

UNAUDITED INTERIM CONSOLIDATED FINANCIAL RESULTS

For the half year ended 30 June 2024

KEY FINANCIAL HIGHLIGHTS (ZWG)

					
Profit after taxation	Total comprehensive income	Total equity	Total advances	Total deposits	Total assets
656,296,487	463,147,178	4,336,030,561	4,759,416,565	11,498,479,028	17,585,036,915



GROUP CHAIRMAN'S STATEMENT

Mr L. Zembe

Introduction

Our esteemed Stakeholders, I am pleased to present the financial performance results of CBZ Holdings Limited and its subsidiaries for the half year ended 30 June 2024.

Operating Environment

The period under review was characterised by several key events that altered the course of the global and regional economies. These included, among others, escalating geopolitical tensions in the Middle East, elections in major economies such as South Africa, the United Kingdom and India, as well as interest rate decisions across major central banks.

In Zimbabwe, the Government downgraded the projected growth rate for the agricultural sector from the initial 4.9% decline to an estimated decline of 21.2%. The adverse effects of the El Nino weather conditions on the agricultural sector also became more pronounced with Zambia and Zimbabwe declaring the 2023/24 agricultural season a national disaster. The projected growth rate for the electricity sector was downgraded from 17.4% to 3.1%, reflecting the adverse effect of low rainfall on hydropower generation. However, positive activity was still recorded in the construction, mining and manufacturing sectors. Meanwhile, the Reserve Bank of Zimbabwe (RBZ) presented the 2024 Monetary Policy Statement on 5 April 2024, which introduced measures aimed at bringing macroeconomic stability, fostering policy predictability, and ultimately rebuilding consumer confidence. Key policy measures included market assurance of the continuation of the multicurrency system to 2030 in line with Statutory Instrument 218 of 2023, the introduction of the Zimbabwe Gold currency (ZWG) to replace the Zimbabwe Dollar (ZWL), increase in Statutory Reserve Requirements on foreign currency deposits from 15% to 20% and the reduction in the bank policy rate from 130% to 20%.

These policy measures, and the attendant policy shift, resulted in the recalibration and rebasing of several macroeconomic variables to reflect the new economic trajectory, including rebasing of inflation data and the Zimbabwe Stock Exchange indices. Subsequent to the change in policy approach and conduct, the economy ended the first half of 2024 under significantly stable macroeconomic conditions with ultra-low inflation rates.

The Group responded to the above mentioned global, regional, and domestic developments, with a view to better serve its wide range of customers. Thus, during the first half of year, the Group achieved key milestones including the commissioning of the Datvest Northgate Property Investment Project, a US\$150 million mixed use housing project encompassing 8,000 stands comprising residential, shopping centres, schools, and civil services that features smart living spaces, green infrastructure, and luxurious amenities. The Group raised an additional US\$115 million in lines of credit from strategic partners including the Africa Export-Import Bank (Afrexim-bank), Shelter Afrique and TDB Bank, to meet the economy's growing funding demands. On the digital space, the Group enhanced the digital platforms with various value-added services including launching the CBZ Digital Mall, a Banking Service transactional platform that combines bill payments and shopping options for the convenience for both CBZ customers and the public in general.

Stock Market Performance

On the capital markets, the Zimbabwe Stock Exchange ("ZSE") was generally active, and firm, with the rebased All Share Index rising by 28.6% to close the half year at 128.64, from the April 2024 rebased index. The ZSE market capitalisation also increased from ZWG 28.5 billion to close at ZWG 38.7 billion, driven by gains in blue chip counters, over the same period. Reflecting favourable market perception, the CBZ Holdings' share price rose by 85.0% to close at ZWG 794, from the April 2024 rebased share price. Resultantly, the company ended the first half of 2024 as the third largest counter on the ZSE by market capitalisation.

Environmental, Social & Governance "ESG"

The Group continued to embed material Environmental, Social & Governance "ESG" factors into its strategic, lending, investment, and operational processes, both as a strategic differentiator and as a way of complying with regulatory requirements. In the investments segment, the Datvest's ESG Policy was approved by the company's Board during the period under review. In the banking segment, CBZ Bank enhanced its Environmental Management Policy into a broader ESG Policy that incorporates the Bank's ESG Statement, Lending Procedures and Governance structures. CBZ Bank also continued to pursue sustainability standards certification with the European Organisation for Sustainable Development "EOSD." Additionally, the Bank stepped up its engagement with the International Finance Corporation "IFC," which saw some of the bank's senior management receiving in-house training on climate finance during the same period.

Corporate Governance

The board continues to uphold the highest standards of corporate governance and recognises its fundamental role in fostering transparency, accountability, and trust among our stakeholders. The Board has an unwavering dedication to integrity, fairness, and ethical conduct, and will continue to foster a culture of responsible leadership that ensures short, medium, and long-term sustainability and value creation for our shareholders, employees, customers and communities. In line with the group's corporate governance arrangements, the board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skills, experience, tenure, and diversity.

During the period under review, the Board appointed Mr Lawrence Nyazema as the Company's Group Chief Executive Officer and Mr. Luxon Zembe as an Independent Non- Executive Director and Chairman with effect from 19 April 2024. Both appointments were presented and approved by Shareholders at the Annual General Meeting held on 19 July 2024.

Our Board believes that committees are the backbone of effective corporate governance. In April 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.

Going forward, the Board will continue to ensure that it maintains its commitment to high standards of corporate governance through transparency, good performance, effective controls, integrity and a sound, ethical culture across the Group.

Financial Performance

The Group delivered a strong set of financial results for the half year ended 30 June 2024, demonstrating the strength of our robust strategy. Having consistently delivered the financial services needs of over 1 million customers, our profit after tax for the period under review stood at ZWG 656.3 million. This performance was buttressed by our customer-centric approach to nurturing relationships with our customers, accessible and reliable digital platforms, enhanced disbursements, and a diverse product offering to address the financial needs of our valued customers.

Our investment and insurance products have seen a significant increase in demand, while our transactional, loan, and deposit activity has grown substantially. The Group maintains a strong financial position of ZWG 17.59 billion, supported by a customer deposit base of ZWG 11.50 billion and advances to customers totalling ZWG 4.76 billion. The Group closed the period with a robust capital base and all subsidiaries were adequately capitalised. We are determined to continue our focus on innovation, our strong dedication to ensuring customer satisfaction, and our solid market position to maintain our competitive edge in the industry.

Dividend

The interim dividend amount for the half year ended 30 June 2024 is still being finalised by the Board. A separate dividend announcement with record and settlement dates will be published separately in due course.

Outlook

The prospects of better rainfall during the 2024/25 season are expected to boost activity in the agricultural and related sectors, going into the summer cropping season. The Government is also expected to continue with the public infrastructure investment program, whereas private sector construction projects in the residential and industrial segments is expected to remain strong, buoyed by significant inflows of diaspora remittances and free funds. The Group will continue to reconfigure and position its business model towards unlocking long term value for its stakeholders.

Appreciation

On behalf of the Board of Directors, I wish to express our heartfelt appreciation to our shareholders, clients, business partners, associates, banking partners, suppliers, and contractors for their unwavering support throughout our journey of achieving excellence. The Company's continued growth would not have been possible without your strong support, trust, and dedication.

Additionally, I would like to extend a special thank you to the Management and staff as you are the backbone of our organization. Your hard work, commitment, and passion has continued to propel us through years of growth and innovation. Together, we have overcome challenges and achieved great successes. Your resilience and creativity continue to be our driving force, and I want to express my deepest appreciation for your loyalty.



L. Zembe
GROUP CHAIRMAN

29 August 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the oversight of the 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 financial statements are, by Law and IFRS[®] Accounting Standards, required to present fairly, the financial position of the Group and its performance for that period. In preparation of the Group financial statements, the Directors are required to:

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

Compliance with Local legislation

The interim condensed consolidated financial statements have been prepared in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), Securities and Exchange Act (Chapter 24:25), Microfinance Act (Chapter 24:29), Asset Management Act (Chapter 24:26) and Zimbabwe Stock Exchange (ZSE) Listing Rules of 2019. In addition, the Group is in compliance with the RBZ Banking Regulations, as enforced by Statutory Instrument 205 of 2000.

Compliance with IFRS

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard [IAS] 34 Interim financial reporting as promulgated by the International Accounting Standards Board (IASB).

Change in functional currency

In recent years, monetary policy and exchange control measures have undergone significant changes, which have positively affected the Group's operations. The economy also experienced significant improvement, as a result of a substantial increase in foreign currency transactions. Consequently, the Group's foreign currency transactions activity, deposits, and advances also increased. As a result, the Directors assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar as the functional currency remained appropriate. Based on the assessment, the Directors concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWS) to United States Dollars ("US\$") with effect from 1 January 2024.

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 Group interim financial statements. These consolidated interim financial statements were prepared by CBZ Holdings Limited's Group Finance Department, under the direction and supervision of the Group Chief Finance Officer, Mr Tawanda L. Gumbo, PAAB Number 0223.

By order of the Board.



T. GUMBO
GROUP CFO

29 August 2024



L. NYAZEMA
GROUP CEO

29 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2024

		UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
	NOTES		
Interest income	2	662 292	447 858
Interest expense	2	(65 953)	(96 450)
Net interest income		596 339	351 408
Non-interest income	3	1 151 131	2 604 112
Net insurance service result	4.1	(1 843)	(31 287)
Net insurance finance cost	4.2	(489)	(1 098)
Total income		1 745 138	2 923 135
Operating expenditure	5	(874 180)	(513 008)
Expected credit loss expense on financial assets	13	(175 119)	(377 731)
Operating income		695 839	2 032 396
Net change in investment contract liabilities		3 979	-
Monetary loss		-	(360 400)
Share of loss of equity-accounted investees	17	(185 808)	-
Profit before taxation		514 010	1 671 996
Taxation	6.1	142 287	(432 384)
Profit after tax for the period		656 297	1 239 612
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(Losses)/ Gains on property revaluations		(316 130)	449 350
Gains on equity instruments at FVOCI*		16 310	135 480
Exchange gains on translation to presentation currency		48 423	-
Deferred income tax relating to components of OCI	6.3	55 953	(104 302)
Other comprehensive income for the period net of tax		(195 444)	480 528
Items that are or may be reclassified subsequently to profit or loss			
Exchange loss on translation of foreign subsidiaries	28.7	-	(2 278)
Share of OCI of equity-accounted investees	17	2 294	-
Other comprehensive income for the period net of tax		2 294	(2 278)
Total comprehensive income for the period		463 147	1 717 862
Profit for the period attributable to:			
Equity holders of parent		656 325	1 239 571
Non-controlling interests	28.5	(28)	41
Profit after tax for the period		656 297	1 239 612
Total comprehensive income for the period attributable to:			
Equity holders of parent		463 312	1 717 618
Non-controlling interests	28.5	(165)	244
Total comprehensive income for the period		463 147	1 717 862
Earnings per share (ZWG cents)			
Basic	7.1	211.01	475.92
Basic diluted	7.1	211.01	475.92
Headline	7.1	294.29	355.65

*FVOCI - Fair value through Other Comprehensive Income

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
ASSETS	NOTES		
Cash and cash equivalents	9	2 642 498	4 137 305
Money market assets	10	563 206	451 778
Financial securities	11	3 378 585	2 790 164
Loans and advances to customers	12	4 759 417	4 603 661
Insurance assets	25.1	11 737	25 835
Reinsurance assets	25.1	22 948	27 625
Equity investments	16	307 565	270 798
Equity-accounted investees	17	573 587	754 079
Land inventory	15	240 953	222 275
Other assets	14	3 387 753	2 730 181
Current tax receivable	-	79	64 431
Intangible assets	22	7 156	9 968
Property and equipment	20	841 900	1 123 931
Investment properties	21	536 027	879 321
Deferred tax assets	23.1	311 626	250 591
TOTAL ASSETS		17 585 037	18 341 943
LIABILITIES			
Deposits	24	11 498 479	12 387 857
Insurance liabilities	25.1	102 160	106 092
Reinsurance liabilities	25.1	6 708	2 956
Other liabilities	26	1 139 264	1 224 329
Current tax liabilities	-	36 077	11 324
Investment contract liabilities	25.2	8 880	12 233
Lease liabilities	20.1b	13 060	9 344
Deferred tax liabilities	23.2	444 379	714 927
		13 249 007	14 469 062
EQUITY			
Share capital	28.1	9 873	9 873
Share premium	28.2	232 378	232 378
General reserve	28.10	(50 203)	(52 497)
Revaluation reserve	28.3	446 607	703 494
Share based payment reserve	28.8	20 912	20 912
Fair value reserve	28.6	217 139	203 980
Retained earnings	28.4	3 401 518	2 745 193
Foreign currency translation reserve	28.7	57 835	9 412
Equity attributable to equity holders of the parent		4 336 059	3 872 745
Non-controlling interests	28.5	(29)	136
TOTAL EQUITY		4 336 030	3 872 881
TOTAL LIABILITIES AND EQUITY		17 585 037	18 341 943

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2024

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	514 010	1 671 996
Non-cash items:		
Monetary loss	-	360 400
Depreciation	37 291	19 529
Amortisation of intangible assets	2 874	3 051
Bad debts recovered	(71 958)	-
Fair value adjustments on investment properties	346 900	(418 660)
Write off of right of use asset and lease liability	-	(81)
Fair value adjustments on financial instruments	(6 770)	(49 798)
Expected credit loss expense	175 119	377 731
Unrealised gain on foreign currency position	(575 163)	(1 792 193)
Profit on disposal of investment properties	-	(1 614)
Changes in insurance and reinsurance assets/ liabilities	(8 464)	2 251
Changes in investment contract liabilities	(3 979)	-
Accrued interest on financial assets	(47 979)	(21 726)
Profit on sale of property and equipment	(98)	(231)
Share of loss of equity-accounted investees	185 808	-
Day one gains on financial instruments	(12 389)	-
Write off of property and equipment	2 063	3 607
Interest on lease liability	600	136
Operating cash flows before changes in operating assets and liabilities	537 865	154 398
Changes in operating assets and liabilities		
Deposits	811 572	8 412 016
Loans and advances to customers	(624 619)	(8 937 596)
Life assurance investment contract liabilities	620	1 410
Insurance assets	17 613	(14 606)
Reinsurance assets	2 147	4 475
Insurance liabilities	11 339	31 043
Reinsurance liabilities	6 448	108
Money market assets	(120 384)	(265 658)
Financial securities	(641 812)	(44 780)
Land inventory	(16 109)	5 262
Other assets	(795 417)	6 822 054
Other liabilities	48 308	(1 433 203)
	(1 300 294)	4 580 525
TAXATION		
Corporate tax paid	(43 278)	(177 074)
Net cash (outflow)/ inflow from operating activities	(805 707)	4 557 849
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of investment property	-	6 794
Investment in equities during the period	(11 104)	(7 066)
Equity investments disposed during the period	709	5 275
Investments in associates	4 973	-
Purchase of investment property	-	(1 424)
Proceeds on disposal of property and equipment	390	285
Purchase of property and equipment	(59 201)	(52 402)
Purchase of intangible assets	-	(1 438)
Net cash outflow from investing activities	(64 233)	(49 976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares awaiting allotment	-	46 977
Lease liability principal repayment	(3 268)	(624)
Interest on lease liability paid	(600)	(136)
Net cash (outflow)/ inflow from financing activities	(3 868)	46 217
Net (decrease)/ increase in cash and cash equivalents	(873 808)	4 554 090
Cash and cash equivalents at beginning of the period	4 137 305	1 873 033
Exchange gains on foreign cash balances	(643 690)	947 888
Inflation effects on cash	-	(3 314 604)
Effects of translation to presentation currency	22 691	-
Cash and cash equivalents at the end of the period	2 642 498	4 060 407

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024

	Share capital ZWG 000	Share premium ZWG 000	SAAR** ZWG 000	Share based payment reserve ZWG 000	Revaluation reserve ZWG 000	Fair value reserve ZWG 000	FCTR* ZWG 000	General reserve ZWG 000	Retained earnings ZWG 000	Total equity attributable to parent ZWG 000	Non-controlling interests ZWG 000	Total Equity ZWG 000
30 June 2023												
Opening balance	6 586	40 244	26 501	13 949	163 536	68 736	6 949	-	872 632	1 199 133	50	1 199 183
Profit for the period	-	-	-	-	-	-	-	-	1 239 571	1 239 571	41	1 239 612
Other comprehensive income for the period	-	-	-	-	357 965	122 360	(2 278)	-	-	478 047	203	478 250
Issue of shares awaiting allotment	-	-	46 974	-	-	-	-	-	46 974	46 974	-	46 974
Closing balance	6 586	40 244	73 475	13 949	521 501	191 096	4 671	-	2 112 203	2 963 725	294	2 964 019
30 June 2024												
Opening balance	9 873	232 378	-	20 912	703 494	203 980	9 412	(52 497)	2 745 193	3 872 745	136	3 872 881
Profit for the period	-	-	-	-	-	-	-	-	656 325	656 325	(28)	656 297
Other comprehensive income for the period	-	-	-	-	(256 887)	13 159	48 423	2 294	-	(193 011)	(137)	(193 148)
Closing balance	9 873	232 378	-	20 912	446 607	217 139	57 835	(50 203)	3 401 518	4 336 059	(29)	4 336 030

*FCTR - Foreign currency translation reserve

** Shares awaiting allotment reserve

GROUP ACCOUNTING POLICIES

For the half year ended 30 June 2024

1. GROUP ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for new standards and amendments adopted effective 1 January 2024 (see 1.1e). Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2023 annual report, which is available at the Company registered offices.

