Audited Financial Results for the year ended 31 December 2023

INFLATION ADJUSTED FINANCIAL HIGHLIGHTS

Total assets

124%

31 Dec 2023 ZW$3,355trn

31 Dec 2022 ZW$1,501trn

Total capital and reserves

116%

31 Dec 2023 ZW$1,506trn

31 Dec 2022 ZW$697.30bn

Net profit after tax

312%

31 Dec 2023 ZW$665.38bn

31 Dec 2022 ZW$161.50bn

Return on equity

47pps

31 Dec 2023 60.4%

31 Dec 2022 13%

Liquidity ratio

17pps

31 Dec 2023 54.92%

31 Dec 2022 72%

Cost to income ratio

19pps

31 Dec 2023 61%

31 Dec 2022 80%

pps - percentage points

ACTING CHAIRMAN'S STATEMENT

Operating Environment:
The operating environment was characterized by exchange rate volatility, with the first half of the year experiencing rapid depreciation of the local currency and upward inflationary pressures which caused some sharp price increases, ultimately resulting in increased business operating costs for the Group. However, in the second half of the year, economic variables such as inflation and the exchange rate improved resulting in relative stability in the operating environment. This was mainly attributable to the tightening of monetary policy by The Central Bank, which curtailed speculative behaviour in the market. On the other hand, the downside of tight monetary stance was the deceleration of credit creation as a result of liquidity challenges. This negatively affected funded income performance for the Group and reversing some of the foreign exchange gains recorded in the first half of the year.

The economy also witnessed an increase in usage of USD across all sectors of the economy. This increased the demand for USD resulting in increased USD revenues for the Group.

Group Performance:
The Group's operations continued to be profitable, posting an inflation adjusted profit after tax (PAT) of ZW$665.383bn, a 312% improvement from ZW$161.465bn in 2022. The Group's profit performance is discussed in greater detail by the Group Chief Executive Officer (GCEO) in his report.

Capital Requirements:
As at 31 December 2023, all Group companies, with the exception of ZB Building Society, were in compliance with prescribed minimum capital requirements. The Group is still working to consolidate all its banking operations under one licence, that is, merging ZB Bank Limited, ZB Building Society and Intermarket Banking Corporation.

Dividends:
The Board has declared a final dividend of ZW1 472 .22 cents and US0.56 cents per share for the year ended 31 December 2023. This brings the aggregate dividend for the year ended 31 December 2023 to ZW1960.69 cents and US0.65 cents. The ZWL portion of the dividend will be settled in ZiG at the rate ruling at 5 April 2024; which is the date of introduction of the new currency. A separate dividend notice will be published to this effect.

Sustainability and Environmental, Social, and Governance (ESG) Reporting
The Group's strategic drive is on sustainability underpinned by integrating environmental, social and governance into economic decisions, operations, strategy, products and services, and practices. The Group will leverage of being one of 14 financial institutions in Zimbabwe seeking sustainability certification through the Reserve Bank of Zimbabwe (RBZ)-led Sustainability Standards Certification Initiative (SSCI) which is awarded by European Organisation for Sustainable Development (EOSD). While the Group could not attain certification by 31 December 2023 as planned, we are targeting certification in FY2024 given that substantial work that has already been done. Our desire is to ensure sustainability is a defining factor in how we deliver financial services to our stakeholders while redefining the future of sustainable financial services in Zimbabwe and beyond. Lastly, the Group continues to strengthen the building blocks underpinning the efforts in implementing sustainability across the business.

In addition, to the Group's sustainability drive, the Group has made progress towards adopting Environmental, Social and Governance (ESG) Reporting.

Directorate:
Mrs Pamela Chiromo, the then chairman of the board resigned on 1 July 2023. On behalf of the Board and management, I extend my gratitude for her contributions and leadership during her term of office. I wish her success in her future endeavours.

Mr Jacob Mutevedzi retired from the Board on 1 July 2023. I would also like to extend my gratitude and appreciation to him for his distinguished service to the Group. I wish him success in his future endeavours.

Mr Luxon Zembe resigned from the Board on the 12th of April 2024. I would like to extend my gratitude and appreciation to him for his distinguished service to the Group as both director and Chairman of the board.

Outlook:
Although the economic environment is likely to remain challenging in 2024 as characterized by high levels of inflation, exchange rate volatility and climatic changes particularly, effects of El-Nino, the Group is confident that set strategies will assist it to navigate these erratic economic conditions through the implementation of effective front-end systems, brand equity promotion and continuation with its mantra of creating happy people.

Furthermore, the Group endeavours to deliver growth and value for its shareholders through implementation of sustainable revenue generation and cost management strategies.

Conclusion:
I extend my continued appreciation to our valued customers and other key stakeholders, without whom the Group would not have been able to sustain its operations. Furthermore, I remain grateful to Board colleagues, Management and Staff, whose collective contributions enabled the Group to attain this performance for the financial year ended 31 December 2023. The operating environment has continued to pose its challenges, but through the combined interventions and inputs from all of us, the Group continues to hold its own.

A. Makamure
Acting Chairman

27 May 2024

GROUP CHIEF EXECUTIVE'S REPORT

Introduction:
The Group's primary financial statements are adjusted for inflation in terms of International Accounting Standards (IAS) 29– Financial Reporting in Hyperinflationary Economies.

Historical cost financial statements have been issued for information purposes only.

Performance Outturn:
For the full year to 31 December 2023, the Group recorded a 394% rise in total income from ZW$252.445bn for the prior year period in 2022, to ZW$1.247trn in 2023. Income performance continued to be mainly underpinned by fair value adjustments. Fair value adjustments rose by 530%, from ZW$74.443bn in 2022 to ZW$468.635bn in 2023. Performance was also supported by a 344% improvement in Other Operating Income, from ZW$107.200bn in 2022 to ZW$452.680bn, as well as 287% increase in Commissions and Fees from ZW$76.451bn in 2022 to ZW$296.036bn.

Net interest income rose by 95%, from ZW$96.144bn in 2022 to ZW$187.904bn in 2023. Loan impairment charges rose by 73%, from a negative ZW$32.762bn in 2022 to a negative ZW$56.627bn in 2023. Resultantly, net income from lending activities rose by 107%, from ZW$63.382bn in 2022 to ZW$131.277bn in 2023.

Insurance service result fell by 486%, from a deficit of ZW$26.127bn in 2022, to a deficit of ZW$153.235bn in 2023, largely as a result of an increase of 327% in insurance service expenses from ZW$88.407bn in 2022 to ZW$377.642bn in 2023.

Meanwhile, operating costs grew by 275% from ZW$202.673bn in 2022 to ZW$760.111bn in 2023, largely reflecting the macro level general price increases.

Profit from ordinary activities rose by 878%, from ZW$49.771bn in 2022 to ZW$486.939bn in 2023.

Profit After Tax (PAT) improved by 312%, from ZW$161.465bn achieved in 2022 to ZW$665.383bn in 2023.

Meanwhile, the Group's total assets increased by 124% in real terms, from ZW$1.501trn as at 31 December 2022 to ZW$3.355trn as at 31 December 2023. The growth rate outperformed average inflation over the same period (blended 26.5%).

Deposits and other related funding account balances grew by 113%, from ZW$524.796bn as at 31 December 2022 to ZW$1.120trn as at 31 December 2023.

Earning assets increased by 147% from ZW$931.333bn as at 31 December 2022 to ZW$2.300trn as at 31 December 2023 whilst constituting 69% of total assets (62% at 31 December 2022).

The Group maintained a comfortable liquidity margin of safety, with the average ratio of liquid assets to customer deposits being above 60% throughout the year against a prescribed ratio of 30%.

The Group's total equity increased by 116%, from ZW$697.270bn as at 31 December 2022 to ZW$1.506trn as at 31 December 2023, underpinned by the positive performance outturn for the year, reflected by a 202% rise in retained earnings.

Operations Review:

Banking Operations:
ZB Bank Limited posted a profit after tax of ZW$366.751bn in 2023 up from ZW$68.464bn in 2022. Its total assets stood at ZW$2.168trn as at 31 December 2023, from ZW$911.032bn as at 31 December 2022.

ZB Building Society posted a profit after tax of ZW$60.907bn in 2023 up from a profit of ZW$21.492bn in 2022. The Society's total assets stood at ZW$156.069bn as at 31 December 2023, from ZW$85.256bn as at 31 December 2022.

During the year under review, the Banking Cluster progressed the project to upgrade its core banking system, and the project continues into FY2024.

Insurance Operations:
ZB Reinsurance posted a profit after tax of ZW$51.089bn in 2023 up from ZW$11.462bn in 2022. Its total assets increased in real terms from ZW$60.205bn as at 31 December 2022 to close the year 2023 at ZW$182.335bn.

ZB Life Assurance posted a profit of ZW$98.174bn in 2023 up from a profit of ZW$5.060bn in 2022. Its total assets increased in real terms from ZW$135.421bn as at 31 December 2022 to ZW$279.765bn as at 31 December 2023.

Investments:
In 2023, the Group progressively increased its shareholding in Mashonaland Holdings (Mash), from 50.59% as at 31 December 2022 to 56.89 % as at 31 December 2023.

Mash posted a profit after tax of ZW$324bn in 2023 up from ZW$83bn in 2022. Its total assets increased in real terms from ZW$351bn as at 31 December 2022 to close the year 2023 at ZW$697bn. In 2023, Mash commissioned Mashview Graderns Housing project and is also looking forward to commission Pomana commercial Centre and 12 Van Praagh Day Hospital projects in 2024.

Internal Processes:
The Group's organisational transformation program (OTP) continued to progress in FY2023, with some projects under the Program having been finalised, whilst some are at various level of completion. The new customer-centric business model and organisational design has been fully adopted, with 100% staff deployment. Meanwhile, Digital Transformation and Culture Transformation continue into FY2024. In FY2023, a further 10 bank branches were repurposed into Group-wide customer service centres, serving the whole bouquet of banking, insurance and investments services under the #OneZB concept. This is over and above the 25 repurposed Service Centres in FY2022. Dedicated Premium Service Centres established in Harare and Bulawayo are now fully functional. All other Service Centres across the country also have functionality to offer Premium Service at a limited scale.

The Group's medium-term plan for 2021-2025 embedded long term sustainability of operations as a key theme underpinning its strategy. This entails striking a balance between the welfare of the People it serves, preservation and promotion of the Environment (Planet) in which it operates for current and future generations, and the quest for Profit and sustained growth. The Group endeavours to live up to its Purpose Statement "improving people's lives through service", as evidenced by its new customer-centric operating model, which seeks to create happiness for people [customers, staff, shareholders, regulators and all other stakeholders). In fact, going into FY2024, the Group's strategy is summarised in one statement: sustainable growth through creating happy people.

Under the Group's 3 High Impact Goals, namely "Promote financial inclusion", "Foster investments in Sustainable Infrastructure" and "Stimulate the Real Economy" ZBFH aims to avail resources towards supporting Government priorities, including the National Development Strategy 1 (NDS1), as well as Sustainable Development Goals (SDGs) being prioritised by Government in the country's Vision 2030 towards attaining upper middle income status.

Innovation is also one of the major tenets underpinning the Group's medium term plan. In FY2023 the Group laid the base for further developments in innovation by partnering with 3 national universities, University of Zimbabwe (UZ), National University of Science and Technology (NUST) and Midlands State University (MSU) – the Group signed Memoranda of Agreement (MOA) with the 3 state universities. In early 2024, the Group launched its Innovation Hub, through which it seeks to promote idea generation and incubation of business ventures with a view to supporting them for growth. This initiative also seeks to align with Government of Zimbabwe policy on innovation, empowering the youths and helping to fight the scourge of drug and substance abuse within the country's youth.

People & Culture:
Following adoption of a new structure supportive of the new business model and organisational design, the Group undertook a job evaluation exercise, closely linked to deployment of staff to fill all positions across the Group. As at 31 December 2023, this project had been completed. As the new Group Structure settled, the Group adopted a Voluntary Disengagement Scheme (VDS) which was taken up by 59 staff members, mostly those who were nearing retirement. However, some staff members could not be accommodated within the new organisational design, thus necessitating a Compulsory Disengagement Scheme (CDS) which saw 36 staff members being disengaged.

The Group staff complement as at 31 December 2023 stood at 1 061 (2022:965). Industrial relations remained cordial during the year under review.

Appreciation:
My profound gratitude goes to our valued customers and stakeholders for the support and commitment that they continue to render to the ZBFH Group.

I would also like to extend my appreciation to the Group's Staff and Management team for their various contributions, inputs and efforts which enabled the Group to attain this performance for the full year to December 2023.

Finally, I remain indebted to the Board for its valuable contribution and counsel.

S. T. Fungura
Group Chief Executive Officer

27 May 2024

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Audited Financial Results for the year ended 31 December 2023

AUDITOR'S STATEMENT

These financial results should be read in conjunction with the full set of financial statements for the year ended 31 December 2023, which have been audited by Ernst & Young Chartered Accountants (Zimbabwe). A qualified audit opinion ("except for") has been issued in respect of non-compliance with the requirements of International Financial Reporting Standards, International Accounting Standard 21 ("IAS 21"), 'The Effects of Foreign Exchange Rates' with regards to an inappropriate functional currency for Mashonaland Holdings Limited, a subsidiary of the group for the period ended 31 December 2023. The audit report includes key audit matters on Impairment of mortgages and other advances, IFRS 17 - Insurance Contracts - Implementation and Reporting and Valuation of Life and Non-life Insurance Contract liabilities and assets.

The auditor's report on these financial statements is available for inspection at the Company's registered office. The Engagement Partner on the audit resulting in the independent auditor's report is Mrs Elina Bvurere, PAAB Practice Certificate Number 0462.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

		Inflation adjusted			Historical cost (Unaudited)*		
	Notes	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	Restated 1 Jan 2021 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	Restated 1 Jan 2021 ZW$
ASSETS							
Cash and cash equivalents		466 561 757 988	296 565 430 507	160 433 357 916	466 561 757 988	61 715 351 709	9 712 078 202
Treasury bills	3	148 617 308 256	80 552 503 786	39 816 141 864	148 617 308 256	16 762 999 294	2 410 330 922
Mortgages and other advances	4	947 121 776 721	287 506 913 224	198 631 763 120	947 121 776 721	59 830 271 647	12 024 476 966
Financial assets held at fair value through profit or loss		139 238 939 630	76 857 299 610	67 305 932 564	139 238 939 630	15 994 026 238	4 074 467 362
Financial assets held at amortised cost		15 802 617 820	5 319 639 054	9 765 465 487	15 802 617 820	1 107 018 423	591 167 359
Inventories		3 558 605 589	1 474 037 575	1 305 628 022	2 430 001 198	299 332 399	72 791 173
Trade and other receivables		153 501 779 888	54 326 369 066	34 353 420 502	138 323 327 119	11 183 781 416	2 079 636 746
Investments in associates		45 929 890 598	6 282 235 230	84 975 495 613	13 736 623 695	905 091 617	4 816 276 853
Reinsurance Contract Assets	13	50 104 427 583	2 543 674 025	5 822 511 639	50 104 427 583	529 339 299	352 474 629
Insurance Contract Assets	13	50 778 592 813	19 648 704 490	6 055 797 162	50 778 592 813	4 088 901 077	366 596 925
Right of use assets	6	16 558 471 717	7 592 270 591	3 656 542 456	5 845 261 021	372 877 689	102 568 596
Property and equipment	7	379 963 944 358	197 889 721 201	154 898 444 644	363 257 528 242	41 008 608 392	9 373 518 085
Assets held for sale		21 366 529 100	-	-	21 366 529 100	-	-
Investment properties	5	902 768 230 676	452 621 995 041	73 491 985 206	902 768 230 676	94 190 767 843	4 448 949 501
Intangible assets	8	10 732 707 443	7 047 239 521	3 344 331 360	2 595 045 031	703 404 671	22 206 622
Deferred Tax assets		2 687 447 671	4 809 559 978	106 418 855	5 932 238 624	972 458 574	101 233
Total assets		3 355 293 027 851	1 501 037 592 899	843 963 236 410	3 274 480 205 567	309 664 230 288	50 447 641 174
LIABILITIES							
Deposits and other accounts	9	1 120 063 971 769	524 796 306 212	324 922 657 538	1 120 063 971 769	109 210 262 835	19 669 689 027
Trade and other payables		341 813 539 727	120 214 360 619	66 585 615 508	335 416 412 674	24 891 872 925	4 030 862 049
Investment contract liabilities		43 430 077 531	20 798 005 040	16 697 140 027	43 430 077 531	4 328 071 830	1 010 786 858
Current tax liabilities		8 536 027 168	2 898 062 688	1 987 937 141	8 536 027 168	603 087 682	120 342 809
Short term borrowings		-	-	6 662 614 129	-	-	403 331 508
Long term borrowings	11	18 684 807	85 511 919	279 957 769	18 684 807	17 795 055	16 947 671
Offshore borrowings	12	99 895 460 705	32 265 529 480	10 868 004 541	99 895 460 705	6 714 466 000	657 911 243
Re-Insurance Contract Liabilities	13	6 124 827 655	8 744 196 216	4 095 427 140	6 124 827 655	1 819 669 757	247 922 933
Insurance Contract Liabilities	13	115 914 210 663	53 063 967 751	28 513 432 834	115 914 210 663	11 042 627 009	1 726 104 179
Lease liabilities	10	12 370 438 601	3 950 663 765	1 977 112 782	12 370 438 601	822 134 270	119 687 540
Deferred tax liabilities		101 437 043 092	36 950 591 144	32 435 819 325	82 093 584 032	7 709 609 744	1 959 431 203
Total liabilities		1 849 604 281 718	803 767 194 834	495 025 718 734	1 823 863 695 605	167 159 597 107	29 963 017 020
EQUITY							
Share capital		1 930 627 211	1 930 627 211	1 930 627 211	1 751 906	1 751 906	1 751 906
Share premium		30 000 256 856	29 844 435 573	29 844 435 573	128 373 801	27 081 696	27 081 696
Other components of equity		335 705 693 234	172 204 295 029	139 238 925 655	312 499 255 678	29 998 673 847	8 077 241 786
Retained income		617 845 088 222	225 616 866 982	129 131 686 102	622 977 552 758	56 589 351 692	9 296 708 000
Functional currency translation Reserve						101 292 105	101 292 105
Attributable to equity holders of parent		985 481 665 523	429 596 224 795	300 145 674 541	935 606 934 143	86 718 151 246	17 504 075 493
Non-controlling interests		520 207 080 610	267 674 173 270	48 791 843 135	515 009 575 674	55 786 481 935	2 980 548 661
Total equity		1 505 688 746 133	697 270 398 065	348 937 517 676	1 450 616 509 962	142 504 633 181	20 484 624 154
Total equity and liabilities		3 355 293 027 851	1 501 037 592 899	843 963 236 410	3 274 480 205 567	309 664 230 288	50 447 641 174

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

		Inflation adjusted		Historical cost (Unaudited)*	
	Notes	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Interest income calculated using the effective interest rate method	14	227 308 960 492	117 997 003 726	129 949 163 942	18 311 289 825
Other interest and related income	14	1 934 369 083	4 209 326 174	1 280 919 038	637 863 404
Interest expense calculated using the effective interest rate method	15	(40 939 968 708)	(18 513 286 246)	(37 328 500 942)	(2 730 362 396)
Other interest and related expenses	15	(399 347 192)	(7 548 765 496)	(212 984 547)	(1 218 634 734)
Net interest income		187 904 013 675	96 144 278 158	93 688 597 491	15 000 156 099
Loan impairment charges, net recoveries	16	(56 626 823 381)	(32 762 031 251)	(54 715 139 257)	(4 932 941 618)
Net income from lending activities		131 277 190 294	63 382 246 907	38 973 458 234	10 067 214 481
Insurance Revenue	17.1	199 010 788 228	75 834 570 630	115 272 029 628	11 532 380 673
Insurance Service Expense	17.2	(377 642 250 921)	(88 406 876 753)	(194 614 039 265)	(12 050 407 753)
Allocation of Reinsurance Premiums	17.3	(32 226 267 910)	(17 969 221 140)	(19 500 873 498)	(3 155 495 065)
Amounts Recoverable from reassurers for incurred claims	17.3	57 622 523 842	4 414 134 361	53 544 551 996	685 067 980
Insurance Service Result		(153 235 206 761)	(26 127 392 902)	(45 298 331 139)	(2 988 454 165)
Net Insurance Financial Result	17.4	87 461 203 604	(27 830 852 083)	33 344 393 540	(3 189 044 684)
Net finance expenses from reinsurance contracts	17.4	35 554 027	54 557 860	13 554 896	6 251 604
Net Financial Result		87 496 757 631	(27 776 294 223)	33 357 948 436	(3 182 793 080)
Fair value of financial liabilities at fair value through profit or loss		(35 840 412 926)	(15 127 932 423)	(35 840 412 926)	(3 148 127 815)
Commissions and fees		296 036 280 119	76 451 368 539	184 417 580 726	11 834 711 155
Other operating income	18	452 680 204 949	107 200 178 368	420 161 115 500	24 404 147 667
Fair value adjustments		468 635 037 753	74 442 696 929	911 930 243 059	36 807 973 083
Total income		1 247 049 851 059	252 444 871 195	1 507 701 601 890	73 794 671 326
Operating expenses	19	(760 111 232 247)	(202 673 394 786)	(415 538 291 802)	(28 980 651 229)
Profit from ordinary activities		486 938 618 812	49 771 476 409	1 092 163 310 088	44 814 020 097
Bargain Purchase		-	39 983 147 802	-	8 464 659 071
Share of associate companies' profit net of tax		32 835 153 506	25 926 530 643	2 549 290 420	15 256 168 798
Effects of inflation adjustments		217 581 240 718	48 922 070 441	-	-
Profit before taxation		737 355 013 036	164 603 225 295	1 094 712 600 508	68 534 847 966
Income tax expense	20	(71 971 637 906)	(2 490 446 506)	(57 986 295 469)	(3 595 049 971)
Net profit for the year from continuing operations		665 383 375 130	162 112 778 789	1 036 726 305 039	64 939 797 995
Loss from discontinued operations		-	(647 332 278)	-	(39 187 249)
Profit for the year		665 383 375 130	161 465 446 511	1 036 726 305 039	64 900 610 746
Profit attributable to:					
Owners of parent		368 580 821 584	138 888 043 268	548 635 616 139	52 998 427 677
Loss from discontinued operations		-	(647 332 278)	-	(39 187 249)
Non-controlling interests		296 802 553 546	23 224 735 521	488 090 688 900	11 941 370 318
Profit for the year		665 383 375 130	161 465 446 511	1 036 726 305 039	64 900 610 746
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Gains on property and equipment revaluation		182 072 116 750	47 279 764 387	314 831 054 169	25 712 769 776
Related tax		(16 672 872 749)	(851 072 884)	(33 473 845 117)	(1 721 077 297)
Associate's share of gains on property and equipment revaluation net of tax		5 971 431 074	-	8 710 724 436	-
Items that may be subsquently reclassified to profit or loss					
Fair value gains / (losses) on financial assets at FVTOCI		(11 395 592 199)	(16 293 418 337)	(10 142 461 235)	(2 235 440 457)
Foreign currency translation differences		1 082 761 530	-	1 082 761 530	-
Associte's share of foreign currency translation differences		841 070 788	-	1 571 517 222	-
Related tax		2 541 301 703	4 027 732 999	2 541 301 704	552 600 881
Other comprehensive income for the year net of tax		164 440 216 897	34 163 006 165	285 121 052 709	22 308 852 902
Total comprehensive income for the year		829 823 592 027	195 628 452 676	1 321 847 357 748	87 209 463 648
Total comprehensive income attributable to:					
Owners of parent from		531 848 939 554	172 109 694 910	831 431 547 668	74 972 790 831
Discontinued operations		-	(647 332 278)	-	(39 187 249)
Non-controlling interests		297 974 652 473	24 166 090 044	490 415 810 080	12 275 860 066
Total comprehensive income for the year		829 823 592 027	195 628 452 676	1 321 847 357 748	87 209 463 648
Earnings per share					
Basic and fully diluted earnings per share (ZW cents)		233 985.55	87 759.12	348 289.43	33 620.03

