)**	**25 234 304**	**(75 147 287)**	**121 411 529**	**(109 232 306)**	**2 356 877 642**
Used in operating activities for the year ended 31 December 2022	1 304 632 669	(14 084 396)	(706 525)	2 685 753	(3 892 517)	6 652 489	828 163	16 004 287	(71 599 015)	1 240 520 908
Used in investing activities for the year ended 31 December 2023	**(76 462 757)**	**-**	**2 338 336**	**(3 418 492)**	**(196 967)**	**(1 253 417)**	**(323 247)**	**(13 987 173)**	**(23 612 761)**	**(116 916 478)**
Used in investing activities for the year ended 31 December 2022	(29 790 163)	(2 095)	548 562	(719 821)	3 875 271	(1 932 650)	(384 416)	(16 815 843)	12 842 811	(32 378 344)
Used in financing activities for the year ended 31 December 2023	**(132 535 436)**	**-**	**1 010 250**	**16 049 128**	**6 139 811**	**(10 125 209)**	**1 180 379**	**(29 347 235)**	**114 416 213**	**(33 212 099)**
Used in financing activities for the year ended 31 December 2022	(33 815 650)	-	3 229 794	(41 297)	1 018 345	(10 157 448)	(859 091)	12 428 468	39 138 698	10 941 819
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the year ended 31 December 2023	**5 982 437 198**	**-**	**6 858 005**	**72 195 147**	**19 974 144**	**164 394 578**	**52 730 069**	**263 295 334**	**(47 301 469)**	**6 514 583 006**
Reportable segment liabilities for the year ended 31 December 2022	3 464 701 569	-	5 915 532	33 294 517	22 484 389	885 844 744	5 560 939	449 797 000	(1 083 281 021)	3 784 317 669
Total segment assets for the year ended 31 December 2023	**7 122 246 470**	**-**	**17 352 878**	**141 006 980**	**142 047 152**	**346 730 390**	**57 719 238**	**450 199 751**	**(18 986 462)**	**8 258 316 397**
Total segment assets for the year ended 31 December 2022	4 046 084 978	-	12 417 694	55 866 510	62 722 871	981 120 225	10 008 350	111 032 516	(686 235 339)	4 593 017 805

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

UNAUDITED HISTORICAL										
	Banking operations ZWL$ 000	Mortgage finance** ZWL$ 000	Asset management ZWL$ 000	Insurance operations ZWL$ 000	Property investment ZWL$ 000	Agro business ZWL$ 000	Micro Finance ZWL$ 000	Other operations ZWL$ 000	Elimination of intersegment amounts ZWL$ 000	Consolidated ZWL$ 000
INCOME										
Net interest income for the year ended 31 December 2023	**298 570 575**	**-**	**29 591**	**176 377**	**(56 324)**	**(9 522 979)**	**15 764 057**	**(15 185 608)**	**72 943**	**289 848 632**
Net interest income for the year ended 31 December 2022	70 741 021	(510 651)	(140 112)	(1 888 989)	(766 451)	(12 988 812)	1 355 463	(3 738 087)	13 260	52 076 642
Non-interest income for the year ended 31 December 2023	**1 155 636 361**	**-**	**22 635 728**	**73 938 337**	**127 506 367**	**271 975 275**	**7 133 007**	**173 308 356**	**(150 415 064)**	**1 681 718 367**
Non-interest income for the year ended 31 December 2022	87 053 093	(2 151 033)	1 963 147	6 738 332	7 856 034	80 064 582	18 779	14 335 920	(12 995 937)	182 882 917
Insurance service result for the year ended 31 December 2023	**-**	**-**	**-**	**(11 976 973)**	**-**	**-**	**-**	**-**	**(3 283 762)**	**(15 260 735)**
Insurance service result for the year ended 31 December 2022	-	-	-	(1 161 553)	-	-	-	-	(143 903)	(1 305 456)
Total income for the year ended 31 December 2023	**1 511 389 370**	**-**	**22 665 318**	**60 703 147**	**127 450 043**	**262 452 296**	**22 897 064**	**158 122 748**	**(210 808 316)**	**1 954 871 670**
Total income for the year ended 31 December 2022	158 613 380	(2 661 684)	1 823 035	3 593 437	7 089 583	67 075 770	1 374 242	10 597 833	(13 945 846)	233 559 750
Depreciation and amortisation for the year ended 31 December 2023	**14 123 835**	**-**	**11 448**	**358 568**	**44 320**	**224 461**	**85 331**	**637 182**	**(57 564)**	**15 427 581**
Depreciation and amortisation for the year ended 31 December 2022	1 057 284	272 959	3 646	36 441	7 807	70 873	17 378	49 459	(3 761)	1 512 086
Expected credit losses of assets for the year ended 31 December 2023	**184 156 033**	**-**	**761 542**	**111 934**	**(130 600)**	**70 012 801**	**1 188 138**	**27 083**	**6 735 088**	**262 862 019**
Expected credit losses of assets for the year ended 31 December 2022	33 775 639	589 102	12 602	3 660	181 940	42 928 287	69 213	79 007	(5 837 474)	71 801 976
RESULTS										
Profit before taxation for the year ended 31 December 2023	**862 041 206**	**-**	**8 706 538**	**39 917 043**	**116 518 791**	**149 248 462**	**6 070 176**	**(26 129 117)**	**29 665 886**	**1 186 038 985**
Profit before taxation for the year ended 31 December 2022	84 138 612	(7 145 542)	579 006	1 518 410	5 901 456	15 294 490	273 718	471 675	(2 107 722)	98 924 103
CASHFLOWS										
Used in operating activities for the year ended 31 December 2023	**1 398 650 596**	**-**	**(1 979 969)**	**(1 600 264)**	**(2 495 753)**	**20 721 739**	**3 527 493**	**34 793 851**	**(81 002 962)**	**1 370 614 731**
Used in operating activities for the year ended 31 December 2022	165 235 621	(838 863)	(679 010)	(1 446 509)	(252 154)	1 827 455	57 787	(4 008 465)	28 337 392	188 233 254
Used in investing activities for the year ended 31 December 2023	**(56 198 626)**	**-**	**605 400**	**(2 829 452)**	**(72 489)**	**(769 209)**	**(137 969)**	**12 266 020**	**(17 579 025)**	**(64 715 350)**
Used in investing activities for the year ended 31 December 2022	(5 878 217)	(13 884)	202 995	(103 326)	227 877	(254 028)	(71 811)	(1 190 662)	979 175	(6 101 881)
Used in financing activities for the year ended 31 December 2023	**(76 225 589)**	**-**	**187 068**	**3 372 901**	**1 183 533**	**(6 540 218)**	**86 585**	**(25 123 738)**	**74 878 017**	**(28 181 441)**
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
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the year ended 31 December 2023	**5 949 971 315**	**-**	**6 765 214**	**72 635 337**	**19 357 467**	**163 971 358**	**52 324 118**	**262 294 085**	**(47 412 898)**	**6 479 905 996**
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	(136 543 348)	780 632 544
Total segment assets for the year ended 31 December 2023	**6 954 233 340**	**-**	**16 992 525**	**139 680 776**	**137 389 295**	**335 252 664**	**56 771 629**	**285 801 441**	**82 228 736**	**8 008 350 406**
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	(135 151 076)	923 850 440

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

33. RELATED PARTIES

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

Loans and advances to Directors' companies

INFLATION ADJUSTED						
	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Loans to directors' companies	-	2 661 904	-	27 573	-	215 962

UNAUDITED HISTORICAL						
	Gross limits ZWL$ 000		Utilised limits ZWL$ 000		Value of security ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Loans to directors' companies	-	553 943	-	3 160	-	24 746

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 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Transactions with Directors' companies				
Interest income	-	215 962	-	24 746
	-	**215 962**	**-**	**24 746**

34. RISK MANAGEMENT

34.1 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.

34.2 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.

IT & Business Development Committee – oversees the harmonisation, adequacy, relevance and effectiveness of Group IT systems in supporting as well as delivering services to the Group's stakeholders. In addition, the committee looks at the integrity of the Group's management information systems.

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.

34.3 Credit risk

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

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

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

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

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

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

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

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

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

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

34.3 (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 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Balances with banks	1 325 201 276	1 080 330 736	1 325 201 276	224 817 149
Money market assets	203 411 608	170 389 707	203 411 608	35 458 149
Financial securities	1 256 248 248	238 508 024	1 256 248 248	49 633 591
Loans and advances to customers	2 072 759 719	846 797 880	2 072 759 719	176 218 892
Other assets	1 113 664 459	1 287 749 381	1 113 664 459	267 981 031
Total	**5 971 285 310**	**3 623 775 728**	**5 971 285 310**	**754 108 812**
Financial guarantees	12 187 398	2 995 724	12 187 398	623 411
Loan commitments	-	28 469 368	-	5 924 484
Total	**12 187 398**	**31 465 092**	**12 187 398**	**6 547 895**

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$1,326,550,086,822(2022: ZWL$1,081,959,073,173) (excluding notes and coins) as at 31 December 2023 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank, local banks 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 banking counterpart.

	Rating Agency	Rating	2023 ZWL$ 000	2022 ZWL$ 000
African Export Import Bank	Fitch	BBB	36 367 335	37 958 345
Oddo BHF Aktiengesellschaft Bank	Fitch	BBB+	496 235	1 881 285
First Rand Bank South Africa	Fitch	BB-	43 928 699	108 788 469
Bank of China	Fitch	A	1 233 601	1 555 236
Aktif Yatirim Bank	Fitch	BB	496 235	5 104 524
United Overseas Bank	Fitch	AA-	8 056 383	3 126 675
Bidvest Bank South Africa	Fitch	AA-	236 838	299 740
CSC Bank	Fitch	BBB+	5 042 535	1 442 737
South African Reserve Bank	Fitch	BB-	645 935	1 562 136
TOTAL			**96 503 796**	**61 719 147**

34.3(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 2023 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2022 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	580 267 016	493 844 074	119 401 669	88 926 979	580 267 016	493 844 074	24 847 523	18 505 731
Agriculture	524 762 943	157 494 396	425 806 294	224 899 355	524 762 943	157 494 396	88 610 417	46 801 623
Mining	385 876 532	321 781 991	119 658 483	-	385 876 532	321 781 991	24 900 966	-
Manufacturing	331 899 004	219 180 950	153 578 362	8 419 714	331 899 004	219 180 950	31 959 703	1 752 145
Distribution	325 390 806	231 064 236	204 554 353	257 208	325 390 806	231 064 236	42 567 822	53 525
Construction	24 185 682	-	15 272 756	3 896 054	24 185 682	-	3 178 265	810 770
Transport	7 142 233	-	3 141 072	-	7 142 233	-	653 658	-
Communication	85 842 824	85 842 824	31 278 662	31 538 499	85 842 824	85 842 824	6 509 099	6 563 171
Services	82 373 706	13 234 427	116 905 669	63 785 982	82 373 706	13 234 427	24 328 105	13 273 882
Financial organisations	5 096 385	5 096 385	1 671 358	94 493 464	5 096 385	19 664 118	347 810	19 664 118
Gross value	**2 352 837 131**	**1 527 539 283**	**1 191 268 678**	**516 217 255**	**2 352 837 131**	**1 542 107 016**	**247 903 368**	**107 424 965**

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Collateral split by class				
Government Guarantee	211 360 496	30 627 962	211 360 496	6 373 688
Cash cover	34 874 475	4 827 675	34 874 475	1 004 641
Registered Marketable Commodities	77 502 880	219 760 552	77 502 880	45 732 237
Mortgage bonds	494 288 487	277 534 993	494 288 487	57 755 115
Notarial general covering bonds	476 326 869	473 378 518	476 326 869	98 510 211
	1 294 353 207	**1 006 129 700**	**1 294 353 207**	**209 375 892**

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 2023		31 DEC 2022		31 DEC 2023		31 DEC 2022	
	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	2 137 942 609	1 221 618 066	785 077 916	850 962 473	2 137 942 609	1 221 618 066	163 374 949	177 085 545
Stage 3	214 894 522	72 735 141	406 190 762	155 167 230	214 894 522	72 735 141	84 528 419	32 290 347
	2 352 837 131	**1 294 353 207**	**1 191 268 678**	**1 006 129 703**	**2 352 837 131**	**1 294 353 207**	**247 903 368**	**209 375 892**

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.

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

Collateral for loans and advances split by asset type

	Percentage of exposures that is subject to collateral requirements		
	31 DEC 2023 %	31 DEC 2022 %	Principal Type of collateral held
Loans & advances to retail customers	4.19	1.65	Cash
	19.86	24.27	Mortgage security
	0	0	Marketable Commodities
	6.63	0	Government Guarantee
	6.96	0	NGCBs
	62.36	63.19	Other
Loans & advances to corporate customers	0.12	0.07	Cash
	17.88	17.18	Mortgage security
	1.62	25.19	Marketable Commodities
	4.40	46.73	Government Guarantee
	32.97	8.48	NGCBs
	43.01	4.58	Other

Included in other collateral for retail customers are largely direct deductions, structured receivables, corporate guarantees and liens.