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20), Insurance Act (Chapter 24:07), the Building Society Act (Chapter 24:02), Zimbabwe Stock Exchange (ZSE) Listing Rules 2019 and the Securities Act (Chapter 24:25). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

a) Change in Functional Currency

Over the past few years, there have been notable changes in monetary policy and exchange control measures that have had a positive impact on the Group's operations. In March 2020, SI 185 of 2020 "Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations" was pronounced introducing dual pricing and displaying, quoting, and offering of prices for goods and services in both local and foreign currency. In June 2022, SI 118A of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was entrenched into law allowing the multicurrency regime to continue till December 2025. In addition, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, providing the much-needed policy clarity on the continuation of the multi-currency regime, thereby enabling the Group to effectively underwrite long term products in foreign currency.

As a result of the above monetary and fiscal measures, the economy witnessed a substantial increase in foreign currency transactions. The Group, in line with market developments also experienced an increase in foreign currency transactional activity, deposits, and advances. Considering the foregoing, the Directors assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar as the functional remained appropriate. In assessing the functional currency, the Directors 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

Based on the assessment above, the Directors concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWS) to United States Dollars ("US\$") with effect from 1 January 2024. Following the change in functional currency, the Group applied the translation procedures applicable to the new functional currency prospectively in compliance with International Accounting Standard 29, Financial Reporting in Hyperinflation economies and International Accounting Standard 21, Effects of Changes in Foreign Exchange Rates, whereby 31 December 2023 inflation adjusted figures were translated to US\$ using the prevailing official exchange rate. The resultant balances were adopted as the opening US\$ balances for the current year.

These adopted balances as per IAS 21 may materially differ from IFRS 13, Fair Value Measurement determined fair values of some assets. The treatment of the differences arising from the above is still under review market wide and may have a material impact on the reported interim financial results.

b) Presentation currency

The Group's financial statements are presented in Zimbabwe Gold (ZWG), and all values are rounded to the nearest ZWG except when otherwise indicated.

The Group applied the below procedures to translate the results and financial position in its functional currency to the presentation currency:

- assets and liabilities for each statement of financial position were translated at the closing rate as at 30 June 2024
- income and expenses for each statement presenting profit or loss and other comprehensive income were translated using the monthly average exchange rates; and
- all resulting exchange differences were recognised in other comprehensive income.

Upon changing the presentation currency to Zimbabwean Gold (ZWG), the Group applied the initial ZWG/USD rate of USD1:ZWG 13.56 to all comparatives in order to obtain ZWG values.

c) Basis of consolidation

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

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

d) Use of judgements and estimates

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

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

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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

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

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 had no impact on the Group's interim condensed consolidated 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 whereby an entity must disclose 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 had no impact on the Group's interim condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

For the half year ended 30 June 2024

1.2 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group for the half year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 29 August 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.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
2. INTEREST		
Interest income		
Overdrafts	52 320	86 279
Loans	366 526	165 980
Mortgage loans	17 072	7 378
Staff loans	3 775	8 286
Securities investments	216 559	167 459
Other investments	6 040	12 476
	662 292	447 858
Interest expense		
Savings deposits	7 783	9 900
Money Market deposits	12 956	74 439
Other offshore deposits	27 559	11 975
Lease liability	600	-
Other	17 055	-
	65 953	96 450
NET INTEREST INCOME	596 339	351 408
Interest income and Interest expense is calculated using the Effective Interest Rate method.		
3. NON-INTEREST INCOME		
Fair value adjustments on financial instruments	6 770	49 798
Fair value adjustments on investment properties	(346 900)	418 660
Net income from trading securities	-	800
Net income from foreign currency dealing	51 922	84 706
Foreign exchange gains on net monetary balances	575 163	1 792 193
Agro business income	7 554	20 803
Commission and fee income	485 399	195 911
Profit on disposal of property and equipment	98	231
Profit on disposal of investment property	-	1 614
Bad debts recovered	166 655	1 790
Property sales	11 005	18 240
Lease income	1 637	3 974
Other operating income	191 828	15 392
Total non interest income	1 151 131	2 604 112
Included in unrealised gains are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agro business segments. Commission and fee income largely comprises income earned from banking operations.		
4. INSURANCE INCOME		
4.1 Insurance service result		
Insurance revenue (i)	92 706	27 448
Insurance service expenses (ii)	(76 425)	(82 468)
Net income/(expenses) from reinsurance contracts held (iii)	(18 124)	23 733
Insurance service result	(1 843)	(31 287)
(i) Insurance revenue		
Changes in Liability for remaining coverage	12 918	8 191
Revenue from contracts measured under Premium Allocation Approach (PAA)	79 788	19 257
Total	92 706	27 448
(ii) Insurance service expenses		
Incurred claims and other directly attributable expenses	40 035	33 851
Changes to liabilities for incurred claims	(1 980)	17 101
Onerous contracts	(2 183)	7 350
Insurance acquisition cashflow amortisation	16 655	3 960
Claims and related expenses	23 898	20 206
Total	76 425	82 468
Included 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.		
(iii) Net income/ expenses from reinsurance contracts held		
Changes in remaining coverage	(2 627)	-
Reinsurance expenses for contracts measured under PAA*	(28 198)	(9 195)
Claims recovered from reinsurance contracts under PAA*	12 701	32 928
Total	(18 124)	23 733
*Premium Allocation Approach		
4.2 Net insurance finance cost		
Expenses from insurance contracts issued	489	1 098
	489	1 098
5. OPERATING EXPENDITURE		
Staff costs	562 500	379 955
Administration expenses	297 816	118 162
Audit fees	5 069	4 801
Depreciation	37 291	19 529
Amortisation of intangible assets	2 874	3 051
Property cost of sales	363	9 154
Write off of property and equipment	2 063	3 607
Write offs of right of use asset and lease liability	-	(81)
Total operating expenditure	907 976	538 178
Expenditure relating to insurance service	(33 796)	(25 170)
Operating expenditure as reported	874 180	513 008
Remuneration of directors and key management personnel (included in staff costs)		
Fees for services as directors	8 945	7 005
Pension and retirement benefits for past and present directors	3 242	2 807
Salaries and other benefits	31 487	41 936
	43 674	51 748
Short term employment benefits	40 432	48 941
Post employment benefits	3 242	2 807
	43 674	51 748
6. INCOME TAX EXPENSE		
6.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.		
Analysis of tax charge in respect of the profit for the period		
Current income tax charge	133 214	63 617
Deferred income tax	(275 501)	368 767
Income tax expense	(142 287)	432 384
6.2 Tax rate reconciliation		
Notional tax	%	%
Aids levy	25.00	24.00
Exempt income	0.75	0.72
Non-Deductible expenditure	(64.95)	(3.66)
Effect of rebasing tax bases	14.17	8.22
Effect of special tax rate	1.79	(0.45)
Tax credits	(0.15)	(2.88)
	(4.30)	(0.09)
Effective tax rate	(27.68)	25.86
*Included in exempt income is income from government bills, mortgage housing income, dividend income, exempt unrealised foreign exchange gains and share of profits or losses from equity accounted investees. Non-deductible expenses include expenditure on exempt income, excess pension costs and disallowable donations.		

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 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	(59 104)	91 242
Unlisted equities	3 151	13 060
Total taxation relating to components of other comprehensive income	(55 953)	104 302

7. EARNINGS PER SHARE

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

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

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

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
7.1 Annualised earnings per share (ZWG cents)		
Basic	211.01	474.92
Diluted basic	211.01	474.92
Headline	294.29	354.65
7.2 Earnings attributable to holders of parent		
Basic	656 325	1 239 573
Diluted basic	656 325	1 239 573
Headline	915 357	925 667
Number of shares used in calculations (000)		
Basic	622 069	522 016
Diluted basic	622 069	522 016
Headline	622 069	522 016
7.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:		
Weighted average number of shares used for basic EPS	622 069	522 016
Potentially dilutive shares	-	-
Weighted average number of shares used for diluted EPS	622 069	522 016
7.4 Headline Earnings		
Profit attributable to ordinary shareholders	656 325	1 239 571
Adjusted to exclude re-measurements		
Write off of property and equipment	2 063	3 607
Disposal gain on property and equipment	(98)	(231)
Fairvalue loss on investment properties	346 900	(418 660)
Tax relating to remeasurements	(89 833)	103 077
Headline earnings	915 357	925 669

8. DIVIDENDS

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

Proposed dividend on ordinary shares:

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Interim dividend	-	40 685
Interim dividend per share (ZWG)	-	0.07

There were no dividends paid during the interim period under review. Proposed dividends are paid on qualifying shares held at the record date.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
9. CASH AND CASH EQUIVALENTS		
Balances with local banks	170 337	155 728
Cash and current accounts	661 571	1 193 990
Balances with foreign banks	282 809	342 241
Balances with the Reserve Bank of Zimbabwe	724 232	1 486 812
RBZ Statutory reserve	803 549	958 534
	2 642 498	4 137 305

The cash and cash equivalents balance represent the Group's cash and bank balances. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently at 15% for demand deposits and 5% for term deposits held in local currency and 20% for demand deposits and 5% for term deposits held in foreign currency.

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

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
RBZ Statutory reserve	803 549	958 539
Amounts secured as guarantees or collateral	-	44 186
	803 549	1 002 725

10. MONEY MARKET ASSETS

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
Interbank Placements	578 332	459 725
RBZ Savings bonds	12 301	6 794
Bankers acceptances	4 112	4 123
Accrued interest	18 486	5 398
Total gross money market assets	613 231	476 040
Expected credit loss	(50 025)	(24 262)
Total net money market assets	563 206	451 778

Maturity analysis

The maturity analysis of money market assets is shown below.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
Between 0 and 3 months	373 797	328 543
Between 3 and 6 months	233 633	6 713
Between 6 and 12 months	5 801	140 784
	613 231	476 040

Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.

11. FINANCIAL SECURITIES

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Treasury bills	3 019 418	2 662 753
Savings bonds	670	705
Accrued interest	414 397	187 693
Total gross financial securities	3 434 485	2 851 151
Expected credit loss	(55 900)	(60 987)
Total net financial securities	3 378 585	2 790 164

11.1 Maturity analysis

The maturity analysis of financial securities is shown below:

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Between 0 and 3 months	1 267 793	601 348
Between 3 and 6 months	1 127 973	811 499
Between 6 and 12 months	689 861	655 405
Between 1 and 5 years	348 481	777 283
Above 5 years	377	5 616
	3 434 485	2 851 151

Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.

12. LOANS AND ADVANCES TO CUSTOMERS

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
Overdrafts	784 655	610 218
Commercial loans	3 569 559	3 646 592
Staff loans	21 386	132 063
Mortgage advances	276 824	187 733
Agro business loans	589 605	573 764
Interest accrued	144 076	75 348
Total gross loans and advances to customers	5 386 105	5 225 718
Allowance for Expected Credit Loss (ECL)	(626 688)	(622 057)
Total net advances	4 759 417	4 603 661

12.1 Sectoral analysis:

	UNAUDITED 30 JUNE 2024 ZWG 000	%	UNAUDITED 31 DEC 2023 ZWG 000	%
Private	1 497 389	28	1 288 786	25
Agriculture	1 132 442	21	1 165 511	22
Mining	694 663	13	857 039	16
Manufacturing	802 593	15	737 154	14
Distribution	651 398	12	722 698	14
Construction	108 937	2	53 717	1
Transport	14 465	-	15 867	-
Communication	146 967	3	190 663	4
Services	200 969	4	182 960	4
Financial organisations	136 282	2	11 323	-
	5 386 105	100	5 225 718	100

12.2 Maturity analysis

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Less than 1 month	975 445	1 258 815
Between 1 and 3 months	446 043	555 849
Between 3 and 6 months	959 282	551 008
Between 6 months and 1 year	1 150 943	1 176 130
Between 1 and 5 years	1 849 729	1 646 731
More than 5 years	4 663	37 185
	5 386 105	5 225 718

Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.

12.3 Loans to directors and key management

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Opening balance	39 911	23 773
Effects of translation to presentation currency	5	-
Advances made during the period	6 837	94 443
Monetary adjustment	-	(75 552)
Exchange loss	(33 053)	-
Repayment during the period	(831)	(2 753)
Closing balance	12 869	39 911

Loans to employees

Included in advances are loans to employees:

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Opening balance	92 164	54 585
Advances made during the period	2 017	241 871
Effects of translation to presentation currency	(208)	-
Monetary adjustment	-	(174 375)
Repayments during the period	(1 820)	(29 917)
Closing balance	92 153	92 164

12.4 Allowance for Expected Credit Loss (ECL)

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Opening balance	622 057	765 078
Effects of translation to presentation currency	8 942	-
Credit loss expense on loans and advances	144 948	509 523
Foreign exchange losses	(49 171)	522 556
Monetary adjustment	-	(605 864)
Amounts written off during the period	(100 088)	(569 236)
Closing balance	626 688	622 057

12.5 Collateral

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Government Guarantee	73 988	469 438
Cash cover	12 264	77 457
Registered Marketable Commodities	1 973	172 136
Mortgage bonds	115 520	1 097 829
Notarial general covering bonds	79 731	1 057 936
	283 476	2 874 795

13. EXPECTED CREDIT LOSSES (ECL) ON FINANCIAL ASSETS

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

	UNAUDITED			
	Stage 1 ZWG 000	Stage 2 ZWG 000	Stage 3 ZWG 000	Total ZWG 000
	30 JUNE 2024	30 JUNE 2024	30 JUNE 2024	30 JUNE 2024
Money market assets	13 867	-	-	13 867
Financial securities	(3 790)	-	-	(3 790)
Loans and advances to customers	32 988	69 428	42 532	144 948
Financial guarantees	73	-	-	73
Other commitments	17 386	(264)	(64)	17 058
Lease receivables	69	187	2 707	2 963
Expected credit loss expense	60 593	69 351	45 175	175 119

	UNAUDITED			
	Stage 1 ZWG 000	Stage 2 ZWG 000	Stage 3 ZWG 000	Total ZWG 000
	30 JUNE 2023	30 JUNE 2023	30 JUNE 2023	30 JUNE 2023
Money market assets	40 204	-	-	40 204
Financial securities	280	-	-	280
Loans and advances to customers	30 716	3 569	300 781	335 066
Financial guarantees	(544)	-	-	(544)
Other commitments	1 354	(339)	1 749	2 764
Lease receivables	-	(49)	10	(39)
Expected credit loss expense	72 010	3 181	302 540	377 731

14. OTHER ASSETS

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Prepayments and deposits	378 946	256 708
Other receivables	3 008 807	2 473 473
	3 387 753	2 730 181

Included in other receivables is an amount of ZWG 1 832 221 993 (2023: ZWG 1 890,805,062) 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 ZWG using the closing exchange rate in line with the translation procedures for assets to presentation currency as prescribed in IAS 21.