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

Inflation adjusted

	Share capital ZW$	Share premium ZW$	Functional currency translation reserve ZW$	General reserve ZW$	Property and equipment revaluation reserve ZW$	Financial assets at FVTOCI ZW$	Retained income ZW$	Attributable to equity holders of parent ZW$	Non controlling interests ZW$	Total ZW$
Dec 2022										
Balance at 31 December 2021	1 930 627 211	29 844 435 573	-	348 817 964	138 919 044 172	(28 936 481)	119 627 510 297	290 641 498 736	41 836 295 471	332 477 794 207
Initial application of IFRS17	-	-	-	-	-	-	9 504 175 805	9 504 175 805	6 955 547 664	16 459 723 469
Restated balance 1 January 2022	1 930 627 211	29 844 435 573	-	348 817 964	138 919 044 172	(28 936 481)	129 131 686 102	300 145 674 541	48 791 843 135	348 937 517 676
Changes in equity for 2022										
Profit or loss										
Profit for the year	-	-	-	-	-	-	138 240 710 990	138 240 710 990	23 224 735 521	161 465 446 511
Profit for the year as previously reported	-	-	-	-	-	-	141 337 940 590	141 337 940 590	25 478 697 468	166 816 638 058
Impact of application of IFRS17	-	-	-	-	-	-	(3 097 229 600)	(3 097 229 600)	(2 253 961 947)	(5 351 191 547)
Prior year adjustment										
Other comprehensive income, net of tax										
Revaluation of property	-	-	-	-	45 487 336 970	-	-	45 487 336 970	941 354 523	46 428 691 493
Revaluation for the year as previously reported	-	-	-	-	68 098 509 065	-	-	68 098 509 065	941 354 523	69 039 863 588
Prior year adjustment	-	-	-	-	(22 611 172 095)	-	-	(22 611 172 095)	-	(22 611 172 095)
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	(12 265 685 328)	-	(12 265 685 328)	-	(12 265 685 328)
Transaction with owners of the parent										
Dividends paid	-	-	-	-	-	-	(1 217 876 614)	(1 217 876 614)	(26 399 315)	(1 244 275 929)
Other movements										
Opening balance differences	-	-	-	-	(118 851 012)	-	-	(118 851 012)	-	(118 851 012)
Transfer to retained income	-	-	-	-	(137 431 256)	-	137 431 256	-	-	-
Transfer to/from general reserve	-	-	-	-	-	-	-	-	-	-
Arising from acquisition of subsidiary	-	-	-	-	-	-	(40 675 084 752)	(40 675 084 752)	194 742 639 406	154 067 554 654
Restated Balance at 31 Dec 2022	1 930 627 211	29 844 435 573	-	348 817 964	184 150 098 874	(12 294 621 809)	225 616 866 982	429 596 224 795	267 674 173 270	697 270 398 065
Dec 2023										
Restated Balance at 1 January 2023	1 930 627 211	29 844 435 573	-	348 817 964	184 150 098 874	(12 294 621 809)	225 616 866 982	429 596 224 795	267 674 173 270	697 270 398 065
Changes in equity for 2023										
Profit or loss										
Profit for the year	-	-	-	-	-	-	368 580 821 584	368 580 821 584	296 802 553 546	665 383 375 130
Other comprehensive income, net of tax										
Revaluation of property	-	-	-	-	170 212 629 394	-	-	170 212 629 394	1 158 045 681	171 370 675 075
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	(8 361 165 389)	-	(8 361 165 389)	(493 125 107)	(8 854 290 496)
Currency translation differences on translating foreign operations	-	-	1 923 832 319	-	-	-	-	1 923 832 319	-	1 923 832 319
Transaction with owners of the parent										
Dividends paid	-	-	-	-	-	-	(3 886 621 243)	(3 886 621 243)	(3 720 375 808)	(7 606 997 051)
Other movements										
Transfer to retained income	-	-	-	-	(273 898 119)	-	273 898 119	-	-	-
Transfer to share premium from FCTR	-	155 821 283	-	-	-	-	-	155 821 283	35 537 287	191 358 570
Acquisition of non-controlling interests	-	-	-	-	-	-	27 260 122 780	27 260 122 780	(41 249 728 259)	(13 989 605 479)
Balance at 31 Dec 2023	1 930 627 211	30 000 256 856	1 923 832 319	348 817 964	354 088 830 149	(20 655 787 198)	617 845 088 222	985 481 665 523	520 207 080 610	1 505 688 746 133

Historical cost (Unaudited)*

	Share capital ZW$	Share premium ZW$	Functional currency translation reserve ZW$	Foreign currency translation reserve ZW$	General reserve ZW$	Property and equipment revaluation reserve ZW$	Financial assets at FVTOCI ZW$	Retained income ZW$	Attributable to equity holders of parent ZW$	Non controlling interests ZW$	Total ZW$
Dec 2022											
Balance at 31 December 2021	1 751 906	27 081 696	101 292 105	-	5 817 958	8 073 175 544	(1 751 716)	8 721 358 380	16 928 725 873	2 559 483 967	19 488 209 840
Initial application of IFRS17	-	-	-	-	-	-	-	575 349 620	575 349 620	421 064 694	996 414 314
Restated balance 1 January 2022	1 751 906	27 081 696	101 292 105	-	5 817 958	8 073 175 544	(1 751 716)	9 296 708 000	17 504 075 493	2 980 548 661	20 484 624 154
Changes in equity for 2022											
Profit for the year	-	-	-	-	-	-	-	52 959 240 428	52 959 240 428	11 941 370 318	64 900 610 746
Profit for the year as previously reported	-	-	-	-	-	-	-	51 877 535 187	51 877 535 187	11 374 952 408	63 252 487 595
Impact of application of IFRS17	-	-	-	-	-	-	-	1 081 705 241	1 081 705 241	566 417 910	1 648 123 151
Other comprehensive income, net of tax											
Revaluation of property	-	-	-	-	-	23 657 202 731	-	-	23 657 202 731	334 489 747	23 991 692 478
Revaluation of property as-previously reported	-	-	-	-	-	29 798 650 523	-	-	29 798 650 523	-	29 798 650 523
Prior year adjustment	-	-	-	-	-	(6 141 447 792)	-	-	(6 141 447 792)	-	(6 141 447 792)
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	-	(1 682 839 576)	-	(1 682 839 576)	-	(1 682 839 576)
Transaction with owners of the parent											
Dividends paid	-	-	-	-	-	-	-	(227 737 724)	(227 737 724)	(2 676 649)	(230 414 373)
Other movements											
Opening balance differences	-	-	-	-	-	(7 194 829)	-	-	(7 194 829)	-	(7 194 829)
Transfer to retained income	-	-	-	-	-	(23 082)	-	23 082	-	-	-
Transfer to/from general reserve	-	-	-	-	(45 713 183)	-	-	-	(45 713 183)	-	(45 713 183)
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	(5 438 882 094)	(5 438 882 094)	40 532 749 858	35 093 867 764
Restated Balance at 31 Dec 2022	1 751 906	27 081 696	101 292 105	-	(39 895 225)	31 723 160 364	(1 684 591 292)	56 589 351 692	86 718 151 246	55 786 481 935	142 504 633 181
Dec 2023											
Restated balance 1 January 2023	1 751 906	27 081 696	101 292 105	-	(39 895 225)	31 723 160 364	(1 684 591 292)	56 589 351 692	86 718 151 246	55 786 481 935	142 504 633 181
Changes in equity for 2023											
Profit or loss											
Profit for the year	-	-	-	-	-	-	-	548 635 616 139	548 635 616 139	488 090 688 900	1 036 726 305 039
Other comprehensive income, net of tax											
Revaluation of property	-	-	-	-	-	287 742 812 307	-	-	287 742 812 307	2 325 121 181	290 067 933 488
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	-	(7 622 611 109)	-	(7 622 611 109)	21 451 578	(7 601 159 531)
Currency translation differences on translating foreign operations	-	-	-	2 654 278 752	-	-	-	-	2 654 278 752	-	2 654 278 752
Transaction with owners of the parent											
Dividends paid	-	-	-	-	-	-	-	(2 812 265 520)	(2 812 265 520)	(554 500 438)	(3 366 765 958)
Other movements											
Transfer to share premium from FCTR	-	101 292 105	(101 292 105)	-	-	-	-	-	-	-	-
Transfer to retained income	-	-	-	-	-	(273 898 119)	-	273 898 119	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	20 290 952 328	20 290 952 328	(30 659 667 337)	(10 368 715 009)
Balance at 31 Dec 2023	1 751 906	128 373 801	-	2 654 278 752	(39 895 225)	319 192 074 552	(9 307 202 401)	622 977 552 758	935 606 934 143	515 009 575 819	1 450 616 509 962

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Inflation adjusted		Historical cost (Unaudited)*	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Cash generated from operating activities	(462 922 050 182)	46 707 345 716	54 826 410 452	67 002 409 161
Interest and related income received	229 243 329 575	122 206 329 900	129 949 163 942	18 949 153 229
Dividends received	4 346 457 401	2 211 543 938	2 214 397 507	321 401 726
Interest and related expense paid	(41 339 315 900)	(26 062 051 742)	(37 541 485 489)	(3 948 997 130)
Dividend received from associated companies	-	304 359 034	-	53 604 367
Income tax paid	(20 708 458 998)	(13 236 722 708)	(11 067 323 718)	(2 754 565 817)
Interest expense on lease liability	(3 640 404 651)	(1 968 829 503)	(1 945 559 385)	(309 586 388)
Interest expense on offshore borrowings	(13 152 710 380)	(2 054 106 122)	(8 115 707 427)	(329 280 095)
Net cash generated from operating activities	(308 173 153 135)	128 107 868 513	128 319 895 882	78 984 139 053
Cash flows from investing activities				
Purchase of investment property	(29 690 550 153)	(173 607 592)	(20 588 762 194)	(33 074 760)
Purchase of intangible assets	(4 475 402 642)	(5 224 086 669)	(1 966 577 891)	(691 561 685)
Purchase of property and equipment	(35 419 512 056)	(22 323 595 511)	(18 434 827 710)	(3 923 164 384)
Acquisition of subsidiary net of cash acquired	-	2 407 961 921	-	656 715 208
Proceeds on disposal of property and equipment	1 898 106 312	116 403 154	1 151 174 280	16 533 882
Proceeds on disposal of investment property	9 158 780 859	-	6 861 415 045	-
Purchase of investment securities	(42 924 847 909)	(32 588 417 932)	(22 114 622 101)	(6 185 156 979)
Proceeds on disposal of investment securities	19 877 115 601	11 908 350 615	7 035 470 342	2 109 197 734
Net cash used in investing activities	(81 576 309 988)	(45 876 992 014)	(48 056 730 229)	(8 050 510 984)
Cash flows from financing activities				
Dividends paid	(7 606 997 051)	(1 244 275 929)	(3 366 765 958)	(230 414 373)
Payment for lease liabilities	(3 689 937 416)	(791 156 825)	(1 972 031 424)	(74 971 893)
Proceeds from offshore borrowings	446 130 408 146	132 890 846 019	227 423 179 244	20 316 275 173
Repayments on offshore borrowings	(515 762 476 170)	(125 013 202 118)	(263 899 172 898)	(20 290 362 785)
Repayments on short term borrowings	-	(4 472 059 035)	-	(512 438 356)
Acquisition of non-controlling interests	(13 989 605 479)	-	(10 368 715 009)	-
Net cash used in financing activities	(94 918 607 970)	1 370 152 112	(52 183 506 045)	(791 912 234)
Net increase in cash and cash equivalents	(484 668 071 093)	83 601 028 611	28 079 659 608	70 141 715 835
Cash and cash equivalents at beginning of year	296 565 430 507	160 433 357 909	61 715 351 709	9 712 078 202
Effects of exchange rates fluctuating on cash and cash equivalents	388 395 116 639	(89 776 725 847)	376 766 746 671	(18 138 442 328)
Effects of inflation adjustments on cash and cash equivalents	266 269 281 935	142 307 769 834	-	-
Cash and cash equivalents at end of year	466 561 757 988	296 565 430 507	466 561 757 988	61 715 351 709
Cash and cash equivalents comprise:				
Cash	209 462 024 580	93 829 744 684	209 462 024 580	19 525 996 958
Local bank accounts	100 899 420 787	120 041 358 430	100 899 420 787	24 980 641 346
Foreign bank accounts	156 200 312 621	82 694 327 393	156 200 312 621	17 208 713 405
	466 561 757 988	296 565 430 507	466 561 757 988	61 715 351 709

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

Audited Financial Results for the year ended 31 December 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. BASIS OF PREPARATION

1.1 Reporting currency
All Group entities have Zimbabwean dollar (ZW$) as their functional currency as at the reporting date. All information presented has been rounded off to the nearest dollar.

1.2 Statement of compliance
The consolidated and separate annual financial statements as at, and for the year ended 31 December 2023, have been prepared under the supervision of E Mungoni CA(Z), Group Chief Finance Officer of ZB Financial Holdings Limited. The consolidated and separate financial statements are based on accounting records maintained under the historical cost convention as modified by the revaluation of property and equipment, investment properties and certain financial instruments carried at fair value.

The preparation of the consolidated and separate financial statements, in conformity with IAS 29 "Financial Reporting in Hyperinflationary Economies" is required by IFRS Accounting Standards. The consolidated and separate inflation adjusted financial statements are to be the principal financial statements of the Company and its subsidiaries. The consolidated and separate historical cost financial statements have been provided as supplementary information and as a result the auditors have not expressed an opinion on them.

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by the International Accounting Standards Board (IASB) which includes standards and interpretations approved by IASB, the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Building Societies Act (Chapter 24:02, the Insurance Act (Chapter 24:07), the Microfinance Act (24:29), Securities and Exchange Act (Chapter 24:25) and relevant regulations made thereunder.

The consolidated and separate financial statements were authorised for issue by the board of directors on 27 May 2024.

1.3 Changes in material accounting policies and disclosures

Adoption of IFRS 17- Insurance Contracts
In May 2017, the International Accounting Standards Board (IASB) issued IFRS 17, which replaces IFRS 4 Insurance Contracts (IFRS 4) for reporting periods beginning on or after 1 January 2023. In addition, further amendments were issued in June 2020.

IFRS 17 provides comprehensive guidance on accounting for insurance contracts issued, investment contracts with discretionary participation features and reinsurance contracts. IFRS 17 provides the principles for recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. The standard introduces defined accounting models that measure insurance contracts at their current fulfilment estimates using one of three measurement models, depending on the nature and terms of the contract. IFRS 17 provides consistent principles for all aspects of accounting for insurance contracts.

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023 with transition date for the group being 1 January 2022, i.e. the IFRS 17 measurement principles has been applied to all contracts in-force at 1 January 2022, as if IFRS 17 had always been in existence. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

IFRS 17 Transition
Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach unless it is impracticable to do so. Under the full retrospective approach, at 1 January 2022 the Group:
- identified, recognized, and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied.
- identified, recognized, and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied.
- derecognized previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

The Group adopted the following transition approaches for its insurance contracts:
- Full Retrospective Approach: Applied to contracts classified as (PAA) contracts under IFRS 17.
- Modified Retrospective Approach: Applied to contracts classified as General Measurement Model (GMM). contracts under IFRS 17. For the modified retrospective approach, the Group has maximised the use of information that would have been used to apply the full retrospective approach.

Adoption of IFRS 17 has material impact on consolidated inflation adjusted financial statements. A detailed impact disclosure together with IFRS 17 accounting policies are discussed in the accounting policy notes in the Group's annual report as at 31 December 2023.

1.4 Effects of inflation adjustments
The Public Accountants and Auditors Board (PAAB), through circular 01/19 indicating the conditions required for the application of International Accounting Standard ("IAS") 29, Financial Reporting in Hyper-Inflationary Economies. All entities reporting in Zimbabwe were now required to apply the requirements of IAS 29 with effect from 1 July 2019. These financial statements were based on current cost approach in accordance with IAS 29

The Zimbabwe consumer price index (CPI) has been used by the Group as the general price index to generate inflation-adjusted financial statements since IAS 29 was introduced on 1 October 2018. However, Statutory Instrument (SI) 17 of 2023 dropped the publication of pure ZW$ annual and monthly inflation rates in February of 2023 and operationalized blended inflation. IAS 29 dictates that the general price index must be for specific currency not for multi-currencies, but it allows for the estimation of the consumer price index when a general consumer price index is not easily accessible. Due to this change, The Total Consumption Poverty Line (TCPL) released by Zimbabwe Central Statistical Office (ZIMSTAT), was used to estimate and apply inflation rates for the period under review, in accordance with International Accounting Standard (IAS) - "Financial Reporting in Hyperinflationary Economies" in the preparation of its consolidated financial statements.

The conversion factors used to restate the consolidated and separate financial statements at 31 December 2023 are as follows:

	Index	Conversion factors
31 December 2023	65 703.45	1.00
31 December 2022	13 672.91	4.81
31 December 2021	3 977.46	16.52

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the statement of financial position date are restated by applying a general CPI. Comparative figures are restated using general inflation indices in terms of the measuring unit current at the statement of financial position date.
- Comparative figures are restated using general inflation indices in terms of the measuring unit current at the statement of financial position date.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held, assets and liabilities to be recovered or paid at the nominal value recorded at the original cost.
- The non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholder's equity are restated by applying the relevant conversion factors from the date of transaction to the statement of financial position date.
- Additions to non-monetary items in the current period are restated using the relevant conversion factors from the date of the transaction to the statement of financial position date.
- Non-monetary assets and liabilities carried at current cost will not be restated because they are already expressed in the monetary unit current at the statement of financial position date.
- All items in the statement of profit or loss and other comprehensive income are restated by applying the respective monthly factors.
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the statement of profit or loss and other comprehensive income and replaced by indexed cost.
- Items in the cashflow statement are expressed in terms of the measuring unit current at the Statement of Financial Position date. The effect of inflation is attributed to each single item on the statement of cash flows, and the monetary gain or loss on cash and cash equivalents is presented separately in the reconciliation of opening to closing cash and cash equivalents

1.5 Basis of reporting

The same accounting policies and methods of computation were applied to the financial results as at the reporting date of ZB Bank Limited and ZB Building Society, incorporated in this reporting package.

1.6 Basis of consolidation

Subsidiaries
A subsidiary is an entity controlled by another entity, that is the parent. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to exert control over the entity's financial and operational decisions through its power over the investee. The results of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the entity parent. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any excess of the consideration over the fair values of the identifiable net assets acquired is recognised as goodwill. Where the fair values of the identifiable net assets acquired exceed the consideration, a bargain purchase (negative goodwill) is recognised in profit or loss in the period of acquisition. Transaction costs are expensed, 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.

Non-controlling interests (NCI)
Non-controlling interests are measured at their proportionate share of the fair values of the assets and liabilities recognised.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where necessary, adjustments are made to the financial statements of subsidiaries and associates to bring the accounting policies used into line with those used by the Group.

Transactions eliminated on consolidation
Intra-Group transactions, balances, and unrealised income and expenses are eliminated on consolidation.

1.7 Key sources of judgement and estimation uncertainty
Significant assumptions and estimations, as at the date of financial reporting, with material implications on the reported financial outturn and balances have been made in the following areas:
- The computation of insurance and reinsurance assets and liabilities (IFRS 17)
- Determination of the fair value of financial assets (IFRS 13)
- Valuation of property (including investment properties) and equipment (IAS 16 and IAS 40)
- Estimation of liabilities under insurance contracts including life funds valuation (IFRS 4)
- Ascertaining of the degree of control or significant influence in investee companies (IAS 27 and IAS 28)
- Determination of carrying amounts of right of use assets and lease liabilities (IFRS 16)
- Estimation of CPI used to generate inflation adjusted numbers (IAS 29) (note 1.3).

The nature of assumptions made and processes involved in the development of estimates, and relevant models used, where applicable, are discussed in the accounting policy notes in the Group's annual report as at 31 December 2023.

The same above significant assumptions and estimates were applied to the extent where relevant, to the financial results as at the reporting date of ZB Bank Limited and ZB Building Society, incorporated in this reporting package.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SEGMENT INFORMATION

	Inflation adjusted				
31 December 2023	Banking operations ZW$	Insurance operations ZW$	Investments operations ZW$	Other operations incl. consolidation adjustments ZW$	Consolidated ZW$
External revenue					
Interest income calculated using the effective interest rate method	218 207 334 059	1 015 331 324	10 991 475 449	(2 905 180 340)	227 308 960 492
Other interest and related income	1 468 402 672	460 772 418	5 193 993	-	1 934 369 083
Interest expense calculated using the effective interest rate method	(41 464 152 382)	(171 174 016)	(2 209 822 650)	2 905 180 340	(40 939 968 708)
Other interest and related expenses	(288 855 587)	-	(110 491 605)	-	(399 347 192)
Net interest income	177 922 728 762	1 304 929 726	8 676 355 187	-	187 904 013 675
Fees and commission income	290 485 848 182	45 451 029	4 278 996 314	1 225 984 594	296 036 280 119
Corporate Banking	43 572 877 227	-	-	-	43 572 877 227
Retail Banking	246 912 970 955	-	-	-	246 912 970 955
Other commissions	-	45 451 029	4 278 996 314	1 225 984 594	5 550 431 937
Insurance revenue	-	199 010 788 228	-	-	199 010 788 228
Insurance insurance service expense	-	(377 642 250 921)	-	-	(377 642 250 921)
Fair value adjustments	93 077 741 500	48 958 038 613	321 821 031 939	4 778 225 701	468 635 037 753
Other revenue	275 614 414 420	173 113 560 901	64 048 403 627	(60 096 173 999)	452 680 204 949
Total segment revenue	837 100 732 864	44 790 517 576	398 824 787 067	(54 091 963 704)	1 226 624 073 803
Inter-segmental Revenue	(13 937 761 171)	(559 274 944)	(1 434 917 789)	15 931 953 904	-
Total segment operating expenses	(603 863 510 977)	(28 516 951 599)	(75 524 484 059)	(52 206 285 612)	(760 111 232 247)
Material non-cash items included in the above figures:					
Expected credit loses	(53 355 838 784)	-	(3 270 984 597)	-	(56 626 823 381)
Depreciation	(32 027 496 998)	(283 863 427)	(167 107 641)	(949 816 888)	(33 428 284 954)
Amortisation of intangible assets	(689 328 379)	(1)	-	(91 252 838)	(780 581 218)
Profit from associates net of tax	-	90 119 491 490	-	(57 284 337 984)	32 835 153 506
Reportable segment profit before taxation	233 237 221 887	(70 552 644 542)	323 032 393 430	251 638 042 261	788 355 013 036
Income tax expense	(23 919 421 498)	(21 952 309 531)	(21 306 734 076)	(4 793 172 801)	(71 971 637 906)
Reportable segment assets as at 31 December 2023	2 428 186 751 596	471 374 938 222	722 406 319 389	(266 674 981 356)	3 355 293 027 851
Reportable segment liabilities as at 31 December 2023	1 610 702 075 834	226 639 805 417	77 090 202 502	(64 827 802 035)	1 849 604 281 718
Investment in associates	-	178 167 249 752	-	(132 237 359 154)	45 929 890 598

	Inflation adjusted				
31 December 2022	Banking operations ZW$	Insurance operations ZW$	Investments operations ZW$	Other operations incl. consolidation adjustments ZW$	Consolidated ZW$
External revenue					
Interest income calculated using the effective interest rate method	118 691 151 675	(842 844 925)	1 871 059 578	(1 722 362 602)	117 997 003 726
Other interest and related income	3 591 622 572	592 238 741	25 464 861	-	4 209 326 174
Interest expense calculated using the effective interest rate method	(19 911 821 446)	(43 371 632)	(280 455 770)	1 722 362 602	(18 513 286 246)
Other interest and related expenses	(7 521 340 101)	-	(27 425 395)	-	(7 548 765 496)
Net interest income	94 849 612 700	(293 977 816)	1 588 643 274	-	96 144 278 158
Fees and commission income	75 027 753 892	48 167 770	1 025 642 593	349 804 284	76 451 368 539
Corporate Banking	8 281 907 909	-	-	-	8 281 907 909
Retail Banking	66 745 845 983	-	-	-	66 745 845 983
Other commissions	-	48 167 770	1 025 642 593	349 804 284	1 423 614 647
Insurance revenue	-	75 834 570 630	-	-	75 834 570 630
Insurance insurance service expense	-	(88 406 876 753)	-	-	(88 406 876 753)
Fair value adjustments	29 799 890 996	14 429 940 029	(765 082 928)	30 977 948 832	74 442 696 929
Other revenue	77 708 150 559	(20 802 389 439)	(46 940 598 236)	97 235 015 484	107 200 178 368
Total segment revenue	277 385 408 147	(19 190 565 579)	(45 091 395 297)	128 562 768 600	341 666 215 871
Inter-segmental Revenue	(7 564 436 904)	(465 342 400)	(4 835 244)	8 034 614 548	-
Total segment operating expenses	(198 031 981 892)	(22 617 708 513)	(2 938 973 267)	20 915 268 886	(202 673 394 786)
Material non-cash items included in the above figures:					
Expected credit loses	(32 656 051 324)	-	(105 979 926)	(1)	(32 762 031 251)
Depreciation	(12 968 264 725)	(363 882 757)	(122 731 706)	(795 218 942)	(14 250 098 130)
Amortisation of intangible assets	(1 010 186 019)	(16 341 900)	(645 163)	-	(1 027 173 082)
Profit from associates net of tax	-	23 111 135 958	-	2 815 394 685	25 926 530 643
Reportable segment profit before taxation	79 353 426 255	33 825 073 970	(48 763 623 611)	100 188 348 681	164 603 225 295
Income tax expense	(627 574 437)	(5 925 882 254)	90 539 524	3 972 470 661	(2 490 446 506)
Reportable segment assets as at 31 December 2022	1 054 508 810 044	196 280 500 437	355 914 303 192	(105 666 020 774)	1 501 037 592 899
Reportable segment liabilities as at 31 December 2022	682 445 872 357	104 925 175 607	35 785 935 092	(19 389 788 222)	803 767 194 834
Investment in associates	-	88 658 515 808	-	(82 376 280 578)	6 282 235 230