34.3 (c) Credit quality per class of financial assets

a. Loans and advances to customers

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	870 680 429	243 687 949	88 109 823	34 036 472	-	-	958 790 252	277 724 421
Special mention	"4a - 7c"	735 667 538	468 219 698	443 484 819	39 133 788	-	-	1 179 152 357	507 353 486
Non-performing	"8 - 10"	-	-	-	-	214 894 522	406 190 771	214 894 522	406 190 771
Total		**1 606 347 967**	**711 907 647**	**531 594 642**	**73 170 260**	**214 894 522**	**406 190 771**	**2 352 837 131**	**1 191 268 678**

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	870 680 429	50 711 538	88 109 823	7 083 000	-	-	958 790 252	57 794 538
Special mention	"4a - 7c"	735 667 538	97 436 659	443 484 819	8 143 753	-	-	1 179 152 357	105 580 412
Non-performing	"8 - 10"	-	-	-	-	214 894 522	84 528 418	214 894 522	84 528 418
Total		**1 606 347 967**	**148 148 197**	**531 594 642**	**15 226 753**	**214 894 522**	**84 528 418**	**2 352 837 131**	**247 903 368**

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

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

GROSS CARRYING AMOUNT	INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	711 907 647	475 193 109	73 170 260	115 530 113	406 190 771	466 034 218	1 191 268 678	1 056 757 440
New assets originated or purchased	6 364 350 254	1 116 681 861	1 266 071 895	753 487 592	312 630 094	1 452 124 118	7 943 052 243	3 322 293 571
Transfers from Stage 1	(1 864 933 449)	(186 756 527)	1 737 244 221	62 842 846	127 689 228	123 913 681	-	-
Transfers from Stage 2	296 521 041	270 442 697	(1 355 701 617)	(567 536 187)	1 059 180 576	297 093 490	-	-
Transfers from Stage 3	65 028 730	3 334 762	663 790	745 271	(65 692 520)	(4 080 033)	-	-
Repayments during the year	(1 503 235 382)	(161 856 947)	(881 938 963)	(177 690 325)	(485 961 954)	(1 322 745 361)	(2 871 136 299)	(1 662 292 633)
Amounts written off	-	-	-	-	(1 003 980 465)	(54 832 290)	(1 003 980 465)	(54 832 290)
Monetary adjustment	(2 463 290 874)	(805 131 308)	(307 914 944)	(114 209 050)	(135 161 208)	(551 317 052)	(2 906 367 026)	(1 470 657 410)
Gross loans and advances to customers	**1 606 347 967**	**711 907 647**	**531 594 642**	**73 170 260**	**214 894 522**	**406 190 771**	**2 352 837 131**	**1 191 268 678**
ECL allowance	(46 514 466)	(44 304 838)	(69 380 883)	(19 522 975)	(164 182 063)	(280 642 985)	(280 077 412)	(344 470 798)
Net loans and advances to customers	**1 559 833 501**	**667 602 809**	**462 213 759**	**53 647 285**	**50 712 459**	**125 547 786**	**2 072 759 719**	**846 797 880**

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	148 148 197	28 766 542	15 226 753	6 993 792	84 528 418	28 212 093	247 903 368	63 972 427
New assets originated or purchased	2 225 721 357	127 956 867	643 938 266	86 339 636	224 503 468	166 394 077	3 094 163 091	380 690 580
Transfers from Stage 1	(476 075 167)	(21 399 810)	443 479 007	7 200 953	32 596 160	14 198 857	-	-
Transfers from Stage 2	75 695 088	30 989 129	(346 079 842)	(65 032 085)	270 384 754	34 042 956	-	-
Transfers from Stage 3	16 600 357	382 118	169 450	85 398	(16 769 807)	(467 516)	-	-
Repayments during the year	(383 741 865)	(18 546 649)	(225 138 992)	(20 360 941)	(124 055 053)	(151 569 000)	(732 935 910)	(190 476 590)
Amounts written off	-	-	-	-	(256 293 418)	(6 283 049)	(256 293 418)	(6 283 049)
Gross loans and advances to customers	**1 606 347 967**	**148 148 197**	**531 594 642**	**15 226 753**	**214 894 522**	**84 528 418**	**2 352 837 131**	**247 903 368**
ECL allowance	(46 514 466)	(9 219 851)	(69 380 883)	(4 062 737)	(164 182 063)	(58 401 888)	(280 077 412)	(71 684 476)
Net loans and advances to customers	**1 559 833 501**	**138 928 346**	**462 213 759**	**11 164 016**	**50 712 459**	**26 126 530**	**2 072 759 719**	**176 218 892**

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 2023 amounted to ZWL$ 256,291,601,236 (2022: ZWL$ 30,189,125,636). 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.

i. The table below shows the Expected Credit Loss allowance reconciliation from 1 January 2023 to 31 December 2023

ECL RECONCILIATION	INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	44 304 838	14 806 610	19 522 975	11 997 767	280 642 985	106 522 706	344 470 798	133 327 083
New assets originated or purchased	85 791 692	70 535 901	292 718 782	108 908 714	129 177 035	159 297 229	507 687 509	338 741 844
Transfers from Stage 1	(47 149 445)	(33 059 160)	28 510 311	1 807 119	18 639 134	31 252 041	-	-
Transfers from Stage 2	604 261	3 229 404	(244 864 999)	(94 093 267)	244 260 738	90 863 863	-	-
Transfers from Stage 3	176 730	39 145	19 768	25 675	(196 498)	(64 820)	-	-
Amounts written off	-	-	-	-	(256 293 418)	(30 192 412)	(256 293 418)	(30 192 412)
Monetary adjustment	(35 084 987)	(10 499 374)	(15 460 240)	(8 507 614)	(222 241 094)	(75 535 163)	(272 786 321)	(94 542 151)
Amounts paid off	(2 128 623)	(747 688)	(11 065 714)	(615 419)	(29 806 819)	(1 500 459)	(43 001 156)	(2 863 566)
Closing balance	**46 514 466**	**44 304 838**	**69 380 883**	**19 522 975**	**164 182 063**	**280 642 985**	**280 077 412**	**344 470 798**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

ECL RECONCILIATION	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	9 219 851	896 342	4 062 737	726 303	58 401 888	6 448 514	71 684 476	8 071 159
New assets originated or purchased	85 791 692	14 678 538	292 718 782	22 663 936	129 177 035	33 149 801	507 687 509	70 492 275
Transfers from Stage 1	(47 149 445)	(6 879 623)	28 510 311	376 061	18 639 134	6 503 562	-	-
Transfers from Stage 2	604 261	672 044	(244 864 999)	(19 580 837)	244 260 738	18 908 793	-	-
Transfers from Stage 3	176 730	8 145	19 768	5 343	(196 498)	(13 488)	-	-
Amounts written off	-	-	-	-	(256 293 418)	(6 283 052)	(256 293 418)	(6 283 052)
Amounts paid off	(2 128 623)	(155 595)	(11 065 716)	(128 069)	(29 806 816)	(312 242)	(43 001 155)	(595 906)
Closing balance	**46 514 466**	**9 219 851**	**69 380 883**	**4 062 737**	**164 182 063**	**58 401 888**	**280 077 412**	**71 684 476**

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

		INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	1 283 705 849	238 880 743	-	-	-	-	1 283 705 849	238 880 743
Total		**1 283 705 849**	**238 880 743**	**-**	**-**	**-**	**-**	**1 283 705 849**	**238 880 743**

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	1 283 705 849	49 711 154	-	-	-	-	1 283 705 849	49 711 154
Total		**1 283 705 849**	**49 711 154**	**-**	**-**	**-**	**-**	**1 283 705 849**	**49 711 154**

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

	INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	238 880 743	16 170 827	-	-	-	-	238 880 743	16 170 827
New assets originated or purchased	4 766 632 242	425 595 463	-	-	-	-	4 766 632 242	425 595 463
Monetary adjustment	(3 721 166 389)	(202 577 124)	-	-	-	-	(3 721 166 389)	(202 577 124)
Maturities during the year	(640 747)	(308 423)	-	-	-	-	(640 747)	(308 423)
Gross financial securities	**1 283 705 849**	**238 880 743**	**-**	**-**	**-**	**-**	**1 283 705 849**	**238 880 743**
ECL allowance	(27 457 601)	(372 719)	-	-	-	-	(27 457 601)	(372 719)
Closing balance	**1 256 248 248**	**238 508 024**	**-**	**-**	**-**	**-**	**1 256 248 248**	**238 508 024**

UNAUDITED HISTORICAL

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	49 711 154	978 926	-	-	-	-	49 711 154	978 926
New assets originated or purchased	1 234 158 263	48 767 571	-	-	-	-	1 234 158 263	48 767 571
Maturities during the year	(163 568)	(35 343)	-	-	-	-	(163 568)	(35 343)
Gross financial securities	**1 283 705 849**	**49 711 154**	**-**	**-**	**-**	**-**	**1 283 705 849**	**49 711 154**
ECL allowance	(27 457 601)	(77 563)	-	-	-	-	(27 457 601)	(77 563)
Closing balance	**1 256 248 248**	**49 633 591**	**-**	**-**	**-**	**-**	**1 256 248 248**	**49 633 591**

Movement in ECLs for money market assets relate to new origination and maturities. All money market assets were classified as stage 1 and there were no inter stage transfers during the year. Refer to Note 13 for ECLs recognized in the statement of comprehensive income in respect of money market assets.

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 34.3.1.

INFLATION ADJUSTED

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	214 333 114	173 241 087	-	-	-	-	214 333 114	173 241 087
Total		**214 333 114**	**173 241 087**	**-**	**-**	**-**	**-**	**214 333 114**	**173 241 087**

UNAUDITED HISTORICAL

	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	214 333 114	36 051 522	-	-	-	-	214 333 114	36 051 522
Total		**214 333 114**	**36 051 522**	**-**	**-**	**-**	**-**	**214 333 114**	**36 051 522**

(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 — **INFLATION ADJUSTED**

	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	173 241 087	403 574 312	-	-	-	-	173 241 087	403 574 312
New assets originated or purchased	524 827 638	314 277 392	-	-	-	-	524 827 638	314 277 392
Maturities during the year	(343 486 881)	(212 864 774)	-	-	-	-	(343 486 881)	(212 864 774)
Monetary adjustment	(140 248 730)	(331 745 843)	-	-	-	-	(140 248 730)	(331 745 843)
Gross money market assets	**214 333 114**	**173 241 087**	**-**	**-**	**-**	**-**	**214 333 114**	**173 241 087**
ECL allowance	(10 921 506)	(2 851 380)	-	-	-	-	(10 921 506)	(2 851 380)
Closing balance	**203 411 608**	**170 389 707**	**-**	**-**	**-**	**-**	**203 411 608**	**170 389 707**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

GROSS CARRYING AMOUNT	UNAUDITED HISTORICAL							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	36 051 522	24 430 987	-	-	-	-	36 051 522	24 430 987
New assets originated or purchased	214 083 909	36 012 002	-	-	-	-	214 083 909	36 012 002
Maturities during the year	(35 802 317)	(24 391 467)	-	-	-	-	(35 802 317)	(24 391 467)
Gross money market assets	**214 333 114**	**36 051 522**	**-**	**-**	**-**	**-**	**214 333 114**	**36 051 522**
ECL allowance	(10 921 506)	(593 373)	-	-	-		(10 921 506)	(593 373)
Closing balance	**203 411 608**	**35 458 149**	**-**	**-**	**-**	**-**	**203 411 608**	**35 458 149**

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 34.3.1.

		INFLATION ADJUSTED							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	12 187 398	2 995 724	-	-	-	-	12 187 398	2 995 724
Total		**12 187 398**	**2 995 724**	**-**	**-**	**-**	**-**	**12 187 398**	**2 995 724**

		UNAUDITED HISTORICAL							
	SRS Rating	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
		31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Internal rating grade									
Performing	"1 - 3c"	12 187 398	623 411	-	-	-	-	12 187 398	623 411
Total		**12 187 398**	**623 411**	**-**	**-**	**-**	**-**	**12 187 398**	**623 411**

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

	INFLATION ADJUSTED							
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	2 995 723	2 764 927	-	-	-	-	2 995 723	2 764 927
New assets originated or purchased	31 340 850	5 440 511	-	-	-	-	31 340 850	5 440 511
Monetary adjustment	(19 707 082)	(3 748 995)	-	-	-	-	(19 707 082)	(3 748 995)
Guarantees Expired during the year	(2 442 093)	(1 460 720)	-	-	-	-	(2 442 093)	(1 460 720)
Gross Guarantees	**12 187 398**	**2 995 723**	**-**	**-**	**-**	**-**	**12 187 398**	**2 995 723**
ECL allowance	(65 238)	(4 897)	-	-	-	-	(65 238)	(4 897)
Closing balance	**12 122 160**	**2 990 826**	**-**	**-**	**-**	**-**	**12 122 160**	**2 990 826**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

UNAUDITED HISTORICAL								
	Stage 1 ZWL$ 000		Stage 2 ZWL$ 000		Stage 3 ZWL$ 000		Total ZWL$ 000	
	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022	31 DEC 2023	31 DEC 2022
Opening balance	623 411	167 379	-	-	-	-	623 411	167 379
New assets originated or purchased	12 187 398	623 409	-	-	-	-	12 187 398	623 409
Guarantees expired during the year	(623 411)	(167 377)	-	-	-	-	(623 411)	(167 377)
Gross Guarantees	**12 187 398**	**623 411**	**-**	**-**	**-**	**-**	**12 187 398**	**623 411**
ECL allowance	(65 238)	(1 019)	-	-	-	-	(65 238)	(1 019)
Closing balance	**12 122 160**	**622 392**	**-**	**-**	**-**	**-**	**12 122 160**	**622 392**

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 13 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, Overdrafts, Leases, Bank Guarantees and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 31 December 2023.