15. LAND INVENTORY

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Opening balance	222 275	222 017
Additions	20 160	20 478
Effects of translation to presentation currency	2 569	-
Disposals	(4 051)	(20 220)
Closing balance	240 953	222 275

16. EQUITY INVESTMENTS

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Opening balance	270 798	185 021
Effects of translation to presentation currency	3 292	-
Additions	11 104	74 182
Disposals	(709)	(75 796)
Write offs	-	(78 291)
Fair value adjustments through profit or loss	6 770	54 884
Fair value adjustments through other comprehensive income	16 310	110 798
Closing balance	307 565	270 798

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
16.1 Investments in Equities				
Listed investments	65 198		47 321	
Unlisted investments	242 367		223 477	
	307 565		270 798	
Equity investments designated at fair value through profit or loss	65 198		47 316	
Equity investments designated at fair value through other comprehensive income	242 367		223 482	
	307 565		270 798	

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000	%	31 DEC 2023 ZWG 000	%
16.2 Investment in subsidiaries				
CBZ Bank Limited	36 262	100	35 884	100
CBZ Asset Management (Private) Limited	5 711	100	5 655	100
CBZ Insurance (Private) Limited	19 687	98.4	19 488	98.4
CBZ Properties (Private) Limited	24 762	100	24 506	100
CBZ Life Assurance (Private) Limited	18 884	100	18 688	100
CBZ Asset Management Mauritius	24 481	100	24 031	100
CBZ Risk Advisory Services (Private) Limited	9 075	100	8 978	100
Red Sphere Finance (Private) Limited	19 885	100	19 678	100
CBZ Agro Yield (Private) Limited	362	100	366	100
CBZ South Africa Private Limited	11 531	100	11 419	100
	170 640		168 693	

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
17. EQUITY-ACCOUNTED INVESTEEES				
Opening balance	754 079		-	
Investments during the period	-		510 998	
Share of (loss)/profit in associate	(185 808)		295 583	
Share of OCI in associate	2 294		(52 502)	
Dividends distributed	(4 973)		-	
Effects of translation to presentation currency	7 995		-	
Closing balance	573 587		754 079	

	UNAUDITED			
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	Total carrying amount ZWG 000
30 June 2024				
Balances with banks and cash	-	-	2 642 498	2 642 498
Money market assets	-	-	563 206	563 206
Financial securities	-	-	3 378 585	3 378 585
Loans and advances to customers	-	-	4 759 417	4 759 417
Equity investments	65 198	242 367	-	307 565
Other assets	-	-	3 008 807	3 008 807
TOTAL ASSETS	65 198	242 367	14 352 513	14 660 078

	UNAUDITED			
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	Total carrying amount ZWG 000
31 December 2023				
Balances with banks and cash	-	-	4 137 305	4 137 305
Money market assets	-	-	451 778	451 778
Financial securities	-	-	2 790 164	2 790 164
Loans and advances to customers	-	-	4 603 661	4 603 661
Equity investments	47 321	223 477	-	270 798
Other assets	-	-	2 473 473	2 473 473
TOTAL ASSETS	47 321	223 477	14 456 381	14 727 179

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:

	UNAUDITED							
	Level 1		Level 2		Level 3		Total carrying amount	
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
Equity investments	65 198	47 321	-	-	242 367	223 477	307 565	270 798
Land and buildings	-	-	554 818	877 563	-	-	554 818	877 563
Investment properties	-	-	536 027	879 321	-	-	536 027	879 321
Total assets at fair value	65 198	47 321	1 090 845	1 756 884	242 367	223 477	1 398 410	2 027 682

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

There were no transfers between Level 1 and Level 2 during 2024.

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

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

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	• 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 ZWG 710,393 and impact on statement of financial position would be ZWG 850,588.

20. PROPERTY AND EQUIPMENT

	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer ZWG 000	Equipment ZWG 000	Furniture & Fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
30 June 2024									
Cost									
Opening balance	123 790	773 323	4 448	40 305	123 479	49 201	32 452	89 427	1 236 425
Effects of translation to presentation currency	429	4 506	42	536	1 274	531	250	1 723	9 291
Additions	-	7 160	-	4 196	4 394	2 844	289	47 086	65 969
Revaluation gain	(56 610)	(273 504)	-	-	-	-	-	-	(330 114)
Disposals	-	-	-	-	(389)	(163)	(164)	-	(716)
Write offs	-	-	-	(4)	(40)	(52)	(22)	(2 038)	(2 156)
Intercategory transfers	-	-	-	6 608	320	1 712	623	(9 263)	-
Closing balance	67 609	511 485	4 490	51 641	129 038	54 073	33 428	126 935	978 699

	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer ZWG 000	Equipment ZWG 000	Furniture & Fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
Accumulated depreciation									
Opening balance	-	9 643	2 333	13 114	54 409	21 576	11 419	-	112 494
Effects of translation to presentation currency	-	245	27	191	685	238	129	-	1 515
Charge for the period	-	16 381	355	3 901	11 582	3 185	1 887	-	37 291
Disposals	-	-	-	-	(202)	(146)	(76)	-	(424)
Write offs	-	-	-	(3)	(23)	(47)	(20)	-	(93)
Revaluation	-	(13 984)	-	-	-	-	-	-	(13 984)
Closing balance	-	12 285	2 715	17 203	66 451	24 806	13 339	-	136 799

Net Book Value	67 609	499 200	1 775	34 438	62 587	29 267	20 089	126 935	841 900
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	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computer ZWG 000	Equipment ZWG 000	Furniture & Fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000

31 December 2023									
Cost									
Opening balance	43 031	291 642	3 404	17 060	109 212	32 100	21 902	60 132	578 483
Additions	-	10 470	1 044	23 163	12 531	15 772	10 510	50 544	124 034
Revaluation gain	80 759	463 373	-	-	-	-	-	-	544 132
Disposals	-	-	-	(420)	(176)	(14)	(95)	-	(705)
Transfers from Investment Properties	-	8 069	-	-	-	-	-	-	8 069
Write offs	-	(231)	-	-	(27)	(27)	(14)	(17 305)	(17 604)
Intercategory transfers	-	-	-	502	1 939	1 370	149	(3 944)	16
Closing balance	123 790	773 323	4 448	40 305	123 479	49 201	32 452	89 427	1 236 425

Accumulated depreciation									
Opening balance	-	7 825	1 872	11 948	41 946	19 529	9 398	-	92 518
Charge for the period	-	56 172	461	1 478	12 572	2 088	2 102	-	74 873
Disposals	-	-	-	(312)	(95)	(14)	(81)	-	(502)
Write offs	-	(108)	-	-	(14)	(27)	-	-	(149)
Revaluation	-	(54 246)	-	-	-	-	-	-	(54 246)
Closing balance	-	9 643	2 333	13 114	54 409	21 576	11 419	-	112 494

Net Book Value	123 790	763 680	2 115	27 191	69 070	27 625	21 033	89 427	1 123 931
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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:

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

The maximum useful lives are as

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

The carrying amount of buildings would have been ZWG 181,932,248 (31 December 2023: ZWG 182,532,330) 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 ZWG 11,736,318 (31 December 2023: ZWG 16,682,365) higher or lower than the reported position, impact on the Financial Position would be ZWG 15,806,488 (31 December 2023: ZWG 27, 717,944) higher or lower than the reported position.

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

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

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
20.1a Right of use assets				
Opening balance	9 439		1 004	
Additions	6 768		10 470	
Write offs	-		(122)	
Effects of translation to presentation currency	252		-	
Depreciation charge for the period	(2 397)		(1 913)	
Closing balance	14 062		9 439	

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.

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
20.1b Lease liability				
Opening balance	9 344		2 794	
Additions	6 768		10 998	
Write-offs	-		(122)	
Interest	600		705	
Effects of translation to presentation currency	216		-	
Repayment	(3 868)		(7 988)	
Exchange loss on lease liabilities	-		7 093	
Monetary adjustment	-		(4 136)	
Closing balance	13 060		9 344	

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
20.1c Lease liability maturity analysis		
Less than one month	844	583
One to three months	1 853	1 221
Three to six months	2 336	1 424
Six to twelve months	4 319	2 631
One to five years	13 881	4 638
	23 233	10 497
20.1d Amounts recognised in Statement of Profit or Loss		
Interest on lease liabilities	600	705
Depreciation	2 397	1 926
Expenses relating to short term leases	-	4 665
	2 997	7 296
20.1e Amounts recognised in statement of cash flow	3 868	255
21. INVESTMENT PROPERTIES		
Opening balance	879 321	305 163
Additions	-	35 721
Disposals	-	(7 852)
Transfer to property and equipment	-	(8 069)
Effects of translation to presentation currency	3 606	-
Fair valuation (loss)/ gain	(346 900)	554 358
Closing balance	536 027	879 321

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 30 June 2024.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter Capitalisation rate	ZWG 27 - ZWG 247 9.5% - 12.75%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWG 55 - ZWG 1 233

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 30 June 2024. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property, also inferring on comparable premises which are in the same category as regards the building elements.

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

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWG 16,477,763 (31 December 2023: ZWG 26,332,046) higher or lower than the reported position and the Statement of Financial Position would be ZWG 17,345,014 (31 December 2023: ZWG 27,717,944) higher or lower than the reported position.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
22. INTANGIBLE ASSETS		
At cost	34 433	34 080
Accumulated amortisation	(27 277)	(24 112)
	7 156	9 968
Movement in intangible assets		
Opening balance	9 968	9 886
Additions	-	6 469
Write offs	-	(54)
Amortisation charge	(2 874)	(6 333)
Effects of translation to presentation currency	62	-
Closing balance	7 156	9 968

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.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
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 Financial Position are comprised of:		
Assessed losses	32 631	27 923
Credit loss provisions	266 851	197 389
Other	12 144	25 279
Closing deferred tax balance	311 626	250 591

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
23.2 Deferred tax liability		
Deferred tax liability represents the amount of income taxes payable in future years in respect of taxable temporary differences.		
The deferred tax liability balances included in the Statement of Financial Position are comprised of:		
Intangible assets	2 309	1 736
Equity investments	50 703	12 138
Property and equipment	115 621	172 015
Investment properties	26 013	94 511
Other	249 733	434 527
Closing balance	444 379	714 927

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

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
24. DEPOSITS		
Demand	10 044 468	11 073 141
Savings	207 985	170 225
Time	309 470	407 567
Treasury	190 598	102 105
Credit lines	725 561	520 250
Accrued interest	20 397	114 569
	11 498 479	12 387 857

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\$ 103,770,126 (December 2023: US\$ 111,059,336), being legacy liabilities of US\$ 46,177,401 (December 2023: US\$ 46,811,830) and nostro gap accounts of US\$ 57,592,725 (December 2023: US\$ 64,247,506) which are shown at ZWG 1,421,972,414 (December 2023: ZWG 1,506,142,277). These foreign denominated liabilities which are payable on demand are subject to a special settlement arrangement with the RBZ as detailed in Note 24.1 of the Group's annual consolidated financial statements for the year ended 31 December 2023, wherein the Reserve Bank of Zimbabwe (RBZ) will provide foreign currency gradually to the Group for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. We note that to date US\$ 59,798,644 (December 2023: US\$ 53,493,278) has been made available under this arrangement demonstrating the willingness and capability of the RBZ to honour the settlement arrangement.

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

	UNAUDITED 30 JUNE 2024 ZWG 000	%	UNAUDITED 31 DEC 2023 ZWG 000	%
24.2 Sectoral Analysis				
Private	985 579	9	588 858	5
Agriculture	89 838	1	147 455	1
Mining	219 628	2	276 385	2
Manufacturing	210 086	2	343 759	3
Distribution	811 636	7	620 850	5
Construction	44 934	-	85 628	1
Transport	24 321	-	75 457	1
Communication	139 052	1	208 035	2
Services	8 078 238	70	8 810 144	70
Financial organisations	886 113	8	982 158	8
Financial and investments	9 054	-	249 128	2
	11 498 479	100	12 387 857	100

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
24.3 Maturity analysis		
Less than 1 month	10 718 395	11 595 399
Between 1 and 3 months	36 570	5 194
Between 3 and 6 months	50 366	258 579
Between 6 months and 1 year	95 971	-
Between 1 and 5 years	597 177	12 734
More than 5 year	-	515 951
	11 498 479	12 387 857

Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000				
25. INSURANCE CONTRACTS						
25.1 Balance sheet composition of insurance assets and liabilities						
	UNAUDITED	UNAUDITED				
	Life Risk ZWG 000	Property Risk ZWG 000				
	Total ZWG 000	Current ZWG 000				
	Non current ZWG 000	Total ZWG 000				
30 June 2024						
Insurance contract assets	11 407	330	11 737	330	11 407	11 737
Reinsurance assets	686	22 262	22 948	22 262	686	22 948
Insurance liabilities	(65 967)	(36 193)	(102 160)	(36 193)	(65 967)	(102 160)
Reinsurance liabilities	-	(6 708)	(6 708)	(6 708)	-	(6 708)
Total	(53 874)	(20 309)	(74 183)	(20 309)	(53 874)	(74 183)
31 December 2023						
Insurance contract assets	25 781	54	25 835	54	25 781	25 835
Reinsurance assets	936	26 689	27 625	26 689	936	27 625
Insurance liabilities	(63 075)	(43 017)	(106 092)	(43 017)	(63 075)	(106 092)
Reinsurance liabilities	(203)	(2 753)	(2 956)	(2 753)	(203)	(2 956)
Total	(36 565)	(19 027)	(55 592)	(19 027)	(36 565)	(55 592)

At 30 June 2024, the maximum exposure to credit risk from insurance contracts is ZWG 329,513 (2023: ZWG 49,832) 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 ZWG 3,089,868 (2023: ZWG 3,056,746). Expected credit losses on receivables, have been accounted for in line with accounting policies for other trade receivables held by the Group.

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
25.2 Investment contract liabilities		
Movement investment contract liabilities		
Opening balance	12 233	4 929
Effects of translation to presentation currency	72	-
Investment return on underlying items (Interest)	(3 978)	27 371
Other	-	1 740
Contributions received	554	-
Benefits paid	(1)	-
Monetary loss	-	(21 807)
Closing balance	8 880	12 233
Investment contract liabilities are supported by the following net assets		
Money market assets	350	346
Cash	67	434
Prescribed assets	3 404	8 987
Listed equity Investment	6 922	5 935
Investment property	4 941	-
	15 684	15 702

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
26. OTHER LIABILITIES		
Revenue received in advance	9 998	7 677
Sundry creditors	319 834	425 522
Accruals	538 492	338 904
Suspense	156 750	207 221
Provisions	114 190	245 005
	1 139 264	1 224 329

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
27. CATEGORIES OF FINANCIAL LIABILITIES		
The Group's financial liabilities are carried at amortised cost as follows:		
Deposits	11 498 479	12 387 857
Other liabilities	319 834	425 522
Lease liability	13 060	9 344
	11 831 373	12 822 723

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
28. EQUITY AND RESERVES		
28.1 Share capital		
Authorised		
1 000 000 000 ordinary shares of ZWG 1.59 each	15 881	15 881
Opening balance	Shares (000) 522 016	Shares (000) 522 016
Issue of shares	-	100 053
Issued and fully paid	622 069	622 069

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Issued share capital		
Opening balance	9 873	9 873
Closing balance	9 873	9 873

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
28.2 Share premium		
Opening balance	232 378	60 322
Issue of shares	-	172 056
Closing balance	232 378	232 378

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
28.3 Revaluation reserve		
Opening balance	703 494	245 153
Net revaluation gain	(256 887)	458 341
Closing balance	446 607	703 494

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
28.4 Retained earnings				
Retained earnings comprises:				
Opening balance		2 745 193		1 306 632
Profit for the period		656 325		1 540 571
Dividend paid		-		(102 010)
Closing balance		3 401 518		2 745 193
Retained earnings comprises:				
Holding company		569 456		130 563
Subsidiary companies		2 848 444		2 564 656
Effect of consolidation journals		(16 382)		49 974
Closing balance		3 401 518		2 745 193
28.5 Non-controlling Interests				
Non-controlling interests comprise:				
Opening balance		136		68
Profit for the period		(28)		(136)
Other comprehensive income		(137)		204
Closing balance		(29)		136
28.6 Fair value reserve				
Opening balance		203 980		103 041
Other comprehensive income		13 159		100 939
Closing balance		217 139		203 980
28.7 Foreign currency translation reserve				
Opening balance		9 412		10 416
Effects of translation to presentation currency		48 423		-
Exchange loss on translation of a foreign subsidiary		-		(1 004)
Closing balance		57 835		9 412
28.8 Share based payment reserve				
Opening balance		20 912		20 912
Closing balance		20 912		20 912
28.9 Shares awaiting allotment reserve				
Opening balance		-		39 726
Allotments during the period		-		(39 726)
Closing balance		-		-
28.10 General reserve				
Opening balance		(52 497)		-
Share of other comprehensive income of equity-accounted investees		2 294		(52 497)
Closing balance		(50 203)		(52 497)

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

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
Guarantees		30 068		27 069
Capital Commitments		30 068		27 069
Authorised and contracted for		17 408		-
Closing balance		17 408		-

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

31. FUNDS UNDER MANAGEMENT

	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
Pensions	2 021 397	2 116 653
Institutional & individual clients - Equities	1 001 589	1 234 209
Institutional & individual clients - Fixed Income	202 741	199 931
Exchange traded funds	3 889	3 341
REIT	273 769	231 940
Unit trust	3 815	3 531
Closing balance	3 507 200	3 789 604

32. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

Banking Operations	Asset Management	Insurance Operations	Property Investments	Agro Business	Micro Finance	Other Operations
Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.	Provides fund management services to a wide spectrum of investors through pooled portfolios or individual portfolios.	Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.	Property investment arm of the Group.	Provides contract farming loans to farmers both individual and commercial.	Provides financial services to the informal sector: SMEs, Civil Servants, small holder farmers and all those who are gainfully employed.	Other operations provided by the Group include equity investments by the Holding Company.