	Historical cost (Unaudited)				
31 December 2023	Banking operations ZW$	Insurance operations ZW$	Investments operations ZW$	Other operations incl. consolidation adjustments ZW$	Consolidated ZW$
External revenue					
Interest income calculated using the effective interest rate method	121 726 309 592	662 857 298	8 113 793 785	(553 796 733)	129 949 163 942
Other interest and related income	812 397 526	463 327 519	5 193 993	-	1 280 919 038
Interest expense calculated using the effective interest rate method	(36 510 916 255)	(101 374 155)	(1 270 007 265)	553 796 733	(37 328 500 942)
Other interest and related expenses	(133 049 604)	-	(79 934 943)	-	(212 984 547)
Net interest income	85 894 741 259	1 024 810 662	6 769 045 570	-	93 688 597 491
Fees and commission income	181 320 674 593	37 834 626	2 246 155 613	812 915 894	184 417 580 726
Corporate Banking	27 198 101 189	-	-	-	27 198 101 189
Retail Banking	154 122 573 404	-	-	-	154 122 573 404
Other commissions	-	37 834 626	2 246 155 613	812 915 894	3 096 906 133
Insurance revenue	-	115 272 029 628	-	-	115 272 029 628
Insurance insurance service expense	-	(194 614 039 265)	-	-	(194 614 039 265)
Fair value adjustments	210 475 071 953	94 939 267 494	587 938 946 625	18 576 959 987	911 930 243 059
Other revenue	264 786 293 167	126 762 202 644	46 622 354 497	(18 009 734 808)	420 161 115 500
Total segment revenue	742 476 780 972	143 422 105 789	634 576 499 305	1 308 141 073	1 530 855 527 139
Inter-segmental Revenue	(4 625 629 776)	(45 132 968)	5 193 993	4 665 568 751	-
Total segment operating expenses	(350 140 786 360)	(22 608 225 787)	(35 582 737 486)	(7 206 542 169)	(415 538 291 802)
Material non-cash items included in the above figures:					
Expected credit loses	(51 500 397 782)	-	(3 214 741 475)	-	(54 715 139 257)
Depreciation	(10 222 846 275)	(111 915 470)	(60 693 786)	(267 278 408)	(10 662 733 921)
Amortisation of intangible assets	(55 665 363)	-	-	(18 989 742)	(74 655 105)
Profit from associates net of tax	-	159 114 889 259	-	(156 565 598 839)	2 549 290 420
Reportable segment profit before taxation	392 335 994 612	244 088 356 335	608 207 991 993	(149 919 742 432)	1 094 712 600 508
Income tax expense	6 013 864 857	(31 690 505 746)	(33 263 660 543)	954 005 963	(57 986 295 469)
Reportable segment assets as at 31 December 2023	2 355 794 630 623	464 037 558 356	698 929 001 323	(244 280 984 735)	3 274 480 205 567
Reportable segment liabilities as at 31 December 2023	1 585 299 019 957	226 638 105 145	60 074 429 559	(48 147 859 056)	1 823 863 695 605
Investment in associates as at 31 December 2023	-	177 215 478 224	-	(163 478 854 529)	13 736 623 695

	Historical cost (Unaudited)				
31 December 2022	Banking operations ZW$	Insurance operations ZW$	Investments operations ZW$	Other operations incl. consolidation adjustments ZW$	Consolidated ZW$
External revenue					
Interest income calculated using the effective interest rate method	18 413 256 078	(194 105 564)	289 499 107	(197 359 796)	18 311 289 825
Other interest and related income	513 896 240	123 483 077	484 087	-	637 863 404
Interest expense calculated using the effective interest rate method	(2 868 397 023)	(9 025 649)	(50 299 520)	197 359 796	(2 730 362 396)
Other interest and related expenses	(1 213 426 361)	-	(5 208 373)	-	(1 218 634 734)
Net interest income	14 845 328 934	(79 648 136)	234 475 301	-	15 000 156 099
Fees and commission income	11 611 367 537	6 294 405	161 069 020	55 980 193	11 834 711 155
Corporate Banking	1 763 932 477	-	-	-	1 763 932 477
Retail Banking	9 882 196 493	-	-	-	9 882 196 493
Other commissions	-	6 294 405	161 069 020	55 980 193	223 343 618
Insurance revenue	-	11 532 380 673	-	-	11 532 380 673
Insurance insurance service expense	-	(12 050 407 753)	-	-	(12 050 407 753)
Fair value adjustments	18 977 053 037	8 966 582 649	192 944 593	8 671 392 804	36 807 973 083
Other revenue	15 943 221 369	(1 411 399 336)	(32 484 984)	9 904 810 618	24 404 147 667
Total segment revenue	61 376 970 877	6 963 802 502	556 003 930	18 632 183 615	87 528 960 924
Inter-segmental Revenue	(873 325 269)	(103 085 171)	484 087	975 926 353	-
Total segment operating expenses	(26 476 528 626)	(2 168 239 516)	(456 232 408)	120 349 321	(28 980 651 229)
Material non-cash items included in the above figures:					
Expected credit loses	(4 910 887 165)	-	(22 054 453)	-	(4 932 941 618)
Depreciation	(1 825 828 188)	(15 510 784)	15 427 164	(87 948 648)	(1 913 860 456)
Amortisation of intangible assets	(7 087 898)	-	1 888 786 694	(1 889 870 118)	(8 171 322)
Profit from associates net of tax	-	14 502 315 286	-	753 853 512	15 256 168 798
Reportable segment profit before taxation	34 900 442 251	16 149 750 457	146 010 371	17 338 644 887	68 534 847 966
Income tax expense	(2 059 993 227)	(2 214 741 585)	(10 019 036)	689 703 877	(3 595 049 971)
Reportable segment assets as at 31 December 2022	218 117 433 352	40 750 052 692	73 400 076 326	(22 603 332 082)	309 664 230 288
Reportable segment liabilities as at 31 December 2022	142 168 954 230	21 793 316 171	6 889 185 333	(3 691 858 627)	167 159 597 107
Investment in associates as at 31 December 2022	-	18 432 124 531	-	(17 527 032 914)	905 091 617

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Audited Financial Results for the year ended 31 December 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
3. TREASURY BILLS				
Treasury bills include:				
Assets classified as at fair value through profit or loss' (FVTPL):				
Short term treasury bills [1]	6 889 284 386	32 312 347 175	6 889 284 386	6 724 208 776
Assets classified as 'at fair value through other comprehensive income (FVTOCI):				
Medium term treasury bills acquired from the market [2]	141 688 612 014	48 046 492 248	141 688 612 014	9 998 488 908
Assets classified as amortised cost' (AMCO):				
Treasury bills issued as substitution for debt instruments [3]	20 727 050	99 601 255	20 727 050	20 727 050
Capitalisation treasury bills [4]	18 684 806	94 063 108	18 684 806	19 574 560
	148 617 308 256	80 552 503 786	148 617 308 256	16 762 999 294
Maturity within 1 year	9 059 083 970	31 509 965 896	9 059 083 970	6 557 233 000
Maturity after 1 year	139 558 224 286	49 042 537 890	139 558 224 286	10 205 766 294
	148 617 308 256	80 552 503 786	148 617 308 256	16 762 999 294

1. The Group invested in treasury bills issued by the RBZ over an average period of 161 days (December 2022: 61 days) which were at an average rate of 27.83% (December 2022: 63%).
2. The Group purchased treasury bills from the secondary market. These treasury bills have an average coupon rate of 0.1755% (December 2022: 0%) with an average maturity period of 2years (December 2022: 297 days).
3. The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2022: 5%) and an average maturity period of 6 years (December 2022: 6 years).
4. Capitalisation Treasury Bills (CTBs) with a face value of ZW$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Group Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to ZW$94.952 billion (2022: ZW$4.060 billion) were used as security for the Group to access fixed deposits.

3.2 Determination of fair value of treasury bills

The fair value of treasury bills was determined using level 2 and level 3 inputs for treasury bills which are classified as FVTPL and FVTOCI respectively. The use of level 2 and level 3 inputs is due to lack of active market for treasury bills which are classified as "FVTPL" and FVTOCI. The Group used the discounted cash flow valuation technique by applying an average yield market rate on the contractual cash flows in order to determine the fair value of the treasury bills.

Treasury bills purchased from the secondary market value were fair valued using TBs average yield market rate of 68%.

USD denominated Treasury bills fair value was computed using a proxy discount rate of 5% by reference to US Federal Reserve TBs with same tenor and adjusted for country risk.

3.3 Impairment assessment of treasury bills

Treasury bills at FVTOCI and AMCO were assessed for ECL in the current year in line with IFRS 9. Treasury bills, being local sovereign exposures have been assessed as "low risk" instruments and there were no defaults recorded in past on all Government Instruments. In addition, the Government of Zimbabwe has a strong capacity to meet its contractual cashflow obligations in the near term and an adverse in the economics and business conditions in the long term may but will not necessarily reduce the Government of Zimbabwe's ability to fulfil its obligations. The amount of ECL was immaterial as such no adjustment for impairment was recognized.

4. MORTGAGES AND OTHER ADVANCES

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
4.1 Gross loan book				
Mortgage advances	55 778 343 616	10 518 771 510	55 778 343 616	2 188 959 388
Other advances:				
Loans, overdraft and other accounts	822 736 311 401	283 389 231 055	822 736 311 401	58 973 380 799
Finance leases	119 460 456 513	13 046 763 899	119 460 456 513	2 715 035 334
Bills discounted	-	664 474 244	-	138 277 282
Total other advances	942 196 767 914	297 100 469 198	942 196 767 914	61 826 693 415
Gross advances	997 975 111 530	307 619 240 708	997 975 111 530	64 015 652 803
Off balance sheet exposures				
In respect of guarantees	42 449 612 577	15 058 970 583	42 449 612 577	3 133 776 126
In respect of Loan commitments	478 206 882 581	32 984 817 429	478 206 882 581	6 864 150 030
Gross credit exposure	1 518 631 606 688	355 663 028 720	1 518 631 606 688	74 013 578 959
Gross advances	997 975 111 530	307 619 240 708	997 975 111 530	64 015 652 803
Less: Allowance for loan impairments	(50 853 334 809)	(20 112 327 484)	(50 853 334 809)	(4 185 381 156)
Net advances	947 121 776 721	287 506 913 224	947 121 776 721	59 830 271 647
4.2 Maturity analysis				
On demand	61 725 682 047	15 164 404 325	61 725 682 047	3 155 716 918
Within 1 month	85 893 690 855	7 825 394 694	85 893 690 855	1 628 466 895
Between 1 and 6 months	269 802 971 321	69 206 479 052	269 802 971 321	14 401 888 271
Between 6 and 12 months	285 796 047 370	107 404 814 572	285 796 047 370	22 350 972 921
After 12 months	815 413 215 095	156 061 936 077	815 413 215 095	32 476 533 954
	1 518 631 606 688	355 663 028 720	1 518 631 606 688	74 013 578 959
4.3 Non-performing loans				
Included in the above are the following;				
Non-performing loans	15 438 308 686	1 106 063 307	15 438 308 686	230 172 094
Less: Allowance for loan impairments	(4 395 485 071)	(360 539 374)	(4 395 485 071)	(75 028 348)
Value to be received from security held	11 042 823 615	745 523 933	11 042 823 615	155 143 746

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally, no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZW$41 007 892 695 as at 31 December 2023 (2022: ZW$80 018 592).

	Inflation adjusted				Historical cost (Unaudited)			
	31 Dec 2023 ZW$	As a % of Total	Restated 31 Dec 2022 ZW$	As a % of Total	31 Dec 2023 ZW$	As a % of Total	Restated 31 Dec 2022 ZW$	As a % of Total
4.4 Sectorial analysis								
Gross advances:								
Private	306 305 098 539	20%	81 072 748 486	23%	306 305 098 539	20%	16 871 262 366	23%
Agriculture	87 943 663 445	6%	14 926 751 089	4%	87 943 663 445	6%	3 106 261 211	4%
Mining	138 725 610 726	9%	55 011 335 685	15%	138 725 610 726	9%	11 447 874 838	15%
Manufacturing	47 742 282 807	3%	10 944 127 686	3%	47 742 282 807	3%	2 277 476 131	3%
Distribution	53 555 677 756	3%	30 275 574 102	8%	53 555 677 756	3%	6 300 355 711	8%
Construction	15 512 735 274	1%	1 229 727 271	0%	15 512 735 274	1%	255 906 600	0%
Transport	33 225 856 824	2%	17 866 120 676	5%	33 225 856 824	2%	3 717 944 871	5%
Services	261 796 342 254	17%	77 627 386 579	21%	261 796 342 254	17%	16 154 281 560	21%
Financial	53 040 890 480	3%	18 626 994 650	5%	53 040 890 480	3%	3 876 282 964	5%
Communication	126 953 425	0%	38 474 484	0%	126 953 425	0%	8 006 551	0%
	997 975 111 530	66%	307 619 240 708	86%	997 975 111 530	66%	64 015 652 803	86%
Guarantees:								
Manufacturing	28 593 615 204	1.9%	14 636 923 946	4%	28 593 615 204	2%	3 045 948 099	4%
Distribution	259 572 805	0.02%	197 118 727	0%	259 572 805	0%	41 020 464	0%
Construction	11 615 243 918	0.75%	-	0%	11 615 243 918	1%	-	0%
Transport	-	0.00%	-	0%	-	0%	-	0%
Services	1 981 180 650	0.13%	224 927 910	0%	1 981 180 650	0%	46 807 563	0%
Communication	-	0%	-	0%	-	0%	-	0%
Financial Services	-	0%	-	0%	-	0%	-	0%
Total guarantees	42 449 612 577	3%	15 058 970 583	4%	42 449 612 577	3%	3 133 776 126	4%
Loan commitments:								
Private	-	0%	-	0%	-	0%	-	0%
Agriculture	63 913 070 999	4%	5 693 008 589	2%	63 913 070 999	4%	1 184 716 731	2%
Mining	51 740 701 106	3%	210 314 759	0%	51 740 701 106	3%	43 766 562	0%
Manufacturing	31 268 783 191	2%	5 933 849 562	2%	31 268 783 191	2%	1 234 835 807	2%
Distribution	46 874 219 843	3%	2 781 601 374	1%	46 874 219 843	3%	578 852 049	1%
Construction	16 432 463 368	1%	30 739 472	0%	16 432 463 368	1%	6 396 893	0%
Transport	29 467 700 140	2%	5 770 523 109	2%	29 467 700 140	2%	1 200 847 525	2%
Communication	28 847 794	0%	195 334 381	0%	28 847 794	0%	40 649 141	0%
Services	228 372 342 150	15%	12 340 507 905	3%	228 372 342 150	15%	2 568 063 258	3%
Financial Services	10 108 753 990	1%	28 938 278	0%	10 108 753 990	1%	6 022 064	
Total Loan commitments	478 206 882 581	31%	32 984 817 429	10%	478 206 882 581	31%	6 864 150 030	10%
Total credit exposure	1 518 631 606 688	100%	355 663 028 720	100%	1 518 631 606 688	100%	74 013 578 959	100%
4.5 Mortgage advances								
Mortgage advances were spread as follows:								
Type of property:-								
High density	1 557 366 638	3%	539 138 243	5%	1 557 366 638	3%	112 194 824	5%
Medium density	23 451 642 017	42%	562 355 741	5%	23 451 642 017	42%	117 026 392	5%
Low density	12 628 847 496	23%	6 131 532 714	58%	12 628 847 496	23%	1 275 973 728	58%
Commercial	18 140 487 465	33%	3 285 744 812	31%	18 140 487 465	33%	683 764 444	31%
	55 778 343 616	100%	10 518 771 510	100%	55 778 343 616	100%	2 188 959 388	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4.6 Finance lease receivables

Loans and advances to customers include the following finance lease receivables for leases of certain equipment where the Group is the lessor:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Gross investment in finance leases:				
Less than 1 year	71 192 321 545	6 886 415 338	71 192 321 545	1 433 065 020
Between 1 and 5 years	191 281 544 610	46 420 708 379	191 281 544 610	9 660 162 816
Gross investment in finance leases	262 473 866 155	53 307 123 717	262 473 866 155	11 093 227 836
Unearned finance charges	(143 013 409 642)	(40 260 359 816)	(143 013 409 642)	(8 378 192 501)
Net investment in finance leases	119 460 456 513	13 046 763 901	119 460 456 513	2 715 035 335
Less than 1 year	33 243 223 102	2 054 527 582	33 243 223 102	427 547 783
Between 1 and 5 years	86 217 233 410	10 992 236 319	86 217 233 410	2 287 487 552
	119 460 456 513	13 046 763 901	119 460 456 513	2 715 035 335
5 INVESTMENT PROPERTIES				
Made up as follows:				
Land stock held for capital appreciation and completed properties available for lease:				
Residential	72 758 732 370	36 479 133 272	72 758 732 370	7 591 318 166
Commercial	807 408 563 500	404 811 403 869	807 408 563 500	84 241 370 016
Industrial	22 600 934 806	11 331 457 900	22 600 934 806	2 358 079 661
Balance at end of year	902 768 230 676	452 621 995 041	902 768 230 676	94 190 767 843
Reconciliation of carrying amount				
Carrying amount at beginning of year	452 621 995 041	73 491 985 210	94 190 767 843	4 448 949 501
Additions	29 690 550 153	173 607 592	20 588 762 194	33 074 760
Transfer to owner occupied	-	(19 049 949 544)	-	(3 964 300 000)
Arising from acquisition of subsidiary	-	321 312 615 257	-	66 865 248 000
Disposals	(1 147 949 437)	-	(860 000 000)	-
Fair value adjustment	433 512 765 156	76 693 736 526	791 326 994 639	26 807 795 582
Reclassified as held for sale	(11 909 130 237)	-	(2 478 294 000)	-
Balance at end of year	902 768 230 676	452 621 995 041	902 768 230 676	94 190 767 843
6 RIGHT OF USE ASSETS				
Balance at the beginning of year	7 592 270 591	3 656 542 457	372 877 689	102 568 596
Depreciation	(3 076 298 187)	(570 364 533)	(1 644 081 189)	(79 470 830)
Lease reassessments	12 042 499 313	4 506 092 667	7 116 464 521	349 779 923
Balance at end of year	16 558 471 717	7 592 270 591	5 845 261 021	372 877 689

7. PROPERTY AND EQUIPMENT

Inflation adjusted

31 December 2023	Freehold properties ZW$	Leasehold improvements ZW$	Equipment furniture & fittings ZW$	Computer equipment ZW$	Marine assets and motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
GROUP							
Cost or valuation							
Balance at 1 January 2023	129 050 478 550	39 880 083 764	63 682 619 338	73 809 369 655	22 849 643 584	2 420 777 671	331 692 972 562
Additions	-	9 827 617 772	5 537 455 365	7 794 956 358	6 497 573 393	5 761 909 168	35 419 512 056
Disposals	-	-	(134 970 263)	(46 284 127)	(629 558 582)	-	(810 812 972)
Transfer between categories	-	5 750 997 277	7 531 046	-	-	(5 758 528 323)	-
Surplus on revaluation	117 918 442 233	734 154	6 090 113 285	43 580 877 364	14 481 949 714	-	182 072 116 750
Balance at 31 December 2023	246 968 920 783	55 459 432 967	75 182 748 771	125 138 919 250	43 199 608 109	2 424 158 516	548 373 788 396
Accumulated depreciation							
Balance at 1 January 2023	14 554 010 241	31 469 282 256	39 007 607 459	36 411 998 562	10 918 529 996	1 441 822 847	133 803 251 361
Recognised in statement of profit or loss	9 183 016 008	1 626 585 431	4 142 083 288	13 173 722 735	5 302 877 492	-	33 428 284 954
Disposals	-	-	(26 258 967)	(10 654 985)	(177 731 839)	-	(214 645 791)
Impairment	-	3 882 711	1 188 452 722	200 618 081	-	-	1 392 953 514
Balance at 31 December 2023	23 737 026 249	33 099 750 398	44 311 884 502	49 775 684 393	16 043 675 649	1 441 822 847	168 409 844 038
Carrying value at 31 December 2023	223 231 894 534	22 359 682 569	30 870 864 269	75 363 234 857	27 155 932 460	982 335 669	379 963 944 358
Carrying value at 31 December 2022	114 496 468 309	8 410 801 508	24 675 011 879	37 397 371 093	11 931 113 588	978 954 824	197 889 721 201

Inflation adjusted

Restated 31 December 2022	Freehold properties ZW$	Leasehold improvements ZW$	Equipment furniture & fittings ZW$	Computer equipment ZW$	Marine assets and motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
GROUP							
Cost or valuation							
Balance at 1 January 2022	67 355 671 446	31 494 607 445	56 884 753 224	70 196 521 825	15 803 545 259	1 042 293 375	242 777 392 574
Additions	-	644 137 381	4 231 064 385	3 317 420 712	4 198 569 081	9 932 403 952	22 323 595 511
Disposals	-	-	(392 299 922)	(212 065 184)	(97 563 673)	-	(701 928 779)
Transfer between categories	-	7 738 608 601	815 311 055	-	-	(8 553 919 656)	-
Surplus on revaluation	42 644 857 560	2 730 337	1 870 104 263	507 492 302	2 254 579 925	-	47 279 764 387
Arising from acquisition of subsidiary	19 049 949 544	-	273 686 333	-	690 512 992	-	20 014 148 869
Balance at 31 December 2022	129 050 478 550	39 880 083 764	63 682 619 338	73 809 369 655	22 849 643 584	2 420 777 671	331 692 972 562
Accumulated depreciation							
Balance at 1 January 2022	10 676 353 396	29 582 043 068	16 822 492 831	20 168 450 972	9 735 962 716	893 644 950	87 878 947 933
Recognised in statement of profit or loss	3 877 656 845	315 067 131	1 967 376 896	7 024 693 200	1 065 304 058	-	14 250 098 130
Disposals	-	-	(11 109 091)	(9 481 659)	(29 799 928)	-	(50 390 678)
Impairment	-	1 572 172 057	20 228 846 823	9 228 336 049	147 063 150	548 177 897	31 724 595 976
Balance at 31 December 2022	14 554 010 241	31 469 282 256	39 007 607 459	36 411 998 562	10 918 529 996	1 441 822 847	133 803 251 361
Carrying value at 31 December 2022	114 496 468 309	8 410 801 508	24 675 011 879	37 397 371 093	11 931 113 588	978 954 824	197 889 721 201
Carrying value at 31 December 2021	56 679 318 050	1 912 564 377	40 062 260 393	50 028 070 853	6 067 582 543	148 648 425	154 898 444 641

Historical cost (Unaudited)

31 December 2023	Freehold properties ZW$	Leasehold improvements ZW$	Equipment furniture & fittings ZW$	Computer equipment ZW$	Marine assets and motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
GROUP							
Cost or valuation							
Balance at 1 January 2023	24 495 127 067	1 786 688 937	5 390 323 055	9 016 249 036	2 537 935 521	250 626 907	43 476 950 523
Additions	-	4 513 827 278	3 688 077 459	4 855 105 285	3 456 568 519	1 921 249 169	18 434 827 710
Disposals	-	-	(101 063 700)	(34 502 151)	(365 944 912)	-	(501 510 763)
Transfer between categories	-	1 953 931 333	7 531 046	-	-	(1 961 462 379)	-
Surplus on revaluation	204 312 870 465	-	22 878 035 746	65 645 093 184	21 995 054 774	-	314 831 054 169
Balance at 31 December 2023	228 807 997 532	8 254 447 548	31 862 903 606	79 481 945 354	27 623 613 902	210 413 697	376 241 321 639
Accumulated depreciation							
Balance at 1 January 2023	668 379 069	76 785 576	303 555 327	1 226 387 798	193 234 361	-	2 468 342 131
Recognised in statement of profit or loss	4 907 724 466	415 103 126	972 620 962	2 954 646 608	1 412 638 759	-	10 662 733 921
Disposals	-	-	(19 354 587)	(8 095 463)	(119 832 605)	-	(147 282 655)
Impairment	-	-	-	-	-	-	-
Balance at 31 December 2023	5 576 103 535	491 888 702	1 256 821 702	4 172 938 943	1 486 040 515	-	12 983 793 397
Carrying value at 31 December 2023	223 231 893 997	7 762 558 846	30 606 081 904	75 309 006 411	26 137 573 387	210 413 697	363 257 528 242
Carrying value at 31 December 2022	23 826 747 998	1 709 903 361	5 086 767 728	7 789 861 238	2 344 701 160	250 626 907	41 008 608 392

Historical cost (Unaudited)

Restated 31 December 2022	Freehold properties ZW$	Leasehold improvements ZW$	Equipment furniture & fittings ZW$	Computer equipment ZW$	Marine assets and motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
GROUP							
Cost or valuation							
Balance at 1 January 2022	3 556 664 010	106 852 612	2 459 475 337	3 300 451 063	434 803 245	64 656 690	9 922 902 957
Additions	-	132 444 024	740 378 668	476 705 577	673 251 755	1 900 384 360	3 923 164 384
Disposals	-	-	(45 103 381)	(17 777 453)	(11 656 215)	-	(74 537 049)
Transfer between categories	-	1 547 392 301	167 021 842	-	-	(1 714 414 143)	-
Surplus on revaluation	16 974 163 057	-	2 045 117 085	5 256 869 849	1 436 619 785	-	25 712 769 776
Arising from acquisition of subsidiary	3 964 300 000	-	23 433 504	-	4 916 951	-	3 992 650 455
Balance at 31 December 2022	24 495 127 067	1 786 688 937	5 390 323 055	9 016 249 036	2 537 935 521	250 626 907	43 476 950 523
Accumulated depreciation							
Balance at 1 January 2022	125 495 011	31 041 822	49 443 750	275 178 119	68 226 170	-	549 384 872
Recognised in statement of profit or loss	542 884 058	45 763 660	236 006 845	960 965 756	128 240 137	-	1 913 860 456
Disposals	-	(19 906)	(2 312 303)	(9 756 077)	(3 231 946)	-	(15 320 232)
Impairment	-	-	20 417 035	-	-	-	20 417 035
Balance at 31 December 2022	668 379 069	76 785 576	303 555 327	1 226 387 798	193 234 361	-	2 468 342 131
Carrying value at 31 December 2022	23 826 747 998	1 709 903 361	5 086 767 728	7 789 861 238	2 344 701 160	250 626 907	41 008 608 392
Carrying value at 31 December 2021	3 431 168 999	75 810 790	2 410 031 587	3 025 272 944	366 577 075	64 656 690	9 373 518 085

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
8. INTANGIBLE ASSETS				
Computer software				
Carrying amount at beginning of year	7 047 239 521	3 344 331 367	703 404 671	22 206 622
Additions at cost	4 475 402 642	5 224 086 669	1 966 577 891	691 561 685
Amortisation	(780 581 218)	(1 027 173 082)	(74 655 105)	(8 171 322)
Impairment	(9 353 502)	(494 005 433)	(282 426)	(2 192 314)
Balance at end of year	10 732 707 443	7 047 239 521	2 595 045 031	703 404 671