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). ECLs were computed using the same model assumptions and estimates except for LGD floor which was adjusted from 25% to between 5% and 10% as well as upward adjustments to certain collateral haircuts on various financial assets. These changes were meant to better reflect the evolving risk profile of the Group's financial assets and to ensure that the ECL model remains dynamic and able to respond to new evolving risks in the market and therefore computing ECLs that are reliable and appropriate for the level of credit risk in the Group's financial assets.

The Group writes off financial assets when there is no longer any reasonable expectation of recovery. The Group still continues with recovery efforts for amounts it is legally owed but which have been written off.

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

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

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

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

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

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

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

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

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

i. The counterparty rating deteriorates. The downward credit migration of a credit rating by at least three (3) notches is categorised as Significant Increase in Credit Risk.
ii. Breaches in conditionality or covenants.
iii. Deterioration in account conduct. This can be through account performance deterioration.
iv. Any corporate action relating to changes in corporate structure, control, acquisitions or disposals.
v. Significant changes in executive leadership.
vi. Any other factor that is reasonably expected to have a negative impact on prospects for repayment, including but not limited to legislative changes, perceived sectoral risks and negative media coverage.

vii. Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
viii. Declining Asset Quality.
ix. Reduction in financial support from the parent company.
x. Expected changes in the loan agreement terms and conditions.
xi. Changes in group parent's payment pattern.
xii. Decision to change collateral.
xiii. Deterioration of macro-economic factors affecting the borrower. Observance of environmental factors that would negatively influence performance of the client is also factored to determine Significant Increase in Credit Risk depending on the severity of change.

Forward looking information

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

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

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

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

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

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

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

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

Stage 1: Performing

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

Stage 2: Underperforming

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

Stage 3: Credit Impaired

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses (LTECLs) for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the following were classified under Stage 3;

a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

Purchased or originated credit impaired (POCI)

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

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

Debt instruments measured at fair value through OCI

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

Cure, Modification and Forbearance of Financial Assets

During the period under Review, some of the financial assets were cured, modified and forborne.

Cure

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

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

Modification and Forbearance

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

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

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

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

Derecognition

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

Write-offs

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

- A loan or asset graded "loss" shall be written off after at least a year (360 days) from date of such classification whether or not the Group 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 credit policy in place. When central bank regulations allow it, the board may authorize write-offs in certain circumstances.
- Write–off of debt arising from Bank charges, service fees, commissions and resultant interest accruals with supporting schedules must be approved as per the current Group expenditure policy.

34.3.2 Market risk

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

34.3.3 Group market risks management framework

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

34.4 Liquidity risk

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

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

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

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

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

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

34.4.1 CONTRACTUAL GAP ANALYSIS

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2023

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	1 862 786 839	-	-	-	-	-	1 862 786 839
Money market assets	157 667 525	4 109 261	66 245 982	-	-	-	228 022 768
Financial securities	56 516 835	218 421 576	318 230 292	345 989 157	376 536 369	1 200 350	1 316 894 579
Loans and advances to customers	582 878 134	279 159 803	285 779 320	596 226 433	775 679 700	23 526 680	2 543 250 070
Insurance contract assets	13 323	4 441	11 615 579	-	-	-	11 633 343
Reinsurance contract assets	9 389 950	2 685 103	4 236 814	8 311 121	-	-	24 622 988
Current tax receivable	34 987	152	27 672	-	-	-	62 811
Other liquid assets	131 491 548	913 650 163	56 580 831	930 685	44 440 057	-	1 147 093 284
Total assets	**2 800 779 141**	**1 418 030 499**	**742 716 490**	**951 457 396**	**1 196 656 126**	**24 727 030**	**7 134 366 682**
Liabilities							
Deposits	5 220 849 472	2 424 514	121 411 889	4 543 452	264 170 117	-	5 613 399 444
Insurance contract liabilities	11 619 723	3 873 241	32 273 364	-	-	-	47 766 328
Reinsurance contract Liabilities	744 163	248 054	248 054	-	-	-	1 240 271
Other liabilities	209 223 465	189 206 109	121 608 671	20 507 950	-	9 773 937	550 320 132
Current tax payable	1 119 909	-	3 544 547	-	-	-	4 664 456
Lease liabilities	323 105	489 195	632 567	1 285 682	2 350 625	-	5 081 174
Financial guarantees	2 178 692	281 351	1 416 234	8 311 121	-	-	12 187 398
Total liabilities	**5 446 058 529**	**196 522 464**	**281 135 326**	**34 648 205**	**266 520 742**	**9 773 937**	**6 234 659 203**
Liquidity gap	**(2 645 279 388)**	**1 221 508 035**	**461 581 164**	**916 809 191**	**930 135 384**	**14 953 093**	**899 707 479**
Cumulative liquidity gap	**(2 645 279 388)**	**(1 423 771 353)**	**(962 190 189)**	**(45 380 998)**	**884 754 386**	**899 707 479**	**899 707 479**

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2022

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	1 264 074 374	167 655	-	-	-	-	1 264 242 029
Money market assets	71 042 776	3 996 515	51 799 517	53 273 393	-	-	180 112 201
Financial securities	153 836 968	93 057 295	1 048	16 055	1 496 274	4 433 838	252 841 478
Loans and advances to customers	76 539 688	215 684 005	261 011 014	667 947 556	364 386 300	61 065 049	1 646 633 612
Insurance assets	2 564 994	854 998	854 998	-	-	-	4 274 990
Reinsurance assets	3 903 350	1 301 117	1 301 117	-	-	-	6 505 584
Financial guarantees	101 812	416 993	3 137	434 080	2 039 703	-	2 995 725
Current tax receivable	1 862	499 759	132 976	168 127	-	-	802 724
Other liquid assets	28 538 303	392 192 913	543 311 974	73 457 216	231 043 661	-	1 268 544 067
Total assets	**1 600 604 127**	**708 171 250**	**858 415 781**	**795 296 427**	**598 965 938**	**65 498 887**	**4 626 952 410**
Liabilities							
Deposits	2 884 734 228	307 055 023	39 228 247	23 244 320	51 007 990	-	3 305 269 808
Insurance liabilities	5 843 333	1 947 778	1 947 778	-	-	-	9 738 889
Reinsurance liabilities	1 427 212	475 737	475 737	-	-	-	2 378 686
Other liabilities	52 262 896	158 942 882	38 417 008	1 191 967	2 402 688	-	253 217 441
Current tax payable	-	6 465 757	67 895	122 841	-	-	6 656 493
Lease liability	55 189	139 814	166 375	280 240	768 052	15 556	1 425 226
Financial guarantees	101 812	416 993	3 137	434 080	2 039 703	-	2 995 725
Loan commitments	28 469 366	-	-	-	-	-	28 469 366
Total liabilities	**2 972 894 036**	**475 443 984**	**80 306 177**	**25 273 448**	**56 218 433**	**15 556**	**3 610 151 634**
Liquidity gap	**(1 372 289 909)**	**232 727 266**	**778 109 604**	**770 022 979**	**542 747 505**	**65 483 331**	**1 016 800 776**
Cumulative liquidity gap	**(1 372 289 909)**	**(1 139 562 643)**	**(361 453 039)**	**408 569 940**	**951 317 445**	**1 016 800 776**	**1 016 800 776**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2023

	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	1 862 786 839	-	-	-	-	-	1 862 786 839
Money market assets	157 667 525	4 109 261	66 245 982	-	-	-	228 022 768
Financial securities	56 516 835	218 421 576	318 230 292	345 989 157	376 536 369	1 200 350	1 316 894 579
Loans and advances to customers	582 878 134	279 159 803	285 779 320	596 226 433	775 679 700	23 526 680	2 543 250 070
Insurance contract assets	13 323	4 441	11 615 579	-	-	-	11 633 343
Reinsurance contract assets	9 389 950	2 685 103	4 236 814	8 311 121	-	-	24 622 988
Current tax receivable	34 987	152	27 672	-	-	-	62 811
Other liquid assets	131 491 548	913 650 163	56 580 831	930 685	44 440 057	-	1 147 093 284
Total assets	**2 800 779 141**	**1 418 030 499**	**742 716 490**	**951 457 396**	**1 196 656 126**	**24 727 030**	**7 134 366 682**
Liabilities							
Deposits	5 220 849 472	2 424 514	121 411 889	4 543 452	264 170 117	-	5 613 399 444
Insurance contract liabilities	11 619 723	3 873 241	32 273 364	-	-	-	47 766 328
Reinsurance contract Liabilities	744 163	248 054	248 054	-	-	-	1 240 271
Other liabilities	209 223 465	189 206 109	121 608 671	20 507 950	-	9 773 937	550 320 132
Current tax payable	1 119 909	-	3 544 547	-	-	-	4 664 456
Lease liabilities	323 105	489 195	632 567	1 285 682	2 350 625	-	5 081 174
Financial guarantees	2 178 692	281 351	1 416 234	8 311 121	-	-	12 187 398
Total liabilities	**5 446 058 529**	**196 522 464**	**281 135 326**	**34 648 205**	**266 520 742**	**9 773 937**	**6 234 659 203**
Liquidity gap	**(2 645 279 388)**	**1 221 508 035**	**461 581 164**	**916 809 191**	**930 135 384**	**14 953 093**	**899 707 479**
Cumulative liquidity gap	**(2 645 279 388)**	**(1 423 771 353)**	**(962 190 189)**	**(45 380 998)**	**884 754 386**	**899 707 479**	**899 707 479**

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**

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

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

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

	CBZ Bank Limited %
At 31 December 2022	47.46
At 31 December 2023	53.91
Average for the year	52.11
Maximum for the year	59.40
Minimum for the year	46.75

34.5 INTEREST RATE RISK

This is the possibility of Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a 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 and 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 2023 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$ 3,762,993,873 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.

34.5.1 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 2023								
Assets								
Balances with banks and cash	779 404 481	-	-	-	-	-	1 083 382 358	1 862 786 839
Money market assets	146 442 018	1 076 428	55 893 162	-	-	-	-	203 411 608
Financial securities	55 931 014	218 421 576	312 982 688	346 574 978	321 643 497	694 495	-	1 256 248 248
Loans and advances to customers	419 325 355	235 067 384	248 086 012	518 724 610	634 812 687	16 743 671	-	2 072 759 719
Insurance assets	-	-	-	-	-	-	11 633 343	11 633 343
Reinsurance assets	-	-	-	-	-	-	12 435 590	12 435 590
Equity investments	-	-	-	-	-	-	121 924 725	121 924 725
Equity-accounted investees							339 520 466	339 520 466
Land inventory	-	-	-	-	-	-	100 079 665	100 079 665
Other assets	-	-	-	61 428 649	44 440 057	-	1 123 373 690	1 229 242 396
Current tax receivable	-	-	-	-	-	-	29 011 110	29 011 110
Intangible assets	-	-	-	-	-	-	4 488 301	4 488 301
Investment properties	-	-	-	-	-	-	395 907 462	395 907 462
Property and equipment	-	-	-	-	-	-	506 041 575	506 041 575
Deferred taxation	-	-	-	-	-	-	112 825 350	112 825 350
Total assets	**1 401 102 868**	**454 565 388**	**616 961 862**	**926 728 237**	**1 000 896 241**	**17 438 166**	**3 840 623 635**	**8 258 316 397**
Equity & Liabilities								
Deposits	235 146 166	2 337 321	116 420 282	-	5 733 858	232 306 870	4 985 589 860	5 577 534 357
Insurance liabilities	-	-	-	-	-	-	47 766 328	47 766 328
Reinsurance liabilities	-	-	-	-	-	-	1 331 564	1 331 564
Other liabilities	10 762 923	21 111 017	14 813 477	5 646 036	-	9 773 937	489 142 251	551 249 641
Current tax payable	-	-	-	-	-	-	5 096 780	5 096 780
Investment contract liabilities	-	-	-	-	-	-	5 510 568	5 510 568
Deferred taxation	-	-	-	-	-	-	321 889 215	321 889 215
Lease liability	149 995	372 629	425 701	726 382	1 518 511	1 011 335	-	4 204 553
Equity	-	-	-	-	-	-	1 743 733 391	1 743 733 391
Total liabilities and equity	**246 059 084**	**23 820 967**	**131 659 460**	**6 372 418**	**7 252 369**	**243 092 142**	**7 600 059 957**	**8 258 316 397**
Interest rate repricing gap	**1 155 043 784**	**430 744 421**	**485 302 402**	**920 355 819**	**993 643 872**	**(225 653 976)**	**(3 759 436 322)**	**-**
Cumulative gap	**1 155 043 784**	**1 585 788 205**	**2 071 090 607**	**2 991 446 426**	**3 985 090 298**	**3 759 436 322**	**-**	**-**