The table below shows the segment operational results for the period ended 30 June 2024:

	UNAUDITED								Elimination of intersegment amounts ZWG 000	Consolidated ZWG 000
	Banking operations ZWG 000	Asset management ZWG 000	Insurance operations ZWG 000	Property investment ZWG 000	Agro business ZWG 000	Micro Finance ZWG 000	Other operations ZWG 000			
INCOME										
Net interest income for the period ended 30 June 2024	511 661	74	1 055	(342)	45 331	45 964	(7 082)	(322)	596 339	
Net interest income for the period ended 30 June 2023	467 251	(41)	(1 709)	(203)	(101 441)	8 734	(21 292)	109	351 408	
Non-interest income for the period ended 30 June 2024	1 302 353	5 348	(35 824)	(127 916)	1 690	2 201	120 619	(117 340)	1 151 131	
Non-interest income for the period ended 30 June 2023	1 466 009	24 736	106 662	157 762	766 095	10 714	283 248	(211 114)	2 604 112	
Insurance service result for the period ended 30 June 2024	-	-	(416)	-	-	-	-	(1 427)	(1 843)	
Insurance service result for the period ended 30 June 2023	-	-	(27 571)	-	-	-	-	(3 716)	(31 287)	
Total income for the period ended 30 June 2024	1 814 014	5 422	(35 674)	(128 257)	47 021	48 165	113 537	(119 090)	1 745 138	
Total income for the period ended 30 June 2023	1 933 260	24 696	76 270	157 559	664 654	19 447	261 956	(214 707)	2 923 135	
Depreciation and amortisation for the period ended 30 June 2024	33 177	161	966	295	2 563	722	2 364	(83)	40 165	
Depreciation and amortisation for the period ended 30 June 2023	19 895	68	108	95	1 126	325	1 275	(312)	22 580	
Expected credit losses for the period ended 30 June 2024	182 409	(1 398)	716	(112)	(16 610)	5 697	4 478	(61)	175 119	
Expected credit losses for the period ended 30 June 2023	325 302	108	1 153	678	41 444	325	-	8 721	377 731	
RESULTS										
Profit before taxation for the period ended 30 June 2024	847 304	(9 736)	(48 381)	(144 853)	15 100	21 777	7 186	(174 387)	514 010	
Profit before taxation for the period ended 30 June 2023	812 136	13 385	80 732	150 317	580 396	909	178 850	(144 729)	1 671 996	
CASH FLOWS										
Used in operating activities for the period ended 30 June 2024	(807 419)	(87)	13 339	205	18 988	9 285	(31 459)	(8 559)	(805 707)	
Expected credit losses for the period ended 30 June 2023	4 654 707	(5 370)	(2 197)	(8 815)	1 912	84 963	(7 934)	(159 417)	4 557 849	
Used in investing activities for the period ended 30 June 2024	(55 925)	(132)	(7 278)	(71)	(47)	(228)	(5 450)	4 898	(64 233)	
Used in investing activities for the period ended 30 June 2023	(50 734)	2 699	(68)	(258)	(1 085)	(339)	(46 137)	45 946	(49 976)	
Used in financing activities for the period ended 30 June 2024	(1 868)	(70)	(10)	(316)	(1 192)	(515)	(430)	533	(3 868)	
Used in financing activities for the period ended 30 June 2023	(77 152)	1 560	4 489	9 330	(271)	2 170	52 443	53 648	46 217	
TOTAL ASSETS AND LIABILITIES										
Reportable segment liabilities for the period ended 30 June 2024	12 106 507	19 915	145 218	45 250	331 176	127 655	520 310	(47 024)	13 249 007	
Reportable segment liabilities for the period ended 31 December 2023	13 287 167	15 230	160 352	44 360	365 119	117 118	584 790	(105 074)	14 469 062	
Total segment assets for the period ended 30 June 2024	15 457 207	28 502	234 774	182 136	753 927	146 795	953 905	(172 209)	17 585 037	
Total segment assets for the period ended 31 December 2023	15 818 711	38 542	313 178	315 497	770 095	128 198	999 910	(42 188)	18 341 943	

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

	UNAUDITED					
	Gross limits ZWG 000		Utilised limits ZWG 000		Value of security ZWG 000	
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023
Loans to directors' companies	-	-	6 448	-	274	-

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.

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
Transactions with Directors' companies				
Interest income		87		-
Commission and fee income		22		-
Closing balance		109		-

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.

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.

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.

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000		31 DEC 2023 ZWG 000	
Balances with banks		1 980 927		2 943 315
Money market assets		563 206		451 783
Financial securities		3 378 585		2 790 163
Loans and advances to customers		4 759 417		4 603 658
Other assets		3 008 807		2 473 480
Total		13 690 942		13 262 399
Financial guarantees		30 068		27 069
Total		30 068		27 069

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 ZWG 1,985,463,218 (2023: ZWG 725,277,048) (excluding notes and coins) as at 30 June 2024 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.

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:

	UNAUDITED		UNAUDITED	
	30 JUNE 2024 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	31 DEC 2023 ZWG 000
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
Private	1 497 389	1 878 862	1 288 786	1 096 842
Agriculture	1 132 442	176 569	1 165 511	349 800
Mining	694 663	565 936	857 039	714 687
Manufacturing	802 593	304 865	737 154	486 807
Distribution	651 398	431 466	722 698	513 200
Construction	108 937	-	53 717	-
Transport	14 465	2 425	15 867	-
Communication	146 967	146 967	190 663	190 659
Services	200 969	80 700	182 960	29 394
Financial organisations	136 282	-	11 323	43 675
Gross value	5 386 105	3 587 790	5 225 718	3 425 064

Collateral split by class	UNAUDITED	
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
Government Guarantee	73 988	469 438
Cash cover	12 264	77 457
Registered Marketable Commodities	1 973	172 136
Mortgage bonds	115 520	1 097 829
Notarial general covering bonds	79 731	1 057 936
Total	283 476	2 874 795

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.

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 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.

UNAUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023
Internal rating grade									
Performing	"1 - 3c"	1 815 778	1 933 803	2 600	195 694	-	-	1 818 378	2 129 497
Special mention	"4a - 7c"	2 084 087	1 633 942	938 862	984 993	-	-	3 022 949	2 618 935
Non-performing	"8 - 10"	-	-	-	-	544 778	477 286	544 778	477 286
Total		3 899 865	3 567 745	941 462	1 180 687	544 778	477 286	5 386 105	5 225 718

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

GROSS CARRYING AMOUNT									
UNAUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	
Opening balance	3 567 745	1 581 161	1 180 687	162 509	477 286	902 158	5 225 718	2 645 828	
New assets originated or purchased	1 327 404	14 135 405	499 568	2 811 984	67 130	694 354	1 894 102	17 641 743	
Transfers from Stage 1	(141 832)	(4 142 065)	22 537	3 858 465	119 295	283 600	-	-	
Transfers from Stage 2	131 335	658 578	(303 612)	(3 011 055)	172 277	2 352 477	-	-	
Transfers from Stage 3	6 741	144 431	966	1 478	(7 707)	(145 909)	-	-	
Effects of translation to presentation currency	(763 115)	-	(320 967)	-	(556 859)	-	(1 640 941)	-	
Repayments during the period	(228 413)	(3 338 730)	(137 717)	(1 958 810)	(40 180)	(1 079 341)	(406 310)	(6 376 881)	
Amounts written off	-	-	-	-	(98 590)	(2 229 866)	(98 590)	(2 229 866)	
Monetary adjustment	-	(5 471 035)	-	(683 884)	412 126	(300 187)	412 126	(6 455 106)	
Gross loans and advances to customers	3 899 865	3 567 745	941 462	1 180 687	544 778	477 286	5 386 105	5 225 718	
ECL allowance	(106 987)	(103 312)	(174 189)	(154 100)	(345 512)	(364 645)	(626 688)	(622 057)	
Net loans and advances to customers	3 792 878	3 464 433	767 273	1 026 587	199 266	112 641	4 759 417	4 603 661	

ECL RECONCILIATION									
UNAUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	
Opening balance	103 312	98 403	154 100	43 356	364 645	623 318	622 057	765 077	
New assets originated or purchased	116 641	190 540	203 263	650 143	(21 597)	286 909	298 307	1 127 592	
Effects of translation to presentation currency	(4 538)	-	(1 539)	-	5 180	-	(897)	-	
Transfers from Stage 1	(33 774)	(104 723)	16 681	63 319	17 093	41 404	-	-	
Transfers from Stage 2	7 558	1 343	(148 115)	(543 847)	140 557	542 504	-	-	
Transfers from Stage 3	2 825	393	330	41	(3 155)	(434)	-	-	
Amounts written off	-	-	-	-	(100 088)	(569 235)	(100 088)	(569 235)	
Amounts paid off	(85 037)	(77 912)	(50 531)	(34 338)	(57 123)	(493 614)	(192 691)	(605 864)	
Monetary adjustment	-	(4 732)	-	(24 574)	-	(66 207)	-	(95 513)	
Closing balance	106 987	103 312	174 189	154 100	345 512	364 645	626 688	622 057	

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and period end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 34.3.1.

UNAUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023
Internal rating grade									
Performing	"1 - 3c"	3,434,485	2,851,151	-	-	-	-	3,434,485	2,851,151
Total		3,434,485	2,851,151	-	-	-	-	3,434,485	2,851,151

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

UNAUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	
Opening balance	2 851 151	530 557	-	-	-	-	2 851 151	530 557	
New assets originated or purchased	589 490	10 586 822	-	-	-	-	589 490	10 586 822	
Effects of translation to presentation currency	824 188	-	-	-	-	-	824 188	-	
Monetary adjustment	-	(8 264 819)	-	-	-	-	-	(8 264 819)	
Maturities during the period	(830 344)	(1 409)	-	-	-	-	(830 344)	(1 409)	
Gross financial securities	3 434 485	2 851 151	-	-	-	-	3 434 485	2 851 151	
ECL allowance	(55 900)	(60 987)	-	-	-	-	(55 900)	(60 987)	
Closing balance	3 378 585	2 790 164	-	-	-	-	3 378 585	2 790 164	

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.

UNAUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023
Internal rating grade									
Performing	"1 - 3c"	613 231	476 040	-	-	-	-	613 231	476 040
Total		613 231	476 040	-	-	-	-	613 231	476 040

(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									
UNAUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	
Opening balance	476 040	384 770	-	-	-	-	476 040	384 770	
New assets originated or purchased	985 106	1 165 660	-	-	-	-	985 106	1 165 660	
Maturities during the period	(838 085)	(762 894)	-	-	-	-	(838 085)	(762 894)	
Monetary adjustment	-	(311 496)	-	-	-	-	-	(311 496)	
Effects of translation to presentation currency	(9 830)	-	-	-	-	-	(9 830)	-	
Gross money market assets	613 231	476 040	-	-	-	-	613 231	476 040	
ECL allowance	(50 025)	(24 262)	-	-	-	-	(50 025)	(24 262)	
Closing balance	563 206	451 778	-	-	-	-	563 206	451 778	

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.

UNAUDITED									
	SRS Rating	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000	
		30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023
Internal rating grade									
Performing	"1 - 3c"	30 068	27 069	-	-	-	-	30 068	27 069
Total		30 068	27 069	-	-	-	-	30 068	27 069

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

UNAUDITED									
	Stage 1 ZWG 000		Stage 2 ZWG 000		Stage 3 ZWG 000		Total ZWG 000		
	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	30 JUNE 2024	31 DEC 2023	
Opening balance	27 069	6 654	-	-	-	-	27 069	6 654	
New assets originated or purchased	(15 979)	69 609	-	-	-	-	(15 979)	69 609	
Effects of translation to presentation currency	23 269	-	-	-	-	-	23 269	-	
Monetary adjustment	-	(43 770)	-	-	-	-	-	(43 770)	
Guarantees Expired during the period	(4 291)	(5 424)	-	-	-	-	(4 291)	(5 424)	
Gross Guarantees	30 068	27 069	-	-	-	-	30 068	27 069	
ECL allowance	(633)	(145)	-	-	-	-	(633)	(145)	
Closing balance	29 435	26 924	-	-	-	-	29 435	26 924	

The Financial Assets that were impaired under IFRS 9 were Loans, Overdrafts, Leases, Bank Guarantees, and Letters of Credit, Credit Cards Facilities, Money Market Placements and Treasury Bills and other receivables. Expected Credit Losses of these assets were calculated as at 30 June 2024.

Expected Credit Losses (ECL) are computed as the expected present value of credit losses incorporating forward looking macro-economic variables. The general framework of this computation has three components, namely Probability of Default (PD); Exposure at Default (EAD); and Loss Given Default (LGD), with the ECL expressed as a product of the components. During the period, two adjustments to the LGD estimates have been considered by management to ensure non-zero valued ECL when a borrower is over-collateralised. An LGD Floor is defined at the lowest value for the LGD, greater than zero, that can be applied for ECL purposes. The LGD Floor is set equal to 10% and 5% for foreign and local currency denominated exposures respectively. A haircut is also applied to pledged collateral and depends on the collateral type. Management has increased the haircuts on selected collateral types for ECL purposes. These adjustments are designed to keep the ECL model dynamic and responsive to emerging risks, ensuring that it remains reliable and accurately reflects the credit risk associated with 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 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:

- 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.
- Breaches in conditionality or covenants.
- Deterioration in account conduct. This can be through account performance deterioration.
- Any corporate action relating to changes in corporate structure, control, acquisitions or disposals.
- Significant changes in executive leadership.
- 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.
- Actual or expected significant change in the financial instrument's external credit rating (Credit Reference Bureau rating).
- Declining Asset Quality.
- Reduction in financial support from the parent company.
- 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 followings were classified under Stage 3:

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
 - b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
 - c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
 - d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.
- Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

Purchased or originated credit impaired (POCI)

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

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

Debt instruments measured at fair value through OCI

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

Cure, Modification and Forbearance of Financial Assets

During the period under Review, some of the financial assets were cured, modified and forbore.

Cure

Cure is the reclassification of a non-performing or underperforming asset into performing status. The specific requirements for reclassifying non-performing forbore 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 forbore 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 forbore 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 forbore 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 forbore, it will remain forbore for a minimum six months' probation period. In order for the loan to be reclassified out of the forbore 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 forbore 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 or 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 current the 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.

34.4.1 CONTRACTUAL GAP ANALYSIS

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2024

	UNAUDITED						
	Less than 1 month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Total ZWG 000
Assets							
Balances with banks and cash	2 712 695	-	-	-	-	-	2 712 695
Money market assets	366 552	236 983	3 699	5 341	-	-	612 575
Financial securities	479 234	789 894	1 127 973	689 861	347 145	377	3 434 484
Loans and advances to customers	685 483	834 644	1 045 252	1 298 478	2 198 302	17 160	6 079 319
Insurance contract assets	11 605	132	-	-	-	-	11 737
Reinsurance contract assets	13 357	4 452	4 452	-	-	-	22 261
Financial guarantees	2 673	21 161	6 234	-	-	-	30 068
Current tax receivable	79	-	-	-	-	-	79
Other liquid assets	1 240 310	1 835 999	2 967	64	86 581	-	3 165 921
Total assets	5 511 988	3 723 265	2 190 577	1 993 744	2 632 028	17 537	16 069 139
Liabilities							
Deposits	10 791 392	45 419	59 387	107 579	597 437	-	11 601 214
Insurance contract liabilities	14 477	7 239	73 205	-	-	-	94 921
Reinsurance contract Liabilities	2 683	1 342	1 342	-	-	-	5 367
Other liabilities	138 914	868 290	81 369	71 617	21 154	18 318	1 199 662
Current tax payable	10 484	20 065	23	4 743	-	-	35 315
Lease liabilities	844	1 853	2 336	4 319	13 881	-	23 233
Investment contract liabilities	-	-	-	-	-	8 880	8 880
Financial guarantees	2 673	21 161	6 234	-	-	-	30 068
Capital commitments	17 408	-	-	-	-	-	17 408
Total liabilities	10 978 875	965 369	223 896	188 258	632 472	27 198	13 016 068
Liquidity gap	(5 466 887)	2 757 896	1 966 681	1 805 486	1 999 556	(9 661)	3 053 071
Cumulative liquidity gap	(5 466 887)	(2 708 991)	(742 310)	1 063 176	3 062 732	3 053 071	3 053 071

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2023

	UNAUDITED						
	Less than 1 month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Total ZWG 000
Assets							
Balances with banks and cash	4 137 303	-	-	-	-	-	4 137 303
Money market assets	350 184	9 127	147 134	-	-	-	506 445
Financial securities	125 526	485 121	706 799	768 452	836 298	2 666	2 924 862
Loans and advances to customers	1 294 589	620 022	634 724	1 324 236	1 722 807	52 253	5 648 631
Insurance assets	30	10	25 799	-	-	-	25 839
Reinsurance assets	20 855	5 964	9 410	18 459	-	-	54 688
Current tax receivable	78	-	61	-	-	-	139
Other liquid assets	292 046	2 029 243	125 668	2 067	98 703	-	2 547 727
Total assets	6 220 611	3 149 487	1 649 595	2 113 214	2 657 808	54 919	15 845 634
Liabilities							
Deposits	11 595 655	5 385	269 659	10 091	586 729	-	12 467 519
Insurance liabilities	25 808	8 603	71 680	-	-	-	106 091
Reinsurance liabilities	1 653	551	551	-	-	-	2 755
Other liabilities	464 691	420 232	270 096	45 549	-	21 708	1 222 276
Current tax payable	2 487	-	7 873	-	-	-	10 360
Lease liability	718	1 087	1 405	2 856	5 221	-	11 287
Financial guarantees	4 839	625	3 145	18 459	-	-	27 068
Total liabilities	12 095 851	436 483	624 409	76 955	591 950	21 708	13 847 356
Liquidity gap	(5 875 240)	2 713 004	1 025 186	2 036 259	2 065 858	33 211	1 998 278
Cumulative liquidity gap	(5 875 240)	(3 162 236)	(2 137 050)	(100 791)	1 965 067	1 998 278	1 998 278