Audited Financial Results for the year ended 31 December 2023

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	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
9 DEPOSITS AND OTHER ACCOUNTS				
9.1 Summary of deposits by type				
Balances of banks	144 621 078 431	18 846 944 799	144 621 078 431	3 922 054 654
Current accounts	90 331 442 513	76 201 002 322	90 331 442 513	15 857 450 583
Savings and call accounts	803 976 252 276	386 550 201 160	803 976 252 276	80 441 208 461
Fixed deposits	81 135 198 549	43 198 157 931	81 135 198 549	8 989 549 137
	1 120 063 971 769	524 796 306 212	1 120 063 971 769	109 210 262 835
9.2 Maturity analysis				
On demand	261 258 676 879	470 715 783 072	261 258 676 879	97 956 090 356
Within 1 month	820 191 278 839	14 677 145 572	820 191 278 839	3 054 318 231
Between 1 and 6 months	38 601 893 093	38 600 307 515	38 601 893 093	8 032 735 138
Between 6 and 12 months	216 398	721 522 646	216 398	150 149 071
After 12 months	11 906 560	81 547 407	11 906 560	16 970 039
	1 120 063 971 769	524 796 306 212	1 120 063 971 769	109 210 262 835

	Inflation adjusted				Historical cost (Unaudited)			
	31 Dec 2023 ZW$	% Contribution	Restated 31 Dec 2022 ZW$	% Contribution	31 Dec 2023 ZW$	% Contribution	Restated 31 Dec 2022 ZW$	% Contribution
9.3 Deposit concentration								
Private individuals	188 041 819 924	17%	89 663 435 928	17%	188 041 819 924	17%	18 658 986 903	17%
Agriculture	26 281 531 710	2%	28 256 267 421	5%	26 281 531 710	2%	5 880 137 408	5%
Mining	29 793 843 801	3%	11 777 131 686	2%	29 793 843 801	3%	2 450 824 504	2%
Manufacturing	21 434 024 689	2%	28 407 474 688	5%	21 434 024 689	2%	5 911 603 684	5%
Distribution	30 778 478 673	3%	18 867 046 554	4%	30 778 478 673	3%	3 926 237 835	4%
Construction	30 364 477 263	3%	6 174 716 686	1%	30 364 477 263	3%	1 284 960 325	1%
Transport	7 260 821 150	1%	2 811 561 520	1%	7 260 821 150	1%	585 086 764	1%
Services	477 858 717 324	43%	232 768 013 009	44%	477 858 717 324	43%	48 439 090 709	44%
Financial	251 282 350 844	22%	64 148 756 025	12%	251 282 350 844	22%	13 349 374 649	12%
Communication	56 967 906 391	5%	41 921 902 695	8%	56 967 906 391	5%	8 723 960 054	8%
	1 120 063 971 769	100%	524 796 306 212	100%	1 120 063 971 769	100%	109 210 262 835	100%

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
9.4 Secured and unsecured deposits analysis				
Deposits analysis				
Secured deposits	170 936 843 965	30 501 267 820	170 936 843 965	6 347 322 639
Unsecured deposits	949 127 127 804	494 295 038 392	949 127 127 804	102 862 940 196
	1 120 063 971 769	524 796 306 212	1 120 063 971 769	109 210 262 835
10 LEASE LIABILITIES				
Balance at the beginning of year	3 950 663 765	1 977 112 783	822 134 270	119 687 540
Add accrued interest posted to profit or loss	3 640 404 651	1 968 829 503	1 945 559 385	309 586 388
Exchange gains	6 403 871 234	(10 277 671 268)	6 403 871 234	690 680 746
Less lease liabilities paid during the year	(7 330 342 067)	(2 759 986 328)	(3 917 590 809)	(384 558 281)
Lease liability modification	12 042 499 313	20 403 526 369	7 116 464 521	86 737 877
Effects of inflation adjustments	(6 336 658 295)	(7 361 147 294)	-	-
Balance at end of year	12 370 438 601	3 950 663 765	12 370 438 601	822 134 270
Within 1 year	2 474 087 720	790 132 753	2 474 087 720	164 426 854
Over 1 year	9 896 350 881	3 160 531 012	9 896 350 881	657 707 416
11 LONG TERM BORROWINGS				
Comprising of:				
Face value of loan	20 000 000	96 107 507	20 000 000	20 000 000
Valuation discount	(1 315 193)	(10 595 588)	(1 315 193)	(2 204 945)
Balance at end of year	18 684 807	85 511 919	18 684 807	17 795 055
Valuation discount:				
Balance at beginning of the year	10 595 588	50 421 276	2 204 945	3 052 329
Amortisation during the year	(1 664 846)	(6 081 702)	(889 752)	(847 384)
Effects of inflation adjustments	(7 615 549)	(33 743 986)	-	-
Balance at end of year	1 315 193	10 595 588	1 315 193	2 204 945
12 OFFSHORE BORROWINGS				
Balance at beginning of year	32 265 529 480	10 868 004 533	6 714 466 000	657 911 243
Additions	446 130 408 146	132 890 846 019	227 423 179 264	20 316 275 173
Interest expense	13 152 710 380	2 054 106 122	8 115 707 427	329 280 095
Repayments	(515 762 476 170)	(125 013 202 118)	(263 899 172 898)	(20 290 362 785)
Interest expense paid	(13 152 710 380)	(2 054 106 122)	(8 115 707 427)	(329 280 095)
Exchange rates movement	129 656 988 359	28 979 500 252	129 656 988 359	6 030 642 369
Effects of inflation adjustments	7 605 010 890	(15 459 619 206)	-	-
Balance at end of year	99 895 460 705	32 265 529 480	99 895 460 705	6 714 466 000
Within 1 year	102 380 064 916	32 400 289 110	61 428 038 950	6 742 509 518

13 INSURANCE AND REINSURANCE CONTRACTS

The breakdown of Group's insurance and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Insurance contracts issued				
Insurance contract liabilities	115 914 210 663	53 063 967 751	115 914 210 663	11 042 627 009
Insurance contract Assets	(50 778 592 813)	(19 648 704 490)	(50 778 592 813)	(4 088 901 077)
Net insurance contract issued	65 135 617 850	33 415 263 261	65 135 617 850	6 953 725 932
Reinsurance contracts held				
Reinsurance contracts Liabilities	6 124 827 655	8 744 196 212	6 124 827 655	1 819 669 757
Reinsurance contracts Assets	(50 104 427 583)	(2 543 674 021)	(50 104 427 583)	(529 339 299)
Net reinsurance contract (assets)/ liabilities held	(43 979 599 928)	6 200 522 191	(43 979 599 928)	1 290 330 458
14 INTEREST AND RELATED INCOME				
Interest income calculated using the effective interest rate method				
Advances	166 491 201 369	99 736 036 283	92 691 917 198	15 384 462 750
Mortgages	5 900 556 012	2 710 320 651	3 685 975 424	392 141 847
Overdraft accounts	22 056 814 719	11 523 659 457	13 488 639 669	1 882 432 643
Financial assets at amortised cost	87 346 794	339 047 434	18 400 114	57 834 549
Treasury bills at FVTOCI	15 732 296 621	206 912 135	9 409 597 953	33 368 088
Treasury bills at FVTPL	5 370 009 363	1 122 307 055	1 984 753 224	193 316 382
Cash and short-term funds	2 564 395 733	1 307 958 954	1 224 716 006	212 470 826
Loans to other banks	9 106 339 881	1 050 761 757	7 445 164 354	155 262 740
	227 308 960 708	117 997 003 726	129 949 163 942	18 311 289 825
Other interest and related income				
Other interest receivable categories	1 934 369 083	4 209 326 174	1 280 919 038	637 863 404
	1 934 369 083	4 209 326 174	1 280 919 038	637 863 404
Total interest and related income	229 243 329 575	122 206 329 900	131 230 082 980	18 949 153 229
15 INTEREST AND RELATED EXPENSE				
Interest expense calculated using the effective interest rate method				
Customer deposits	28 146 853 677	14 490 350 622	27 267 234 130	2 091 495 913
Finance cost on operating lease liabilities	3 640 404 651	1 968 829 503	1 945 559 385	309 586 388
Offshore borrowings	9 152 710 380	2 054 106 121	8 115 707 427	329 280 095
Total	40 939 968 708	18 513 286 246	37 328 500 942	2 730 362 396
Other interest and related expenses				
Other interest payable categories	399 347 192	7 548 765 496	212 984 547	1 218 634 734
	399 347 192	7 548 765 496	212 984 547	1 218 634 734
Total interest and related expenses	41 339 315 900	26 062 051 742	37 541 485 489	3 948 997 130
Net interest and related income	187 904 013 675	96 144 278 158	93 688 597 491	15 000 156 099
16 LOAN IMPAIRMENTS				
Loans and advances	(52 850 339 428)	(31 863 784 679)	(46 668 724 644)	(4 872 123 095)
Insurance debtors				
Loans and other advances	(52 850 339 428)	(31 863 784 679)	(46 668 724 644)	(4 872 123 095)
Other financial assets	10 139 860	(315 823 661)	6 591 447	6 523 746
Guarantees	42 950 447	(1 679 163 884)	844 218	(276 864 188)
Loan commitments	(14 450 907 239)	(230 895 302)	(14 150 031 030)	(24 546 942)
Net recoveries against loans previously written off	10 621 332 979	1 327 636 275	6 096 180 752	234 068 861
	(56 626 823 381)	(32 762 031 251)	(54 715 139 257)	(4 932 941 618)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. INSURANCE REVENUE AND EXPENSES

17.1 Insurance Service Revenue

	Inflation adjusted 2023					Restated Inflation adjusted 2022				
	Life Risk ZW$	Savings ZW$	Life Annuities ZW$	Non Life ZW$	Total ZW$	Life Risk ZW$	Savings ZW$	Life Annuities ZW$	Non Life ZW$	Total ZW$
Contracts not measured under the PAA										
Amounts relating to the changes in the LRC										
Expected insurance service expenses incurred in the period	3 082 159 100	(246 275 507)	1 602 194	-	2 837 485 787	1 136 896 304	353 926 484	(5 258 706)	-	1 485 564 082
Change in the risk adjustment for non financial risk	(58 873 747)	(89 880 028)	(85 130)	-	(148 828 905	(18 182 315)	(138 531 027	178 467	-	(156 534 875)
Amount of CSM recognised in profit or loss	1 193 203 601	1 747 549 308	980 803	-	2 941 733 712	256 592 299	706 346 774	572 280	-	965 511 353
Amounts relating to recovery of insurance acquisition cash flows	98 733 492	116 817 487	-	-	215 550 979	83 009 011	57 674 815	-	-	140 583 826
Insurance revenue from contracts not measured under the PAA	4 315 222 446	1 528 211 260	2 507 867	-	5 845 941 573	1 460 315 299	979 317 046	4 507 959	-	2 435 124 386
Insurance revenue from contracts measured under the PAA	45 121 051 963	-	-	148 043 794 692	193 164 846 655	12 031 697 320	-	-	61 367 748 924	73 399 446 244
Total Insurance revenue	49 436 274 409	1 528 211 260	2 507 867	148 043 794 692	199 010 788 228	13 492 012 619	979 317 046	(4 507 959	61 367 748 924	75 834 570 630

	Unaudited Historical cost 2023					Restated Unaudited Historical cost 2022				
	Life Risk ZW$	Savings ZW$	Life Annuities ZW$	Non Life ZW$	Total ZW$	Life Risk ZW$	Savings ZW$	Life Annuities ZW$	Non Life ZW$	Total ZW$
Contracts not measured under the PAA										
Amounts relating to the changes in the LRC										
Expected insurance service expenses incurred in the period	1 175 066 449	(93 892 001)	610 833	-	1 081 785 281	130 273 163	40 555 258	(602 578)	-	170 225 843
Change in the risk adjustment for non financial risk	(22 445 488)	(34 266 565)	(28 643)	-	(56 740 696)	(2 083 451)	(15 873 809)	20 450	-	(17 936 810)
Amount of CSM recognised in profit or loss	454 906 276	666 249 371	373 929	-	1 121 529 576	29 631 231	80 937 926	65 576	-	110 634 733
Amounts relating to recovery of insurance acquisition cash flows	37 641 929	44 536 413	-	-	82 178 342	9 511 726	6 597 306	-	-	16 109 032
Insurance revenue from contracts not measured under the PAA	1 645 169 166	582 627 218	956 119	-	2 228 752 503	167 332 669	112 216 681	(516 552)	-	279 032 798
Insurance revenue from contracts measured under the PAA	17 202 302 868	-	-	95 840 974 257	113 043 277 125	1 378 672 136	-	-	9 874 675 739	11 253 347 875
Total Insurance revenue	18 847 472 034	582 627 218	956 119	95 840 974 257	115 272 029 628	1 546 004 805	112 216 681	(516 552)	9 874 675 739	11 532 380 673

17.2 Insurance Service Expenses

	Inflation adjusted 2023					Restated Inflation adjusted 2022				
	Life Risk ZW$	Life Savings ZW$	Annuities ZW$	Non Life ZW$	Total ZW$	Life Risk ZW$	Life Savings ZW$	Annuities ZW$	Non Life ZW$	Total ZW$
Incurred claims	3 509 435 378	1 038 857 180	-	43 381 252 286	47 929 544 844	1 826 214 549	540 592 971	-	18 565 831 146	20 932 638 666
Other directly attributable expenses	33 908 508 660	804 802 722	56 908 110	12 756 965 768	47 527 335 260	3 040 046 699	2 125 617 094	150 462 200	3 949 194 832	9 265 320 825
Changes that relate to past service - adjustments to the LIC	2 012 795 569	-	-	54 962 274 060	56 975 069 629	1 252 182 133	-	-	3 973 065 080	5 225 247 213
Losses and reversal of losses on onerous contracts	190 894 431 025	429 513 147	47 128 812	-	191 371 072 984	32 010 374 854	3 529 725 294	117 415 247	-	35 657 515 395
Amortisation of insurance acquisition cash flows	98 733 492	116 817 487	-	33 623 677 225	33 839 228 204	83 009 011	57 574 815	-	17 185 570 828	17 326 154 654
Total insurance service expenses	230 423 994 124	2 389 990 536	104 096 922	144 724 169 339	377 642 250 921	38 211 827 246	6 253 510 174	267 877 447	43 673 661 886	88 406 876 753

	Unaudited Historical cost 2023					Restated Unaudited Historical cost 2022				
	Life Risk ZW$	Life Savings ZW$	Annuities ZW$	Non Life ZW$	Total ZW$	Life Risk ZW$	Life Savings ZW$	Annuities ZW$	Non Life ZW$	Total ZW$
Incurred claims	1 440 735 362	19 529 453	-	25 299 728 114	26 759 992 929	209 259 846	61 944 749	-	2 736 217 247	3 007 421 842
Other directly attributable expenses	12 998 355 874	531 533 652	-	9 007 601 336	22 537 490 862	348 348 831	243 567 387	17 240 963	659 309 821	1 268 467 002
Changes that relate to past service - adjustments to the LIC	767 373 930	-	-	52 356 649 789	53 124 023 719	143 483 382	-	-	766 865 014	910 348 396
Losses and reversal of losses on onerous contracts	72 778 086 401	163 750 953	17 967 757	-	72 959 805 111	3 667 962 277	404 459 471	13 454 222	-	4 085 875 970
Amortisation of insurance acquisition cash flows	37 641 929	44 536 413	-	19 150 548 302	19 232 726 644	9 511 726	6 597 306	-	2 762 185 511	2 778 294 543
Total insurance service expenses	88 022 193 496	759 350 471	17 967 757	105 814 527 541	194 614 039 265	4 378 566 062	716 568 913	30 695 185	6 924 577 593	12 050 407 753

17.3 Net Income Or Expenses From Reinsurance Contracts Held

The Group has voluntarily disclosed an analysis of the net expenses from reinsurance contracts held recognised in the period in the table below:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Amounts relating to the changes in the assets for remaining coverage				
Expected claims and other expenses recovery	200 699 001	36 380 966	76 516 057	4 168 774
Changes in the risk adjustment recognised for the risk expired	1 323 779	640 427	504 688	73 384
CSM recognised for the services received	613 938 528	17 774 303	234 062 728	2 036 698
Reinsurance Expenses from contracts held not measured under PAA	815 961 308	54 795 696	311 083 473	6 278 856
Reinsurance Expenses from contracts held measured under PAA – Life	29 740 546	(80 532 223)	11 338 519	(9 227 919)
Reinsurance Expenses from contracts held measured under PAA-Non Life	31 380 566 056	17 969 221 140	19 178 451 506	3 158 444 128
Allocation of Reinsurance Expenses	32 226 267 910	17 969 221 140	19 500 873 498	3 155 495 065
Reinsurance Recoveries	(57 519 339 517)	(4 403 489 010)	(53 050 213 197)	(683 848 165)
Changes that related to past service - adjustments to incurred claims	(103 184 325)	(10 645 351)	(39 338 799)	(1 219 815)
Amounts recoverable from reassurers for incurred claims – Non Life	(57 622 523 842)	(4 414 134 361)	(53 544 551 996)	(685 067 980)
Net (income) / expense from reinsurance contracts held	25 396 255 932	(13 555 086 779)	34 043 678 498	(2 470 427 085)

17.4 Net Insurance Financial Results

Insurance finance income / (expenses) from insurance contracts issued

An analysis of investment income and net insurance finance expenses is presented below:

	Inflation adjusted 2023			Restated Inflation adjusted 2022		
	Insurance related ZW$	Non-insurance ZW$	Total ZW$	Insurance related ZW$	Non-insurance ZW$	Total ZW$
Investment income						
Amounts recognised in profit or loss						
Rental income from investment property	-	839 995 078	839 995 078	-	284 015 640	284 015 640
Other interest income	375 772 026	-	375 772 026	128 714 619	-	128 714 619
Other dividend income - investments and securities	838 792 437	-	838 792 437	220 185 157	-	220 185 157
Impairment loss on debt instruments at amortised cost	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-
Total investment income	1 214 564 463	839 995 078	2 054 559 541	348 899 776	284 015 640	632 915 416
Interest revenue calculated using effective interest method	457 817 873	-	457 817 873	106 863 336	-	106 863 336
Total amounts recognised in the profit or loss	1 672 382 336	839 995 078	2 512 377 414	455 763 112	284 015 640	739 778 752
Insurance finance income / (expenses) from insurance contracts issued						
Interest accreted to insurance contracts using current financial assumptions	(13 453 447 217)	-	(13 453 447 217)	(27 818 130 006)	-	(27 818 130 006)
Interest accreted to insurance contracts using locked-in rate	6 977 814 515	-	6 977 814 515	(134 461 853)	-	(134 461 853)
Due to changes in interest rates and other financial assumptions	176 951 547 347	-	176 951 547 347	(6 102 038 668)	-	(6 102 038 668)
Change in fair value of underlying assets of contracts measured under VFA	(83 014 711 041)	-	(83 014 711 041)	6 223 778 444	-	6 223 778 444
Net foreign exchange income / (expense)	-	-	-	-	-	-
Total insurance finance income / (expenses) from insurance contracts issued	87 461 203 604	-	87 461 203 604	(27 830 852 083)	-	(27 830 852 083)
Reinsurance finance income / (expenses) from reinsurance contracts held						
Interest accreted to insurance contracts using current financial assumptions	18 413 239	-	18 413 239	(11 767 644)	-	(11 767 644)
Interest accreted to reinsurance contracts using locked-in rate	17 170 503	-	17 170 503	(1 418 800)	-	(1 418 800)
Due to changes in interest rates and other financial assumptions	(29 715)	-	(29 715)	67 744 304	-	67 744 304
Changes in non-performance risk of reinsurer	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-
Reinsurance finance income / (expenses) from reinsurance contracts held	35 554 027	-	35 554 027	54 557 860	-	54 557 860

	Unaudited Historical cost 2023			Restated Historical cost 2022		
	Insurance related ZW$	Non-insurance ZW$	Total ZW$	Insurance related ZW$	Non-insurance ZW$	Total ZW$
Investment income						
Amounts recognised in profit or loss						
Rental income from investment property	-	839 995 078	839 995 078	-	284 015 640	284 015 640
Other interest income	375 772 026	-	375 772 026	128 714 619	-	128 714 619
Other dividend income - investments and securities	838 792 437	-	838 792 437	220 185 157	-	220 185 157
Impairment loss on debt instruments at amortised cost	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-
Total investment income	1 214 564 463	839 995 078	2 054 559 541	348 899 776	284 015 640	632 915 416
Interest revenue calculated using effective interest method	457 817 873	-	457 817 873	106 863 336	-	106 863 336
Total amounts recognised in the profit or loss	1 672 382 336	839 995 078	2 512 377 414	455 763 112	284 015 640	739 778 752
Insurance finance income / (expenses) from insurance contracts issued						
Interest accreted to insurance contracts using current financial assumptions	(13 453 447 217)	-	(13 453 447 217)	(27 818 130 006)	-	(27 818 130 006)
Interest accreted to insurance contracts using locked-in rate	6 977 814 515	-	6 977 814 515	(134 461 853)	-	(134 461 853)
Due to changes in interest rates and other financial assumptions	176 951 547 347	-	176 951 547 347	(6 102 038 668)	-	(6 102 038 668)
Change in fair value of underlying assets of contracts measured under VFA	(83 014 711 041)	-	(83 014 711 041)	6 223 778 444	-	6 223 778 444
Net foreign exchange income / (expense)	-	-	-	-	-	-
Total insurance finance income / (expenses) from insurance contracts issued	87 461 203 604	-	87 461 203 604	(27 830 852 083)	-	(27 830 852 083)
Reinsurance finance income / (expenses) from reinsurance contracts held						
Interest accreted to insurance contracts using current financial assumptions	18 413 239	-	18 413 239	(11 767 644)	-	(11 767 644)
Interest accreted to reinsurance contracts using locked-in rate	17 170 503	-	17 170 503	(1 418 800)	-	(1 418 800)
Due to changes in interest rates and other financial assumptions	(29 715)	-	(29 715)	67 744 304	-	67 744 304
Changes in non-performance risk of reinsurer	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-
Reinsurance finance income / (expenses) from reinsurance contracts held	35 554 027	-	35 554 027	54 557 860	-	54 557 860

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	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
18 OTHER OPERATING INCOME				
Exchange income	388 395 116 369	89 776 725 847	376 766 746 671	18 138 442 328
Dividends from investment securities	4 346 457 401	2 211 543 938	2 214 397 507	321 401 726
Loss on lease liability reassement	-	(20 403 526 369)	-	(86 737 877)
Profit / (loss) on disposal of property and equipment	1 301 939 230	(163 404 795)	796 946 166	(26 647 427)
Rent received	46 562 231 789	6 601 363 268	34 057 444 388	1 129 076 784
Other	12 074 459 890	29 177 476 479	6 325 580 768	4 928 612 133
	452 680 204 949	107 200 178 368	420 161 115 500	24 404 147 667
Commission and fees income composed of:				
Digital channels	51 915 475 142	18 377 858 382	32 394 577 768	2 572 957 520
Insurance underwriting commissions	45 451 029	48 165 770	37 834 626	6 294 405
Management and service fees	215 552 221 646	52 730 492 482	134 492 294 492	8 397 228 063
Other commissions	28 523 132 302	5 294 849 906	17 492 873 840	858 231 167
	296 036 280 119	76 451 368 539	184 417 580 726	11 834 711 155
19 OPERATING EXPENSES				
Staff expenses	336 977 888 471	94 825 527 791	209 821 725 580	14 779 546 792
Communication expenses	9 854 952 460	3 138 838 058	7 080 408 258	488 300 092
National Social Security Authority expenses	2 457 152 135	1 004 116 694	1 505 253 756	153 903 195
Pension fund expenses	10 309 239 464	2 451 929 265	6 315 236 095	356 253 640
Marketing expenses	15 639 826 011	-	3 205 766 025	-
Computers and information technology expenses	71 550 796 584	18 427 484 074	41 408 181 880	2 402 007 389
Occupation expenses	45 147 980 413	6 302 447 580	15 730 056 830	781 218 010
Transport expenses	6 539 858 721	2 124 522 881	3 861 909 152	312 533 484
Travelling expenses	8 570 600 417	2 427 202 087	5 449 071 178	387 436 786
Security costs	25 228 284 731	-	13 142 267 786	-
Depreciation of property and equipment	33 428 284 954	14 250 098 130	10 662 733 921	1 913 860 456
Amortisation of intangible assets	780 581 218	1 027 173 082	74 655 105	8 171 322
Depreciation of right of use asset	3 076 298 187	570 364 533	1 644 081 189	79 470 830
Consultancy fees	13 970 423 940	-	5 636 796 089	-
Consumables and statinery	25 794 572 074	-	11 487 933 480	
Bank Charges	28 131 159 024	-	14 740 806 424	-
Impairment of property and equipment	1 392 953 514	31 724 595 977	-	20 417 035
Impairment of intangible assets	9 353 502	494 005 432	282 426	2 192 314
Administration expenses	104 149 391 233	18 706 119 836	53 531 111 510	6 562 035 490
Amortisation of valuation discount on the long term borrowings	(1 664 846)	(6 081 702)	(889 752)	(847 384)
Directors fees	7 250 512 001	1 732 243 152	4 589 406 928	260 534 714
IMTT expenses	4 755 650 883	-	3 170 433 922	-
Auditors' remuneration	5 097 137 157	3 472 807 916	2 481 064 020	473 617 064
	760 111 232 247	202 673 394 786	415 538 291 802	28 980 651 229
20 INCOME TAX EXPENSE				
Current income tax	19 000 263 206	15 197 905 782	19 000 263 204	3 153 231 923
Deferred tax expense	52 971 374 700	(12 707 459 276)	38 986 032 265	441 818 048
Current year	51 954 253 868	(12 707 459 276)	38 201 570 408	441 818 048
Change in tax rate	1 017 120 832	-	784 461 857	-
	71 971 637 906	2 490 446 506	57 986 295 469	3 595 049 971

21 EARNINGS PER SHARE

Basic earnings per share (ZW cents)
The inflation adjusted calculation of basic earnings per share for the period ended 31 December 2023 of ZW233 980 cents (2022: ZW87 759 cents) is based on the attributable profit after tax of ZW$368.581 billion (2022: ZW$138.241 billion) and weighted average number of shares of 157 522 902 (2022:157 522 902).