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
Restated								
31 December 2022								
Assets								
Balances with banks and cash	161 878 393	-	-	-	-	-	1 102 308 086	1 264 186 479
Money market assets	66 665 084	3 600 740	49 892 331	50 231 552	-	-	-	170 389 707
Financial securities	158 267 812	75 940 842	-	-	717 841	3 581 529	-	238 508 024
Loans and advances to customers	375 028 063	377 370 611	21 539 412	71 393 473	1 466 321	-	-	846 797 880
Insurance assets	-	-	-	-	-	-	6 860 586	6 860 586
Reinsurance assets	-	-	-	-	-	-	6 816 156	6 816 156
Equity investments	-	-	-	-	-	-	83 301 256	83 301 256
Land Inventory	-	-	-	-	-	-	99 958 376	99 958 376
Other assets	-	385 460 076	33 488 443	64 981 031	231 043 661	-	646 929 336	1 361 902 547
Current tax receivable	802 723	-	-	-	-	-	-	802 723
Intangible assets	-	-	-	-	-	-	4 450 467	4 450 467
Investment properties	-	-	-	-	-	-	137 395 156	137 395 156
Property and equipment	-	-	-	-	-	-	218 806 284	218 806 284
Deferred taxation	-	-	-	-	-	-	152 842 164	152 842 164
Total assets	**762 642 075**	**842 372 269**	**104 920 186**	**186 606 056**	**233 227 823**	**3 581 529**	**2 459 667 867**	**4 593 017 805**
Equity & Liabilities								
Deposits	411 554 959	293 678 987	36 894 978	15 875 162	42 457 291	-	2 469 113 625	3 269 575 002
Insurance liabilities	-	-	-	-	-	-	19 497 579	19 497 579
Reinsurance liabilities	-	-	-	-	-	-	2 378 690	2 378 690
Other liabilities	8 413 885	71 264 213	-	-	2 402 688	-	190 769 609	272 850 395
Current tax payable	-	-	-	-	-	-	6 656 492	6 656 492
Investment contract liabilities	-	-	-	-	-	-	2 219 242	2 219 242
Deferred taxation	-	-	-	-	-	-	209 882 433	209 882 433
Lease Liability	86 891	109 846	170 086	172 071	718 942	-	-	1 257 836
Equity	-	-	-	-	-	-	808 700 136	808 700 136
Total liabilities and equity	**420 055 735**	**365 053 046**	**37 065 064**	**16 047 233**	**45 578 921**	**-**	**3 709 217 806**	**4 593 017 805**
Interest rate repricing gap	**342 586 340**	**477 319 223**	**67 855 122**	**170 558 823**	**187 648 902**	**3 581 529**	**(1 249 549 939)**	**-**
Cumulative gap	**342 586 340**	**819 905 563**	**887 760 685**	**1 058 319 508**	**1 245 968 410**	**1 249 549 939**	**-**	**-**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (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 2023								
Assets								
Balances with banks and cash	779 404 481	-	-	-	-	-	1 083 382 358	1 862 786 839
Money market assets	146 442 018	1 076 428	55 893 162	-	-	-	-	203 411 608
Financial securities	55 931 014	218 421 576	312 982 688	346 574 978	321 643 497	694 495	-	1 256 248 248
Loans and advances to customers	419 325 355	235 067 384	248 086 012	518 724 610	634 812 687	16 743 671	-	2 072 759 719
Insurance assets	-	-	-	-	-	-	11 633 343	11 633 343
Reinsurance assets	-	-	-	-	-	-	12 435 590	12 435 590
Equity investments	-	-	-	-	-	-	121 924 725	121 924 725
Equity-accounted investees	-	-	-	-	-	-	283 577 862	283 577 862
Land inventory	-	-	-	-	-	-	5 929 505	5 929 505
Other assets	-	-	-	61 428 649	44 440 057	-	1 092 030 117	1 197 898 823
Current tax receivable	-	-	-	-	-	-	29 011 110	29 011 110
Intangible assets	-	-	-	-	-	-	2 178 935	2 178 935
Investment properties	-	-	-	-	-	-	395 907 462	395 907 462
Property and equipment	-	-	-	-	-	-	439 821 287	439 821 287
Deferred taxation	-	-	-	-	-	-	112 825 350	112 825 350
Total assets	**1 401 102 868**	**454 565 388**	**616 961 862**	**926 728 237**	**1 000 896 241**	**17 438 166**	**3 590 657 644**	**8 008 350 406**
Equity & Liabilities								
Deposits	235 146 166	2 337 321	116 420 282	-	5 733 858	232 306 870	4 985 589 860	5 577 534 357
Insurance liabilities	-	-	-	-	-	-	47 766 328	47 766 328
Reinsurance liabilities	-	-	-	-	-	-	1 331 564	1 331 564
Other liabilities	10 762 923	21 111 017	14 813 477	5 646 036	-	9 773 937	488 286 067	550 393 457
Current tax payable	-	-	-	-	-	-	5 096 780	5 096 780
Investment contract liabilities	-	-	-	-	-	-	5 510 568	5 510 568
Deferred taxation	-	-	-	-	-	-	288 068 389	288 068 389
Lease liability	149 995	372 629	425 701	726 382	1 518 511	1 011 335	-	4 204 553
Equity	-	-	-	-	-	-	1 528 444 410	1 528 444 410
Total liabilities and equity	**246 059 084**	**23 820 967**	**131 659 460**	**6 372 418**	**7 252 369**	**243 092 142**	**7 350 093 966**	**8 008 350 406**
Interest rate repricing gap	**1 155 043 784**	**430 744 421**	**485 302 402**	**920 355 819**	**993 643 872**	**(225 653 976)**	**(3 759 436 322)**	**-**
Cumulative gap	**1 155 043 784**	**1 585 788 205**	**2 071 090 607**	**2 991 446 426**	**3 985 090 298**	**3 759 436 322**	**-**	**-**

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
Restated								
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	-	-	-	-	-	-	1 322 300	1 322 300
Reinsurance assets	-	-	-	-	-	-	1 418 444	1 418 444
Equity investments	-	-	-	-	-	-	17 335 017	17 335 017
Land Inventory	-	-	-	-	-	-	1 657 513	1 657 513
Other liquid assets	1 640 619	80 214 357	6 968 955	13 522 572	48 080 255	-	128 341 065	278 767 823
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	-	-	-	-	-	-	32 351 158	32 351 158
Total assets	**160 179 616**	**175 297 921**	**21 833 922**	**38 832 776**	**48 534 780**	**745 317**	**478 426 108**	**923 850 440**
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	-	-	-	-	-	-	4 057 452	4 057 452
Reinsurance liabilities	-	-	-	-	-	-	495 006	495 006
Other liabilities	1 750 932	14 830 104	-	-	500 000	-	39 369 177	56 450 213
Current tax payable	-	-	-	-	-	-	1 385 218	1 385 218
Investment contract liabilities	-	-	-	-	-	-	461 825	461 825
Deferred taxation	-	-	-	-	-	-	37 121 539	37 121 539
Lease Liability	-	-	-	-	-	-	261 756	261 756
Equity						-	143 217 896	143 217 896
Total liabilities and equity	**87 395 642**	**75 944 789**	**7 677 856**	**3 303 626**	**9 335 375**	**-**	**740 193 152**	**923 850 440**
Interest rate repricing gap	**72 783 974**	**99 353 132**	**14 156 066**	**35 529 150**	**39 199 405**	**745 317**	**(261 767 044)**	**-**
Cumulative gap	**72 783 974**	**172 137 106**	**186 293 172**	**221 822 322**	**261 021 727**	**261 767 044**	**-**	**-**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

34.6 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 2023, 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$34,724,839,715 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$	37 939 390 668	(3 801 501 611)	16 434 302	411 474 107	159 042 249

The foreign currency position for the Group as at 31 December 2023 is as below:

FOREIGN CURRENCY POSITION

AUDITED INFLATION ADJUSTED

Position expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
31 December 2023							
Assets							
Balances with banks and cash	1 862 786 839	244 134 761	1 469 368 305	104 694 792	1 235 796	20 507 516	22 845 669
Money market assets	203 411 608	5 466 651	197 944 957	-	-	-	-
Financial securities	1 256 248 248	98 409 780	1 157 838 468	-	-	-	-
Loans and advances to customers	2 072 759 719	281 931 591	1 790 162 099	666 029	-	-	-
Insurance assets	11 633 343	-	11 633 343	-	-	-	-
Reinsurance assets	12 435 590	4 034 057	8 401 533	-	-	-	-
Equity investments	121 924 725	121 693 227	231 498	-	-	-	-
Equity-accounted investees	339 520 466	339 520 466	-	-	-	-	-
Land inventory	100 079 665	100 079 665	-	-	-	-	-
Other assets	1 229 242 396	142 067 248	1 081 225 763	1 466	474 215	165 611	5 308 093
Current tax receivable	29 011 110	29 011 110	-	-	-	-	-
Intangible assets	4 488 301	4 488 301	-	-	-	-	-
Investment properties	395 907 462	395 907 462	-	-	-	-	-
Property and equipment	506 041 575	506 041 575	-	-	-	-	-
Deferred taxation	112 825 350	112 825 350	-	-	-	-	-
	8 258 316 397	**2 385 611 244**	**5 716 805 966**	**105 362 287**	**1 710 011**	**20 673 127**	**28 153 762**
Equity & Liabilities							
Deposits	5 577 534 357	883 823 544	4 456 644 724	205 442 695	1 131 859	9 073 916	21 417 619
Insurance liabilities	47 766 328	32 525 673	15 240 655	-	-	-	-
Reinsurance liabilities	1 331 564	360 968	970 596	-	-	-	-
Other liabilities	551 249 641	313 920 537	233 092 817	916 553	146 536	660 620	2 512 578
Current tax payable	5 096 780	3 414 999	1 681 781	-	-	-	-
Investment contract liabilities	5 510 568	5 510 568	-	-	-	-	-
Deferred taxation	321 889 215	321 889 215	-	-	-	-	-
Lease Liability	4 204 553	2 984 726	1 219 827	-	-	-	-
Equity	1 743 733 391	1 743 733 391	-	-	-	-	-
Total equity and liabilities	**8 258 316 397**	**3 308 163 621**	**4 708 850 400**	**206 359 248**	**1 278 395**	**9 734 536**	**23 930 197**

AUDITED INFLATION ADJUSTED

Position expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Restated							
31 December 2022							
Assets							
Balances with banks and cash	1 264 186 479	426 530 982	737 001 475	81 781 838	575 305	17 653 950	642 929
Money market assets	170 389 707	55 480 431	114 909 276	-	-	-	-
Financial securities	238 508 024	90 557 785	147 950 239	-	-	-	-
Loans and advances to customers	846 797 880	183 965 145	662 661 078	171 657	-	-	-
Insurance assets	6 860 586	6 860 586	-	-	-	-	-
Reinsurance assets	6 816 156	6 566 682	249 474	-	-	-	-
Equity investments	83 301 256	81 586 557	206 586	-	-	1 508 113	-
Land Inventory	99 958 376	97 990 239	1 968 137	-	-	-	-
Other assets	1 361 902 547	133 626 873	1 226 673 143	1 129 864	93 154	379 513	-
Current tax receivable	802 723	802 723	-	-	-	-	-
Intangible assets	4 450 467	4 450 467	-	-	-	-	-
Investment properties	137 395 156	137 395 156	-	-	-	-	-
Property and equipment	218 806 284	218 806 284	-	-	-	-	-
Deferred taxation	152 842 164	152 842 164	-	-	-	-	-
Total assets	**4 593 017 805**	**1 597 462 074**	**2 891 619 408**	**83 083 359**	**668 459**	**19 541 576**	**642 929**
Equity & Liabilities							
Deposits	3 269 575 002	871 688 218	2 252 585 007	123 328 489	410 681	12 049 291	9 513 316
Insurance liabilities	19 497 579	19 497 579	-	-	-	-	-
Reinsurance Liabilities	2 378 690	2 378 690	-	-	-	-	-
Other liabilities	272 850 395	171 046 818	101 123 471	332 929	105 336	241 696	145
Current tax payable	6 656 492	6 656 492	-	-	-	-	-
Investment contract liabilities	2 219 242	2 219 242	-	-	-	-	-
Deferred taxation	209 882 433	209 882 433	-	-	-	-	-
Lease Liability	1 257 836	475 577	782 259	-	-	-	-
Equity	808 700 136	808 700 136	-	-	-	-	-
Total equity and liabilities	**4 593 017 805**	**2 092 545 185**	**2 354 490 737**	**123 661 418**	**516 017**	**12 290 987**	**9 513 461**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	Total	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
31 December 2023							
Assets							
Balances with banks and cash	1 862 786 839	244 134 761	1 469 368 305	104 694 792	1 235 796	20 507 516	22 845 669
Money market assets	203 411 608	5 466 651	197 944 957	-	-	-	-
Financial securities	1 256 248 248	98 409 780	1 157 838 468	-	-	-	-
Loans and advances to customers	2 072 759 719	281 931 591	1 790 162 099	666 029	-	-	-
Insurance assets	11 633 343	-	11 633 343	-	-	-	-
Reinsurance assets	12 435 590	4 034 057	8 401 533	-	-	-	-
Equity investments	121 924 725	121 693 227	231 498	-	-	-	-
Equity-accounted investees	283 577 862	283 577 862	-	-	-	-	-
Land inventory	5 929 505	5 929 505	-	-	-	-	-
Other assets	1 197 898 823	110 723 675	1 081 225 763	1 466	474 215	165 611	5 308 093
Current tax receivable	29 011 110	29 011 110	-	-	-	-	-
Intangible assets	2 178 935	2 178 935	-	-	-	-	-
Investment properties	395 907 462	395 907 462	-	-	-	-	-
Property and equipment	439 821 287	439 821 287	-	-	-	-	-
Deferred taxation	112 825 350	112 825 350	-	-	-	-	-
	8 008 350 406	**2 135 645 253**	**5 716 805 966**	**105 362 287**	**1 710 011**	**20 673 127**	**28 153 762**
Equity & Liabilities							
Deposits	5 577 534 357	883 823 544	4 456 644 724	205 442 695	1 131 859	9 073 916	21 417 619
Insurance liabilities	47 766 328	32 525 673	15 240 655	-	-	-	-
Reinsurance liabilities	1 331 564	360 968	970 596	-	-	-	-
Other liabilities	550 393 457	313 064 353	233 092 817	916 553	146 536	660 620	2 512 578
Current tax payable	5 096 780	3 414 999	1 681 781	-	-	-	-
Investment contract liabilities	5 510 568	5 510 568	-	-	-	-	-
Deferred taxation	288 068 389	288 068 389	-	-	-	-	-
Lease liability	4 204 553	2 984 726	1 219 827	-	-	-	-
Equity	1 528 444 410	1 528 444 410	-	-	-	-	-
Total equity and liabilities	**8 008 350 406**	**3 058 197 630**	**4 708 850 400**	**206 359 248**	**1 278 395**	**9 734 536**	**23 930 197**