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 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 2023	53.45
At 30 June 2024	52.25
Average for the period	57.70
Maximum for the period	61.03
Minimum for the period	52.25

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 ZWG in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 30 June 2024 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 ZWG 12 420 475 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

	UNAUDITED							
	Less than 1 month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
30 June 2024								
Assets								
Balances with banks and cash	1 093 944	-	-	-	-	-	1 548 554	2 642 498
Money market assets	366 552	187 615	3 699	5 340	-	-	-	563 206
Financial securities	477 899	789 894	1 072 074	689 861	347 145	1 712	-	3 378 585
Loans and advances to customers	564 529	519 306	848 396	1 009 167	1 813 631	4 388	-	4 759 417
Insurance assets	-	-	-	-	-	-	11 737	11 737
Reinsurance assets	-	-	-	-	-	-	22 948	22 948
Equity investments	-	-	-	-	-	-	307 565	307 565
Investments in equity accounted investees	-	-	-	-	-	-	573 587	573 587
Land inventory	-	-	-	-	-	-	240 953	240 953
Other assets	-	-	-	-	86 581	-	3 301 172	3 387 753
Current tax receivable	-	-	-	-	-	79	-	79
Intangible assets	-	-	-	-	-	-	7 156	7 156
Investment properties	-	-	-	-	-	-	536 027	536 027
Property and equipment	-	-	-	-	-	-	841 900	841 900
Deferred taxation	-	-	-	-	-	-	311 626	311 626
Total assets	2 502 924	1 496 815	1 924 169	1 704 368	2 247 357	6 100	7 703 304	17 585 037
Equity & Liabilities								
Deposits	673 928	36 570	50 366	95 971	597 177	-	10 044 467	11 498 479
Insurance liabilities	-	-	-	-	-	-	102 160	102 160
Reinsurance liabilities	-	-	-	-	-	-	6 708	6 708
Other liabilities	97 307	36 778	12 950	47 054	9 749	-	935 426	1 139 264
Current tax payable	-	-	-	-	-	-	36 077	36 077
Investment contract liabilities	-	-	-	-	-	-	8 880	8 880
Deferred taxation	-	-	-	-	-	-	444 379	444 379
Lease liability	666	1 483	1 986	3 440	5 485	-	-	13 060
Equity	-	-	-	-	-	-	4 336 030	4 336 030
Total liabilities and equity	771 901	74 831	65 302	146 465	612 411	-	15 914 127	17 585 037
Interest rate repricing gap	1 731 023	1 421 984	1 858 867	1 557 903	1 634 946	6 100	(8 210 823)	-
Cumulative gap	1 731 023	3 153 007	5 011 874	6 569 777	8 204 723	8 210 823	-	-

	UNAUDITED							
	Less than 1 month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
31 December 2023								
Assets								
Balances with banks and cash	1 731 080	-	-	-	-	-	2 406 225	4 137 305
Money market assets	325 252	2 391	124 135	-	-	-	-	451 778
Financial securities	124 224	485 121	695 143	769 753	714 379	1 544	-	2 790 164
Loans and advances to customers	931 334	522 091	551 006	1 152 102	1 409 937	37 191	-	4 603 661
Insurance assets	-	-	-	-	-	-	25 835	25 835
Reinsurance assets	-	-	-	-	-	-	27 625	27 625
Equity investments	-	-	-	-	-	-	270 798	270 798
Equity-accounted investees	-	-	-	-	-	-	754 079	754 079
Land inventory	-	-	-	-	-	-	222 275	222 275
Other assets	-	-	-	136 435	98 703	-	2 495 043	2 730 181
Current tax receivable	-	-	-	-	-	-	64 431	64 431
Intangible assets	-	-	-	-	-	-	9 968	9 968
Investment properties	-	-	-	-	-	-	879 321	879 321
Property and equipment	-	-	-	-	-	-	1 123 931	1 123 931
Deferred taxation	-	-	-	-	-	-	250 591	250 591
Total assets	3 111 890	1 009 603	1 370 284	2 058 290	2 223 019	38 735	8 530 122	18 341 943
Equity & Liabilities								
Deposits	522 266	5 191	258 573	-	12 735	515 960	11 073 132	12 387 857
Insurance liabilities	-	-	-	-	-	-	106 092	106 092
Reinsurance liabilities	-	-	-	-	-	-	2 956	2 956
Other liabilities	23 905	46 888	32 901	12 540	-	21 708	1 086 387	1 224 329
Current tax payable	-	-	-	-	-	-	11 324	11 324
Investment contract liabilities	-	-	-	-	-	-	12 233	12 233
Deferred taxation	-	-	-	-	-	-	714 927	714 927
Lease Liability	333	828	945	1 613	3 373	2 252	-	9 344
Equity	-	-	-	-	-	-	3 872 881	3 872 881
Total liabilities and equity	546 504	52 907	292 419	14 153	16 108	539 920	16 879 932	18 341 943
Interest rate repricing gap	2 565 386	956 696	1 077 865	2 044 137	2 206 911	(501 185)	(8 349 810)	-
Cumulative gap	2 565 386	3 522 082	4 599 947	6 644 084	8 850 995	8 349 810	-	-

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 30 June 2024, 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 half year would have been ZWG 24 385 667 higher or lower respectively than the reported position. This arises as a result of the increase or decrease in the fair value of the underlying assets and liabilities denominated in foreign currencies.

The foreign currency position for the Group as at 30 June 2024 is as below:

FOREIGN CURRENCY POSITION

	UNAUDITED							
	Position expressed in ZWG 000	Total	USD	ZWG	ZAR	GBP	EUR	Other foreign currencies
30 June 2024								
Assets								
Balances with banks and cash	2 642 498	2 137 302	-	384 771	32 543	1 970	31 443	54 469
Money market assets	563 206	563 206	-	-	-	-	-	-
Financial securities	3 378 585	2 914 921	-	463 664	-	-	-	-
Loans and advances to customers	4 759 417	4 353 198	-	383 558	22 661	-	-	-
Insurance assets	11 737	264	-	11 473	-	-	-	-
Reinsurance assets	22 948	18 238	-	4 710	-	-	-	-
Equity investments	307 565	230 320	-	70 931	-	-	6 314	-
Equity-accounted investees	573 587	573 587	-	-	-	-	-	-
Land inventory	240 953	240 953	-	-	-	-	-	-
Other assets	3 387 753	3 002 105	-	385 598	20	27	3	-
Current tax receivable	79	-	-	79	-	-	-	-
Intangible assets	7 156	5 159	-	-	-	-	-	-
Investment properties	536 027	536 027	-	-	-	-	-	-
Property and equipment	841 900	794 588	-	-	-	-	-	-
Deferred taxation	311 626	212 958	-	98 668	-	-	-	-
Total assets	17 585 037	15 582 826	1 803 452	55 224	1 997	37 760	54 469	-
Equity & Liabilities								
Deposits	11 498 479	9 618 082	-	1 597 276	142 782	1 146	85 716	53 477
Insurance liabilities	102 160	59 193	-	42 967	-	-	-	-
Reinsurance liabilities	6 708	5 366	-	1 342	-	-	-	-
Other liabilities	1 139 264	528 109	-	601 774	775	326	1 374	6 906
Current tax payable	36 077	30 703	-	5 374	-	-	-	-
Investment contract liabilities	8 880	8 879	-	-	-	-	-	-
Deferred taxation	444 379	375 884	-	68 495	-	-	-	-
Lease Liability	13 060	13 035	-	25	-	-	-	-
Equity	4 336 030	4 336 030	-	-	-	-	-	-
Total equity and liabilities	17 585 037	14 975 281	2 317 253	143 557	1 472	87 090	60 383	-

	UNAUDITED							
	Position expressed in ZWG 000	Total	USD	ZWG	ZAR	GBP	EUR	Other foreign currencies
31 December 2023								
Assets								
Balances with banks and cash	4 137 305	3 263 509	-	542 232	232 530	2 745	45 548	50 741
Money market assets	451 778	439 641	-	12 137	-	-	-	-
Financial securities	2 790 164	2 571 592	-	218 572	-	-	-	-
Loans and advances to customers	4 603 661	3 976 001	-	626 181	1 479	-	-	-
Insurance assets	25 835	25 835	-	-	-	-	-	-
Reinsurance assets	27 625	18 660	-	8 965	-	-	-	-
Equity investments	270 798	514	-	270 284	-	-	-	-
Equity-accounted investees	754 079	-	-	754 079	-	-	-	-
Land inventory	222 275	-	-	222 275	-	-	-	-
Other assets	2 730 181	2 401 433	-	315 535	3	1 053	368	11 789
Current tax receivable	64 431	-	-	64 431	-	-	-	-
Intangible assets	9 968	-	-	9 968	-	-	-	-
Investment properties	879 321	-	-	879 321	-	-	-	-
Property and equipment	1 123 931	-	-	1 123 931	-	-	-	-
Deferred taxation	250 591	-	-	250 591	-	-	-	-
Total assets	18 341 943	12 697 185	5 298 502	234 012	3 798	45 916	62 530	-
Equity & Liabilities								
Deposits	12 387 857	9 898 335	-	1 962 992	456 294	2 514	20 153	47 569
Insurance liabilities	106 092	33 850	-	72 242	-	-	-	-
Reinsurance liabilities	2 956	2 156	-	800	-	-	-	-
Other liabilities	1 224 329	517 706	-	697 214	2 036	325	1 467	5 581
Current tax payable	11 324	3 735	-	7 589	-	-	-	-
Investment contract liabilities	12 233	-	-	12 233	-	-	-	-
Deferred taxation	714 927	-	-	714 927	-	-	-	-
Lease Liability	9 344	2 709	-	6 635	-	-	-	-
Equity	3 872 881	-	-	3 872 881	-	-	-	-
Total equity and liabilities	18 341 943	10 458 491	7 347 513	458 330	2 839	21 620	53 150	-

FOREIGN CURRENCY POSITION AS AT 30 JUNE 2024

	UNDERLYING CURRENCY					Other foreign currencies [ZWG 000]
	ZWG 000	ZAR 000	GBP 000	EUR 000	USD 000	
Assets						
Balances with banks and cash	384 771	24 111	114	2 146	-	54 469
Financial securities	463 664	-	-	-	-	-
Loans and advances to customers	383 558	16 790	-	-	-	-
Insurance assets	11 473	-	-	-	-	-
Reinsurance assets	4 710	-	-	-	-	-
Equity investments	70 931	-	-	431	-	-

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:

- continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
- ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
- 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:

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

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 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

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.

34.14 Compliance and Regulatory risk

During the period CBZ Holdings was fined US\$ 19,600 by the Reserve Bank of Zimbabwe (RBZ) for late publication of 31 December 2023 financial results.

35. 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.



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CORPORATE GOVERNANCE

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

GOVERNANCE STRUCTURE



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

THE BOARD OF DIRECTORS

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

The Board comprises of 7 Directors being; 5 Non-Executive Directors and 2 Executive Directors.

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

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

BOARD COMMITTEES

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

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

The Boards of Directors of the Holding Company and its subsidiaries as at 30 June 2024 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield
Zembe, L	Dr MPA Marufu	N Mhlanga	H Tshuma	AKT Matika	L Magorimbo	M. Sinyoro	J. Jinnah	W D Parham
Mashingaidze, EU	ET Shangwa	MTV Moyo	M B Narotam	W Chitiga	N Ndlovu	L Nyazema	W.J. Ntini	P S Mazike
Galante, E E	Dr CH Beddies	CF Mukanganga	L Nyazema	L Nyazema	N Marandu	T L Gumbo	T. Mariwo	L Nyazema
Gain R	J G Shah	H. J. Joshi	T L Gumbo	T L Gumbo	L Nyazema	J F Smith	V. Masunda	T L Gumbo
Gerken L C	L Nyazema	L Nyazema	J F Smith	J F Smith	T L Gumbo	H Bvumbura**	L Nyazema	W Mutizwa**
T Gumbo**	T L Gumbo	T. L Gumbo	J Mutizwa**	J Mharadze**	J F Smith		T L Gumbo	S Mhangu**
Nyazema, L**	S Mandidi**	JF Smith				T Chinyani**	D Ali**	
								T Muzadzi**

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

CBZ Holdings Limited (Attendance Register January to June 2024 Boards, Merger And Integration Strategy Committee Engagements)

	Audit & Finance	Risk Mgt	ESG Committee	It Strategy Committee	Strategy Committee	Hr & Corp. Govern	Board Merger And Integration Strategy Committee	Strategy	Special Main Board	Main Board	Total Committees	Total Boards
Meetings Held	5	2	1	1	1	10	6	2	8	2	22	12
Zembe, L	1*	*	*	1	1	4	5	2	8	2	12	12
Mashingaidze, EU	5	*	*	*	1	10	6	2	8	2	22	12
Galante, E E	5	*	1	*	1	*	1	2	7	2	8	11
Gain R	*1	2	1	1	1	4	***	2	6	2	10	10
Gerken L C	5	2	1	1	1	1*	***	2	7	2	10	11
T Gumbo	4	1*	***	***	***	***	*	1	7	1	5	9
Nyazema, L	4*	2*	1	1	1	4	1	2	7	2	15	11

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

CBZ BANK LIMITED Board Attendance Register (January to June 2024)

Name	Audit & Finance	Special Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Special Main Board	Main Board	Total Committees	Total Main Board
Meetings Held	2	1	2	2	2	2	5	2	11	7
Dr MPA Marufu	*1	*1	*1	*1	*1	2	4	2	2	6
ET Shangwa	2	1	*	2	2	*	4	2	7	6
Dr CH Beddies	2	1	2	2	2	*	5	2	9	7
J G Shah	2	1	2	*1	*1	2	4	2	7	6
L Nyazema	*2	*1	2	2	2	*2	3	2	11	5
T L Gumbo	*1	*1	*1	*1	*1	1	1	1	4	2
S Mandidi**	*1	*1	*1	*1	*1	*1	1	1	4	2

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

CBZ Asset Management (Private) Limited Board and Committees Attendance Register (January to June 2024)

Name	Audit & Compliance	Investments & Risk	Main Board	Special Main Board	CBZH Strategy	Total Committees	Total Boards
Meetings held	2	2	2	1	2	4	5
N Mhlanga	*	2	2	1	2	2	5
MTV Moyo	2	*	2	1	2	2	5
CF Mukanganga	2	2	2	1	2	4	4
H. J. Joshi	1	2	2	1	***	3	3
L. Nyazema	2	2	1	1	1	4	3
T. L Gumbo	***	1	***	1	***	1	1
JF Smith	2	2	2	1	1	4	4
T Muzadzi**	2	2	2	1	1	4	4

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

CBZ Life Limited Board and Committees Attendance Register (January to June 2024)

Name	Investments & Risk	Hr & Remuneration	Audit & Finance	Special Audit & Finance	Main Board	CBZH Strategy	Total Committees	Total Boards
Meetings held	2	2	2	1	2	2	6	5
H Tshuma	2	2	2	1	2	2	6	5
M B Narotam	2	2	2	1	2	1	6	4
L Nyazema	2	2	2	1	2	***	6	3
T L Gumbo	1	1	1	1	1	***	3	2
J F Smith	2	2	2	1	2	***	6	3
J Mutizwa***	2	2	2	1	2	***	6	3

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

CBZ Insurance Board and Committees Attendance Register (January to June 2024)

Name	Hr & Remuneration	Investments & Risk	Audit & Finance	Special Board	Main Board	CBZH Strategy	Total Committees	Total Boards
Meetings Held	2	2	2	1	2	2	6	5
AKT Matika	2	2	2	1	2	2	6	5
W Chitiga	2	2	2	1	2	1	6	4
L Nyazema	2	2	2	1	2	***	6	3
T L Gumbo	1	1	1	1	1	***	3	2
J F Smith	2	2	2	1	2	***	6	3
J Mharadze****	2	2	2	1	2	***	6	3

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

CBZ Risk Advisory Services Board and Committees Attendance Register (January to June 2024)

Name	Audit & Risk	Special Board	Board	CBZH Strategy	Total Committees	Total Boards
Meetings Held	2	1	2	2	2	5
Livingstone Magorimbo	***	1	1	1	0	3
N Ndlovu	2	1	2	2	2	5
N Marandu	2	1	2	1	2	4
L Nyazema	2	1	2	***	2	3
T L Gumbo	1	1	1	***	1	2
J F Smith	2	1	2	***	2	3
T Chinyani****	2	1	2	1	2	4

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

Red Sphere Finance Board and Committees Attendance Register (January to June 2024)

Name	Audit & Risk Committee	Board Credit	Special Board	Board	CBZH Strategy	Total Committees	Total Board
Meetings Held	2	2	1	2	1	4	5
J. Jinnah	*	2	1	2	2	2	5
W.J. Ntini	2	*	1	2	1	2	4
T. Mariwo	2	2	1	2	1	4	4
V. Masunda	2	2	1	2	1	4	4
L Nyazema	1	2	1	2	***	3	3
T L Gumbo	1	1	1	1	***	2	2
D Ali****	2	2	1	2	***	4	3