The unaudited historical cost calculation of basic earnings per share for the period ended 31 December 2023 of ZW348 289 cents (2022: ZW33 620 cents) is based on the attributable profit after tax of ZW$548.636 billion (2022: ZW$152.959 billion) and weighted average number of shares of 157 522 902 (2022:157 522 902).

There were no dilutive instruments for the period.

22 RISK MANAGEMENT

22.1 Capital risk management

The primary objectives in managing capital at the Group are:

- To guarantee the ability of entities within the Group to continue as going concerns whilst providing an equitable return to the Group's shareholders and benefit to customers and other stakeholders.
- To maintain a strong fallback position which is commensurate with the level of risk undertaken by the entities within the Group in the normal course of their business.
- To comply with the regulatory capital requirements as prescribed by relevant authorities.

The Group's capital consists of equity attributable to the shareholders of the parent Company, comprising the issued share capital, reserves and retained income (all referred to as shareholder's equity) and debt, which includes direct loans plus the residual funding from deposit taking activities after deducting the associated liquidity buffer (referred to as operational funding).

The Group's operating target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict recourse on shareholders' equity for operational funding. Gearing was maintained at below 1%, throughout the year, the Group borrowed funds with a maturity value of ZW$20 million in 2025.

The gearing level, and the loan instrument used are considered comfortable for the Group's operations and are not expected to cause a strain in cash resources in the foreseeable future.

The banking and insurance operations in the Group are subject to prescribed minimum regulatory capital requirements and minimum capital adequacy and solvency ratios as prescribed from time to time.

Management of the Group monitors the level of capital adequacy on a continual basis, employing techniques adopted from the guidelines developed by the Basel Committee and contained in the Basel II capital accord as implemented by the supervisory authorities for each of the affected entities. For the life assurance business, regular actuarial reviews are undertaken to establish the solvency of the business.

An Internal Capital Adequacy Assessment Plan (ICAAP) has been developed for Banking operations and defines capital targets which are generally set above regulatory levels, stress test scenarios and risk appetite across different lines of operations.

22.2 Financial risk management

The Group maintains active trading positions in a variety of non-derivative financial instruments in anticipation of customer demand. The Group manages its trading activities by the type of risk involved and on the basis of the categories of trading instruments held. Regular feedback on risk related matters is provided to the Board through the Board Governance, Risk and Compliance Committee.

22.2.1 Classification and measurement of financial assets and liabilities

	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
31 December 2023	Designated at FVTPL ZW$	Designated at AMCO ZW$	Designated at FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
Financial assets measured at fair value:								
Listed equity securities	51 823 848 418	-	-	51 823 848 418	51 823 848 418	-	-	51 823 848 418
Unlisted equity investments	78 718 214 597	-	-	78 718 214 597	-	-	78 718 214 597	78 718 214 597
Treasury bills	6 889 284 386	-	141 688 612 014	148 577 896 400	-	6 889 284 386	141 688 612 014	148 577 896 400
Financial assets not measured at fair value:								
Trade and other receivables	-	113 927 070 283	-	113 927 070 283				
Cash and cash equivalents	-	466 561 757 988	-	466 561 757 988				
Treasury bills	-	39 411 856	-	39 411 856				
Advances and other accounts	-	947 121 776 721	-	947 121 776 721				
Total	137 431 347 401	1 527 650 016 848	141 688 612 014	1 806 769 976 263				
Financial liabilities								
Deposit and other accounts	-	(1 120 063 971 769)	-	(1 120 063 971 769)				
Trade and other payables	-	(341 813 539 727)	-	(341 813 539 727)				
Offshore borrowings	-	(99 895 460 705)	-	(99 895 460 705)				
Long term borrowings	-	(18 684 807)	-	(18 684 807)				
Investment contract liabilities	(43 430 077 531)	-	-	(43 430 077 531)	-	-	(43 430 077 531)	(43 430 077 531)
Total	(43 430 077 531)	(1 561 791 657 008)	-	(1 605 221 734 539)				

	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
Restated 31 December 2022	Designated at FVTPL ZW$	Designated at AMCO ZW$	Designated at FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
Financial assets measured at fair value:								
Listed equity securities	8 479 545 929	-	-	8 479 545 929	8 479 545 929	-	-	8 479 545 929
Unlisted equity investments	68 312 860 551	-	-	68 312 860 551	-	-	68 312 860 551	68 312 860 551
Treasury bills	32 312 347 175	-	48 046 492 247	80 358 839 422	-	32 312 347 175	48 046 492 247	80 358 839 422
Financial assets not measured at fair value:								
Trade and other receivables	-	54 326 369 066	-	54 326 369 066				
Cash and cash equivalents	-	296 565 430 507	-	296 565 430 507				
Treasury bills	-	193 664 364	-	193 664 364				
Advances and other accounts	-	287 506 913 224	-	287 506 913 224				
Total	109 104 753 655	638 592 377 161	48 046 492 247	795 743 623 063				
Financial liabilities								
Deposit and other accounts	-	(524 796 306 212)	-	(524 796 306 212)				
Trade and other payables	-	(120 214 360 619)	-	(120 214 360 619)				
Offshore borrowings	-	(32 265 529 480)	-	(32 265 529 480)				
Long term borrowings	-	(85 511 919)	-	(85 511 919)				
Investment contract liablities	(20 798 005 040)	-	-	(20 798 005 040)	-	-	(20 798 005 040)	(20 798 005 040)
Total	(20 798 005 040)	(677 361 708 230)	-	(698 159 713 270)				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.2.1 Classification and measurement of financial assets and liabilities (continued)

	Historical cost (Unaudited)							
	CARRYING AMOUNT				FAIR VALUE			
31 December 2023	Designated at FVTPL ZW$	Designated at AMCO ZW$	Designated at FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
Financial assets measured at fair value:								
Listed equity securities	51 823 848 418	-	-	51 823 848 418	51 823 848 418	-	-	51 823 848 418
Unlisted equity investments	78 718 214 597	-	-	78 718 214 597	-	-	78 718 214 597	78 718 214 597
Treasury bills	6 889 284 386	-	141 688 612 014	148 577 896 400	-	6 889 284 386	141 688 612 014	148 577 896 400
Financial assets not measured at fair value:								
Trade and other receivables	-	113 927 070 283	-	113 927 070 283				
Cash and cash equivalents	-	466 561 757 988	-	466 561 757 988				
Treasury bills	-	39 411 856	-	39 411 856				
Advances and other accounts	-	947 121 776 721	-	947 121 776 721				
Total	137 431 347 401	1 527 650 016 848	141 688 612 014	1 806 769 976 263				
Financial liabilities								
Deposit and other accounts	-	(1 120 063 971 769)	-	(1 120 063 971 769)				
Trade and other payables	-	(335 416 412 674)	-	(335 416 412 674)				
Offshore borrowings	-	(99 895 460 705)	-	(99 895 460 705)				
Long term borrowings	-	(18 684 807)	-	(18 684 807)				
Investment contract liabilities	(43 430 077 531)	-	-	(43 430 077 531)	-	-	(43 430 077 531)	(43 430 077 531)
Total	(43 430 077 531)	(1 555 394 529 955)	-	(1 598 824 607 486)				

	Historical cost (Unaudited)							
	CARRYING AMOUNT				FAIR VALUE			
Restated 31 December 2022	Designated at FVTPL ZW$	Designated at AMCO ZW$	Designated at FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
Financial assets measured at fair value:								
Listed equity securities	1 764 595 956	-	-	1 764 595 956	1 764 595 956	-	-	1 764 595 956
Unlisted equity investments	14 215 926 003	-	-	14 215 926 003	-	-	14 215 926 003	14 215 926 003
Treasury bills	6 724 208 776	-	9 998 488 908	16 722 697 684	-	6 724 208 776	9 998 488 908	16 722 697 684
Financial assets not measured at fair value:								
Trade and other receivables	-	11 183 781 416	-	11 183 781 416				
Cash and cash equivalents	-	61 715 351 709	-	61 715 351 709				
Treasury bills	-	40 301 610	-	40 301 610				
Advances and other accounts	-	59 830 271 647	-	59 830 271 647				
Total	22 704 730 735	132 769 706 382	9 998 488 908	165 472 926 025				
Financial liabilities								
Deposit and other accounts	-	(109 210 262 835)	-	(109 210 262 835)				
Trade and other payables	-	(24 891 872 925)	-	(24 891 872 925)				
Offshore borrowings	-	(6 714 466 000)	-	(6 714 466 000)				
Long term borrowings	-	(17 795 055)	-	(17 795 055)				
Investment contract liabilities	(4 328 071 830)	-	-	(4 328 071 830)	-	-	(4 328 071 830)	(4 328 071 830)
Total	(4 328 071 830)	(140 834 396 815)	-	(145 162 468 645)				

22.2.1.1 Level 1 valuation

Listed equity investments are valued in relation to prices ruling at the stock market at which the stock is listed at the close of business on 31 December 2023.

22.2.1.2 Level 2 valuation

These investments are valued using inputs other than quoted prices which are observable for the asset. The unit trust investments are valued in relation to gold prices on the international market. Treasury bills are valued by discounting cash flows using the market rate for similar instruments as the discounting rate.

22.2.1.3 Level 3 valuation

Unlisted investments were valued at net asset value and price earnings multiple techniques. In applying these methods, judgement was used. The following factors are relevant in understanding the basis:

Type	Valuation technique	Significant unobservable inputs
Equity Security	*Net Asset Value (Level 3):* The valuation model determines the fair value of investment securities (non-listed entities) with reference to the net asset value, which was determined by the directors as a proxy valuation method. NAV valuation method was used where investees are largely property holdings, insurance and investment entities.	The fair values of investment securities are based on net asset values which make use of the net movements in the assets and liabilities of investee entities. A 10% increase in NAV will result in an increase in profit or loss of ZW$23.6 million (2022: ZW$2.2m) while a 10% decrease in NAV will result in a decrease in profit or loss of ZW$23.6 million (2022: ZW$2.2 million).
	Discounted Cash Flow Method (Level 3): The method uses the past financial information to predict the future cashflows which are then discounted using the weighted cost of capital. Despite several practical challenges in applying the discounted free cash flow ("DCF") method, such as but not restricted to; - challenges in anticipating the right inputs for the model, - dependence on several assumptions and the subjectivity of some of them.	• Risk Discounting rate. December 2023: Average rates of 20%-38% (December 2022: Average rates of 20%-40%) A 5% increase in the risk discounting rate will result in a decrease in profit or loss of ZW$2.9 billion (2022: ZW$365 million), while a 5% decrease in the risk discounting rate will result in an increase in profit or loss of ZW$2.9 billion (2022: ZW$365 million). • Sustainable growth rate December 2023: 9.7% (December 2022: 10.3%) A 2% increase in the sustainable growth rate will result in an increase in profit or loss of ZW$1.2 billion (2022: ZW$146 million), while a 2% decrease in the sustainable growth rate will result in a decrease in profit or loss of ZW$1.2 billion (2022: ZW$146 million). • Terminal value based on market exit EBITDA multiple December 2023: 2.93X (December 2022: 3.1X) A 10% increase in terminal value will result in a decrease in profit or loss of ZW$5.8 billion (2022: ZW$730 million), while a 10% decrease in terminal value will result in an increase in profit or loss of ZW$5.8 billion (2022: ZW$730 million).
	Price earnings multiple (Level 3): The price earnings multiple was considered suitable for valuation of Zimswitch as it is among the most generally used valuation methods when valuing a company's business. The application of the P/E method is affected mostly by the use of historical earnings ("trailing earnings"). Although employing forward earnings is an option, the calculation of such earnings is arbitrary. This is especially problematic for Zimswitch's valuation because the macroeconomic environment in which the valuation is being done is volatile and characterized by hyperinflationary conditions, which means that the company's past earnings may not be indicative of its future earnings. The market approach as prescribed by IFRS 13 – Fair valuation requires the identification of a similar or identical quoted assets with similar risk profiles.	Adjusted market price earnings multiple. • Price earnings ratio December 2023: 5.9X-8.8X; (December 2022: 5.4X-7.6X) A 20% increase in price earnings ratio will result in an increase in profit or loss of ZW$11.76 billion (2022: ZW$1.5 billion), while a 20% decrease in price earnings ratio will result in a decrease in profit or loss of ZW$11.7 billion (2022: ZW$1.5 billion).
	EBITDA (Level 3): It measures the total value of a company, including its debt and equity, relative to its financial performance. In order to avoid complicated accounting changes, it requires easily accessible financial data in the form of proxy multiples and a company's EBITDA figures.	EBITDA multiple. December 2023: 4.84 – 17.72 (December 2022: 3.00 – 15.92) A 50% increase in EBITDA will result in increase in profit or loss of ZW$29.2 billion (2022: ZW$3.6 billion), while a 50% decrease in EBITDA will result in a decrease in profit or loss of ZW$29.2 billion (2022: ZW$3.6 billion).
	Enterprise Value/Sales valuation method (EV/Sales Valuation Method) (Level 3): This method calculates the enterprise value (EV) by dividing the company's market capitalization by its annual sales revenue. It provides a good valuation based on its revenue performance	Adjusted EV/Sales Multiple December 2023:3.13X – 15.96X (December 2022: 3X – 15.6X) A 5% increase in adjusted EV/Sales Multiple will result in an increase in profit or loss of ZW$2.9 billion (2022: ZW$365 million). While a 5% decrease in adjusted EV/Sales Multiple will result in a decrease in profit or loss of ZW$2.9 billion (2022: ZW$365 million).

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22.2.1.3 Level 3 valuation

Level 3 recurring fair values

A reconciliation from the opening balances to the closing balances for level 3 fair values is shown below:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Balance at beginning of year	116 359 352 798	54 964 743 922	24 214 414 911	3 327 374 670
Fair value adjustments	(48 699 013 922)	56 534 583 398	47 806 107 692	19 951 828 292
Additions	26 573 273 343	11 326 252 115	11 066 092 271	2 060 160 886
Disposals	(15 515 397 622)	(6 466 226 637)	(4 368 400 277)	(1 124 948 937)
Balance at end of year	78 718 214 597	116 359 352 798	78 718 214 597	24 214 414 911

The Group defines financial risk collectively to include liquidity risk, market risk and credit risk.

22.2.2 Liquidity risk

Definition

There are two types of liquidity risk, funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due. These payment obligations could emanate from depositor withdrawals, the inability to roll over maturing debt or meet contractual commitments to lend. Market liquidity risk is the risk that the Group will be unable to sell assets, without incurring an unacceptable loss, in order to generate cash required to meet payment obligations under a stress liquidity event.

Through the robust Liquidity Risk Management Framework, the Group manages the funding and market liquidity risk to ensure that the Group's operations continue uninterrupted under normal and stressed conditions. The key objectives that underpin the Liquidity Risk Management Framework include maintaining financial market confidence at all times, protecting key stakeholder interests and meeting regulatory requirements.

Identification techniques

This risk is identified through the analyses of contractual maturity mismatch between assets and liabilities and stress testing.

Measurement methods

Liquidity risk is measured using the gap analysis techniques and the term structure of assets and liabilities.

The Group uses liquidity management tools such as the liquidity ratio, maturity gap analysis (contractual and behavioural), daily cash flow summary & forecasting and stress testing to measure liquidity risk.

Liquidity gap analysis as at 31 December 2023

The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities.

22.2.2 Liquidity risk (continued)

	Inflation adjusted					
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	368 122 881 350	38 243 449 201	60 195 427 437	-	466 561 757 988	466 561 757 988
Trade and other receivables	75 551 625 311	38 375 444 972	-	-	113 927 070 283	113 927 070 283
Treasury bills	6 481 890 788	4 433 209 596	-	140 201 801 333	151 116 901 717	148 617 308 256
Mortgages and other advances	137 082 154 183	174 764 698 265	153 019 245 794	943 707 890 440	1 408 573 988 682	947 121 776 721
Financial assets held at fair value through profit or loss	-	7 978 954 286	-	131 259 985 344	139 238 939 630	139 238 939 630
Financial assets held at amortised cost	-	3 926 716 299	-	12 082 801 563	16 009 517 862	15 802 617 820
Total	587 238 551 632	267 722 472 619	213 214 673 231	1 227 252 478 680	2 295 428 176 162	1 831 269 470 698
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(1 103 098 205 920)	(63 488 617 260)	(224 432)	(12 601 109)	(1 166 599 648 721)	(1 120 063 971 769)
Trade and other payables	(244 689 042 505)	(33 433 701 977)	(63 690 795 245)	-	(341 813 539 727)	(341 813 539 727)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(18 684 807)
Offshore borrowings	-	(102 380 064 916)	-	-	(102 380 064 916)	(99 895 460 705)
Lease liabilities	(206 173 977)	(1 030 869 883)	(1 237 043 860)	(13 536 755 532)	(16 010 843 252)	(12 370 438 601)
Loan commitments	(6 330 050 382)	(59 355 799 395)	(103 391 058 501)	(309 129 974 303)	(478 206 882 581)	(14 176 165 912)
Guarantees	(3 999 648 112)	(29 185 307 636)	(9 264 656 828)	-	(42 449 612 576)	(314 298 008)
Investment contracts liabilities	(86 015 506)	-	(34 744 062 025)	-	(43 430 077 531)	(43 430 077 531)
	(1 367 009 136 402)	(288 874 361 067)	(212 327 840 891)	(322 699 330 944)	(2 190 910 669 304)	(1 632 082 637 060)
Period gap	(779 770 584 770)	(21 151 888 448)	886 832 340	904 553 147 736	104 517 506 858	(199 186 833 638)
Cumulative gap	(779 770 584 770)	(800 922 473 218)	(800 035 640 878)	104 517 506 858	-	-

Liquidity gap analysis as at Restated 31 December 2022

The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities.

	Inflation adjusted					
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	231 159 566 058	4 184 961 955	61 220 902 495	-	296 565 430 508	296 565 430 507
Trade and other receivables	46 177 413 706	8 148 955 360	-	-	54 326 369 066	54 326 369 066
Treasury bills	-	34 379 019 224	-	48 285 269 763	82 664 288 987	80 552 503 786
Mortgages and other advances	49 830 729 858	69 855 690 102	186 532 756 553	324 576 607 735	630 795 784 248	287 506 913 224
Financial assets held at fair value through profit or loss	-	-	-	76 857 299 610	76 857 299 610	76 857 299 610
Financial assets held at amortised cost	-	-	-	5 319 639 054	5 319 639 054	5 319 639 054
	327 167 709 622	116 568 626 641	247 753 659 048	455 038 816 162	1 146 528 811 473	801 128 155 247
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(33 538 848 785)	(928 663 647)	(739 788)	(519 054 909 608)	(553 523 161 827)	(524 796 306 212)
Trade and other payables	(87 429 636 787)	(32 640 557 878)	(144 165 954)	-	(120 214 360 619)	(120 214 360 619)
Long term loan	-	-	-	(96 107 507)	(96 107 507)	(85 511 919)
Offshore borrowings	-	(32 400 289 110)	-	-	(32 400 289 110)	(32 265 529 480)
Lease liabilities	(65 844 397)	(329 221 980)	(395 066 376)	(5 129 360 515)	(5 919 493 268)	(3 950 663 765)
Loan commitments	(258 150 042)	(11 890 505 557)	(3 955 797 197)	(16 880 364 639)	(32 984 817 436)	(32 984 817 436)
Guarantees	-	-	(15 058 970 583)	-	(15 058 970 583)	(15 058 970 583)
Investment contracts liabilities	(4 159 601 008)	-	-	(16 638 404 032)	(20 798 005 040)	(20 798 005 040)
	(125 452 081 019)	(78 189 238 172)	(36 193 143 903)	(557 799 146 301)	(780 995 205 390)	(750 154 165 054)
Period gap	201 715 628 603	38 379 388 469	211 560 515 118	(86 121 926 107)	365 533 606 083	50 973 990 193
Cumulative gap	201 715 628 603	240 095 017 072	451 655 532 190	365 533 606 083	-	-

Liquidity gap analysis as at 31 December 2023

The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities.

	Historical cost (Unaudited)					
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	368 122 881 350	38 243 449 201	60 195 427 437	-	466 561 757 988	466 561 757 988
Trade and other receivables	75 551 625 311	38 375 444 972	-	-	113 927 070 283	113 927 070 283
Treasury bills	6 481 890 788	4 433 209 596	-	140 201 801 333	151 116 901 717	148 617 308 256
Mortgages and other advances	137 082 154 183	174 764 698 265	153 019 245 794	943 707 890 440	1 408 573 988 682	947 121 776 721
Financial assets held at fair value through profit or loss	-	7 978 954 286	-	131 259 985 344	139 238 939 630	139 238 939 630
Financial assets held at amortised cost	-	3 926 716 299	-	12 082 801 563	16 009 517 862	15 802 617 820
	587 238 551 632	267 722 472 619	213 214 673 231	1 227 252 478 680	2 295 428 176 162	1 831 269 470 698
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(1 103 098 205 920)	(63 488 617 260)	(224 432)	(12 601 109)	(1 166 599 648 721)	(1 120 063 971 769)
Trade and other payables	(244 689 042 505)	(33 433 701 977)	(63 690 795 245)	-	(341 813 539 727)	(341 813 539 727)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(18 684 807)
Offshore borrowings	-	(102 380 064 916)	-	-	(102 380 064 916)	(99 895 460 705)
Lease liabilities	(206 173 977)	(1 030 869 883)	(1 237 043 860)	(13 536 755 532)	(16 010 843 252)	(12 370 438 601)
Loan commitments	(6 330 050 382)	(59 355 799 395)	(103 391 058 501)	(309 129 974 303)	(478 206 882 581)	(14 176 165 912)
Guarantees	(3 999 648 112)	(29 185 307 636)	(9 264 656 828)	-	(42 449 612 576)	(314 298 008)
Investment contracts liabilities	(8 686 015 506)	-	(34 744 062 025)	-	(43 430 077 531)	(43 430 077 531)
	(1 367 009 136 402)	(288 874 361 067)	(212 327 840 891)	(322 699 330 944)	(2 190 910 669 304)	(1 632 082 637 060)
Period gap	(779 770 584 770)	(21 151 888 448)	886 832 340	904 553 147 736	104 517 506 858	(292 488 733 679)
Cumulative gap	(779 770 584 770)	(800 922 473 218)	(800 035 640 878)	104 517 506 858	-	-

22.2.2 Liquidity risk (continued)

Liquidity gap analysis as at Restated 31 December 2022

The tables below set out the remaining contractual maturities of the Group's financial assets and financial liabilities.