UNAUDITED HISTORICAL

Position expressed in ZWL$ 000	TOTAL	ZWL$	USD	ZAR	GBP	EUR	Other foreign currencies
Restated							
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	1 322 300	151 599	1 170 701	-	-	-	-
Reinsurance assets	1 418 444	1 418 444		-	-	-	-
Equity investments	17 335 017	16 978 187	42 991	-	-	313 839	-
Land Inventory	1 657 513	1 247 943	409 570	-	-	-	-
Other assets	278 767 823	23 163 288	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	32 351 158	32 351 158	-	-	-	-	-
Total assets	**923 850 440**	**299 355 611**	**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	4 057 452	2 870 747	1 186 705	-	-	-	-
Reinsurance liabilities	495 006	495 006					
Other liabilities	56 450 213	35 264 858	21 043 825	69 283	21 920	50 297	30
Current tax payable	1 385 218	1 385 218	-	-	-	-	-
Investment contract liabilities	461 825	461 825	-	-	-	-	-
Deferred taxation	37 121 539	37 121 539	-	-	-	-	-
Lease Liability	261 756	98 968	162 788	-	-	-	-
Equity	143 217 896	143 217 896	-	-	-	-	-
Total equity and liabilities	**923 850 440**	**402 314 636**	**491 156 931**	**25 733 978**	**107 383**	**2 557 758**	**1 979 754**

Notes to the Audited Inflation Adjusted Consolidated Financial Results For the year ended 31 December 2023 (continued...)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2023

	UNDERLYING CURRENCY				
	USD $ 000	ZAR $ 000	GBP $ 000	EUR $ 000	Other foreign currencies [USD] $ 000
Assets					
Balances with banks and cash	240 643	314 084	159	3 033	3 742
Money market assets	32 418	-	-	-	-
Financial securities	189 623	-	-	-	-
Loans and advances to customers	293 181	1 998	-	-	-
Insurance assets	1 905	-	-	-	-
Reinsurance assets	1 376	-	-	-	-
Equity investments	38	-	-	-	-
Other assets	177 076	4	61	24	869
Total assets	**936 260**	**316 086**	**220**	**3 057**	**4 611**
Liabilities					
Deposits	729 880	616 328	145	1 342	3 508
Insurance liabilities	2 496	-	-	-	-
Reinsurance liabilities	159	-	-	-	-
Other liabilities	38 174	2 750	19	98	411
Current tax payable	275	-	-	-	-
Lease liability	200	-	-	-	-
Total liabilities	**771 184**	**619 078**	**164**	**1 440**	**3 919**
Net position	**165 076**	**(302 992)**	**56**	**1 617**	**692**

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2022

	UNDERLYING CURRENCY				
	USD $ 000	ZAR $ 000	GBP $ 000	EUR $ 000	Other foreign currencies [USD] $ 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	-	-	-	-
Reinsurance assets	71	-	-	-	-
Equity investments	63	-	-	431	-
Other assets	373 021	5 831	24	108	-
Total assets	**880 425**	**428 784**	**169**	**5 581**	**196**
Liabilities					
Deposits	684 993	636 484	104	3 441	2 893
Insurance liabilities	1 734	-	-	-	-
Reinsurance liabilities	50	-	-	-	-
Other liabilities	30 751	1 718	27	69	-
Current tax payable	-	-	-	-	-
Lease liabilities.	238	-	-	-	-
Equity					
Total liabilities	**717 766**	**638 202**	**131**	**3 510**	**2 893**
Net position	**162 659**	**(209 418)**	**38**	**2 071**	**(2 697)**

34.6.1 CLOSING EXCHANGE RATES

	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
USD	6 106	684.33
ZAR	333.33	40.32
GBP	7 796.75	824.42
EUR	6 760.56	728.61

34.7 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.

34.7.1 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.

34.8 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.

34.9 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.

34.10 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.

34.11 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.

34.12 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.

34.13.1 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2023	2022	2021	2020	2019	2018	2017	2016
Global Credit Rating (Long term)	AA-	AA-	A+	A+	A+	A	A	A

CBZ Life Private Limited

Rating agent	2023	2022	2021	2020	2019	2018	2017	2016
Global Credit Rating (Financial strength)	A(zw)-	A(zw)-	A(zw)-	A(zw)-	A-	A-	BBB+	BBB+

CBZ Insurance Private Limited

Rating agent	2023	2022	2021	2020	2019	2018	2017	2016
Global Credit Rating(Claims paying ability)	BBB-	BBB-	BBB-	BBB-	BBB+	BBB+	BBB+	BBB

CBZ Asset Management Private Limited

Rating agent	2023	2022	2021	2020	2019	2018	2017	2016
Global Credit Rating (Manager quality)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	MQ2(ZW)	A	A	A	A

34.13.2 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 For the year ended 31 December 2023 (continued...)

34.13.1 Risk and Credit Ratings (continued)

CBZ Bank Limited
Risk Matrix Summary

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

KEY

Level of Inherent Risk

Low - reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.

Moderate - could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.

High - reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak - risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.

Acceptable - management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.

Strong - management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk

Low Risk - would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate Risk - risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

High - Risk management systems do not significantly mitigate the high inherent risk. Thus, the activity could potentially result in a financial loss that would have a significant impact on the Bank's overall condition.

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.

35. Capital Adequacy

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

	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Risk Weighted Assets	4 778 019 070	439 115 478
Total Qualifying Capital	**1 034 719 995**	**95 962 702**
Tier 1		
Share capital	5 118	5 118
Share premium	16 722	16 722
Revenue reserves	690 070 686	81 905 528
Exposure to insiders	(29 653 068)	(12 240 900)
	660 439 458	**69 686 468**
Less Tier 3	(175 325 954)	(16 210 762)
	485 113 504	**53 475 706**
Tier 2		
Revaluation reserves	270 028 951	14 997 419
Fair Value Reserve	44 140 548	5 789 872
General provisions	60 111 038	5 488 943
	374 280 537	**26 276 234**
Tier 3		
Capital allocated for market risk	74 965 639	5171866
Capital allocated to operations risk	100 360 315	11 038 896
	175 325 954	**16 210 762**
Capital Adequacy (%)		
Tier 1	10.15%	12.18%
Tier 2	7.83%	5.98%
Tier 3	3.67%	3.69%
Total	**21.66%**	**21.85%**

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

36. 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.

37. SUBSEQUENT EVENTS NOTE

Subsequent to 1 December 2023, on 5 April 2024, through the 2024 Monetary Policy Statement, the Reserve Bank of Zimbabwe (RBZ) (Central Bank) introduced a structured currency which is generally defined as a currency that is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets (potentially including gold). This means that the Central Bank can only issue domestic notes and coins when fully backed by a foreign "reserve" currency or foreign exchange assets and that the currency is fully convertible into the reserve currency on demand. The structured currency introduced is anchored by a composite basket of foreign currency and precious metals (mainly gold) held as reserves by the Reserve Bank of Zimbabwe.

With effect from 5 April 2024, Banks were required to convert the Zimbabwe Dollar (ZWL$) balances into the new currency called Zimbabwe Gold (ZiG). The new currency is co-circulating with other foreign currencies in the economy. The swap rate on 5 April 2024 was guided by the closing interbank exchange rate and the price of gold as at that date. The swap rate was used to make legitimate conversions of all ZWL$ balances into ZiG; these included deposits, loans and advances made by the sector; ZWL$ treasury bills; outstanding auction allotments; export surrender obligations.

On conversion of all current ZWL$ balances, banks were directed to rename all the current ZWL$ accounts as ZiG accounts. Gold-backed Digital Token (GBDT) accounts will no longer be called ZiG accounts but will be known as GBDT accounts. All ZWL$ notes and coins held by account holders will be credited into their ZiG accounts using the applicable conversion factor. Banks were directed to continue accepting ZWL$ deposits for a period of 21 days after 5 April 2024.

Directors assessed the implications of the introduction of the new currency in line with the requirements of IAS 10, Events After the Reporting Period and concluded that the introduction of the structured currency is a non-adjusting event on the consolidated inflation adjusted financial statements for the year ended 31 December 2023. However, the Group complied with the requirements of the Monetary Policy Statement with effect from 5 April 2024.

COMPANY FINANCIAL STATEMENTS

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	AUDITED RESTATED* 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000
Revenue	2	277 473 166	64 326 078	176 307 793	14 534 291
Operating expenditure	3	(285 990 711)	(87 191 816)	(200 266 872)	(13 820 174)
Operating profit		**(8 517 545)**	**(22 865 738)**	**(23 959 079)**	**714 117**
Expected credit loss expense		(27 083)	(379 658)	(27 083)	(79 007)
Monetary gain		64 898 275	53 796 088	-	-
Profit before tax		**56 353 647**	**30 550 692**	**(23 986 162)**	**635 110**
Taxation	4	(4 365 112)	1 229 450	(2 090 350)	499 028
Profit for the year after tax		**51 988 535**	**31 780 142**	**(26 076 512)**	**1 134 138**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods;					
Gains on property revaluation		1 267 555	223 272	1 841 014	124 658
Fair value gains on equity investments		31 975 566	7 031 571	39 780 897	3 261 978
Deferred income tax relating to other comprehensive income	4	(1 338 029)	(436 448)	(2 296 104)	(207 667)
Other comprehensive income for the year net of tax		**31 905 092**	**6 818 395**	**39 325 807**	**3 178 969**
Total comprehensive income for the year		**83 893 627**	**38 598 537**	**13 249 295**	**4 313 107**
Profit for the year attributable to:					
Equity holders of parent		51 988 535	31 780 142	(26 076 512)	1 134 138
Total profit for the year		**51 988 535**	**31 780 142**	**(26 076 512)**	**1 134 138**
Total comprehensive income attributable to:					
Equity holders of parent		83 893 627	38 598 537	13 249 295	4 313 107
Total comprehensive income for the year		**83 893 627**	**38 598 537**	**13 249 295**	**4 313 107**
Earnings per share (ZWL cents):					
Basic		9 395.26	6 087.96	(4 712.49)	217.26
Fully diluted		9 395.26	6 087.96	(4 712.49)	217.26

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

*Restated due the application of IAS 29, Financial Reporting for Hyperinflationary Economies.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	NOTES	AUDITED INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	AUDITED RESTATED* 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2022 ZWL$ 000
ASSETS					
Cash & cash equivalents	5(b)	29 262 529	4 183 660	29 262 529	870 621
Other assets	11	80 983 268	46 036 849	75 683 653	7 360 192
Investments in equities	7	11 507 647	39 199 945	11 507 647	8 157 520
Investments in subsidiaries	7	76 038 562	46 213 575	9 122 984	1 308 612
Equity accounted investees		230 659 210	-	143 081 159	-
Intangible assets	9	-	653	-	3
Property and equipment	9	9 155 831	7 105 657	4 878 198	572 298
Deferred tax assets	10	7 361 596	3 520 171	7 361 596	732 549
TOTAL ASSETS		**444 968 643**	**146 260 510**	**280 897 766**	**19 001 795**
LIABILITIES					
Overdraft	5(a)	-	35 227 994	-	7 330 956
Other liabilities	12	245 093 771	18 609 932	245 093 771	3 872 733
Lease liabilities	9	1 830 292	336 848	1 830 292	70 098
Deferred tax liabilities	10	8 050 149	2 869 725	7 048 900	397 540
Current tax		3 352 056	122 841	3 352 056	25 563
TOTAL LIABILITIES		**258 326 268**	**57 167 340**	**257 325 019**	**11 696 890**
EQUITY					
Share capital	16	4 447 876	4 444 843	6 221	5 220
Share premium	17.0	104 629 161	27 162 230	38 651 422	33 876
Revaluation reserve	15	1 500 522	559 362	1 486 910	119 957
Retained earnings	13	58 785 135	14 907 472	(17 657 509)	(679 036)
Fair value reserve	14	7 864 690	14 717 864	515 752	3 754 937
Shares awaiting allotment reserve	18	-	17 886 408	-	3 500 000
Share based payment reserve	19	9 414 991	9 414 991	569 951	569 951
TOTAL EQUITY		**186 642 375**	**89 093 170**	**23 572 747**	**7 304 905**
TOTAL LIABILITIES AND EQUITY		**444 968 643**	**146 260 510**	**280 897 766**	**19 001 795**