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

CBZ Properties Board and Committees Attendance Register (January to June 2024)

Name	Main Board	CBZH Strategy	Total Board
Meetings held	2	2	4
M. Sinyoro	2	2	4
L Nyazema	2	***	2
T L Gumbo	1	***	1
J F Smith	2	***	2
H Bvumbura****	2	1	3

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

CBZ Agro Yield Board Attendance Register (January to June 2024)

Name	Special Board	Main Board	CBZH Strategy	Total Board
Meetings Held	1	1	1	4
W D Parham	1	1	1	3
P S Mazike	1	2	1	4
L Nyazema	1	3	***	3
T L Gumbo	1	1	***	2
W Mutizwa****	1	2	***	3
S Mhangu*****	1	2	***	3

Key
 * not a member
 ** Executive
 *** did not attend
 **** Acting Managing Director
 ***** COO

STATEMENT OF COMPLIANCE

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

By order of the Board

Rumbidzayi Angeline Jakanani
 GROUP CHIEF GOVERNANCE OFFICER

29 August 2024

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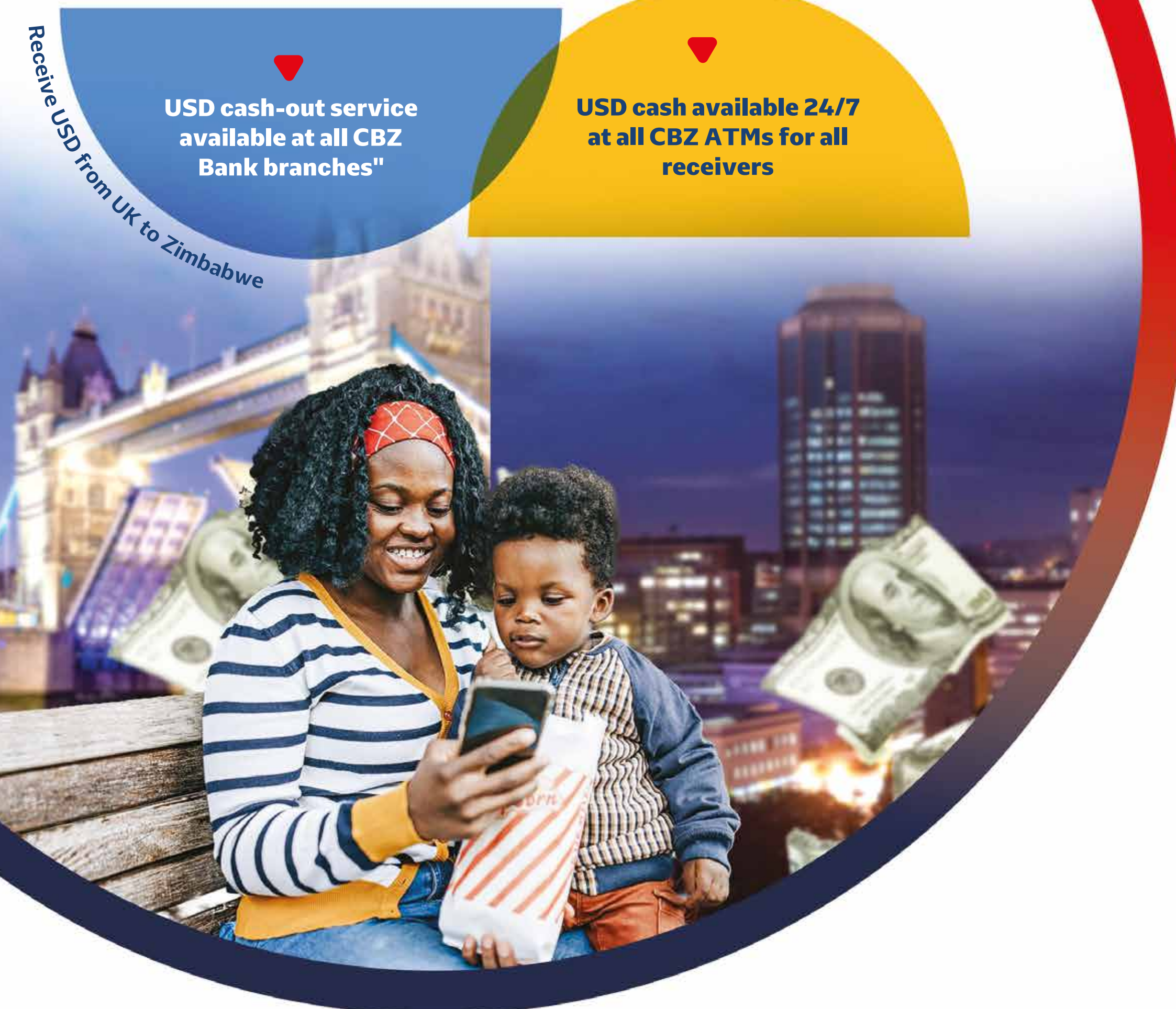
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UNAUDITED INTERIM FINANCIAL RESULTS

For the half year ended 30 June 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2024

NOTES	UNAUDITED	
	30 JUNE 2024 ZWG 000	30 JUNE 2023 ZWG 000
Net interest income	511 661	467 254
Interest income	560 110	560 308
Interest expense	(48 449)	(93 054)
Net Fee and commission income	462 087	222 024
Fee and commission income	546 333	259 097
Fee and commission expense	(84 246)	(37 073)
Treasury and dealing income	819 997	1 007 562
Other revenue	(147 450)	218 440
Revenue	1 646 295	1 915 280
Net other income	167 719	8 007
Total income	1 814 014	1 923 287
Staff expenses	(400 772)	(249 294)
Administration expenses	(350 352)	(160 154)
Expected credit loss	(182 409)	(325 304)
Depreciation and amortisation expense	(33 177)	(19 899)
Operating income	847 304	1 168 636
Monetary loss	-	(356 500)
Profit before taxation	847 304	812 136
Taxation	143 724	(261 641)
Profit for the year after tax	991 028	550 495
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gains on property revaluations	(274 494)	399 080
Gains on equity instruments at FVOCI	16 967	54 163
Exchange gains on translation to presentation currency	37 585	-
Deferred income tax relating to components of other comprehensive income	48 065	(90 092)
	(171 877)	363 151
Total comprehensive income for the year	819 151	913 646

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	UNAUDITED	
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
ASSETS		
Cash and cash equivalents	2 618 723	4 104 934
Money market assets	547 118	438 451
Financial securities	3 377 249	2 788 862
Loans and advances to customers	4 321 786	4 270 933
Equity investments	229 032	210 275
Land inventory	247 962	229 050
Other assets	3 062 725	2 254 658
Current tax receivable	-	64 295
Intangible assets	5 118	6 834
Investment properties	295 864	459 473
Property and equipment	751 630	990 948
TOTAL ASSETS	15 457 207	15 818 713
LIABILITIES		
Deposits	11 568 676	12 488 866
Other liabilities	360 615	333 382
Current tax payable	20 003	-
Deferred tax liability	150 165	462 120
Lease liability	7 048	2 796
	12 106 507	13 287 164
EQUITY		
Share capital	8 410	8 410
Share premium	27 477	27 477
Revaluation reserve	323 122	546 367
Retained Earnings	2 854 445	1 863 417
Foreign currency translation reserve	37 585	-
Fair value reserve	99 661	85 878
Equity attributable to equityholders of the parent	3 350 700	2 531 549
TOTAL LIABILITIES AND EQUITY	15 457 207	15 818 713

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024

	UNAUDITED						
	Share capital ZWG 000	Share premium ZWG 000	Revaluation reserve ZWG 000	FCTR ZWG 000	Fair value reserve ZWG 000	Retained earnings ZWG 000	Total ZWG 000
30 June 2023							
Opening balance	5 610	18 330	92 066	-	38 546	706 834	861 386
Profit for the period	-	-	-	-	-	550 495	550 495
Other comprehensive income for the period	-	-	317 110	-	46 041	-	363 151
Dividend paid	-	-	-	-	-	(78 792)	(78 792)
Closing balance	5 610	18 330	409 176	-	84 587	1 178 537	1 696 240
30 June 2024							
Opening balance	8 410	27 477	546 367	-	85 878	1 863 417	2 531 549
Profit for the period	-	-	-	-	-	991 028	991 028
Other comprehensive income for the period	-	-	(223 245)	37 585	13 783	-	(171 877)
Closing balance	8 410	27 477	323 122	37 585	99 661	2 854 445	3 350 700

* Foreign currency translation reserve

STATEMENT OF CASH FLOWS

For the period ended 30 June 2024

	UNAUDITED	
	30 JUNE 2024 ZWG 000	30 JUNE 2023 ZWG 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	847 304	812 136
Non cash items:		
Monetary loss	-	356 500
Depreciation	31 414	17 545
Amortisation of intangible assets	1 762	2 354
Write off of property and equipment	2 049	3 607
Fair value adjustments on investment properties	165 875	(205 329)
Fair value adjustments on financial instruments	652	(298)
Bad debts recovered	(71 958)	-
Day one exchange gain on discounted treasury bills	(12 389)	-
Expected credit loss expense	182 409	325 304
Unrealised loss on foreign currency position	(601 216)	(923 403)
(Profit)/loss on sale of property and equipment	(130)	(140)
Interest on lease liability	151	29
Operating cash flows before changes in operating assets and liabilities	545 923	388 305
Changes in operating assets and liabilities		
Deposits	894 688	5 315 599
Loans and advances to customers	(638 658)	(2 911 150)
Financial securities	(679 256)	(44 395)
Money market assets	(123 281)	(596 826)
Land inventory	(16 275)	5 787
Other assets	(944 218)	(956 342)
Other Liabilities	189 880	315 426
	(1 317 120)	1 128 099
TAXATION		
Corporate tax paid	(36 222)	(176 295)
Net cash inflow/(outflow) from operating activities	(807 419)	1 340 109
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of property and equipment	355	141
Purchase of property and equipment	(56 280)	(49 936)
Purchase of intangible assets	-	(936)
Net cash outflow from investing activities	(55 925)	(50 731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability payment	(1 717)	(297)
Interest on lease liability	(151)	(29)
Dividends paid	-	(76 825)
Net cash inflow/(outflow) from financing activities	(1 868)	(77 151)
Net increase/ (decrease) in cash and cash equivalents	(865 212)	1 212 227
Cash and cash equivalents at beginning of period	4 104 934	1 853 681
Exchange gains on foreign cash balances	(64 369)	947 893
FCTR effects on cash	22 691	-
Cash and cash equivalents at end of period	2 618 723	4 013 801

NOTES TO THE FINANCIAL RESULTS

For the period ended 30 June 2024

1. INCORPORATION ACTIVITIES

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

1.1 Basis of preparation

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

	UNAUDITED	
	30 JUNE 2024 ZWG 000	30 JUNE 2023 ZWG 000
2. NET INTEREST INCOME		
2.1 Interest income		
Corporate loans	213 286	322 535
Mortgage loans	17 072	7 382
SME	3 755	1 821
Individual	88 141	25 957
Treasury Placements	75 238	80 445
Cash equivalents	3 717	1 470
Treasury bills	141 358	87 009
Staff loans	3 775	8 280
Loan schemes	13 768	25 409
	560 110	560 308
2.2 Interest expense		
Interest Expense-Savings Deposits	(7 783)	(6 616)
Interest Expense-Lease Finance	(151)	(29)
Interest Expense-Credit lines	(27 559)	(11 970)
Interest Expense-Term deposits	(12 956)	(74 439)
	(48 449)	(93 054)
3. FEE AND COMMISSION INCOME		
Commission income-POS	49 338	36 691
Commission income- Cash Withdrawal	220 491	83 897
Commission income-funds transfer	105 726	53 616
Commission income-MTAs	4 821	2 572
Commission income-Passports	11 434	9 503
Commission income-other services	27 729	10 317
Service fees income	120 640	60 386
Custodial Services income	6 155	2 116
	546 334	259 098
Fee and Commission Expense		
COS-POS	(16 635)	(13 014)
COS cash withdrawal	(18 541)	(3 925)
COS-Funds transfer	(12 123)	(6 656)
COS MTAs	(38)	(36)
COS Other commission services	(3 689)	(430)
COS Service fees	(33 221)	(13 013)
	(84 247)	(37 074)
Fee and commission income	462 087	222 024



	UNAUDITED	UNAUDITED
	30 JUNE 2024 ZWG 000	30 JUNE 2023 ZWG 000
4 TREASURY AND DEALING INCOME		
Treasury trading income	51 921	83 861
Fair value gains and losses FVTPL	(652)	298
Net Forex Gains and losses	601 216	923 403
Day one gains on Treasury bills	167 512	-
	819 997	1 007 562
5 OTHER REVENUE		
Rental income	9 565	2 098
Fair Value Gain on Investment Properties	(165 875)	205 329
Housing Projects revenue	8 860	11 013
	(147 450)	218 440
6 NET OTHER INCOME		
Profit on Disposal of PPE	130	140
Bad Debts Recovered	166 655	1 788
Cost Sharing	934	6 079
	167 719	8 007
7 STAFF EXPENSES		
Basic Salary	158 048	91 644
Allowances	78 244	39 726
Annual Bonus	5 292	3 873
Performance Bonus	80 963	64 887
Social security	4 426	2 621
Pension Cost	22 825	12 277
Leave pay expense	19 402	25 015
Other Staff Cost	31 572	9 251
	400 772	249 294
8 ADMINISTRATION EXPENSES		
Computer Cost	88 498	39 602
Marketing expenses	18 500	6 074
Office expenses	79 150	39 701
Audit fees	2 304	2 108
Short term lease	2 485	1 262
Write offs	533	353
Directors fees	1 671	1 774
Other operating costs	157 211	69 280
	350 352	160 154
8.1 Remuneration of directors and key management personnel (included in staff costs)		
Fees for services as directors	2 542	2 209
Pension and retirement benefits for past and present directors	380	497
	3 484	7 263
Short term employment benefits	6 026	9 472
Post employment benefits	380	497
	6 406	9 969
9 TAXATION		
9.1 The following constitutes the major components of income tax expense recognised in the Statement of Profit or Loss.		
Analysis of tax charge in respect of the profit for the period		
Deferred income tax	(263 967)	208 551
Income tax expense	(143 724)	261 642
9.2 Income tax rate reconciliations		
Notional tax	25.00	24.00
Aids levy	0.75	0.72
Non deductible expenses	7.00	13.73
Exempt income	(8.34)	(3.22)
Effect of special tax rate	(1.17)	3.00
Release of exchange gains	(40.16)	-
Tax credit	(0.04)	-
Effective tax rate	(16.96)	32.22
9.3 Analysis of tax effects in respect of other comprehensive income		
The following constitutes the major components of deferred tax expense recognised in the statement of comprehensive income.		
Deferred tax expense on revaluation gains/(loss)	(51 249)	81 970
Deferred tax expense on fair value adjustment on financial assets	3 184	8 122
Total taxation relating to components of other comprehensive income	(48 065)	90 092
	UNAUDITED	UNAUDITED
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
10 CASH AND CASH EQUIVALENTS		
Balance with local banks	151 379	155 728
Cash and current accounts	656 754	1 161 624
Balances with foreign banks	282 809	342 236
Balances with the Reserve Bank of Zimbabwe	724 232	1 486 807
RBZ Statutory reserve	803 549	958 539
	2 618 723	4 104 934
Expected credit loss	2 618 723	4 104 934
10.1 RESTRICTED BALANCES		
RBZ Statutory reserve	803 549	958 539
Amounts secured as guarantees or collateral	44 204	44 386
The cash and cash equivalents balance represent the Bank's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently at 15% for demand deposits and 5% for term deposits for local and 20% demand deposit and 5% term deposit for foreign.		
11 MONEY MARKET ASSETS		
Money market assets are non-credit financial assets securities with an original maturity of one year or less.		
Interbank Placements	578 332	457 795
Accrued interest	18 154	4 748
Total gross money market	596 486	462 543
Expected credit loss	(49 368)	(24 092)
Total net money market	547 118	438 451
11.1 Maturity analysis		
The maturity analysis of money market assets is shown below.		
Between 0 and 3 months	366 552	325 253
Between 3 and 6 months	229 934	378
Between 6 and 12 months	-	136 912
	596 486	462 543
Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.		
12 FINANCIAL SECURITIES		
Financial securities are non credit financial assets with an original maturity of more than 1 year.		
Treasury bills	1 065 536	1 149 954
Discounted treasury bills	1 391 849	955 678
Promissory notes	561 366	556 462
Accrued interest	414 397	187 693
Total gross financial securities	3 433 149	2 849 787
Expected credit loss	(55 900)	(60 925)
Total net financial securities	3 377 249	2 788 862
12.1 Maturity analysis		
The maturity analysis of financial securities is shown below:		
Between 0 and 3 months	1 267 793	601 351
Between 3 and 6 months	1 127 973	811 501
Between 6 and 12 months	689 861	655 404
Between 1 and 5 years	347 145	775 920
Above 5 years	377	5 611
	3 433 149	2 849 787
Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.		