	Historical cost (Unaudited)					
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	48 104 372 434	870 891 791	12 740 087 484	-	61 715 351 709	61 715 351 709
Trade and other receivables	8 478 999 815	2 704 781 601	-	-	11 183 781 416	11 183 781 416
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 294
Mortgages and other advances	10 369 789 270	14 536 989 278	38 817 520 492	67 544 485 777	131 268 784 817	59 830 271 647
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	-	-	-	1 107 018 423	1 107 018 423	1 107 018 423
	66 953 161 519	25 266 946 496	51 557 607 976	94 693 709 016	238 471 425 007	166 593 448 727
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(6 979 444 115)	(193 255 173)	(153 950)	(108 015 476 544)	(115 188 329 782)	(109 210 262 835)
Trade and other payables	(18 069 363 407)	(6 792 509 518)	(30 000 000)	-	(24 891 872 925)	(24 891 872 925)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(17 795 055)
Offshore borrowings	-	(6 742 509 518)	-	-	(6 742 509 518)	(6 714 466 000)
Lease liabilities	(13 702 238)	(68 511 189)	(82 213 427)	(1 067 421 404)	(1 231 848 258)	(822 134 270)
Loan commitments	(53 721 098)	(2 474 417 639)	(823 202 539)	(3 512 808 755)	(6 864 150 031)	(6 864 150 031)
Guarantees	-	-	(3 133 776 126)	-	(3 133 776 126)	(3 133 776 126)
Investment contracts liabilities	(865 614 366)	-	-	(3 462 457 464)	(4 328 071 830)	(4 328 071 830)
	(25 981 845 224)	(16 271 203 037)	(7 531 803 506)	(112 615 706 703)	(162 400 558 470)	(155 982 529 072)
Period gap	40 971 316 295	8 995 743 459	44 025 804 470	(17 921 997 687)	76 070 866 537	10 610 919 655
Cumulative gap	40 971 316 295	49 967 059 754	93 992 864 224	76 070 866 537	-	-

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Liquidity ratios				
Total liquid assets	615 179 066 244	377 117 934 294	615 179 066 244	78 478 351 003
Total liabilities to the public	1 120 063 971 769	524 796 306 212	1 120 063 971 769	109 210 262 835
Liquidity ratio	54.92%	71.86%	54.92%	72%
Average for the year	64%	59%	64%	59%
Maximum for the year	85%	51%	85%	51%
Minimum for the year	48%	69%	48%	69%
Minimum statutory liquidity ratio	30%	30%	30%	30%

Regulated banking operations, ZB Bank Limited and ZB Building Society reported liquidity ratios that were above the minimum regulated ratios as follows:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
ZB Bank Limited	51%	63%	51%	63%
ZB Building Society	59%	129%	59%	129%

22.2.3 Market risk

Market risk is the risk of losses in on- and off-balance sheet positions arising from movements in market prices. The Group is exposed to market risk through holding interest rate, foreign exchange rate and stock price sensitive positions. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

22.2.3.1 Interest rate gap analysis

Interest rate gap analysis as at 31 December 2023

	Inflation adjusted				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	466 561 757 988	-	-	-	466 561 757 988
Treasury bills	6 471 304 005	433 209 596	-	141 712 794 655	148 617 308 256
Advances and other accounts	136 380 321 295	163 987 698 515	128 445 674 168	518 308 082 743	947 121 776 721
Financial assets held at fair value through profit or loss	-	-	-	139 238 939 630	139 238 939 630
Financial assets held at amortised cost	-	-	-	15 802 617 820	15 802 617 820
	609 413 383 288	164 420 908 111	128 445 674 168	815 062 434 848	1 717 342 400 415
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(1 100 310 565 904)	(62 710 976 941)	-	42 957 571 076	(1 120 063 971 769)
Long term loan	-	-	-	(18 684 807)	(18 684 807)
Offshore borrowings	-	(99 895 460 705)	-	-	(99 895 460 705)
	(1 100 310 565 904)	(162 606 437 646)	-	42 938 886 269	(1 219 978 117 281)
Period gap	(490 897 182 616)	1 814 470 465	128 445 674 168	858 001 321 117	497 364 283 134
Cumulative gap	(490 897 182 616)	(489 082 712 151)	(360 637 037 983)	497 364 283 134	-

Interest rate gap analysis as at Restated 31 December 2022

	Inflation adjusted				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	296 565 430 507	-	-	-	296 565 430 507
Treasury bills	-	32 312 347 180	-	48 240 156 606	80 552 503 786
Advances and other accounts	25 452 799 128	49 375 859 168	36 134 358 015	176 543 896 913	287 506 913 224
Financial assets held at fair value through profit or loss	-	-	-	76 857 299 610	76 857 299 610
Financial assets held at amortised cost	-	806 288 526	254 245 154	4 259 105 374	5 319 639 054
	322 018 229 635	82 494 494 874	36 388 603 169	305 900 458 503	746 801 786 181
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(514 029 647 935)	-	-	(10 766 658 277)	(524 796 306 212)
Long term loan	-	-	-	(85 511 919)	(85 511 919)
Offshore borrowings	-	(32 265 529 480)	-	-	(32 265 529 480)
	(514 029 647 935)	(32 265 529 480)	-	(10 852 170 196)	(557 147 347 611)
Period gap	(192 011 418 300)	50 228 965 394	36 388 603 169	295 048 288 307	189 654 438 570
Cumulative gap	(192 011 418 300)	(141 782 452 906)	(105 393 849 737)	189 654 438 570	-

Interest rate gap analysis as at 31 December 2023

	Historical cost (Unaudited)				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	466 561 757 988	-	-	-	466 561 757 988
Treasury bills	6 471 304 005	433 209 596	-	141 712 794 655	148 617 308 256
Advances and other accounts	136 380 321 295	163 987 698 515	128 445 674 168	518 308 082 743	947 121 776 721
Financial assets held at fair value through profit or loss	-	-	-	139 238 939 630	139 238 939 630
Financial assets held at amortised cost	-	-	-	15 802 617 820	15 802 617 820
	609 413 383 288	164 420 908 111	128 445 674 168	815 062 434 848	1 717 342 400 415
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(1 100 310 565 904)	(62 710 976 941)	-	42 957 571 076	(1 120 063 971 769)
Long term loan	-	-	-	(18 684 807)	(18 684 807)
Offshore borrowings	-	(99 895 460 705)	-	-	(99 895 460 705)
	(1 100 310 565 904)	(162 606 437 646)	-	42 938 886 269	(1 219 978 117 281)
Period gap	(490 897 182 616)	1 814 470 465	128 445 674 168	858 001 321 117	497 364 283 134
Cumulative gap	(490 897 182 616)	(489 082 712 151)	(360 637 037 983)	497 364 283 134	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.2.3.1 Interest rate gap analysis (continued)

Interest rate gap analysis as at Restated 31 December 2022

	Historical cost (Unaudited)				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	61 715 351 709	-	-	-	61 715 351 709
Treasury bills	-	6 724 208 777	-	10 038 790 517	16 762 999 294
Advances and other accounts	5 296 734 847	10 275 130 548	7 519 570 335	36 738 835 917	59 830 271 647
Financial assets held at fair value through profit or loss	-	-	-	15 994 026 238	15 994 026 238
Financial assets held at amortised cost	-	167 788 875	52 908 490	886 321 058	1 107 018 423
	67 012 086 556	17 167 128 200	7 572 478 825	63 657 973 730	155 409 667 311
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(106 969 718 139)	-	-	(2 240 544 696)	(109 210 262 835)
Long term loan	-	-	-	(17 795 055)	(17 795 055)
Offshore borrowings	-	(6 714 466 000)	-	-	(6 714 466 000)
Short term borrowings	-	-	-	-	-
	(106 969 718 139)	(6 714 466 000)	-	(2 258 339 751)	(115 942 523 890)
Period gap	(39 957 631 583)	10 452 662 200	7 572 478 825	61 399 633 979	39 467 143 421
Cumulative gap	(39 957 631 583)	(29 504 969 383)	(21 932 490 558)	39 467 143 421	-

Sensitivity analysis

A 10% change in the interest rate sensitive assets would result in the reported profit / loss and equity increasing or decreasing by ZW$129.282 billion (December 2022: ZW$56.219 billion).

A 10% change in the interest rate sensitive liabilities would result in the reported profit / loss and equity increasing or decreasing by ZW$91.840 billion (December 2022: ZW$41.942 billion).

22.2.3.2 Foreign exchange risk

Foreign currency position

The carrying amount of the Group's foreign denominated monetary assets and liabilities as at 31 December 2023 were as follows:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
Botswana pula	20 979 057 109	11 984 594 325	20 979 057 109	2 493 997 539
British pound	113 998 908 272	56 666 692 825	113 998 908 272	11 792 355 137
Euro	464 542 219 169	155 742 828 294	464 542 219 169	32 410 127 532
South African rand	599 732 507 079	220 812 367 986	599 732 507 079	45 951 117 528
Zambian kwacha	-	-	-	-
USD	3 357 898 666 049	1 216 559 907 444	3 357 898 666 049	253 166 467 968
Total assets	4 557 151 357 678	1 661 766 390 874	4 557 151 357 678	345 814 065 704
Botswana pula	(19 199 728 409)	(12 053 656 757)	(19 199 728 409)	(2 508 369 451)
British pound	(103 177 232 750)	(58 839 920 003)	(103 177 232 750)	(12 244 604 340)
Euro	(451 864 438 066)	(145 785 380 057)	(451 864 438 066)	(30 337 979 679)
South African rand	(583 703 776 380)	(230 536 084 419)	(583 703 776 380)	(47 974 625 725)
USD	(1 163 866 440 711)	(1 007 918 978 919)	(1 163 866 440 711)	(209 748 230 506)
Total liabilities	(2 321 811 616 316)	(1 455 134 020 155)	(2 321 811 616 316)	(302 813 809 701)
	2 235 339 741 362	206 632 370 719	2 235 339 741 362	43 000 256 003

The Group's main exposure to foreign currency risk arises from the commitments for licence and support fees for information technology platforms that were sourced from foreign suppliers.

Sensitivity analysis

A 50% change in exchange rates would result in the reported profit being reduced or increased by ZW$84 billion (December 2022: ZW$77.78 billion) and equity being reduced or increased by ZW$84 billion (December 2022: ZW$77.78 million).

A 100% change in exchange rates would result in the reported profit being reduced or increased by ZW$1.68 trillion (December 2022: ZW$155.55 billion) and equity being reduced or increased by ZW$1.68 trillion (December 2022: ZW$155.55 billion).

22.2.4 Internal rating grade

	Inflation adjusted December 2023				Inflation adjusted Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	298 132 786 659	8 358 413 735	1 128 040 314	307 619 240 708
Guarantees	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Loan commitments	478 206 882 581	-	-	478 206 882 581	32 984 817 429	-	-	32 984 817 429
Treasury bills	148 617 308 256	-	-	148 617 308 256	80 552 503 786	-	-	80 552 503 786
Other financial assets	-	-	-	-	1 060 533 680	-	-	1 060 533 680
Total financial assets	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	427 789 612 137	8 358 413 735	1 128 040 314	437 276 066 186
Total loans and advances								
Good (AAA to -BBB-)	932 560 065 212	862 412 837	85 249 396	933 507 727 455	298 068 021 266	131 162 875	20 106 469	298 219 290 610
Special Mention (BB+ to CCC-)	106 221 320	48 919 007 876	3 335 082	49 028 564 278	64 765 393	8 227 250 860	1 870 536	8 293 886 789
Non performing (CC to D)	-	-	15 438 819 807	15 438 819 807	-	-	1 106 063 309	1 106 063 309
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	298 132 786 659	8 358 413 735	1 128 040 314	307 619 240 708
Corporate Lending								
Good (AAA to -BBB-)	629 339 754 189	-	-	629 339 754 189	206 961 275 467	-	-	206 961 275 467
Special Mention (BB+ to CCC-)	-	34 927 807 461	-	34 927 807 461	-	6 478 986 634	-	6 478 986 634
Non performing (CC to D)	-	-	8 410 236 370	8 410 236 370	-	-	138 858 039	138 858 039
Total corporate lending	629 339 754 189	34 927 807 461	8 410 236 370	672 677 798 020	206 961 275 467	6 478 986 634	138 858 039	213 579 120 140
Small business Lending								
Good (AAA to -BBB-)	27 815 351 329	1 615 880	2 312 919	27 819 280 128	13 905 038 825	754 353	150 432	13 905 943 610
Specia lMention (BB+ to CCC-)	-	3 599 756 163	-	3 599 756 163	-	92 280 550	11 836	92 292 386
Non performing (CC to D)	-	-	1 516 516 048	1 516 516 048	-	-	388 124 613	388 124 613
Total small business Lending	27 815 351 329	3 601 372 043	1 518 828 967	32 935 552 339	13 905 038 825	93 034 903	388 286 881	14 386 360 609
Consumer Lending								
Good (AAA to -BBB-)	225 494 764 682	860 796 957	82 935 507	226 438 497 146	67 172 523 526	130 408 522	19 952 817	67 322 884 865
Special Mention (BB+ to CCC-)	106 221 320	6 804 275 914	3 335 082	6 913 832 316	64 765 393	1 215 540 909	1 858 700	1 282 165 002
Non performing(CC to D)	-	-	3 231 088 093	3 231 088 093	-	-	529 938 582	529 938 582
Total consumer lending	225 600 986 002	7 665 072 871	3 317 358 682	236 583 417 555	67 237 288 919	1 345 949 431	551 750 099	69 134 988 449
Mortgage Lending								
Good (AAA to -BBB-)	49 910 195 012	-	970	49 910 195 982	10 029 183 448	-	3 220	10 029 186 668
Special Mention (BB+ to CCC-)	-	3 587 168 338	-	3 587 168 338	-	440 442 767	-	440 442 767
Non performing (CC to D)	-	-	2 280 979 296	2 280 979 296	-	-	49 142 075	49 142 075
Total Mortgage Lending	49 910 195 012	3 587 168 338	2 280 980 266	55 778 343 616	10 029 183 448	440 442 767	49 145 295	10 518 771 510
Guarantees								
Good (AAA to -BBB-)	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing(CC to D)	-	-	-	-	-	-	-	-
Total guarantees	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Loan commitments								
Good (AAA to -BBB-)	478 206 882 581	-	-	478 206 882 581	32 984 817 429	-	-	32 984 817 429
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Total loan commitments	478 206 882 581	-	-	478 206 882 581	32 984 817 429	-	-	32 984 817 429
Letters of Credit								
Good (AAA to -BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing(CC to D)	-	-	-	-	-	-	-	-
Total letters of credit	-	-	-	-	-	-	-	-
Other financial assets								
Bonds	-	-	-	-				
Good (AAA to BBB0)	-	-	-	-	1 060 533 680	-	-	1 060 533 680
Total other financial assets	-	-	-	-	1 060 533 680	-	-	1 060 533 680

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.2.4 Internal rating grade (continued)

	Historical cost (Unaudited) December 2023				Historical cost (Unaudited) Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	62 041 518 977	1 739 388 311	234 745 515	67 095 749 365
Guarantees	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Loan commitments	478 206 882 581	-	-	478 206 882 581	6 864 150 030	-	-	6 864 150 030
Treasury bills	148 617 308 256	-	-	148 617 308 256	16 762 999 294	-	-	16 762 999 294
Other financial assets	-	-	-	-	220 697 365	-	-	220 697 365
Total financial assets	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	89 023 141 792	1 739 388 311	234 745 515	90 997 275 618
Total loans and advances								
Good (AAA to -BBB-)	932 560 065 212	862 412 837	85 249 396	933 507 727 445	65 108 137 842	27 295 032	4 184 162	65 139 617 036
Special Mention (BB+ to CCC-)	106 221 320	48 919 007 876	3 335 082	49 028 564 278	13 477 697	1 712 093 279	389 259	1 725 960 235
Non performing (CC to D)	-	-	15 438 819 807	15 438 819 807	-	-	230 172 094	230 172 094
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365
Corporate Lending								
Good (AAA to -BBB-)	629 339 754 189	-	-	629 339 754 189	43 068 701 176	-	-	43 068 701 176
Special Mention (BB+ to CCC-)	-	34 927 807 461	-	34 927 807 461	-	1 348 278 989	-	1 348 278 989
Non performing (CC to D)	-	-	8 410 236 370	8 410 236 370	-	-	28 896 398	28 896 398
Total corporate lending	629 339 754 189	34 927 807 461	8 410 236 370	672 677 798 020	43 068 701 176	1 348 278 989	28 896 398	44 445 876 563
Small business Lending								
Good (AAA to -BBB-)	27 815 351 329	1 615 880	2 312 919	27 819 280 128	2 893 642 594	156 981	31 305	2 893 830 880
Special Mention (BB+ to CCC-)	-	3 599 756 163	-	3 599 756 163	-	19 203 609	2 463	19 206 072
Non performing (CC to D)	-	-	1 516 516 048	1 516 516 048	-	-	80 768 844	80 768 844
Total small business Lending	27 815 351 329	3 601 372 043	1 518 828 967	32 935 552 339	2 893 642 594	19 360 590	80 802 612	2 993 805 796
Consumer Lending								
Good (AAA to -BBB-)	225 494 764 682	860 796 957	82 935 507	226 438 497 164	13 978 621 539	27 138 051	4 152 187	14 009 911 777
Special Mention (BB+ to CCC-)	106 221 320	6 804 275 914	3 335 082	6 913 832 316	13 477 697	252 954 414	386 796	266 818 907
Non performing (CC to D)	-	-	3 231 088 093	3 231 088 093	-	-	110 280 372	110 280 372
Total consumer lending	225 600 986 002	7 665 072 871	3 317 358 682	236 583 417 555	13 992 099 236	280 092 465	114 819 355	14 387 011 056
Mortgage Lending								
Good (AAA to -BBB-)	49 910 195 012	-	970	49 910 195 982	2 087 075 971	-	670	2 087 076 641
Special Mention (BB+ to CCC-)	-	3 587 168 338	-	3 587 168 338	-	91 656 267	-	91 656 267
Non performing (CC to D)	-	-	2 280 979 296	2 280 979 296	-	-	10 226 480	10 226 480
Total Mortgage Lending	49 910 195 012	3 587 168 338	2 280 980 266	55 778 343 616	2 087 075 971	91 656 267	10 227 150	2 188 959 388
Guarantees								
Good (AAA to -BBB-)	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing(CC to D)	-	-	-	-	-	-	-	-
Total guarantees	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Loan commitments								
Good (AAA to -BBB-)	478 206 882 581	-	-	478 206 882 581	6 864 150 030	-	-	6 864 150 030
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Total loan commitments	478 206 882 581	-	-	478 206 882 581	6 864 150 030	-	-	6 864 150 030
Loan of credit								
Good (AAA to -BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Total letters of credit	-	-	-	-	-	-	-	-
Other financial assets								
Bonds	-	-	-	-				
Good (AAA to BBB0)	-	-	-	-	220 697 365	-	-	220 697 365
Total other financial assets	-	-	-	-	220 697 365	-	-	220 697 365

An analysis of changes in the ECLs in relation to loans and advances are as follows:

	Inflation adjusted December 2023				Inflation adjusted Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	17 836 281 261	1 902 536 514	373 509 709	20 112 327 484
Treasury bills	-	-	-	-	-	-	-	-
Insurance debtors	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total impairment allowances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	17 836 281 261	1 902 536 514	373 509 709	20 112 327 484
In respect of guarantees	314 298 008	-	-	314 298 008	1 514 376 688	-	-	1 514 376 688
In respect of Letter of credit	-	-	-	-	-	-	-	-
In respect of Loan commitments	14 176 165 912	-	-	14 176 165 912	125 587 918	-	-	125 587 918
In respect of other financial assets	-	-	-	-	31 674 377	-	-	31 674 377
Total	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	19 507 920 244	1 902 536 514	373 509 709	21 783 966 467
Total loans and advances								
Good (AAA to -BBB-)	44 259 367 050	169 640 157	29 467 260	44 458 474 467	17 833 962 797	39 977 076	7 463 892	17 881 403 765
Special Mention (BB+ to CCC-)	6 847 052	2 920 619 479	1 706 773	2 929 173 304	2 318 464	1 862 559 438	826 611	1 865 704 513
Non performing (CC to D)	-	-	3 465 687 038	3 465 687 038	-	-	365 219 206	365 219 206
Impairment allowance for total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	17 836 281 261	1 902 536 514	373 509 709	20 112 327 484
Impairment allowance for loans and advances by lending category:								
Corporate Lending								
Good (AAA to -BBB-)	30 987 444 405	-	-	30 987 444 405	13 826 592 245	-	-	13 826 592 245
Special Mention (BB+ to CCC-)	-	1 045 722 887	-	1 045 722 887	-	1 425 481 381	-	1 425 481 381
Non performing (CC to D)	-	-	2 264 155 745	2 264 155 745	-	-	42 937 804	42 937 804
Impairment allowance for corporate lending	30 987 444 405	1 045 722 887	2 264 155 745	34 297 323 037	13 826 592 245	1 425 481 381	42 937 804	15 295 011 430
Small business Lending								
Good (AAA to -BBB-)	1 146 614 784	1 007 501	1 969 035	1 149 591 320	752 960 387	308 779	66 800	753 335 966
Special Mention (BB+ to CCC-)	-	68 078 814	-	68 078 814	-	3 758 447	-	3 758 447
Non performing (CC to D)	-	-	102 215 195	102 215 195	-	-	142 125 516	142 125 516
Impairment allowance for small business lending	1 146 614 784	69 086 315	104 184 230	1 319 885 329	752 960 387	4 067 226	142 192 316	899 219 929
ConsumerLending								
Good(AAA to -BBB-)	12 092 262 318	168 632 656	27 498 042	12 288 393 016	2 987 078 186	39 668 297	7 397 025	3 034 143 508
SpecialMention(BB+ to CCC-)	6 847 052	1 806 817 778	1 706 773	1 815 371 603	2 318 464	301 652 998	826 611	304 798 073
Nonperforming(CC to D)	-	-	1 097 142 826	1 097 142 826	-	-	174 851 338	174 851 338
Impairment allowance for consumerl ending	12 099 109 370	1 975 450 434	1 126 347 641	15 200 907 445	2 989 396 650	341 321 295	183 074 974	3 513 792 919
Mortgage Lending								
Good (AAA to -BBB-)	33 045 543	-	183	33 045 726	267 331 979	-	67	267 332 046
Special Mention (BB+ to CCC-)	-	-	-	-	-	131 666 612	-	131 666 612
Non performing(CC to D)	-	-	2 173 272	2 173 272	-	-	5 304 548	5 304 548
Impairment allowance for mortgage lending	33 045 543	-	2 173 455	35 218 998	267 331 979	131 666 612	5 304 615	404 303 206
Impairment allowances on guarantees and loan commitments								
Guarantees								
Good (AAA to -BBB-)	314 298 008	-	-	314 298 008	1 514 376 688	-	-	1 514 376 688
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Impairment allowances for guarantees	314 298 008	-	-	314 298 008	1 514 376 688	-	-	1 514 376 688
Loan commitments								
Good (AAA to -BBB-)	14 176 165 912	-	-	14 176 165 912	125 587 918	-	-	125 587 918
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Impairment allowances for loan commitments	14 176 165 912	-	-	14 176 165 912	125 587 918	-	-	125 587 918
Other financial assets								
Bonds	-	-	-	-	-	-	-	-
Good (AAA to BBB-)	-	-	-	-	31 674 377	-	-	31 674 377
Impairment allowances for other financial assets	-	-	-	-	31 674 377	-	-	31 674 377

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Audited Financial Results for the year ended 31 December 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.2.4 Internal rating grade (continued)

An analysis of changes in the ECLs in relation to loans and advances are as follows:

	Historical cost (Unaudited) December 2023				Historical cost (Unaudited) Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	3 711 735 280	395 918 398	77 727 478	4 185 381 156
Treasury bills	-	-	-	-	-	-	-	-
Insurance debtors	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Total impairment allowances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	3 711 735 280	395 918 398	77 727 478	4 185 381 156
In respect of guarantees	314 298 008	-	-	314 298 008	315 142 226	-	-	315 142 226
In respect of Letter of credit	-	-	-	-	-	-	-	-
In respect of Loan commitments	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882
In respect of other financial assets	-	-	-	-	6 591 447	-	-	6 591 447
Total	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	4 059 603 835	395 918 398	77 727 478	4 533 249 711
Total loans and advances								
Good (AAA to -BBB-)	44 259 367 050	169 640 157	29 467 260	44 458 474 467	3 711 252 807	8 319 241	1 553 238	3 721 125 286
Special Mention (BB+ to CCC-)	6 847 052	2 920 619 479	1 706 773	2 929 173 304	482 473	387 599 157	172 018	388 253 648
Non performing (CC to D)	-	-	3 465 687 038	3 465 687 038	-	-	76 002 222	76 002 222
Impairment allowance for total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	3 711 735 280	395 918 398	77 727 478	4 185 381 156
Impairment allowance for loans and advances by lending category:								
Corporate Lending								
Good (AAA to -BBB-)	30 987 444 405	-	-	30 987 444 405	2 877 317 838	-	-	2 877 317 838
Special Mention (BB+ to CCC-)	-	1 045 722 887	-	1 045 722 887	-	296 643 087	-	296 643 087
Non performing (CC to D)	-	-	2 264 155 745	2 264 155 745	-	-	8 935 369	8 935 369
Impairment allowance for corporate lending	30 987 444 405	1 045 722 887	2 264 155 745	34 297 323 037	2 877 317 838	296 643 087	8 935 369	3 182 896 294
Small business Lending								
Good (AAA to -BBB-)	1 146 614 784	1 007 501	1 969 035	1 149 591 320	156 691 274	64 257	13 901	156 769 432
Special Mention (BB+ to CCC-)	-	68 078 814	-	68 078 814	-	782 134	-	782 134
Non performing (CC to D)	-	-	102 215 195	102 215 195	-	-	29 576 361	29 576 361
Impairment allowance for small business lending	1 146 614 784	69 086 315	104 184 230	1 319 885 329	156 691 274	846 391	29 590 262	187 127 927
Consumer Lending								
Good (AAA to -BBB-)	12 092 262 318	168 632 656	27 498 042	12 288 393 016	621 611 833	8 254 984	1 539 323	631 406 140
Special Mention (BB+ to CCC-)	6 847 052	1 806 817 778	1 706 773	1 815 371 603	482 473	62 774 076	172 018	63 428 567
Non performing (CC to D)	-	-	1 097 142 826	1 097 142 826	-	-	36 386 614	36 386 614
Impairment allowance for consumer lending	12 099 109 370	1 975 450 434	1 126 347 641	15 200 907 445	622 094 306	71 029 060	38 097 955	731 221 321
Mortgage Lending								
Good (AAA to -BBB-)	33 045 543	-	183	33 045 726	55 631 862	-	14	55 631 876
Special Mention(BB+ to CCC-)	-	-	-	-	-	27 399 860	-	27 399 860
Non performing (CC to D)	-	-	2 173 272	2 173 272	-	-	1 103 878	1 103 878
Impairment allowance for mortgage lending	33 045 543	-	2 173 455	35 218 998	55 631 862	27 399 860	1 103 892	84 135 614
Impairment allowances on guarantees and loan commitments								
Guarantees								
Good (AAA to -BBB-)	314 298 008	-	-	314 298 008	315 142 226	-	-	315 142 226
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Impairment allowances for guarantees	314 298 008	-	-	314 298 008	139 817	-	-	315 142 226
Loan commitments								
Good (AAA to -BBB-)	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Impairment allowances for loan commitments	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882
Other financial assets								
Debntures	-	-	-	-	-	-	-	-
Non performing (CC to D)	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Good (AAA to BBB-)	-	-	-	-	6 591 447	-	-	6 591 447
Impairment allowances for other financial assets	-	-	-	-	6 591 447	-	-	6 591 447

An analysis of changes in the gross carrying amount are as follows:

	Inflation adjusted 31 December 2023				Inflation adjusted Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	298 132 786 661	8 358 413 735	1 128 040 314	307 619 240 710
Guarantees	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Loan commitments	478 206 882 581	-	-	478 206 882 581	32 984 817 429	-	-	32 984 817 429
Treasury bills	148 617 308 256	-	-	148 617 308 256	80 552 503 786	-	-	80 552 503 786
Other financial assets	-	-	-	-	1 060 533 678	-	-	1 060 533 678
Total financial assets	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	427 789 612 137	8 358 413 735	1 128 040 314	437 276 066 186
Balance at the beginning of the year end	427 789 612 137	8 358 413 735	1 128 040 314	437 276 066 186	272 425 881 667	1 932 254 133	8 485 903 038	282 844 038 838
Effects of inflation adjustments	(1 691 222 710 809)	(48 470 131 006)	(15 222 513 009)	(1 754 915 354 824)	(207 978 013 327)	(1 370 159 990)	(6 017 347 630)	(215 365 520 947)
New assets	2 977 232 623 691	91 055 558 918	30 975 362 199	3 099 263 544 808	415 252 547 116	8 047 345 818	784 102 055	424 083 994 989
Repayments	(108 301 739 478)	(2 144 846 659)	(247 075 343)	(110 693 661 480)	(51 518 705 089)	(410 077 173)	(202 493 035)	(52 131 275 297)
Stage reassigments								
Stage 1	(3 557 695 595)	1 050 621 418	2 507 074 177	-	(392 098 230)	214 074 335	178 023 895	-
Stage 2	-	(68 195 693)	68 195 693	-	-	(55 023 388)	55 023 388	-
Stage 3	-	-	-	-	-	-	-	-
Write-offs	-	-	(3 681 679 746)	(3 681 679 746)	-	-	(2 155 171 397)	(2 155 171 397)
Balance at year end	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	427 789 612 137	8 358 413 735	1 128 040 314	437 276 066 186