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

*Restated due the application of IAS 29, Financial Reporting for Hyperinflationary Economies.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

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 2022								
Opening balance	4 444 843	27 162 230	-	391 280	9 414 991	8 067 550	(10 786 421)	38 694 473
Profit for the year	-	-	-	-	-	-	31 780 142	31 780 142
Other comprehensive income for the year	-	-	-	168 082	-	6 650 314	-	6 818 396
Dividend paid	-	-	-	-	-	-	(6 086 249)	(6 086 249)
Issue of shares awaiting allotment	-	-	17 886 408	-	-	-	-	17 886 408
Closing balance	**4 444 843**	**27 162 230**	**17 886 408**	**559 362**	**9 414 991**	**14 717 864**	**14 907 472**	**89 093 170**
31 Dec 2023								
Opening balance	4 444 843	27 162 230	17 886 408	559 362	9 414 991	14 717 864	14 907 472	89 093 170
Profit for the year	-	-	-	-	-	-	51 988 535	51 988 535
Other comprehensive income for the year	-	-	-	941 160	-	30 963 932	-	31 905 092
inter category transfer	-	-	-	-	-	(37 817 106)	37 817 106	-
Dividend paid	-	-	-	-	-	-	(45 927 978)	(45 927 978)
Issue of shares	3 033	77 466 931	(17 886 408)	-	-	-	-	59 583 556
Closing balance	**4 447 876**	**104 629 161**	**-**	**1 500 522**	**9 414 991**	**7 864 690**	**58 785 135**	**186 642 375**

** Shares awaiting allotment reserve (Refer to note 18)

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

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 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
Issue of shares	-	-	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**
31 December 2023								
Opening balance	5 220	33 876	3 500 000	119 957	569 951	3 754 937	(679 036)	7 304 905
Profit for the year	-	-	-	-	-	-	(26 076 512)	(26 076 512)
Other comprehensive income for the year	-	-	-	1 366 953	-	37 958 854	-	39 325 807
Issue of shares	1 001	38 617 546	(3 500 000)	-	-	-	-	35 118 547
Inter catergory transfer	-	-	-	-	-	(41 198 039)	41 198 039	-
Dividend paid	-	-	-	-	-	-	(32 100 000)	(32 100 000)
Closing balance	**6 221**	**38 651 422**	**-**	**1 486 910**	**569 951**	**515 752**	**(17 657 509)**	**23 572 747**

** Shares awaiting allotment reserve (Refer to note 18)

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

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED* 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		56 353 647	30 550 692	(23 986 162)	635 110
Non-cash items:					
Depreciation	3	1 751 208	854 011	350 483	21 600
Monetary gain		(64 898 275)	(53 796 088)	-	-
Fair value adjustment on financial instruments	2	(22 575 256)	23 952 326	(27 690 100)	(1 639 635)
Unrealised loss or gain on foreign currency position		31 502 229	520 471	31 502 229	108 310
Amortisation of intangible assets		653	1 913	3	19
(Profit)\loss on sale of property and equipment		(4 304)	3 618	(8 663)	(246)
Expected credit loss expense		27 083	379 658	27 083	79 007
Write off property and equipment		4 242 971	-	270 578	-
Interest on lease liability		159 079	25 752	102 319	3 943
Operating cash inflow/(outflow) before changes in operating assets and liabilities		**6 559 035**	**2 492 353**	**(19 432 230)**	**(791 892)**
Changes in operating assets and liabilities					
Other assets		(293 161 710)	(41 005 412)	(74 837 530)	(4 655 171)
Other liabilities		410 577 253	54 834 299	128 884 496	1 595 173
		117 415 543	**13 828 887**	**54 046 966**	**(3 059 998)**
Corporate tax paid		(1 844 052)	(283 136)	(1 113 272)	(51 611)
Net cash inflow/(outflow) from operating activities		**122 130 526**	**16 038 104**	**33 501 464**	**(3 903 501)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in equities during the year	7.1	(66 715 911)	(13 479 234)	(32 155 102)	(1 218 940)
Purchase of property and equipment		(3 813 144)	(4 819 422)	(1 924 028)	(372 020)
Investment in associate during the year	7.1	(26 326 874)	-	(17 109 232)	-
Equity investments disposed during the year	7.1	83 881 273	2 153 669	64 466 900	422 759
Proceeds on disposal of property and equipment		9 690	1 974	9 690	411
Net cash inflow/(outflow) from investing activities		**(12 964 966)**	**(16 143 013)**	**13 288 228**	**(1 167 790)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares awaiting allotment		-	17 886 404	-	3 500 000
Issue of shares		16 075 741	-	5 465 793	-
Dividends paid	7.0	(45 927 978)	(6 086 249)	(32 100 000)	(1 012 734)
Lease liability payment	9.2	(1 432 701)	(164 670)	(723 091)	(26 897)
Interest on lease liability	9.2	(159 079)	(25 752)	(102 319)	(3 943)
Net cash inflow/(outflow) from financing activities		**(31 444 017)**	**11 609 733**	**(27 459 617)**	**2 456 426**
Net increase/ (decrease) in balances with banks and cash		**77 721 543**	**11 504 824**	**19 330 075**	**(2 614 865)**
Balances with banks and cash at the beginning of the year		(31 044 334)	(63 812 893)	(6 460 335)	(3 863 011)
Exchange gains on foreign cash balances		16 392 789	84 289	16 392 789	17 541
Inflation effects on cash and cash equivalents		(33 807 469)	21 179 446	-	-
Cash and cash equivalents at the end of the year	5b	**29 262 529**	**(31 044 334)**	**29 262 529**	**(6 460 335)**

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

NOTES TO THE AUDITED INFLATION ADJUSTED COMPANY FINANCIAL RESULTS

For the year ended 31 December 2023

1. INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2024. The Group offers commercial banking, property management, asset management, short term insurance, life assurance, agro business and other financial services and is incorporated in Zimbabwe.

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
2. REVENUE				
Fair value adjustments on financial instruments	22 575 256	(23 952 326)	27 690 100	1 639 635
Dividend income	145 069 023	46 627 411	85 111 350	6 979 106
Interest received	6 475 371	1 152 224	2 999 437	198 371
Other operating income	1 647 340	62 509	1 157 934	9 982
Unrealised profit on foreign currency exchange	(31 502 229)	(520 471)	(31 502 229)	(108 310)
Management fees	133 208 405	40 956 731	90 851 201	5 815 507
	277 473 166	**64 326 078**	**176 307 793**	**14 534 291**
2.1 Disaggregation of revenue Income from investments				
Dividends received from listed and unlisted investments	145 069 023	46 627 411	85 111 350	6 979 106
Fair value adjustments on financial instruments	22 575 256	(23 952 326)	27 690 100	1 639 635
Total	**167 644 279**	**22 675 085**	**112 801 450**	**8 618 741**
Exchange gains or loss on monetary balances				
Exchange gains on monetary assets	35 055 814	7 565 443	35 055 814	1 574 371
Exchange loss on monetary liabilities	(66 558 043)	(8 085 914)	(66 558 043)	(1 682 681)
Total	**(31 502 229)**	**(520 471)**	**(31 502 229)**	**(108 310)**
Revenue recognised at a point in time				
Management fees**	133 208 405	40 956 731	90 851 201	5 815 507
Other operating income	1 647 340	62 509	1 157 934	9 982
Total	**134 855 745**	**41 019 240**	**92 009 135**	**5 825 489**

The Company's revenue is recognised at a point in time.
**Management fees are wholly from subsidiaries companies.

3 OPERATING EXPENDITURE

	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
Staff costs	199 458 559	47 699 865	157 302 453	7 487 550
Other administration expenses	42 218 099	13 410 778	23 314 285	2 287 970
Audit fees	1 125 305	492 729	905 622	98 970
Depreciation	1 751 208	854 011	350 483	21 600
Amortisation of intangible assets	653	1 913	3	19
Interest expense	37 193 916	24 732 520	18 123 448	3 924 065
Write off of property and equipment	4 242 971	-	270 578	-
	285 990 711	**87 191 816**	**200 266 872**	**13 820 174**

Included in Audit fees are charges for non-audit services for the reviews of interim consolidated financial statements performed by the entity's audit. Fees for non-audit services amounted to ZWL$ 312,072,577 (2022: ZWL$ 131,912,319).

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

	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
Fees for services as directors	242 627	2 407 484	92 501	275 866
Pension for past and present directors	3 552 316	1 026 219	1 354 313	117 591
Salaries and other benefits	34 074 506	18 996 772	12 990 832	2 176 777
	37 869 449	**22 430 475**	**14 437 646**	**2 570 234**
Short term employment benefits	34 317 133	21 404 256	13 083 333	2 452 643
Post employment benefits	3 552 316	1 026 219	1 354 313	117 591
	37 869 449	**22 430 475**	**14 437 646**	**2 570 234**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 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	2 359 430	270 989	2 359 430	56 393
	Deferred tax	2 005 682	(1 500 439)	(269 080)	(555 421)
	Income tax expense/(income)	**4 365 112**	**(1 229 450)**	**2 090 350**	**(499 028)**
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	79.99	44.14	(119.24)	321.12
	Exempt income	(97.05)	(68.20)	86.00	(339.19)
	Effect on rebasing tax bases	(0.48)	(4.91)	1.12	(87.47)
	Effect of special tax rate*	0.56	0.00	(1.32)	2.25
	Effective tax rate	**7.74**	**(4.25)**	**(8.72)**	**(78.57)**

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.
*This relates to dividend income which is taxed at a different rate from the normal corporate tax rate.

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	326 395	55 189	474 061	30 815
	Unlisted equities	1 011 634	381 259	1 822 043	176 852
		1 338 029	**436 448**	**2 296 104**	**207 667**
5(a)	**BANK OVERDRAFTS**				
	Bank Overdraft	**-**	**35 227 994**	**-**	**7 330 956**
5(b)	**BANK AND CASH**				
	Cash at bank	**29 262 529**	**4 183 660**	**29 262 529**	**870 621**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
6.1	**Annualised earnings per share (ZWL cents)**				
	Basic	9 395.26	6 087.96	(4 712.49)	217.26
	Diluted Basic	9 395.26	6 087.96	(4 712.49)	217.26
	Headline	9 973.07	6 087.44	(4 674.50)	217.30
	Earnings attributable to holders of parent				
	Basic	51 988 535	31 780 142	(26 076 512)	1 134 138
	Diluted Basic	51 988 535	31 780 142	(26 076 512)	1 134 138
	Headline	55 185 884	31 777 417	(25 866 299)	1 134 323
	Number of shares used in calculations (weighted)				
	Basic	553 349	522 016	553 349	522 016
	Diluted Basic	553 349	522 016	553 349	522 016
	Headline	553 349	522 016	553 349	522 016
	Reconciliation of denominators used for calculating basic and diluted earnings per share:				
	Weighted average number of shares used for basic EPS	553 349	522 016	553 349	522 016
	Headline earnings				
	Profit attributable to ordinary shareholders	51 988 535	31 780 141	(26 076 512)	1 134 138
	Adjusted to exclude re-measurements				
	Write off of property and equipment	4 242 971	-	270 578	-
	Disposal gain on property and equipment	4 304	(3 618)	8 663	246
	Tax relating to remeasurements	(1 049 926)	894	(69 028)	(61)
	Headline earnings	**55 185 884**	**31 777 417**	**(25 866 299)**	**1 134 323**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
6.4	**Headline earnings**				
	Profit attributable to ordinary shareholders	51 988 535	31 780 141	(26 076 512)	1 134 138
	Adjusted to exclude re-measurements				
	Write off of property and equipment	4 242 971	-	270 578	-
	Disposal gain on property and equipment	4 304	(3 618)	8 663	246
	Tax relating to remeasurements	(1 049 926)	894	(69 028)	(61)
	Headline earnings	**55 185 884**	**31 777 417**	**(25 866 299)**	**1 134 323**
7	**DIVIDENDS**				
	Cash dividend on ordinary shares declared and paid:				
	Interim dividend paid	22 825 488	-	17 100 000	-
	Final dividend paid	23 102 490	6 086 249	15 000 000	1 012 734
		45 927 978	**6 086 249**	**32 100 000**	**1 012 734**
	Interim dividend per share (Cents)	4 125	-	3 090	-
	Final dividend per share (Cents)	4 175	1 166	2 710.77	194

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 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
	Proposed dividends on ordinary shares				
	Final cash dividend	-	33 637 626	-	7 000 000
	Final dividend paid per share (Cents)	-	6 443.77	-	1 340.95

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 2023.