	UNAUDITED	UNAUDITED
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
13 LOANS AND ADVANCES TO CUSTOMERS		
Overdrafts	784 654	610 219
Commercial loans	3 441 918	3 518 813
Staff loans	21 386	132 065
Mortgage advances	276 824	187 728
Interest accrued	67 679	48 335
Total gross loans and advances to customers	4 592 461	4 497 160
Allowance for Expected Credit Loss (ECL)	(270 675)	(226 227)
Total net loans and advances to customers	4 321 786	4 270 933
13.2 Maturity analysis		
Less than 1 month	550 437	841 849
Between 1 and 3 months	442 275	463 267
Between 3 and 6 months	886 722	540 040
Between 6 months and 1 year	1 000 513	1 052 385
Between 1 and 5 years	1 707 851	1 562 431
More than 5 years	4 663	37 188
	4 592 461	4 497 160
Maturity analysis is based on the remaining period from 30 June 2024 to contractual maturity.		
13.3 Loans to directors key management and employees		
Loans to directors and key management Included in advances are loans to executive directors and key management:-		
Opening balance	39 903	23 774
Effects of translation to presentation currency	(91)	-
Advances made during the period	43	94 440
Monetary adjustment	-	(75 558)
Exchange loss	(33 053)	-
Repayment during the period	(389)	(2 753)
Balance at end of the period	6 413	39 903
Loans to employees		
Included in advances are loans to employees:-		
Opening balance	92 163	115 685
Effects of translation to presentation currency	(209)	-
Advances made during the period	2 017	241 865
Monetary Adjustment	-	(235 467)
Exchange loss	(77 178)	-
Repayments during the period	(1 820)	(29 921)
Balance at end of the period	14 973	92 163
13.4 Allowance for Expected Credit Loss (ECL)		
Opening balance	226 227	311 855
Effects of translation to presentation currency	4 611	-
Credit loss expense on loans and advances	155 922	336 431
Foreign exchange loss	(15 997)	394 130
Monetary Adjustment	-	676 884
Amounts written off during the period	(100 088)	(1 493 073)
Closing balance	270 675	226 227

	UNAUDITED	UNAUDITED		
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000		
	%	%		
13.5 Sectoral Analysis				
Private	1 377 929	29%	1 178 033	25%
Agriculture	466 785	11%	547 509	13%
Mining	694 663	16%	857 043	20%
Manufacturing	795 618	18%	737 143	17%
Distribution	649 663	14%	722 498	16%
Construction	108 937	2%	53 717	1%
Transport	14 421	0%	15 863	0%
Communication	146 967	3%	190 659	4%
Services	200 969	4%	182 937	4%
Financial organisations	136 509	3%	11 758	0%
	4 592 461	100%	4 497 160	100%

14. IMPAIRMENT ON FINANCIAL INSTRUMENTS

14.1 Expected credit loss expense (ECL)

The table below shows the ECL charges on financial instruments for the period recorded in the Statement of Other Comprehensive Income:

	UNAUDITED			
	Stage 1 ZWG 000	Stage 2 ZWG 000	Stage 3 ZWG 000	Total
	30 JUNE 2024	30 JUNE 2024	30 JUNE 2024	30 JUNE 2024
Money market assets	13,220	-	-	13,220
Financial securities	(3,790)	-	-	(3,790)
Loans and advances to customers	26,038	51,374	78,520	155,931
Staff loans	(625)	63	552	(9)
Financial guarantees	73	-	-	73
Cash equivalents	6,359	-	-	6,359
Other receivables	7,731	-	-	7,731
Lease receivables	-	187	2,707	2,894
Expected credit loss expense	49,006	51,624	81,779	182,409
	UNAUDITED			
	Stage 1 ZWG 000	Stage 2 ZWG 000	Stage 3 ZWG 000	Total
	30 JUNE 2023	30 JUNE 2023	30 JUNE 2023	30 JUNE 2023
Money market assets	40,188	-	-	40,188
Financial securities	280	-	-	280
Loans and advances to customers	12,777	(5,258)	276,321	283,840
Staff loans	587	25	76	688
Financial guarantees	(544)	-	-	(544)
Cash equivalents	2,248	-	-	2,248
Other receivables	(1,357)	-	-	(1,357)
Lease receivables	-	(49)	10	(39)
Expected credit loss expense	54,179	(5,282)	276,407	325,304

	UNAUDITED	UNAUDITED
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
15. OTHER ASSETS		
Prepayments & stationery	204 272	104 306
Other receivables	3 128 077	2 376 599
Gross other assets	3 332 349	2 480 905
Expected credit loss	(269 624)	(226 247)
Net other assets	3 062 725	2 254 658

Included in other receivables is an amount of ZWG 1 832 221 993 (2023: ZWG 1 890 805 062) which relates to the RBZ financial asset in lieu of legacy debt registration. RBZ committed to provide foreign currency to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of US\$1:Z\$1.

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

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
16. LAND INVENTORY		
Opening Balance	229 050	229 780
Additions	19 963	18 606
Effects of translation to presentation currency	2 637	-
Disposals	(3 688)	(19 336)
Closing balance	247 962	229 050

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
17. EQUITY INVESTMENTS		
Opening balance	210 275	77 946
Effects of translation to presentation currency	2 442	-
Additions	-	96 025
Fair value adjustments - Profit or loss	(652)	726
Fair value adjustments - Other comprehensive income	16 967	35 578
	229 032	210 275

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
17.1 Investments in Equities		
Listed investments	240	893
Unlisted investments	228 792	209 382
	229 032	210 275

	UNAUDITED			
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	Total carrying amount ZWG 000
30 JUNE 2024				
Balances with banks and cash			2 618 723	2 618 723
Money market assets			547 118	547 118
Financial securities			3 377 249	3 377 249
Loans and advances to customers			4 321 786	4 321 786
Equity investments	240	228 792		229 032
Other assets			2 858 453	2 858 453
TOTAL ASSETS	240	228 792	13 723 329	13 952 361

	UNAUDITED			
	At fair value through profit or loss ZWG 000	At fair value through OCI ZWG 000	At amortised cost ZWG 000	Total carrying amount ZWG 000
31 DECEMBER 2023				
Balances with banks and cash			4 104 934	4 104 934
Money Market assets			438 451	438 451
Financial securities			2 788 862	2 788 862
Loans and advances to customers			4 270 933	4 270 933
Equity investments	104 306	209 382		313 688
Other assets			2 150 352	2 150 352
TOTAL ASSETS	104 306	209 382	13 753 532	14 067 220

19. FAIR VALUE MEASUREMENT

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

	AUDITED							
	Level 1		Level 2		Level 3		Total carrying amount	
	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000	30 JUNE 2024 ZWG 000	31 DEC 2023 ZWG 000
Equity investments	240	893	-	-	228 793	209 383	229 033	210 275
Land and Buildings	-	-	514 590	780 998	-	-	514 590	780 998
Investment properties	-	-	295 864	459 473	-	-	295 864	459 473
Total assets at fair value	240	893	810 454	1 240 471	228 793	209 383	1 039 487	1 450 746

The Bank determines for assets and liabilities that are recognized in the financial statements at fair value on a recurring basis whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Level 2 valuation techniques are highlighted on note 21 for Property and Equipment and note 22 for Investment properties.

There were no transfers between Level 1 and Level 2 during 2024.

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

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

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

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
• Earnings Multiple	• Liquidity discount • GDP Growth	• The GDP growth was higher or lower • The Liquidity discount was higher or lower

If the fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWG 678 680 and the Statement of Financial Position would be ZWG 848 350 higher or lower than the reported position.

20. PROPERTY AND EQUIPMENT

	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computers ZWG 000	Equipment ZWG 000	Furniture & fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
30 June 2024									
COST									
Opening balance	123 779	668 074	1 343	28 637	106 259	37 911	21 910	88 293	1 076 206
Right of use assets	-	5 906	-	-	-	-	-	-	5 906
Effects of translation to presentation currency	429	3 519	14	410	1 154	455	155	1 710	7 846
Additions	-	-	-	2 970	3 339	2 782	163	47 026	56 280
Revaluation loss	(56 610)	(230 506)	-	-	-	-	-	-	(287 116)
Disposals	-	-	-	-	(309)	(163)	(162)	-	(634)
Write offs	-	-	-	(4)	(23)	(52)	(22)	(2 038)	(2 139)
Transfers (PPE Intercategories)	-	-	-	6 608	320	1 712	623	(9 263)	-
Closing balance	67 598	446 993	1 357	38 621	110 740	42 645	22 667	125 728	856 349
Accumulated depreciation									
Opening balance	-	8 754	1 139	9 252	43 522	15 610	6 981	-	85 258
Effects of translation to presentation currency	-	111	12	140	613	200	92	-	1 168
Right of use assets	-	1 278	-	-	-	-	-	-	1 278
Charge for the period	-	12 622	23	2 712	10 731	2 649	1 399	-	30 136
Disposals	-	-	-	-	(188)	(146)	(75)	-	(409)
Write offs	-	-	-	(3)	(20)	(47)	(20)	-	(90)
Revaluation	-	(12 622)	-	-	-	-	-	-	(12 622)
Closing balance	-	10 143	1 174	12 101	54 658	18 266	8 377	-	104 719
Net Book Value	67 598	436 850	183	26 520	56 082	24 379	14 290	125 728	751 630

	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computers ZWG 000	Equipment ZWG 000	Furniture & fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
31 December 2023									
COST									
Opening balance	43 025	253 775	1 343	10 988	95 222	24 754	15 763	50 187	495 057
Right of use assets	-	2 861	-	-	-	-	-	-	2 861
Additions	-	-	-	17 156	9 129	11 824	6 005	49 943	94 057
Revaluation gain	80 754	403 372	-	-	-	-	-	-	484 126
Disposals	-	-	-	(4)	-	(4)	(2)	-	(24)
Transfers(to)/ from	-	8 066	-	-	-	-	-	-	8 066
Investment Properties	-	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	(17)	(28)	(7)	(7 885)	(7 937)
Transfers(PPE Intercategories)	-	-	-	497	1 939	1 365	151	(3 952)	-
Closing balance	123 779	668 074	1 343	28 637	106 259	37 911	21 910	88 293	1 076 206

	UNAUDITED								
	Land ZWG 000	Buildings ZWG 000	Leasehold improvements ZWG 000	Motor vehicles ZWG 000	Computers ZWG 000	Equipment ZWG 000	Furniture & fittings ZWG 000	Work in progress ZWG 000	Total ZWG 000
Accumulated depreciation & impairment									
Opening balance	-	7 260	1 020	8 812	32 741	14 506	6 424	-	70 763
Right of use assets	-	1 494	-	-	-	-	-	-	1 494
Charge for the Period	-	52 527	119	444	10 804	1 131	564	-	65 589
Disposals	-	-	-	(4)	(11)	(3)	(1)	-	(19)
Writeoffs	-	-	-	-	(12)	(24)	(6)	-	(42)
Revaluation	-	(52 527)	-	-	-	-	-	-	(52 527)
Closing balance	-	8 754	1 139	9 252	43 522	15 610	6 981	-	85 258

Net Book Value 123 779 659 320 204 19 385 62 737 22 301 14 929 88 293 990 948

Properties were revalued on an open market basis by professional valuer, as at 30 June 2024 in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. The revaluation of land and buildings entailed the following:

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

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

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

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

Adjustments were made to the following aspects:

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

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

- Motor vehicles 3 - 5 years
- Computer equipment 5 years

32. INTEREST RATE RISK

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

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

At 30 June 2024, 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 ZWG 11 759 570 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.

32.1 INTEREST RATE REPRICING AND GAP ANALYSIS

30 JUNE 2024	UNAUDITED							
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
Assets								
Balances with banks and cash	1 054 620	-	-	-	-	-	1 564 103	2 618 723
Money market assets	366 552	180 566	-	-	-	-	-	547 118
Financial securities	477 899	789 894	1 072 074	689 861	347 145	376	-	3 377 249
Loans and advances to customers	517 994	416 207	834 460	941 544	1 607 192	4 389	-	4 321 786
Equity investments	-	-	-	-	-	-	229 032	229 032
Land inventory	-	-	-	-	-	-	247 962	247 962
Other assets	-	-	-	-	-	-	3 062 725	3 062 725
Intangible assets	-	-	-	-	-	-	5 118	5 118
Investment properties	-	-	-	-	-	-	295 864	295 864
Property and equipment	-	-	-	-	-	-	751 630	751 630
Total assets	2 417 065	1 386 667	1 906 534	1 631 405	1 954 337	4 765	6 156 434	15 457 207
Equity & Liabilities								
Deposits	673 928	36 570	50 366	95 971	597 177	-	10 114 664	11 568 676
Other liabilities	-	-	-	-	-	-	360 615	360 615
Current tax payable	-	-	-	-	-	-	20 003	20 003
Deferred taxation	-	-	-	-	-	-	150 165	150 165
Lease liability	257	517	784	1 077	4 413	-	-	7 048
Equity	-	-	-	-	-	-	3 350 700	3 350 700
Total liabilities and equity	674 185	37 087	51 150	97 048	601 590	-	13 996 147	15 457 207
Interest rate repricing gap	1 742 880	1 349 580	1 855 384	1 534 357	1 352 747	4 765	(7 839 713)	-
Cumulative gap	1 742 880	3 092 460	4 947 844	6 482 201	7 834 948	7 839 713	-	-

31 DEC 2023	UNAUDITED							
	Less than one month ZWG 000	1 to 3 months ZWG 000	3 to 6 months ZWG 000	6 to 12 months ZWG 000	1 to 5 years ZWG 000	5 years and above ZWG 000	Non-interest bearing ZWG 000	Total ZWG 000
Assets								
Balances with banks and cash	1 731 080	-	-	-	-	-	2 373 854	4 104 934
Money market assets	325 252	378	112 821	-	-	-	-	438 451
Financial securities	124 224	485 121	695 143	768 452	714 379	1 543	-	2 788 862
Loans and advances to customers	841 849	463 267	540 040	1 052 385	1 336 204	37 188	-	4 270 933
Equity investments	-	-	-	-	-	-	210 275	210 275
Land inventory	-	-	-	-	-	-	229 050	229 050
Other assets	-	-	-	-	-	-	2 254 658	2 254 658
Current tax receivable	-	-	-	-	-	-	64 295	64 295
Intangible assets	-	-	-	-	-	-	6 834	6 834
Investment properties	-	-	-	-	-	-	459 473	459 473
Property and equipment	-	-	-	-	-	-	990 948	990 948
Total assets	3 022 405	948 766	1 348 004	1 820 837	2 050 583	38 731	6 589 387	15 818 713
Equity & Liabilities								
Deposits	522 266	5 191	258 573	-	12 735	515 960	11 174 141	12 488 866
Other liabilities	333 382	-	-	-	-	-	462 120	333 382
Deferred taxation	-	-	-	-	-	-	462 120	462 120
Lease liability	125	252	382	779	1 258	-	-	2 796
Equity	-	-	-	-	-	-	2 531 549	2 531 549
Total liabilities and equity	855 773	5 443	258 955	779	13 993	515 960	14 167 810	15 818 713
Interest rate repricing gap	2 166 632	943 323	1 089 049	1 820 058	2 036 590	(477 229)	(7 578 423)	-
Cumulative gap	2 166 632	3 109 955	4 199 004	6 019 062	8 055 652	7 578 423	-	-

FOREIGN CURRENCY POSITION

FOREIGN CURRENCY POSITION AS AT 30 JUNE 2024

	UNAUDITED						
	Total 000	ZWG 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Cash and cash equivalents	2 618 723	2 125 510	372 788	32 543	1 970	31 443	54 469
Money market assets	547 118	547 118	-	-	-	-	-
Financial securities	3 377 249	2 913 585	463 664	-	-	-	-
Loans and advances to customers	4 321 786	3 919 601	379 524	22 661	-	-	-
Equity investments	229 032	203 173	19 545	-	-	6 314	-
Land inventory	247 962	247 962	-	-	-	-	-
Other assets	3 062 725	2 865 901	196 774	20	27	3	-
Intangible assets	5 118	5 118	-	-	-	-	-
Investment properties	295 864	295 864	-	-	-	-	-
Property and equipment	751 630	751 630	-	-	-	-	-
Total assets	15 457 207	13 875 462	1 432 295	55 224	1 997	37 760	54 469
Equity & Liabilities							
Deposits	11 568 676	9 688 279	1 597 276	142 782	1 146	85 716	53 477
Other liabilities	360 615	269 074	82 160	775	326	1 374	6 906
Current tax payable	20 003	20 003	-	-	-	-	-
Deferred tax liability	150 165	150 165	-	-	-	-	-
Lease liability	7 048	7 048	-	-	-	-	-
Equity	3 350 700	3 350 700	-	-	-	-	-
Total equity and liabilities	15 457 207	13 485 269	1 679 436	143 557	1 472	87 090	60 383