Impairment allowance on total financial assets:

	Inflation adjusted December 2023				Inflation adjusted Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	17 836 281 262	1 902 536 514	373 509 709	20 112 327 485
Total Loans and other advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	17 836 281 262	1 902 536 514	373 509 709	20 112 327 485
In respect of guarantees	314 298 008	-	-	314 298 008	1 514 376 686	-	-	1 514 376 686
In respect of Loan commitments	14 176 165 912	-	-	14 176 165 912	125 587 918	-	-	125 587 918
In respect of other financial assets	-	-	-	-	31 674 378	-	-	31 674 378
Total impairment allowances	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	19 507 920 244	1 902 536 514	373 509 709	21 783 966 467
Balance at the beginning of year	19 507 920 244	1 902 536 514	373 509 709	21 783 966 467	4 133 765 321	510 280 023	7 960 134 872	12 604 180 216
Effects of inflation adjustments	(63 096 863 158)	(3 853 753 613)	(3 274 996 964)	(70 225 613 735)	(2 931 249 966)	(361 839 191)	(5 644 525 808)	(8 937 614 965)
New assets	109 137 606 289	5 713 214 273	6 292 339 504	121 143 160 066	20 519 124 209	1 814 989 601	213 002 784	22 547 116 594
Repayments	(6 666 443 414)	(608 908 515)	(79 850 644)	(7 355 202 573)	(2 087 404 759)	(111 325 098)	(76 170 447)	(2 274 900 304)
Stage reassigments								
Stage 1	(125 541 939)	(50 295 989)	175 837 928	-	(126 314 561)	66 873 290	59 441 271	-
Stage 2	-	(12 533 034)	12 533 034	-	-	(16 442 111)	16 442 111	-
Stage 3	-	-	-	-	-	-	-	-
Write-offs	-	-	(2 511 496)	(2 511 496)	-	-	(2 154 815 074)	(2 154 815 074)
Balance at year end	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	19 507 920 244	1 902 536 514	373 509 709	21 783 966 467

An analysis of changes in the gross carrying amount are as follows:

	Historical cost (Unaudited) December 2023				Historical cost (Unaudited) Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total financial assets								
Total loans and advances	932 666 286 532	49 781 420 713	15 527 404 285	997 975 111 530	65 121 615 539	1 739 388 311	234 745 515	67 095 749 365
Guarantees	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Loan commitments	478 206 882 581	-	-	478 206 882 581	6 864 150 030	-	-	6 864 150 030
Letters of credit	-	-	-	-	-	-	-	-
Treasury bills	148 617 308 256	-	-	148 617 308 256	16 762 999 294	-	-	16 762 999 294
Other financial assets	-	-	-	-	220 697 363	-	-	220 697 363
Total financial assets	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	92 103 238 352	1 739 388 311	234 745 515	94 077 372 178
Balance at the beginning of the year	89 023 141 792	1 739 388 311	234 745 515	90 997 275 618	13 411 620 008	116 971 953	513 707 093	14 042 299 054
New assets	1 572 698 536 880	48 663 270 746	16 554 315 355	1 637 916 122 981	86 414 174 941	1 674 654 988	163 171 864	88 252 001 793
Repayments	(57 880 231 950)	(1 146 280 962)	(132 045 692)	(59 158 558 604)	(10 721 057 402)	(85 337 178)	(42 138 859)	(10 848 533 439)
Stage reassigments								
Stage 1	(1 901 356 776)	561 488 778	1 339 867 998	-	(81 595 755)	44 548 931	37 046 824	-
Stage 2	-	(36 446 160)	36 446 160	-	-	(11 450 383)	11 450 383	-
Stage 3	-	-	-	-	-	-	-	-
Write-offs	-	-	(2 505 925 051)	(2 505 925 051)	-	-	(448 491 790)	(448 491 790)
Balance at year end	1 601 940 089 946	49 781 420 713	15 527 404 285	1 667 248 914 944	89 023 141 492	1 739 388 311	234 745 515	90 997 275 618

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.2.4 Internal rating grade (continued)

Impairment allowance on total financial assets:

	Historical cost (Unaudited) December 2023				Historical cost (Unaudited) Restated December 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	3 711 735 280	395 918 398	77 727 479	4 185 381 157
Total Loans and other advances	44 266 214 102	3 090 259 636	3 496 861 071	50 853 334 809	3 711 735 280	395 918 398	77 727 478	4 185 381 157
In respect of guarantees	314 298 008	-	-	314 298 008	315 142 226	-	-	315 142 226
In respect of Loan commitments	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882
In respect of other financial assets	-	-	-	-	6 591 447	-	-	6 591 447
Total impairment allowances	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	4 059 603 835	395 918 398	77 727 478	4 533 249 711
Balance at the beginning of the year	4 059 603 835	395 918 398	77 727 478	4 533 249 711	250 243 793	30 890 580	481 878 915	763 013 288
New assets	58 326 948 366	3 053 341 238	3 362 845 988	64 743 135 592	4 270 035 672	377 699 860	44 325 940	4 692 061 472
Repayments	(3 562 780 182)	(325 421 976)	(42 674 973)	(3 930 877 131)	(434 389 533)	(23 166 785)	(15 851 092)	(473 407 410)
Stage reassigments								
Stage 1	(67 093 997)	(26 879 933)	93 973 930	-	(26 286 097)	13 916 351	12 369 746	-
Stage 2	-	(6 698 091)	6 698 091	-	-	(3 421 608)	3 421 608	-
Stage 3	-	-	-	-	-	-	-	-
Write-offs	-	-	(1 709 443)	(1 709 443)	-	-	(448 417 639)	(448 417 639)
Balance at year end	58 756 678 022	3 090 259 636	3 496 861 071	65 343 798 729	4 059 603 835	395 918 398	77 727 478	4 533 249 711

An analysis of ECLs movements are as follows:

	Inflation adjusted		Historical cost (Unaudited)	
	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$	31 Dec 2023 ZW$	Restated 31 Dec 2022 ZW$
ECL Movement				
Balance at beginning of period	20 112 327 484	11 728 986 774	4 185 381 156	710 032 117
Impact of IFRS17 adoption at 1 Jan 2022	-	(212 501 373)	-	(12 864 095)
Loans and advances	63 471 672 407	31 863 784 679	52 764 134 405	4 872 123 095
Write offs against provision	(10 621 332 979)	(1 327 636 274)	(6 096 180 752)	(1 383 909 961)
Effects of inflation movements	(22 109 332 103)	(21 940 306 322)	-	-
	50 853 334 809	20 112 327 484	50 853 334 809	4 185 381 156
Analysis of loans and advances				
Balance at beginning of period	20 112 327 484	11 728 986 774	4 185 381 156	697 168 022
ECL for current period	63 471 672 407	31 863 784 679	52 764 134 405	4 872 123 095
Write offs against provision	(10 621 332 979)	(1 327 636 274)	(6 096 180 752)	(1 383 909 961)
Effects of inflation movements	(22 109 332 103)	(22 152 807 695)	-	-
Balance at end of period	50 853 334 809	20 112 327 484	50 853 334 809	4 185 381 156
Analysis of insurance debtors				
Balance at beginning of year	-	212 501 373	-	12 864 095
Impact of IFRS 17 adoption at 1 Jan 2022	-	(212 501 373)	-	(12 864 095)
Balance at end of year	-	-	-	-
Analysis of guarantees and loan commitments				
Guarantees				
Balance at beginning of period	1 514 376 688	632 313 087	315 142 226	38 278 038
ECL for current period	(42 950 447)	1 679 163 884	(844 218)	276 864 188
Effects of inflation movements	(1 157 128 233)	(797 100 283)	-	-
Balance at end of period	314 298 008	1 514 376 688	314 298 008	315 142 226
Loan commitments				
Balance at beginning of period	125 587 918	26 231 107	26 134 882	1 587 940
ECL for current period	14 450 907 239	230 895 302	14 150 031 030	24 546 942
Effects of inflation movements	(400 329 245)	(131 538 491)	-	-
Balance at end of period	14 176 165 912	125 587 918	14 176 165 912	26 134 882
Analysis of other financial assets				
Balance at beginning of period	31 674 377	216 649 248	6 591 447	13 115 193
ECL for current period	(10 139 860)	315 823 661	(6 591 447)	(6 523 746)
Effects of inflation movements	(21 534 517)	(500 798 532)	-	-
Balance at end of period	-	31 674 377	-	6 591 447

22.3 Insurance Risk

The following table details the impact of changes in key assumptions on the Company's profit or loss, equity and CSM before and after risk mitigation from reinsurance contracts held. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

2023	FCF as at 31 December 2023	CSM as at 31 December 2023	Impact on FCF	Impact on CSM	Remaining CSM	Impact on Profit before tax	Impact on Equity
Life Risk							
Insurance Contract Liabilities as at 31 December 2023							
Insurance Contract Liabilities	15 090 419 323	133 204 029					
Reinsurance Contract Assets	(126 734 838)	(318 836 823)					
Net Insurance Contract Liabilities							
Mortality/Morbidity rate - 1% increase							
Insurance Contract Liabilities			150 904 193	1 332 040	134 536 069	152 236 234	114 603 437
Reinsurance Contract Assets			(1 267 348)	(3 188 368)	(322 025 191)	(4 455 717)	(3 354 263)
Net Insurance Contract Liabilities			149 636 845	(1 856 328)	(187 489 122)	147 780 517	111 249 173
Mortality/Morbidity rate - 1% decrease							
Insurance Contract Liabilities			(150 904 193)	(1 332 040)	131 871 989	(152 236 234)	(114 603 437)
Reinsurance Contract Assets			1 267 348	3 188 368	(315 648 455)	4 455 717	3 354 263
Net Insurance Contract Liabilities			(149 636 845)	1 856 328	(183 776 466)	(147 780 517)	(111 249 173)
Lapse/surrender rates - 5% increase							
Insurance Contract Liabilities			754 520 966	6 660 201	139 864 230	761 181 168	573 017 183
Reinsurance Contract Assets			(6 336 742)	(15 941 841)	(334 778 664)	(22 278 583)	(16 771 317)
Net Insurance Contract Liabilities			748 184 224	(9 281 640)	(194 914 434)	738 902 585	556 245 866
Lapse/surrender rates - 5% decrease							
Insurance Contract Liabilities			(754 520 966)	(6 660 201)	126 543 827	(761 181 168)	(573 017 183)
Reinsurance Contract Assets			6 336 742	15 941 841	(302 894 982)	22 278 583	16 771 317
Net Insurance Contract Liabilities			(748 184 224)	9 281 640	(176 351 154)	(738 902 585)	(556 245 866)
Expenses - 10% increase							
Insurance Contract Liabilities			1 509 041 932	13 320 403	146 524 432	1 522 362 335	1 146 034 366
Reinsurance Contract Assets			(12 673 484)	(31 883 682)	(350 720 505)	(44 557 166)	(33 542 635)
Net Insurance Contract Liabilities			1 496 368 448	(18 563 279)	(204 196 073)	1 477 805 169	1 112 491 731
Expenses - 10% decrease							
Insurance Contract Liabilities			(1 509 041 932)	(13 320 403)	119 883 626	(1 522 362 335)	(1 146 034 366)
Reinsurance Contract Assets			12 673 484	31 883 682	(286 953 140)	44 557 166	33 542 635
Net Insurance Contract Liabilities			(1 496 368 448)	18 563 279	(167 069 515)	(1 477 805 169)	(1 112 491 731)
Savings Risk							
Insurance Contract Liabilities as at 31 December 2023	28 558 735 657	4 013 597 682					
Mortality rate - 1% increase			285 587 357	40 135 977	4 053 733 659	325 723 333	245 204 525
Lapse/surrender rates - 5% increase			1 427 936 783	200 679 884	4 214 277 566	1 628 616 667	1 226 022 627
Expenses - 10% increase			2 855 873 566	401 359 768	4 414 957 450	3 257 233 334	2 452 045 254
Mortality rate - 1% decrease			(285 587 357)	(40 135 977)	3 973 461 705	(325 723 333)	(245 204 525)
Lapse/surrender rates - 5% decrease			(1 427 936 783)	(200 679 884)	3 812 917 798	(1 628 616 667)	(1 226 022 627)
Expenses - 10% decrease			(2 855 873 566)	(401 359 768)	3 612 237 914	(3 257 233 334)	(2 452 045 254)
Annuities							
Insurance Contract Liabilities as at 31 December 2023	408 207 431	995 413 649					
Mortality rate - 1% increase			4 082 074	9 954 136	1 005 367 785	14 036 211	10 566 459
Lapse/surrender rates - 5% increase			20 410 372	49 770 682	1 045 184 331	70 181 054	52 832 297
Expenses - 10% increase			40 820 743	99 541 365	1 094 955 014	140 362 108	105 664 595
Mortality rate - 1% decrease			(4 082 074)	(9 954 136)	985 459 512	(14 036 211)	(10 566 459)
Lapse/surrender rates - 5% decrease			(20 410 372)	(49 770 682)	945 642 967	(70 181 054)	(52 832 297)
Expenses - 10% decrease			(40 820 743)	(99 541 365)	895 872 284	(140 362 108)	(105 664 595)

2022	FCF as at 31 December 2023	CSM as at 31 December 2023	Impact on FCF	Impact on CSM	Remaining CSM	Impact on Profit before tax	Impact on Equity
Life Risk							
Insurance Contract Liabilities as at 31 December 2022							
Insurance Contract Liabilities	25 619 125 250	5 482 979					
Reinsurance Contract Assets	(6 768 557)	(29 038 617)					
Net Insurance Contract Liabilities							
Mortality/Morbidity rate - 1% increase							
Insurance Contract Liabilities			256 191 253	54 830	5 537 809	256 246 082	192 902 051
Reinsurance Contract Assets			(67 686)	(290 386)	(29 329 003)	(358 072)	(269 556)
Net Insurance Contract Liabilities			256 123 567	(235 556)	(23 791 194)	255 888 011	192 632 494
Mortality/Morbidity rate - 1% decrease							
Insurance Contract Liabilities			(256 191 253)	(54 830)	5 428 149	(256 246 082)	(192 902 051)
Reinsurance Contract Assets			67 686	290 386	(28 748 231)	358 072	269 556
Net Insurance Contract Liabilities			(256 123 567)	235 556	(23 320 082)	(255 888 011)	(192 632 494)
Lapse/surrender rates - 5% increase							
Insurance Contract Liabilities			754 520 966	6 660 201	139 864 230	761 181 168	573 017 183
Reinsurance Contract Assets			(6 336 742)	(15 941 841)	(334 778 664)	(22 278 583)	(16 771 317)
Net Insurance Contract Liabilities			748 184 224	(9 281 640)	(194 914 434)	738 902 585	556 245 866
Lapse/surrender rates - 5% decrease							
Insurance Contract Liabilities			(754 520 966)	(6 660 201)	126 543 827	(761 181 168)	(573 017 183)
Reinsurance Contract Assets			6 336 742	15 941 841	(302 894 982)	22 278 583	16 771 317
Net Insurance Contract Liabilities			(748 184 224)	9 281 640	(176 351 154)	(738 902 585)	(556 245 866)
Expenses - 10% increase							
Insurance Contract Liabilities			1 509 041 932	13 320 403	146 524 432	1 522 362 335	1 146 034 366
Reinsurance Contract Assets			(12 673 484)	(31 883 682)	(350 720 505)	(44 557 166)	(33 542 635)
Net Insurance Contract Liabilities			1 496 368 448	(18 563 279)	(204 196 073)	1 477 805 169	1 112 491 731
Expenses - 10% decrease							
Insurance Contract Liabilities			(1 509 041 932)	(13 320 403)	119 883 626	(1 522 362 335)	(1 146 034 366)
Reinsurance Contract Assets			12 673 484	31 883 682	(286 953 140)	44 557 166	33 542 635
Net Insurance Contract Liabilities			(1 496 368 448)	18 563 279	(167 069 515)	(1 477 805 169)	(1 112 491 731)
Savings Risk							
Insurance Contract Liabilities as at 31 December 2022	2 553 176 519	526 462 063					
Mortality rate - 1% increase			25 531 765	5 264 621	531 726 683	30 796 386	23 183 519
Lapse/surrender rates - 5% increase			127 658 826	26 323 103	552 785 166	153 981 929	115 917 596
Expenses - 10% increase			255 317 652	52 646 206	579 108 269	307 963 858	231 835 192
Mortality rate - 1% decrease			(25 531 765)	(5 264 621)	521 197 442	(30 796 386)	(23 183 519)
Lapse/surrender rates - 5% decrease			(127 658 826)	(26 323 103)	500 138 960	(153 981 929)	(115 917 596)
Expenses - 10% decrease			(255 317 652)	(52 646 206)	473 815 856	(307 963 858)	(231 835 192)
Annuities							
Insurance Contract Liabilities as at 31 December 2022	131 852 510	6 407 730					
Mortality rate - 1% increase			1 318 525	64 077	6 471 808	1 382 602	1 040 823
Lapse/surrender rates - 5% increase			6 592 626	320 387	6 728 117	6 913 012	5 204 115
Expenses - 10% increase			13 185 251	640 773	7 048 503	13 826 024	10 408 231
Mortality rate - 1% decrease			(1 318 525)	(64 077)	6 343 653	(1 382 602)	(1 040 823)
Lapse/surrender rates - 5% decrease			(6 592 626)	(320 387)	6 087 344	(6 913 012)	(5 204 115)
Expenses - 10% decrease			(13 185 251)	(640 773)	5 766 957	(13 826 024)	(10 408 231)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22.4 Other business risks

- Operational risk
- Legal, reputational and compliance risk
- Technological risk
- Solvency risk
- Underwriting risk

22.5 Risk rating

22.5.1 Regulatory risk rating

The Reserve Bank of Zimbabwe conducts regular offsite and onsite examinations of the institutions that it regulates. The last on-site examination of the Group was concluded on the 9th of December 2014 using data as at 30 September 2014.

Being a Bank Holding Group (BHG), the condition of ZB Financial Holdings Limited was assessed using the RFI/(C)D rating system which is an acronym for Risk Management; Financial Condition; Potential Impact of the parent Group and non-depository subsidiaries on the subsidiary depository institutions; Composite rating based on an evaluation and rating of its managerial and financial condition; and assessment of the subsidiary Depository institutions.

ZB Bank Limited and ZB Building Society were assessed using the Risk Assessment System (RAS) and the CAMELS5 rating model.

The individual components of the rating systems were rated as follows:

RFI/(C)D/CAMELS/CEFM Component	Latest Rating	
	ZB Bank Limited	ZB Building Society
Capital Adequacy	4	4
Asset Quality	4	2
Management	3	3
Earnings	4	3
Liquidity and Funds Under Management	2	2
Sensitivity to Market Risk	2	2
Composite rating	4	3

Key: 1 = Strong; 2 = Satisfactory; 3 = Fair; 4 = Weak; 5 = Critical

Summary of Risk Assessment

RAS Component	Latest Rating	
	ZB Bank Limited	ZB Building Society
Aggregate inherent risk	High	Moderate
Quality of aggregate risk management systems	Acceptable	Acceptable
Overall composite risk	High	Moderate
Direction of overall composite risk	Increasing	Stable [1]

[1] "CAMELS" stands for Capital Adequacy Asset Quality Management Earnings, Liquidity management and Sensitivity to market risk

Overall Risk Matrix – ZB Bank Limited

Type of Risk	Level of Aggregate Inherent Risk	Adequacy of Aggregate Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	High	Inadequate	High	Increasing
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	Increasing
Operational Risk	High	Acceptable	Moderate	Stable
Legal & Compliance Risk	High	Inadequate	High	Increasing
Reputational Risk	High	Acceptable	High	Stable
Overall Risk	High	Acceptable	High	Increasing

Overall Risk Matrix – ZB Building Society

Type of risk	Level of Aggregate Inherent Risk	Adequacy of Aggregate Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Low	Acceptable	Low	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	Moderate	Acceptable	Low	Stable
Foreign Exchange Risk	Low	Acceptable	Low	Stable
Strategic Risk	Moderate	Acceptable	Moderate	Stable
Operational Risk	Moderate	Acceptable	High	Increasing
Legal & Compliance Risk	High	Weak	High	Increasing
Reputational Risk	Moderate	Acceptable	Moderate	Stable
Overall Risk	Moderate	Acceptable	Moderate	Stable

Entity	2023	2022	2021
ZB Bank Limited	BBB+	BBB+	BBB+
ZB Building Society	B-	B-	B-
ZB Reinsurance Company	A-	A-	BBB

The ratings for ZB Bank Limited and ZB Building Society expires in September 2023, whilst the rating for ZB Reinsurance expires in May 2024.

23. COMPLIANCE WITH REGULATIONS

23.1 Regulatory capital requirements

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW$ equivalent of USD30 million and USD20 million respectively, using the spot rate as at the reporting date. ZB Bank Limited met this requirement as at 31 December 2023, whilst ZB Building Society was not in compliant with this minimum regulatory capital requirement as at 31 December 2023. The Directors are confident that the Society will meet the regulatory minimum capital requirements either through the proposed consolidation of the Society's operations with the rest of ZB Financial Holdings Limited's banking operations or through organic growth and capital injection as required and committed to in a letter of support provided by ZB Financial Holdings Limited to the Society.

23.2 Insurance operations

In terms of paragraph 3 of Statutory Instrument 206 of 2021, Amendment Regulations of 2021 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case life assurance businesses and 10% of the market value of total adjusted assets in the case of short-term re-insurance businesses.

ZB Life Assurance Limited did not comply with these ratios as at 31 December 2023, closing the year with ratio at 6.04% (Dec 2022: 6.01%). As further required by paragraph 11B sub-section 4, ZB Life Assurance has collaborated with the Insurance and Pensions Commissions (IPEC) on the non-compliance as required by the Regulations, and provided a roadmap to remedy the non-compliance which is being tracked on a monthly basis. Compliance has been affected by the shortage of qualifying assets on the market. Furthermore, the ratio has been impacted on by an inflationary growth in the value of assets. The non-compliance persisted up to the date of release of these financial statements. No penalties have been levied on ZB Life Assurance Limited for the non-compliance.

ZB Reinsurance complied with this requirement as at 31 December 2023 with a ratio of 12% (2022: 10%).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23.3 Other compliance issues

The directors are not aware of any other material cases of non-compliance with regulations governing the operations of all companies within the Group.

24. SUBSEQUENT EVENTS

24.1 Introduction of new currency

Subsequent to 31 December 2023, on 5 April 2024, through the 2024 Monetary Policy Statement, the Reserve Bank of Zimbabwe (RBZ) (Central Bank) introduced a structured currency which is generally defined as a currency that is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets (potentially including gold). This means that the Central Bank can only issue domestic notes and coins when fully backed by a foreign "reserve" currency or foreign exchange assets and that the currency is fully convertible into the reserve currency on demand. The structured currency introduced is anchored by a composite basket of foreign currency and precious metals (mainly gold) held as reserves by the Reserve Bank of Zimbabwe.

With effect from 5 April 2024, Banks were required to convert the Zimbabwe Dollar (ZW$) balances into the new currency called Zimbabwe Gold (ZiG). The new currency is co-circulating with other foreign currencies in the economy. The swap rate on 5 April 2024 was guided by the closing interbank exchange rate and the price of gold as at that date. The swap rate was used to make legitimate conversions of all ZW$ balances into ZiG; these included deposits, loans and advances made by the sector; ZW$ treasury bills; outstanding auction allotments; export surrender obligations.

On conversion of all current ZW$ balances, banks were directed to rename all the current ZW$ accounts as ZiG accounts. Gold-backed Digital Token (GBDT) accounts will no longer be called ZiG accounts but will be known as GBDT accounts. All ZW$ notes and coins held by account holders will be credited into their ZiG accounts using the applicable conversion factor. Banks were directed to continue accepting ZW$ deposits for a period of 21 days after 5 April 2024.

24.2 ZB Building Society Capitalisation

On 14 May 2024, in response to ZBFH's request for an extension of deadline to meet minimum capital requirement for ZB Building Society to 31 December 2024; the RBZ gave notice of intention to issue a written instruction directing ZB Building Society to comply with Section 29 of the Banking Act and Section 12 of the Banking Regulations Statutory Instrument 205 of 2000 which deal with the minimum capital compliance of financial institutions. The Group will respond to RBZ by 31 May 2024 detailing the timelines and processes to the proposed consolidation of banking operations namely ZB Bank Limited and ZB Building Society.

25. GOING CONCERN

The Board undertakes regular assessment of whether the Company and its subsidiaries is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The country's macroeconomic conditions have persisted in having a detrimental impact on the Group's operating environment. The negative factors, such as liquidity challenges, and price volatility will continue to affect how well the business performs. The Group have put in place strategies to avert the current economical challenges.

The Board has reviewed budgets for 2024 and the cash flow projections for the Group. The Board does not have any reason to conclude that the Group will not be a going concern for the foreseeable future. The going concern assumption has therefore been applied in the preparation of the inflation adjusted financial statements.