		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
7.1	**Equity investments**				
	Opening balance	85 413 520	91 008 710	9 466 132	3 768 338
	Additions	66 715 911	13 479 234	32 155 102	1 218 940
	Disposals	(83 881 273)	(2 153 669)	(64 466 900)	(422 759)
	Transfer to investment in associate	(35 252 770)	-	(23 994 699)	-
	Fair value adjustments through Profit or Loss	22 575 255	(23 952 326)	27 690 100	1 639 635
	Fair value adjustments through Other Comprehensive Income	31 975 566	7 031 571	39 780 897	3 261 978
	Closing balance	**87 546 209**	**85 413 520**	**20 630 632**	**9 466 132**
7.2	**Equities investment**				
	Listed investments	10 419 687	19 038 870	10 419 688	3 961 995
	Unlisted investments	77 126 522	66 374 650	10 210 944	5 504 137
		87 546 209	**85 413 520**	**20 630 632**	**9 466 132**
	At cost -Investment In Subsidiaries	**76 038 562**	**46 213 575**	**9 122 984**	**1 308 612**
	Classification according to valuation				
	At fair value through Other comprehensive income	1 087 960	20 161 075	1 087 960	4 195 525
	At fair value through profit or loss	10 419 687	19 038 870	10 419 688	3 961 995
	At cost	76 038 562	46 213 575	9 122 984	1 308 612
		87 546 209	**85 413 520**	**20 630 632**	**9 466 132**

		AUDITED				UNAUDITED			
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	%	RESTATED 31 DEC 2022 ZWL$ 000	%	HISTORICAL 31 DEC 2023 ZWL$ 000	%	HISTORICAL 31 DEC 2022 ZWL$ 000	%
7.3	**Investment in subsidiaries**								
	CBZ Bank Limited	16 158 126	100	16 158 112	100	21 840	100	21 840	100
	CBZ Asset Management (Private) Limited	2 544 837	100	1 470 781	100	227 900	100	1 988	100
	CBZ Insurance (Private) Limited	8 772 523	98.4	3 143 657	98.4	1 207 557	98.4	23 615	98.4
	CBZ Properties (Private) Limited	11 033 732	100	4 628 903	100	1 574 021	100	226 867	100
	CBZ Life Assurance (Private) Limited	8 414 770	100	1 026 899	100	1 555 305	100	1 388	100
	CBZ Asset Management Mauritius	10 821 035	100	10 821 037	100	691 550	100	691 550	100
	CBZ Risk Advisory Services (Private) Limited	4 043 807	100	995 150	100	642 581	100	1 345	100
	Red Sphere Finance (Private) Limited	8 860 790	100	7 264 540	100	586 270	100	250 520	100
	CBZ Agro Yield (Private) Limited	163 069	100	163 061	100	1 000	100	1 000	100
	CBZ South Africa Private Limited	5 138 247	100	453 800	100	2 614 961	100	88 499	100
		75 950 936		**46 125 940**		**9 122 985**		**1 308 612**	

8. 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 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Equity investments	10 419 688	19 038 870	-	-	1 087 960	26 449 445	11 507 648	45 488 315
Land and buildings	-	-	1 973 045	751 998	-	-	1 973 045	751 998
Total assets at fair value	**10 419 688**	**19 038 870**	**1 973 045**	**751 998**	**1 087 960**	**26 449 445**	**13 480 693**	**46 240 313**

UNAUDITED HISTORICAL	Level 1		Level 2		Level 3		Total carrying amount	
	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000	31 DEC 2023 ZWL$ 000	31 DEC 2022 ZWL$ 000
Equity investments	10 419 688	3 961 995	-	-	1 087 960	4 195 526	11 507 648	8 157 521
Land and buildings	-	-	1 973 045	156 491	-	-	1 973 045	156 491
Total assets at fair value	**10 419 688**	**3 961 995**	**1 973 045**	**156 491**	**1 087 960**	**4 195 526**	**13 480 693**	**8 314 012**

There were no transfers between Level 1 and Level 2.

All the fair value gains on unquoted equities categorised within level 3 of the fair value hierarchy, were unrealised as at 31 December 2023. The fair value gains were recognised in The Statement of Other Comprehensive Income.

Unobservable inputs used for land and buildings were not significant enough to result in these being Level 3.

The fair values of the non-listed equities that 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 2023 and 2022 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 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 2023 and 2022 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	• Jurisdiction/country and size discount (10-20%)	The fair values would increase/decrease if: • The jurisdiction/country and size discount was higher or lower

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
Country factor at 15%	540 429
Country factor at 20%	478 679

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.

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

9. 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 2023						
Cost						
Opening balance	2 372 778	711 841	665 220	1 741 947	4 242 971	9 734 757
Right of use asset	2 969 041	-	-	-	-	2 969 041
Additions	-	387 755	1 145 550	2 279 839	-	3 813 144
Revaluation gain	1 221 047	-	-	-	-	1 221 047
Write off	-	-	-	-	(4 242 971)	(4 242 971)
Disposal	-	-	-	(8 232)	-	(8 232)
Closing balance	**6 562 866**	**1 099 596**	**1 810 770**	**4 013 554**	**-**	**13 486 786**
Accumulated depreciation						
Opening balance	1 149 178	260 755	252 568	966 599	-	2 629 100
Right of use asset charge for the year	1 051 207	-	-	-	-	1 051 207
Charge for the year	46 508	106 081	140 817	406 595	-	700 001
Disposal	-	-	-	(2 846)	-	(2 846)
Revaluation	(46 508)	-	-	-	-	(46 508)
Closing balance	**2 200 385**	**366 836**	**393 385**	**1 370 348**	**-**	**4 330 954**
Net book value	**4 362 481**	**732 760**	**1 417 385**	**2 643 205**	**-**	**9 155 831**

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	2 066 503	711 841	389 138	1 451 027	-	4 618 509
Right of use asset	117 672	-	-	-	-	117 672
Additions	-	-	276 082	300 369	4 242 971	4 819 422
Revaluation gain	188 603	-	-	-	-	188 603
Disposal	-	-	-	(9 449)		(9 449)
Closing balance	**2 372 778**	**711 841**	**665 220**	**1 741 947**	**4 242 971**	**9 734 757**
Accumulated depreciation						
Opening balance	633 996	177 077	194 002	808 542	-	1 813 617
Right of use asset charge for the year	515 182	-	-	-	-	515 182
Charge for the year	34 674	83 678	58 566	161 911	-	338 829
Disposal	-	-	-	(3 854)	-	(3 854)
Revaluation	(34 674)	-	-	-	-	(34 674)
Closing balance	**1 149 178**	**260 755**	**252 568**	**966 599**	**-**	**2 629 100**
Net book value	**1 223 600**	**451 086**	**412 652**	**775 348**	**4 242 971**	**7 105 657**

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 2023						
Cost						
Opening balance	198 078	6 281	66 835	63 495	270 578	605 267
Right of use asset	1 162 946	-	-	-	-	1 162 946
Additions	-	115 431	1 000 105	808 492	-	1 924 028
Revaluation gain	1 816 554	-	-	-	-	1 816 554
Write off					(270 578)	(270 578)
Disposal	-	-	-	(1 245)	-	(1 245)
Closing balance	**3 177 578**	**121 712**	**1 066 940**	**870 742**	**-**	**5 236 972**
Accumulated depreciation						
Opening balance	18 617	1 666	4 667	8 019	-	32 969
Right of use asset charge for the year	203 660	-	-	-	-	203 660
Charge for the year	24 460	21 766	34 173	66 424	-	146 823
Disposal	-	-	-	(218)	-	(218)
Revaluation	(24 460)	-	-	-	-	(24 460)
Closing balance	**222 277**	**23 432**	**38 840**	**74 225**	**-**	**358 774**
Net book value	**2 955 301**	**98 280**	**1 028 100**	**796 517**	**-**	**4 878 198**
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	2 651	-	13 734
Right of use asset charge for the year	10 487	-	-	-	-	10 487
Charge for the year	2 273	628	2 752	5 460	-	11 113
Disposal	-	-	-	(92)	-	(92)
Revaluation	(2 273)	-	-	-	-	(2 273)
Closing balance	**18 617**	**1 666**	**4 667**	**8 019**	**-**	**32 969**
Net book value	**179 461**	**4 615**	**62 168**	**55 476**	**270 578**	**572 298**

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.

9.1 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 INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	AUDITED RESTATED 31 DEC 2022 ZWL$ 000	UNAUDITED HISTORICAL 31 DEC 2023 ZWL$ 000	UNAUDITED RESTATED 31 DEC 2022 ZWL$ 000
At cost	4 589 821	1 620 780	1 204 532	41 587
Depreciation	(2 200 385)	(1 149 178)	(222 278)	(18 618)
Carrying amount	**2 389 436**	**471 602**	**982 254**	**22 969**
Opening balance	471 602	869 112	22 969	10 688
Additions	2 969 041	117 672	1 162 946	22 769
Depreciation charge for the year	(1 051 207)	(515 182)	(203 661)	(10 488)
Closing balance	**2 389 436**	**471 602**	**982 254**	**22 969**
9.2 Lease liability				
Opening balance	336 848	240 750	70 098	14 574
Additions	2 969 041	117 672	1 162 946	22 769
Interest	159 079	25 752	102 319	3 943
Exchange loss	1 320 339	286 651	1 320 339	59 652
Monetary adjustment	(1 363 235)	(143 555)	-	-
Repayment	(1 432 701)	(164 670)	(723 091)	(26 897)
Interest paid	(159 079)	(25 752)	(102 319)	(3 943)
Closing balance	**1 830 292**	**336 848**	**1 830 292**	**70 098**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
9.3	**Lease Liability maturity analysis**				
	Less than one year	1 006 641	333 135	1 006 641	69 325
	One to five years	1 164 536	27 761	1 164 536	5 777
	Total undiscounted lease liabilities	**2 171 177**	**360 896**	**2 171 177**	**75 102**
9.4	**Amounts recognised in the statement of profit or loss**				
	Interest on Lease liabilities	159 079	25 752	102 319	3 943
	Expenses relating to short term leases	475 623	71 768	242 923	12 431
		634 702	**97 520**	**345 242**	**16 374**
9.5	**Amounts recognised in the statement of cash flows**				
	Total cash outflow for leases	**(1 591 780)**	**(190 423)**	**(825 410)**	**(30 840)**
9.6	**Intangible assets**				
	At cost	653	5 732	56	56
	Amortization	(653)	(5 079)	(56)	(53)
	Carrying amount	**-**	**653**	**-**	**3**
	Opening balance	653	2 566	3	22
	Amortization charge	(653)	(1 913)	(3)	(19)
	Closing balance	**-**	**653**	**-**	**3**

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.

10 DEFERRED TAXATION

10.1 Deferred tax asset

Deferred tax asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

The deferred tax included in the statement of profit or loss and other comprehensive income are comprised of:

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
Opening balance	3 520 171	1 221 534	732 549	73 947
Impairment for credit loss provison	79 907	93 851	154 228	-
Provisions	3 761 518	2 204 786	6 474 819	658 602
Closing balance	**7 361 596**	**3 520 171**	**7 361 596**	**732 549**

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

Impairment for credit loss provison	173 758	93 851	173 758	19 531
Provisions	6 716 537	3 426 320	6 716 537	-
Lease liability	471 301	-	471 301	713 018
Closing balance	**7 361 596**	**3 520 171**	**7 361 596**	**732 549**

10.2 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	2 869 725	1 635 079	397 540	86 692
Intangible assets	(145)	(375)	-	-
Equity investments	779 522	183 998	1 981 410	235 100
Property and equipment	334 887	1 172 438	699 939	101 015
Unrealised foreign exchange gains	6 070 871	(121 415)	5 974 722	(25 267)
Transfer to capital gains tax	(2 004 711)	-	(2 004 711)	-
Closing balance	**8 050 149**	**2 869 725**	**7 048 900**	**397 540**

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

Equity investments	292 538	1 517 727	292 538	315 840
Property and equipment	1 808 156	1 473 414	806 907	106 967
Unrealised foreign exchange gains	5 949 455	(121 416)	5 949 455	(25 267)
Closing balance	**8 050 149**	**2 869 725**	**7 048 900**	**397 540**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	HISTORICAL 31 DEC 2022 ZWL$ 000
11	**Other Assets**				
	Intercompany balances				
	CBZ Bank Limited	-	1 285 491	-	267 511
	CBZ Insurance (Pvt) Ltd	1 489 582	348 519	1 489 582	72 527
	CBZ Properties (Pvt) Ltd	2 587 550	8 566 167	2 587 550	1 782 622
	CBZ Life Assurance (Pvt) Ltd	1 292 231	128 025	1 292 231	26 642
	CBZ Asset Management	1 832 456	162 004	1 832 456	33 713
	CBZ Risk Advisory (Pvt) Ltd	1 324 555	25 598	1 324 555	5 327
	Redsphere Finance	-	1 809 190	-	376 493
	Prepayments	54 068 327	26 509 674	48 768 712	3 296 580
	Other receivables	18 388 567	7 202 181	18 388 567	1 498 777
		80 983 268	**46 036 849**	**75 683 653**	**7 360 192**

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 has assessed the probability of default to be zero.