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2023

	UNAUDITED						
	Total 000	ZWG 000	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies 000
Assets							
Balances with banks and cash	55 669 470	7 968 421	43 204 517	3 153 480	37 223	617 701	688 128
Money market assets	5 946 096	163 903	5 782 193	-	-	-	-
Financial securities	37 821 431	2 964 171	34 857 260	-	-	-	-
Loans and advances to customers	57 920 681	6 770 203	51 130 417	20 061	-	-	-
Equity investments	2 851 668	2 851 668	-	-	-	-	-
Land inventory	3 106 283	3 106 283	-	-	-	-	-
Other assets	30 576 765	2 474 048	27 942 378	44	372	40	159 883
Current tax receivable	871 943	871 943	-	-	-	-	-
Intangible assets	92 685	92 685	-	-	-	-	-
Investment properties	6 231 185	6 231 185	-	-	-	-	-
Property and equipment	13 438 841	13 438 841	-	-	-	-	-
Total assets	158 857 578	38 964 930	119 712 248	20 105	372	40	159 883
Equity & Liabilities							
Deposits	169 369 001	28 099 747	134 128 657	6 188 078	34 092	273 313	645 114
Other liabilities	4 521 200	1 840 054	2 553 546	27 607	4 414	19 898	75 681
Deferred taxation	6 267 083	6 267 083	-	-	-	-	-
Lease liability	37 912	37 912	-	-	-	-	-
Equity	34 331 853	34 331 853	-	-	-	-	-
Total equity and liabilities	214 527 049	70 576 649	136 682 203	6 215 685	38 506	293 211	720 795

FOREIGN CURRENCY POSITION AS AT 30 JUNE 2024

	UNDERLYING CURRENCY				
	ZAR 000	GBP 000	EUR 000	Other foreign currencies \$ 000	ZWG 000
Assets					
Balances with banks and cash	43 725	114	2 145	3 975	372 788
Financial securities	-	-	-	-	463 664
Loans and advances to customers	30 447	-	-	-	379 524
Equity investments	-	-	431	-	19 545
Other assets	27	2	-	-	196 774
Total assets	74 199	116	2 576	3 975	1 432 295
Liabilities					
Deposits	191 842	66	5 847	3 903	1 597 276
Other liabilities	1 042	19	94	504	82 160
Total liabilities	192 884	85	5 941	4 407	1 679 436
Net position	(118 685)	31	(3 365)	(432)	(247 141)

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2023

	UNDERLYING CURRENCY				
	USD 000	ZAR 000	GBP 000	EUR 000	Other foreign currencies \$ 000
Assets					
Balances with banks and cash	234 913	314 084	159	3 033	3 742
Money market assets	31 439	-	-	-	-
Financial securities	189 527	-	-	-	-
Loans and advances to customers	278 008	1 998	-	-	-
Other assets	151 929	4	2	-	869
Total assets	885 816	316 086	161	3 033	4 611
Liabilities					
Deposits	729 289	616 328	145	1 342	3 508
Other liabilities	13 884	2 750	19	98	411
Total liabilities	743 173	619 078	164	1 440	3 919
Net position	142 643	(302 992)	(3)	1 593	692

33. Operational risk

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

33.1 Operational risk management framework

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

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

33.2 Strategic risk

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

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

33.3 Regulatory risk

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

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

33.4 Reputation risk

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

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

33.5 Money laundering risk

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

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

34.1 Capital Adequacy

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

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
Risk Weighted Assets	8,060,032	1,912,183
Total Qualifying Capital	2,381,320	414,099
Tier 1		
Share capital	2	2
Share premium	7	7
Revenue reserves	1,889,140	276,169
Exposure to insiders	(7,384)	(11,867)
	1,881,765	264,311
Less Tier 3	(212,615)	(70,166)
	1,669,150	194,144
Tier 2		
Revaluation reserves	384,692	108,067
Fair Value Reserve	14,111	17,665
General provisions	100,750	24,057
	499,553	149,789
Tier 3		
Capital allocated for market risk	172,562	30,002
Capital allocated to operations risk	40,053	40,165
	212,615	70,166
Capital Adequacy (%)		
Tier 1	20.71%	10.15%
Tier 2	6.20%	7.83%
Tier 3	2.64%	3.67%
Total	29.54%	21.65%

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%

The capital adequacy computations are based on historical numbers for the period under review.

35. CORPORATE GOVERNANCE STATEMENT

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

36. DISCLOSURE POLICY

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

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

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

37. GOING CONCERN

For going concern assessment refer to CBZ Holdings note 35.

38. COMPLIANCE AND REGULATORY RISK

- During the period under review CBZ Bank Limited was fined US\$ 19,600 by the Reserve Bank of Zimbabwe (RBZ) for late publication of 31 December 2023 financial results.
- As at 30 June 2024, the Bank was not compliant with the Banking Act section 34 due to holding shares in Avenues Clinic with a fair value of ZWG 13,869.
- As at 30 June 2024, the Bank's net foreign currency open position and single currency net open position was in breach of paragraphs 28 and 29 of the Third Schedule of the Banking Regulations S.I. 205 of 2000.
- As at 30 June 2024, the Bank was in breach of related party lending regulations due to insider and related party exposures amounting to ZWG 7,563,303 that were unsecured.
- As at 30 June 2024, the Bank was non-compliant with section 22 and 23 of the RBZ Circular to Banking Institutions and Microfinance Institutions No. 01-2024/BSD: Implementation of Supervisory Measures in the 2024 Monetary Policy Statement which requires the submission of Digital Financial Literacy Plans.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2024

	UNAUDITED	UNAUDITED
	30 JUNE 2024	30 JUNE 2023
	ZWG 000	ZWG 000
Insurance revenue	28 735	8 195
Insurance service expenses	(27 602)	(26 508)
Net expenses from reinsurance contracts held	(2 627)	(1 228)
Insurance service result	(1 494)	(19 541)
Insurance service finance costs	(489)	(1 101)
Operating expenditure	(2 850)	(1 119)
Expected credit loss	(522)	(244)
Monetary gain	-	16 839
Operating profit	(5 355)	(5 166)
Investment and Other income	(36 244)	62 689
Net change in investment contract liabilities and VFA	3 979	-
(Loss)/profit before taxation	(37 620)	57 523
Taxation	(108)	(7)
(Loss)/profit for the period	(37 728)	57 516
Other comprehensive income		
(Loss)/profit on property revaluations	(11 129)	12 774
Gains on equity instruments at FVOCI	-	3 950
Exchange gains on translation to presentation currency	386	-
Other comprehensive (loss)/ income for the period net of tax	(10 743)	16 724
Total comprehensive (loss)/income	(48 471)	74 240

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2024

	UNAUDITED	UNAUDITED
	30 JUNE 2024	30 JUNE 2023
	ZWG 000	ZWG 000
Insurance revenue	65 397	22 972
Insurance service expenses	(48 823)	(54 729)
Net income/(expenses) from reinsurance contracts held	(15 497)	23 729
Insurance service result	1 077	(8 028)
Operating expenditure	(1 729)	(2 709)
Operating loss	(652)	(10 737)
Investment income	(2 874)	8 842
Other income	909	6 813
Credit losses on financial assets	-	(786)
Monetary gain	-	2 288
(Loss)/profit before taxation	(2 617)	6 420
Taxation	842	(3 750)
(Loss)/profit for the period	(1 775)	2 670
Other Comprehensive income		
(Losses)/Gains on property revaluations	(11 694)	12 644
Fair value gains on unlisted equities	-	3 172
Exchange gains on translation to presentation currency	96	-
Taxation relating to items on other comprehensive income	3 011	(3 284)
Other comprehensive income for the period net of tax	(8 587)	12 532
Total comprehensive income for the period	(10 362)	15 202

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	UNAUDITED	UNAUDITED
	30 JUNE 2024	31 DEC 2023
	ZWG 000	ZWG 000
ASSETS		
Current assets		
Cash and cash equivalents	7 105	7 945
Money market assets	11 841	6 658
Equity investments	30 031	23 391
Reinsurance assets	685	925
Insurance assets	11 406	25 788
Other receivables	2 550	1 978
	63 618	66 685
Non-current assets		
Property and equipment	14 765	25 911
Investment properties	63 051	102 315
	77 816	128 226
TOTAL ASSETS	141 434	194 911
EQUITY AND LIABILITIES		
Liabilities		
Insurance liabilities	65 967	63 077
Investment contract liabilities	8 880	12 239
Reinsurance liabilities	-	203
Current tax payable	-	40
Other payables	3 641	7 935
	78 488	83 494
Equity		
Share capital	-	-
Share premium	18 689	18 689
Revaluation reserve	12 441	23 570
Foreign currency translation reserve	386	-
Retained earnings	28 630	66 358
Fair value reserve	2 800	2 800
	62 946	111 417
TOTAL EQUITY AND LIABILITIES	141 434	194 911

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	UNAUDITED	UNAUDITED
	30 JUNE 2024	31 DEC 2023
	ZWG 000	ZWG 000
ASSETS		
Cash and cash equivalents	2 806	3 417
Interest bearing investments	1 336	1 301
Other assets	2 137	1 640
Insurance assets	330	49
Reinsurance assets	22 262	26 694
Investment properties	12 141	14 596
Equity investments	6 953	7 189
Intangible assets	41	81
Property and equipment	16 064	27 102
Deferred tax asset	6 471	6 018
TOTAL ASSETS	70 541	88 087
LIABILITIES		
Insurance liabilities	36 193	43 013
Reinsurance liabilities	6 708	2 755
Other liabilities	8 697	9 430
Tax payable	762	920
Deferred tax liability	5 746	9 172
	58 106	65 290
EQUITY		
Share capital	128	128
Share premium	18 224	18 224
Revaluation reserve	9 707	18 389
Fair value reserve	1 844	1 844
Foreign currency translation reserve	96	-
Retained earnings	(17 565)	(15 788)
	12 435	22 797
TOTAL EQUITY AND LIABILITIES	70 541	88 087

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2024

	UNAUDITED						
	Share capital	Share premium	Revaluation reserve	FCTR	Fair Value reserve	Retained Earnings	Total
	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
30 June 2023							
Opening balance	-	1 521	5 211	-	561	17 358	24 651
Profit for the year	-	-	-	-	-	57 516	57 516
Total comprehensive income for the period	-	-	12 774	-	3 950	-	16 724
Issue of shares	-	10 946	-	-	-	-	10 946
Closing balance	-	12 467	17 985	-	4 511	74 874	109 837
30 June 2024							
Opening balance	-	18 689	23 570	-	2 800	66 358	111 417
Loss for the period	-	-	-	-	-	(37 728)	(37 728)
Total comprehensive income for the period	-	-	(11 129)	386	-	-	(10 743)
Closing balance	-	18 689	12 441	386	2 800	28 630	62 946

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2024

	UNAUDITED						
	Share capital	Share premium	Revaluation reserve	FCTR	Fair Value reserve	Retained Earnings	Total
	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000	ZWG 000
30 June 2023							
Opening balance	132	5 872	7 152	-	545	(7 338)	6 363
Loss for the period	-	-	-	-	-	(8 866)	(8 866)
Other comprehensive income for the period	-	-	11 718	-	1 348	-	13 066
Recapitalisation	-	12 829	-	-	-	-	-
Closing balance	132	18 701	18 870	-	1 893	(16 204)	10 563
30 June 2024							
Opening balance	128	18 224	18 389	-	1 844	(15 788)	22 797
Loss for the period	-	-	-	-	-	(1 775)	(1 775)
Other comprehensive income for the period	-	-	(8 683)	96	-	-	(8 587)
Closing balance	128	18 224	9 707	96	1 844	(17 565)	12 435

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2024

	UNAUDITED	UNAUDITED
	30 JUNE 2024	30 JUNE 2023
	ZWG 000	ZWG 000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(37 620)	57 523
Non cash items:		
Depreciation	252	381
(Profit)/Loss on sale of property and equipment	1	(13)
Monetary gain	-	(16 839)
Profit on disposal of investment properties	-	(1 156)
Fair value adjustment on investment properties	39 726	(46 020)
Fair value adjustment on financial instruments	(1 386)	(10 247)
Expected credit loss	522	244
Unrealised (gain)/loss on foreign currency position	(375)	5 203
Changes in investment contract liabilities	(3 979)	-
Operating loss before changes in operating assets and liabilities	(2 859)	(10 924)
Changes in operating assets and liabilities		
Other receivables	(2 415)	(1 369)
Reinsurance assets	93	-
Reinsurance liabilities	(203)	-
Insurance contract assets	14 311	(14 601)
Other payables	(1 369)	(11 801)
Money market assets	(5 636)	(426)
Life assurance investment contract liabilities	2 733	1 407
Insurance liabilities	7 116	35 049
	14 630	8 259
Corporate tax paid	(148)	(43)
Net cash inflow/(outflow) from operating activities	11 623	(2 708)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(137)	(291)
Proceeds on disposal of investment properties	-	1 430
Purchase of investment properties	-	(1 407)
Investment in equities during the period	(5 663)	(2 634)
Equity investments disposed during the period	709	3 589
Proceeds on disposal of property and equipment	1	13
Net cash (outflow)/inflow from investing activities	(5 090)	700
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	10 946
Net cash outflow from financing activities	-	10 946
Net increase in cash and cash equivalents	6 533	8 938
Cash and cash equivalents at the beginning of the year	7 945	3 666
Unrealised exchange gains on foreign cash balances	(7 373)	1 879
Inflation effects on cash	-	(10 466)
Cash and cash equivalents at the end of the period	7 105	4 017

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2024

	UNAUDITED	UNAUDITED
</		

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2024

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
Revenue	5 422	24 694
Operating expenditure	(16 555)	(13 183)
Operating income	(11 133)	11 511
Expected credit loss	1 398	(104)
Monetary gain	-	1 259
(Loss)/profit before taxation	(9 735)	12 665
Taxation	(178)	(1 107)
(Loss)/profit for the period after taxation	(9 913)	11 558
Other comprehensive (loss)/income	(601)	930
Total comprehensive (loss)/income for the period	(10 514)	12 488

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 31 DEC 2023 ZWG 000
ASSETS		
Balances with banks and cash	151	328
Money market assets	-	2 012
Equity investments	2 730	3 243
Other assets	7 852	2 233
Investment property	14 977	27 778
Intangible assets	21	30
Property and equipment	1 110	1 119
Deferred taxation	758	1 798
TOTAL ASSETS	27 598	38 541
LIABILITIES		
Current taxation	23	428
Other liabilities	12 636	11 575
Deferred tax liability	1 656	2 696
Lease liability	488	533
TOTAL LIABILITIES	14 803	15 232
EQUITY		
Share capital	104	104
Share premium	5 549	5 549
Revenue reserves	6 478	16 391
Foreign currency translation reserve	66	-
Fair value reserve	598	1 265
TOTAL EQUITY	12 795	23 309
TOTAL LIABILITIES AND EQUITY	27 598	38 541

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2024

	UNAUDITED				
	Share capital ZWG 000	Share premium ZWG 000	Fair value reserve ZWG 000	Revenue reserves ZWG 000	Total ZWG 000
30 June 2024					
Opening balance	69	2 110	297	8 224	10 700
Profit for the period	-	-	-	11 558	11 558
Other comprehensive income	-	-	930	-	930
Issue of shares	-	1 591	-	-	1 591
Closing balance	69	3 701	1 227	19 782	24 779
30 June 2023					
Opening balance	104	5 549	1 265	16 392	23 309
Profit for the period	-	-	-	(10 269)	(10 269)
Other comprehensive income	-	-	(547)	-	(547)
Closing balance	104	5 549	718	6 123	12 493

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2024

	UNAUDITED 30 JUNE 2024 ZWG 000	UNAUDITED 30 JUNE 2023 ZWG 000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(9 736)	12 665
Adjustments for:		
Fair value adjustments	12 730	(14 947)
Depreciation and amortisation	161	65
Monetary gain	-	(1 259)
Expected credit loss expense	(1 398)	104
Unrealised gain on foreign currency position	(1 370)	(1 538)
Profit on disposal of investment property	-	(464)
Interest on lease liability	20	15
Operating cash inflow/(outflow) before changes in operating assets and liabilities	407	(5 358)
Changes in operating assets and liabilities		
Money market assets	2 012	(832)
Other assets	(3 012)	(3 344)
Other liabilities	1 062	4 266
	62	90
Corporate tax paid	(556)	(101)
Net cash outflow from operating activities	(87)	(5 370)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of investment property	-	3 138
Investment in equities during the period	-	(2 006)
Equity investments disposed during the period	-	1 665
Purchase of equipment	(132)	(93)
Net cash (outflow)/inflow from investing activities	(132)	2 704
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	1 591
Lease liability repayment	(50)	(16)
Interest on lease liability	(20)	(15)
Net cash outflow from financing activities	(70)	1 560
NET DECREASE IN BALANCES WITH BANKS AND CASH	(289)	(1 106)
Balances with banks and cash at the beginning of the year	328	128
Exchange gains on foreign cash balances	112	2 041
Inflation effects on cash	-	(966)
Balances with banks and cash at the end of the period	151	97

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