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

11.1 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 23 ZWL$ 000	31 DEC 22 ZWL$ 000	31 DEC 23 ZWL$ 000	31 DEC 22 ZWL$ 000	31 DEC 23 ZWL$ 000	31 DEC 22 ZWL$ 000	31 DEC 23 ZWL$ 000	31 DEC 22 ZWL$ 000	31 DEC 23 ZWL$ 000	31 DEC 22 ZWL$ 000	31 DEC 23 ZWL$ 000	31 DEC 22 ZWL$ 000
Related Party												
CBZ Bank Limited	94 805 529	32 198 522	66 001 735	4 492 677	(27 582 614)	(23 715 483)	(11 825 627)	(3 724 856)	(1 533 569)	(1 687 720)	(573 127)	(259 172)
CBZ Asset Management (Pvt) Ltd	4 821 098	284 906	3 353 219	43 805	-	-	-	-	-	(171 297)	-	(30 840)
CBZ Insurance (Pvt) Ltd	3 987 085	395 997	2 530 978	64 124	-	-	-	-	(1 443 448)	-	(1 020 703)	(18 961)
CBZ Properties (Pvt) Ltd	3 267 343	674 713	2 148 478	91 765	-	-	-	-	(89 568)	(5 262)	(46 755)	(670)
CBZ Life Assurance (Pvt) Ltd	3 596 517	634 362	2 348 425	86 043	-	(353 387)	-	(73 540)	-	-	-	-
CBZ Risk Advisory (Pvt) Ltd	3 863 793	184 695	2 533 977	30 112	-	-	-	-	-	-	-	-
Redsphere Finance	5 634 131	347 746	3 636 673	50 518	-	-	-	-	-	-	-	-
CBZ Agro Yield	13 232 907	6 271 966	8 297 716	963 990	-	-	-	-	(13 499 949)	-	(13 499 949)	-

11. Intra-Group related party transactions (continued...)

11.2 Amounts due from or (to) group companies

	Inflation Adjusted			Historical		
	Amounts due from ZWL$ 000	Amounts due to ZWL$ 000	Net 2023 ZWL$ 000	Amounts due from ZWL$ 000	Amounts due to ZWL$ 000	Net 2023 ZWL$ 000
31 Dec 2023						
Group Company						
CBZ Bank Limited	-	(27 905 370)	(27 905 370)	-	(27 905 370)	(27 905 370)
Cash and cash equivalents	26 079 211		26 079 211	26 079 211		26 079 211
CBZ Insurance (Pvt) Ltd	1 489 582	-	1 489 582	1 489 582	-	1 489 582
CBZ Properties (Pvt) Ltd	2 587 550	-	2 587 550	2 587 550	-	2 587 550
CBZ Life Assurance (Pvt) Ltd	1 292 231	-	1 292 231	1 292 231	-	1 292 231
CBZ Asset Management	1 832 456	-	1 832 456	1 832 456	-	1 832 456
CBZ Asset Management-Mauritius	-	(147 406)	(147 406)	-	(147 406)	(147 406)
CBZ Risk Advisory (Pvt) Ltd	1 324 555	-	1 324 555	1 324 555	-	1 324 555
CBZ Agro Yield	-	(9 513 310)	(9 513 310)	-	(9 513 310)	(9 513 310)
	34 605 585	**(37 566 086)**	**(2 960 501)**	**34 605 585**	**(37 566 086)**	**(2 960 501)**

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 2022						
Group Company						
CBZ Bank Limited	1 285 491	-	1 285 491	267 511	-	267 511
Cash and cash equivalents	3 876 362	-	3 876 362	806 672	-	806 672
Overdraft balances	-	(35 228 002)	(35 228 002)	-	(7 330 956)	(7 330 956)
CBZ Insurance (Pvt) Ltd	348 519	-	348 519	72 527	-	72 527
CBZ Properties (Pvt) Ltd	8 566 167	-	8 566 167	1 782 622	-	1 782 622
CBZ Life Assurance (Pvt) Ltd	128 025	-	128 025	26 642	-	26 642
CBZ Asset Management (Pvt) Ltd	162 004	-	162 004	33 713	-	33 713
CBZ Asset Management-Mauritius	-	(79 390)	(79 390)	-	(16 521)	(16 521)
CBZ Risk Advisory (Pvt) Ltd	25 598	-	25 598	5 327	-	5 327
Redsphere Finance	1 809 190	-	1 809 190	376 493	-	376 493
CBZ Agro Yield (Pvt) Ltd	-	(2 614 763)	(2 614 763)	-	(544 133)	(544 133)
	16 201 356	**(37 922 155)**	**(21 720 799)**	**3 371 507**	**(7 891 610)**	**(4 520 103)**

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

		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000	HISTORICAL 31 DEC 2023 ZWL$ 000	RESTATED 31 DEC 2022 ZWL$ 000
12.	**Other Liabilities**				
	Intercompany balances	**37 566 086**	**2 694 153**	**37 566 086**	**560 654**
	CBZ Bank Limited	27 905 370	-	27 905 370	-
	CBZ Agro Yield	9 513 310	2 614 763	9 513 310	544 133
	CBZ Asset Management-Mauritius	147 406	79 390	147 406	16 521
	Provisions	74 037 598	13 860 512	74 037 598	2 884 377
	Sundry creditors	51 554 464	-	51 554 464	-
	Accruals	41 750 867	2 055 267	41 750 867	427 702
	Debentures	40 184 756	-	40 184 756	-
		245 093 771	**18 609 932**	**245 093 771**	**3 872 733**
13.	**Retained earnings**				
	Opening balance	14 907 472	(10 786 421)	(679 036)	(800 440)
	Total comprehensive income for the year	51 988 535	31 780 142	(26 076 512)	1 134 138
	Intercategory transfer*	37 817 106	-	41 198 039	-
	Dividends paid	(45 927 978)	(6 086 249)	(32 100 000)	(1 012 734)
	Closing balance	**58 785 135**	**14 907 472**	**(17 657 509)**	**(679 036)**

Retained earnings reserve includes all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

*Inter-category transfer relates to the transfer of accumulated fair value reserve balances relating to disposed unlisted equities.

14.	**Fair value reserve**				
	Opening balance	14 717 864	8 067 550	3 754 937	669 811
	Inter category transfer*	(37 817 106)	-	(41 198 039)	-
	Comprehensive income for the year	30 963 932	6 650 314	37 958 854	3 085 126
	Closing balance	**7 864 690**	**14 717 864**	**515 752**	**3 754 937**

The fair value reserve comprises of the cumulative net change in the fair value of unquoted equities designated at FVOCI.

*Inter-category transfer relates to the transfer of accumulated fair value reserve balances relating to disposed unlisted equities.

15.	**Revaluation reserve**				
	Opening balance	559 362	391 280	119 957	26 115
	Net revaluation gain	941 160	168 082	1 366 953	93 842
	Closing balance	**1 500 522**	**559 362**	**1 486 910**	**119 957**

The revaluation reserve relates to the revaluation of property and equipment .

16.	**Share capital**				
	Opening balance	4 444 843	4 444 843	5 220	5 220
	Issue of shares	3 033	-	1 001	-
	Closing balance	**4 447 876**	**4 444 843**	**6 221**	**5 220**
17.	**Share premium**				
	Opening balance	27 162 230	27 162 230	33 876	33 876
	Issue of shares	77 466 931	-	38 617 546	-
	Closing balance	**104 629 161**	**27 162 230**	**38 651 422**	**33 876**
18	**Shares awaiting allotment reserve**				
	Opening balance	17 886 408	-	3 500 000	-
	New issuance during the year	-	17 886 408	-	3 500 000
	Shares alloted during the year	(17 886 408)	-	(3 500 000)	-
	Closing balance	**-**	**17 886 408**	**-**	**3 500 000**
19	**Share based payment reserve**				
	Opening balance	9 414 991	9 414 991	569 951	569 951
	Closing balance	**9 414 991**	**9 414 991**	**569 951**	**569 951**

20. Risk management

The companies risk management is in line with the Groups risk management framework (note 37).

21. Accounting policies

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

22. Subsequent events

Subsequent to the Company's 31 December 2023 reporting date, on 5 April 2024, through the 2024 Monetary Policy Statement, the Reserve Bank of Zimbabwe (RBZ) introduced a structured currency which is generally defined as a currency that is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets (potentially including gold). This means that a Central Bank can only issue domestic notes and coins when fully backed by a foreign "reserve" currency or foreign exchange assets and that the currency is fully convertible into the reserve currency on demand. The structured currency introduced is anchored by a composite basket of foreign currency and precious metals (mainly gold) held as reserves by the Reserve Bank of Zimbabwe.

With effect from 5 April 2024, Banks were required to convert the current Zimbabwe dollar balances into the new currency called Zimbabwe Gold (ZiG) to foster simplicity, certainty and predictability in monetary and financial affairs. The new currency is co-circulating with other foreign currencies in the economy. The swap rate on 5 April 2024 was guided by the closing interbank exchange rate and the price of gold as at that date. The swap rate was used to make legitimate conversions of all ZWL$ deposits in the banking sector; all ZWL$ loans and advances made by the sector; ZWL$ treasury bills; all outstanding auction allotments; all export surrender obligations; all prices of goods and services in ZWL$; and any other ZWL$ denominated obligations.

On conversion of all current ZWL$ balances, banks were directed to rename all the current ZWL$ accounts as ZiG accounts. Gold-backed Digital Token (GBDT) accounts will no longer be called ZiG accounts but will be known as GBDT accounts. All ZWL$ notes and coins held by account holders will be credited into their ZiG accounts using the applicable conversion factor. Banks were directed to continue accepting ZWL$ deposits for a period of 21 days after 5 April 2024.

Directors assessed the implications of the introduction of the new currency in line with the requirements of IAS 10, Events After the Reporting Period and concluded that the introduction of the structured currency had no impact on the consolidated inflation adjusted financial statements for the year ended 31 December 2023. However, the Group complied with the requirements of the Monetary Policy Statement with effect from 5 April 2024.

23. 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 2023, 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:

a) Net current liability

The company is in a net current liability position due to borrowings acquired to finance the acquisition of First Mutual Holdings Limited and First Mutual Properties. The Company holds level one equity investments which are highly liquid and additional cash flows expected 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 31 December 2023 year end. Therefore, there is no going concern risks emanating from the negative current liability position.

b) Impact of the hyper-inflationary environment

Since July 2019, the company has been operating in a hyperinflationary economic environment. The average monthly inflation rate for the year 2023 was 2.0%, while it peaked in June 2023 at 12.1%.The last quarter of the year saw a deceleration of the inflation rate to close the year at 4.7%.

The present inflationary trends have led to increased operating costs and liquidity mismatches, as well as a high cost of doing business. Numerous initiatives including maximizing income creation, controlling costs and maintaining value have been implemented to mitigate the impact of the hyper inflationary environment. The consequences are unlikely to have a significant effect on the Company's ability to continue as a going concern.

The Directors will continually engage themselves to assess and safeguard the ability of the Company to continue in operational existence as a going concern. Notwithstanding the existence of the net current liability position and the hyperinflationary environment, management has concluded that these will not have an inhibiting impact on the company's ability to continue operating as a going concern.

NOTICE OF AN ANNUAL GENERAL MEETING

For the year ended 31 December 2023

Notice is hereby given that the Thirty-Second Annual General Meeting of the Shareholders of CBZ Holdings Limited will be held through a virtual platform, **https://polling.fts-net.com on Friday 19 July 2024** at **1000 hours (CAT)** for the purpose of transacting the following business:

ORDINARY BUSINESS

1. Virtual meeting

To note and approve the convening of the 32nd Annual General Meeting through a virtual platform.

2. Minutes

Adoption of Minutes of the 31st Annual General Meeting held on 21 July 2023.

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 2023.

4. Dividend

To confirm a final dividend as recommended by the Board and to consider the payment of such to its Members.

5. Directorate

a. To note the retirement of Marc Lawrence Holtzman from the Board of Directors with effect from 31 December 2023.

b. To note the retirement of Dr. Blessing Mudavanhu from the Board of Directors with effect from 31 December 2023.

c. To note the appointment of Lawrence Nyazema as the Group Chief Executive Officer and Executive Director of the Company with effect from 19 April 2024.

d. To re-elect Messrs Edward Ushemazoro Mashingaidze and Louis Charles Gerken who retire by rotation in terms of the Companies and Other Business Entities Act [Chapter 24:31] and who, being eligible, offer themselves for re-election. The directors will be re-elected by separate resolutions.

e. To elect Messrs Luxon Zembe as an Independent Non Executive Director, who having been appointed on 1 December 2023, is required to retire in terms of the Companies and Other Business Entities Act [Chapter 24:31] and who, being eligible, offers himself 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 Auditors for the past financial year's audit.

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 Company for three (3) financial periods.

ANY OTHER BUSINESS

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

Appointment of Proxy

In terms of the Companies and Other Business Entities Act (Chapter 24:31), a member who is entitled to attend and vote at a meeting is also entitled to appoint a proxy to attend and vote on a poll and speak in his/her stead. Proxy forms should be forwarded to reach the office of the Company Secretary at least 48 (forty-eight) hours before the commencement of the meeting.

Notes: Details of the Virtual AGM will be emailed by First Transfer Secretaries (Pvt) Ltd to all Shareholders. Shareholders are advised to update their contact details with the following contact:

First Transfer Secretaries (Private) Limited

1 Armagh Avenue, Eastlea, Harare Telephone: +263 242 782869/72 Email: info@fts-net.com.

By order of the Board

....

Rumbidzayi Angeline Jakanani

Group Chief Governance Officer

REGISTERED HEAD OFFICE
5 Campbell Road
Pomona
Borrowdale
Harare, Zimbabwe
Telephone: (263-4) 748 050 - 79

Email: info@cbzh.co.zw

18 June 2024

cbz Holdings

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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 on 19 July 2024 at 16:00hrs and at any adjournment thereof.

Signed by me this ___________________________ day of_________________________ 2024

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.

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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. L. Zembe - **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**
Mr. L. Nyazema - **Executive**
Mr. T. Gumbo - **Executive**

NOTES

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