26. BOARDS ATTENDANCE YEAR 2023

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
TOTAL MEETINGS	7	5	4	4	4
*P CHIROMO (MRS)	3	X	X	X	X
*J MUTEVEDZI	3	X	X	X	X
T SIBANDA (MS)	7	X	X	X	X
******A MAKAMURE (MRS)	6	X	X	X	X
***S FUNGURA	7	5	2	4	X
***E MUNGONI (MRS)	7	X	2	X	X
*****L ZEMBE	7	X	X	X	X
P M V WOOD	7	X	X	X	X
S DIMAIRHO	7	X	X	X	X
**S A SIBANDA	X	3	X	X	X
**P M MATUPIRE	X	4	X	X	X
**C MANDIZVIDZA	X	4	X	X	X
**G N MAHLANGU (MS)	X	4	X	X	X
F NYAMBIRI	X	5	X	X	X
P MURENA (MRS)	X	5	X	X	X
E MASINIRE	X	5	X	X	X
**E CHIBVURI	X	5	X	X	X
**P PARADZA	X	2	X	X	X
**T B VHIRIRI	X	2	X	X	X
**O MANDIMIKA	X	2	2	X	X
***S K CHIGANZE	X	X	2	X	X
T KAPUMHA	X	X	4	X	X
C MUCHINGAMI	X	X	4	X	X
***J KATSIDZIRA	X	2	2	X	X
***T F A MASIIWA	X	X	2	X	X
F B CHIRIMUUTA	X	X	X	4	X
****B SHUMBA	X	X	X	3	X
****K NYATSINE	X	X		4	
P MURAMBINDA (MRS)	X	X	X	4	X
A NYAKONDA	X	X	X	4	X
M SHONIWA (MRS)	X	X	X	4	X
C MASIMBE (MRS)	X	X	X	4	X
E T Z CHIDZONGA	X	X	X	X	4
L MAWIRE (MRS)	X	X	X	X	4
C MAKONI	X	X	X	X	4
A MANGORO	X	X	X	X	4
R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	4
O PAZVAKAVAMBWA	X	X	X	X	4
*****E MASVASVIKE	X	X	X	X	3
*****S MANANGAZIRA (MRS)	X	X	X	X	3

*P Chiromo resigned from the ZBFH Boards with effect from 01 July 2023
*J Mutevedzi resigned from ZBFH Boards with effect from 01 July 2023
**P M Matupire resigned from the ZBBL Boards with effect from 31 August 2023
**C Mandizvidza resigned from the ZBBL with effect from 31 August 2023.
**S A Sibanda resigned from the ZBBL with effect from 31 August 2023.
**G N Mahlangu resigned from the ZBBL Boards with effecct fron 31 August 2023
**O Mandimika was appointed to the ZBBL Boards with effect from 01 July 2023
**Dr P Paradza was appointed to the ZBBL Boards with effect from 01 July 2023
**T B Vhiriri was appointed to the ZBBL Boards with effect from 01 July 2023
**J Katsidzira was appointed to the ZBBL Boards with effect from 01 July 2023
***S Fungura was appointed to the ZBBS Boards with effect for 01 July 2023
***E Mungoni was appointed to the ZBBS Boards with effect from 01 July 2023
***T F A Masiiwa was appoitned to the ZBBS Boards with effect from 01 July 2023
***C Kahiya was appointed to the ZBBS Boards with effect from 20 September 2023
*** O Mandimika resigned from the ZBBS Boards with effect from 16 June 2023
***J Katsidzira resigned from the ZBBS Boards with effect from 16 June 2023
***S K Chiganze resigned from the ZBBS Boards with effect form 31 May 2023
****B Shumba resigned from ZBRE Boards with effect from 13 September 2023
****K Nyatsine was appointed to the ZBRE Boards with effect from 23 October 2023
*****E Masvasvike was appointed to the the ZBLA Boards with effect from 17 March 2023
*****S F Manangazira was appointed to the ZBLA Boards with effect from 17 March 2023
*****L Zembe was appointed as ZBFH Board Chair with effect from 1 July 2023
****** A Makamure was appointed as Acting ZBFH Chairman with effect from 20 March 2024

KEY

ZBFH	-	ZB Financial Holdings Limited Board
ZBBL	-	ZB Bank Limited Board
ZBBS	-	ZB Building Society Board
ZBRE	-	ZB Reinsurance Company Board
ZBLA	-	ZB Life Assurance Board

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Audited Financial Results for the year ended 31 December 2023

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AUDITED FINANCIAL RESULTS for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	Inflation adjusted 31 Dec 2023 ZW$	Inflation adjusted Restated 31 Dec 2022 ZW$	*Unaudited Historical cost 31 Dec 2023 ZW$	*Unaudited Historical cost Restated 31 Dec 2022 ZW$
ASSETS					
Cash and cash equivalents	1	433 419 934 265	244 824 870 638	433 419 934 265	50 948 126 262
Treasury bills	2	146 462 737 890	80 552 503 787	146 462 737 890	16 762 999 295
Advances and other accounts	3	932 520 164 313	291 005 413 955	932 520 164 313	60 558 310 658
Inventories	4	3 171 561 506	1 365 034 955	2 376 014 907	277 343 553
Trade and other receivables	5	129 301 289 104	54 824 804 933	117 909 874 241	11 409 057 738
Financial assets at fair value through profit or loss	6	77 019 349 794	39 485 612 395	77 019 349 794	8 216 967 339
Financial assets held at amortised cost	7	3 926 716 299	3 135 936 427	3 926 716 299	652 589 276
Investment in subsidiary company	8	222 460 212 669	101 281 198 189	222 460 212 669	21 076 562 656
Right of use assets	9	63 224 961 152	10 492 992 451	27 108 990 725	1 108 645 780
Intangible assets	10	7 334 574 015	6 637 800 401	1 896 384 732	628 356 561
Property and equipment	11	144 522 819 728	75 194 509 572	129 602 955 322	15 647 999 153
Current Tax Asset		4 954 771 931	-	4 954 771 931	-
Deferred tax asset	16	-	2 231 093 845	7 019 570 430	312 520 108
Total assets		2 168 319 092 666	911 031 771 548	2 106 677 677 518	187 599 478 379
LIABILITIES					
Deposits from customers	12	1 132 046 409 464	516 517 192 913	1 132 046 409 464	107 487 376 967
Trade and other payables	13	298 979 632 686	89 284 242 699	292 582 505 631	18 580 076 684
Lease liabilities	14	40 404 309 314	28 419 198 785	40 404 309 314	5 914 043 472
Offshore borrowings	15	99 895 460 705	32 265 529 480	99 895 460 705	6 714 466 000
Current tax liabilities		-	2 043 593 272	-	425 272 350
Deferred tax		11 986 358 393	-	-	-
Total liabilities		1 583 312 170 562	668 529 757 149	1 564 928 685 114	139 121 235 473
EQUITY AND RESERVES					
Share capital	25	1 995 089 822	1 995 089 822	1 810 402	1 810 402
Share premium	25	36 390 145 325	36 320 246 459	78 396 005	32 958 032
Functional currency translation reserve		-	-	-	45 437 973
Property revaluation reserves		137 159 454 154	91 534 306 637	92 479 625 750	11 665 239 839
Investment reserves		(71 130 682 669)	(12 294 621 810)	(8 922 911 724)	(1 684 591 291)
Retained income		480 592 915 472	124 946 993 291	458 112 071 971	38 417 387 951
Total equity		585 006 922 104	242 502 014 399	541 748 992 404	48 478 242 906
Total equity and liabilities		2 168 319 092 666	911 031 771 548	2 106 677 677 518	187 599 478 379

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	Inflation adjusted 31 Dec 2023 ZW$	Inflation adjusted Restated 31 Dec 2022 ZW$	*Unaudited Historical cost 31 Dec 2023 ZW$	*Unaudited Historical cost Restated 31 Dec 2022 ZW$
Interest income calculated using the effective interest rate method	17.1.1	210 182 955 775	116 090 938 730	117 834 229 898	18 062 590 244
Other interest and related income	17.1.2	1 013 690 579	78 039 115	673 008 342	15 411 098
Interest expense calculated using the effective interest rate method	17.2.1	(94 410 437 386)	(26 063 047 520)	(64 890 124 972)	(4 033 349 954)
Other interest and related expenses	17.2.2	(54 646 840)	(5 463 604)	(36 357 533)	(864 970)
Net interest and related income received		116 731 562 128	90 100 466 721	53 580 755 735	14 043 786 418
Loan impairment charges, net of recoveries	18	(52 488 486 470)	(32 383 783 417)	(50 639 914 148)	(4 854 228 135)
Net income from lending activities		64 243 075 658	57 716 683 304	2 940 841 587	9 189 558 283
Commission and fee income	19	272 530 842 085	71 156 518 632	170 055 682 510	10 976 479 988
Operating income	20	303 048 788 657	78 378 983 671	290 625 884 784	14 760 156 324
Fair value adjustments	21	132 822 180 217	42 181 991 909	260 472 596 029	22 689 395 302
Total income		772 644 886 617	249 434 177 516	724 095 004 910	57 615 589 897
Operating expenses	22	(546 953 764 364)	(183 064 226 456)	(323 046 839 163)	(24 226 785 782)
Operating profit before taxation		225 691 122 253	66 369 951 060	401 048 165 747	33 388 804 115
Net monetary gain / (loss)		147 951 678 007	(2 180 077 759)	-	-
Profit before tax		373 642 800 260	64 189 873 301	401 048 165 747	33 388 804 115
Income tax (expense) / credit	23	(6 892 270 843)	4 274 286 310	21 611 881 087	(1 088 681 517)
Profit for the year		366 750 529 417	68 464 159 611	422 660 046 834	32 300 122 598
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on revaluation-property, plant and equipment	11	60 948 016 944	1 935 566 998	103 716 904 709	7 836 069 967
Related tax		(15 048 971 306)	(351 328 447)	(22 628 620 677)	(693 988 838)
Items that may be reclassified to profit or loss					
Fair value loss on FVTOCI financial assets		(61 377 362 564)	(16 293 418 340)	(9 779 622 139)	(2 235 440 457)
Related tax		2 541 301 705	4 027 733 013	2 541 301 706	552 600 881
Other comprehensive income net of tax		(12 937 015 221)	(10 681 446 776)	73 849 963 599	5 459 241 553
Total comprehensive income for the year		353 813 514 196	57 782 712 835	496 510 010 433	37 759 364 151
Basic and fully diluted earnings per share (ZW cents)		2 025.80	378.17	2 334.62	178.41

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Inflation adjusted					
	Share capital ZW$	Share premium ZW$	Property and equipment revaluation reserve ZW$	Financial assets at FVTOCI reserve ZW$	Retained income ZW$	Total ZW$
Balance 1 January 2022	1 995 089 822	36 320 246 459	90 087 118 052	(28 936 483)	61 670 394 911	190 043 912 761
Changes in equity for 2022						
Profit or loss						
Profit for the year	-	-	-	-	68 464 159 611	68 464 159 611
Other comprehensive income, net of tax						
**Revaluation of property	-	-	24 195 410 650	-	-	24 195 410 650
**Fair value gains on financial assets at FVTOCI	-	-	-	(8 066 157 000)	-	(8 066 157 000)
Distributions						
Dividend to shareholders	-	-	-	-	(5 324 611 197)	(5 324 611 197)
Other movements						
Transfer to retained income	-	-	(137 049 966)	-	137 049 966	-
Balance as at 1 January 2023	1 995 089 822	36 320 246 459	114 145 478 736	(8 095 093 483)	124 946 993 291	269 312 714 825
Correction of errors	-	-	(22 611 172 099)	(4 199 528 327)	-	(26 810 700 426)
Restated balance as at 1 January 2023	1 995 089 822	36 320 246 459	91 534 306 637	(12 294 621 810)	124 946 993 291	242 502 014 399
Changes in equity for 2023						
Profit or loss						
Profit for the year	-	-	-	-	366 750 529 417	366 750 529 417
Other comprehensive income, net of tax						
Revaluation of property	-	-	45 899 045 638	-	-	45 899 045 638
Fair value gains on financial assets at FVT0CI	-	-	-	(58 836 060 859)	-	(58 836 060 859)
Distributions						
Dividend to shareholders	-	-	-	-	(11 378 505 357)	(11 378 505 357)
Other movements						
Transfer to retained income	-	-	(273 898 121)	-	273 898 121	-
Movement in share premium	-	69 898 866	-	-	-	69 898 866
Balance as at 31 December 2023	1 995 089 822	36 390 145 325	137 159 454 154	(71 130 682 669)	480 592 915 472	585 006 922 104

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	*Unaudited historical cost						
	Share capital ZW$	Share premium ZW$	Functional currency translation reserve ZW$	Property and equipment revaluation reserve ZW$	Financial assets at FVTOCI reserve ZW$	Retained income ZW$	Total ZW$
Balance as at 1 January 2022	1 810 402	32 958 032	45 437 973	4 551 678 847	(1 751 715)	6 628 648 023	11 258 781 562
Changes in equity for 2022							
Profit or loss							
Profit for the year	-	-	-	-	-	32 300 122 598	32 300 122 598
Other comprehensive income, net of tax							
**Revaluation of property	-	-	-	13 283 528 921	-	-	13 283 528 921
**Fair value gains on financial assets at FVTOCI	-	-	-	-	(1 682 839 576)	-	(1 682 839 576)
Distributions							
Dividend to shareholders	-	-	-	-	-	(539 902 807)	(539 902 807)
Other movements							
Transfer to retained income	-	-	-	(28 520 137)	-	28 520 137	-
Balance as at 1 January 2023	1 810 402	32 958 032	45 437 973	17 806 687 631	(1 684 591 291)	38 417 387 951	54 619 690 698
Correction of errors	-	-	-	(6 141 447 792)	-	-	(6 141 447 792)
Restated balance as at 1 January 2023	1 810 402	32 958 032	45 437 973	11 665 239 839	(1 684 591 291)	38 417 387 951	48 478 242 906
Changes in equity for 2023							
Profit or loss							
Profit for the year	-	-	-	-	-	422 660 046 834	422 660 046 834
Other comprehensive income, net of tax							
Revaluation of property	-	-	-	81 088 284 032	-	-	81 088 284 032
Fair value gains on financial assets at FVTOCI	-	-	-	-	(7 238 320 433)	-	(7 238 320 433)
Distributions							
Dividend to shareholders	-	-	-	-	-	(3 239 260 935)	(3 239 260 935)
Other movements							
Transfer to retained income	-	-	-	(273 898 121)	-	273 898 121	-
Transfer to share premium	-	45 437 973	(45 437 973)	-	-	-	-
Balance as at 31 December 2023	1 810 402	78 396 005	-	92 479 625 750	(8 922 911 724)	458 112 071 971	541 748 992 404

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	Inflation adjusted 31 Dec 2023 ZW$	Inflation adjusted 31 Dec 2022 ZW$	*Unaudited Historical cost 31 Dec 2023 ZW$	*Unaudited Historical cost 31 Dec 2022 ZW$
Cash generated from operating activities		21 036 491 235	131 151 665 221	116 732 727 672	27 810 729 473
**Interest received		211 196 646 354	116 168 977 845	118 507 238 240	18 078 001 342
**Interest paid		(48 678 079 435)	(26 068 511 124)	(27 591 618 116)	(4 034 214 924)
Interest paid lease liability	14	(32 634 294 411)	(2 915 747 970)	(29 219 156 962)	(508 029 915)
Interest paid offshore borrowings	15	(13 152 710 380)	(2 054 106 121)	(8 115 707 427)	(329 280 095)
Income taxes paid		(12 629 763 239)	(12 235 435 405)	(10 562 532 487)	(2 255 989 278)
Dividends received	20	2 155 757 224	1 460 356 599	1 017 242 753	216 804 845
Net cash generated from operating activities		127 294 047 348	205 507 199 045	160 768 193 673	38 978 021 448
Investing activities					
Proceeds on disposal of property and equipment		1 677 029 244	53 512 233	1 063 163 745	10 400 679
Proceeds on disposal of financial assets at amortised cost		1 025 966 387	-	216 666 666	-
Purchase of financial assets at fair value through profit or loss		(7 039 369 571)	-	(2 009 099 686)	-
Purchase of financial assets at amortised cost		-	(6 664 693 800)	-	(772 249 473)
Purchase of property and equipment	11	(31 451 484 285)	(20 374 660 003)	(15 792 777 068)	(3 569 565 714)
Purchase of intangible assets	10	(1 386 101 993)	(4 824 001 051)	(1 323 693 534)	(616 747 383)
Net cash used in investing activities		(37 173 960 218)	(31 809 842 621)	(17 845 739 877)	(4 948 161 891)
Cash flows from financing activities					
Offshore loan received	15	446 130 408 146	132 890 846 018	227 423 179 244	20 316 275 173
Lease liability payments		(2 214 277 861)	(8 195 553 070)	(1 845 231 551)	(1 147 403 003)
Dividend paid		(11 378 505 357)	(5 324 611 197)	(3 239 260 935)	(539 902 807)
Offshore capital repayments		(515 762 476 170)	(127 067 308 240)	(263 899 172 898)	(20 619 642 880)
Net cash used in financing activities		(83 224 851 242)	(7 696 626 489)	(41 560 486 140)	(1 990 673 517)
Net increase in cash and cash equivalents		6 895 235 888	166 000 729 935	101 361 967 656	32 039 186 040
Cash and cash equivalents at the beginning of the year		244 824 870 638	145 414 858 029	50 948 126 262	8 802 910 388
Effect of exchange rate fluctuations on cash and cash equivalents held		281 109 840 347	48 563 266 765	281 109 840 347	10 106 029 834
Effects of inflation adjustments		(99 410 012 608)	(115 153 984 091)	-	-
Cash and cash equivalents at end of the year	4	433 419 934 265	244 824 870 638	433 419 934 265	50 948 126 262
- Cash on hand		206 986 298 657	92 197 930 092	206 986 298 657	19 186 415 870
- Local bank accounts		185 923 538 119	81 408 060 388	185 923 538 119	16 941 040 870
- Foreign bank accounts		40 510 097 489	71 218 880 158	40 510 097 489	14 820 669 522
		433 419 934 265	244 824 870 638	433 419 934 265	50 948 126 262

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

	Inflation adjusted 31 Dec 2023 ZW$	Inflation adjusted 31 Dec 2022 ZW$	Unaudited Historical cost 31 Dec 2023 ZW$	Unaudited Historical cost 31 Dec 2022 ZW$
1. CASH AND CASH EQUIVALENTS				
Balances with the Reserve Bank of Zimbabwe	150 399 925 119	81 263 899 127	150 399 925 119	16 911 040 870
Balances with other banks and Cash	283 020 009 146	163 560 971 511	283 020 009 146	34 037 085 392
	433 419 934 265	244 824 870 638	433 419 934 265	50 948 126 262

2. TREASURY BILLS

2.1 Reported in the statements of financial position

The Reserve Bank of Zimbabwe (RBZ) has issued various forms of treasury bills which the Bank has participated in. The Bank has three categories of treasury bills classified as follows:

a) as "at "Fair value through profit or loss (FVTPL)";
b) as "at "Fair value through other comprehensive income (FVTOCI)"; and
c) as "at amortised cost (AMCO)".

	Inflation adjusted 31 Dec 2023 ZW$	Inflation adjusted 31 Dec 2022 ZW$	Unaudited Historical cost 31 Dec 2023 ZW$	Unaudited Historical cost 31 Dec 2022 ZW$
Treasury bills include:				
Assets classified as " at FVTPL" [1]				
Treasury bills acquired from the primary market	6 889 284 386	32 312 347 174	6 889 284 386	6 724 208 776
Assets classified as at "FVTOCI": Medium term treasury bills" acquired from the secondary market [2]	139 534 041 646	48 046 492 246	139 534 041 646	9 998 488 908
Assets classified as " at AMCO":				
Treasury bills issued as substitution for debt instruments [3]	20 727 050	99 601 256	20 727 050	20 727 050
Capitalization treasury bills [4]	18 684 808	94 063 111	18 684 808	19 574 561
	146 462 737 890	80 552 503 787	146 462 737 890	16 762 999 295
Maturity within 1 year	6 904 513 602	32 312 347 179	6 904 513 602	6 724 208 777
Maturing after 1 year	139 558 224 288	48 240 156 608	139 558 224 288	10 038 790 518
	146 462 737 890	80 552 503 787	146 462 737 890	16 762 999 295

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Audited Financial Results for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. TREASURY BILLS (continued)

1. The Bank invested in treasury bills issued by the RBZ over an average period of 161 days (December 2022: 61 days) which were at an average rate of 27.83% (December 2022: 63%).
2. The Bank purchased treasury bills from the secondary market. These treasury bills have an average coupon rate of 0.1755% (December 2022: 0%) with an average maturity period of 2years (December 2022: 297 days).
3. The Bank received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2022: 5%) and an average maturity period of 6 years (December 2022: 6 years).
4. Capitalisation Treasury Bills (CTBs) with a face value of ZW$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to ZW$94 billion (2022: US$665.1 million) were used as security for the Bank to access fixed deposits.

2.2 Determination of fair value of treasury bills

The fair value of treasury bills was determined using level 2 inputs due to lack of active market for treasury bills which are classified as "FVTPL". The Group used the discounted cash flow valuation technique by applying a risk discounted rate for comparable risk profiles on the contractual cash flows in order to determine the present value of the treasury bills.

Treasury bills purchased from the secondary market value were fair valued using TBs average yield market rate of 68%.

USD denominated Treasury bills fair value was computed using a proxy discount rate of 5% by reference to US Federal Reserve TBs with same tenor and adjusted for country risk.

Impairment assessment of treasury bills

Treasury bills were assessed for ECL in the current year in line with IFRS 9. Treasury bills, being local sovereign exposures have been assessed as "low risk" instruments and there were no defaults recorded in past on all Government Instruments. In addition, the Government of Zimbabwe has a strong capacity to meet its contractual cashflow obligations in the near term and an adverse in the economics and business conditions in the longer term may, but will not necessarily reduce the Government of Zimbabwe's ability to fulfil its obligations. The amount of ECL was insignificant as such no adjustment for impairment was recognized.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3. ADVANCES AND OTHER ACCOUNTS				
3.1. Loans, overdrafts and other accounts at amortised cost	825 488 927 838	301 258 748 854	825 488 927 838	62 692 032 611
Mortgage loans	55 765 144 946	10 456 720 724	55 765 144 946	2 176 046 601
*Finance leases	119 460 456 513	13 046 763 901	119 460 456 513	2 715 035 335
Bills discounted	-	664 474 246	-	138 277 282
Gross advances	1 000 714 529 297	325 426 707 725	1 000 714 529 297	67 721 391 829
Off balance sheet exposures				
In respect of guarantees	42 449 612 577	15 058 970 583	42 449 612 577	3 133 776 126
In respect of loan commitments	478 206 882 581	32 984 817 435	478 206 882 581	6 864 150 031
	520 656 495 158	48 043 788 018	520 656 495 158	9 997 926 157
Gross credit exposure	1 521 371 024 455	373 470 495 743	1 521 371 024 455	77 719 317 986
Gross advances	1 000 714 529 297	325 426 707 725	1 000 714 529 297	67 721 391 829
Less: Allowance for loan impairment	(46 675 713 152)	(19 620 273 637)	(46 675 713 152)	(4 082 984 608)
Less: Staff benefit liability	(21 518 651 832)	(14 801 020 133)	(21 518 651 832)	(3 080 096 563)
Net advances	932 520 164 313	291 005 413 955	932 520 164 313	60 558 310 658
3.2 Maturity analysis				
- On demand	59 106 147 969	14 151 616 410	59 106 147 969	2 944 955 461
- Within 1 month	85 855 132 974	5 607 250 093	85 855 132 974	1 166 870 363
- Between 1 and 6 months	249 898 078 703	61 205 832 021	249 898 078 703	12 736 951 314
- Between 6 and 12 months	238 786 632 078	88 129 825 134	238 786 632 078	18 339 842 054
- After 12 months	887 725 032 731	204 375 972 085	887 725 032 731	42 530 698 794
	1 521 371 024 455	373 470 495 743	1 521 371 024 455	77 719 317 986

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3.3 Loans and advances by business line:				
Corporate lending	1 190 970 535 667	272 566 298 390	1 190 970 535 667	56 721 125 386
Small business lending	31 884 028 832	13 169 842 301	31 884 028 832	2 740 647 985
Consumer lending	242 751 315 010	77 277 634 328	242 751 315 010	16 081 498 014
Mortgage lending	55 765 144 946	10 456 720 724	55 765 144 946	2 176 046 601
	1 521 371 024 455	373 470 495 743	1 521 371 024 455	77 719 317 986
Corporate lending includes guarantees and loan commitments.				
3.4 Mortgage loans				
Mortgage advances were spread as follows:				
Type of property:				
High density	1 553 724 921	538 557 059	1 553 724 921	112 073 879
Medium density	23 449 013 405	543 336 892	23 449 013 405	113 068 564
Low density	12 621 919 155	6 089 081 959	12 621 919 155	1 267 139 714
Commercial	18 140 487 465	3 285 744 814	18 140 487 465	683 764 444
	55 765 144 946	10 456 720 724	55 765 144 946	2 176 046 601

3.5 Finance lease receivables

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Gross investment in finance leases:				
Maturing within 1 year	71 192 321 545	6 886 415 338	71 192 321 545	1 433 065 020
Maturing after 1 year	191 281 544 610	46 420 708 379	191 281 544 610	9 660 162 816
Gross investment in finance leases	262 473 866 155	53 307 123 717	262 473 866 155	11 093 227 836
Unearned finance charges	(143 013 409 642)	(40 260 359 816)	(143 013 409 642)	(8 378 192 501)
Net investment in finance leases	119 460 456 513	13 046 763 901	119 460 456 513	2 715 035 335
Maturing within 1 year	33 243 223 102	2 054 527 582	33 243 223 102	427 547 783
Maturing after 1 year	86 217 233 411	10 992 236 319	86 217 233 411	2 287 487 552
	119 460 456 513	13 046 763 901	119 460 456 513	2 715 035 335

	Inflational adjusted				Unaudited Historical cost			
	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution
3.6 Sectoral analysis of advances								
Private	294 648 203 018	29.44%	89 002 297 352	27.35%	294 648 203 018	29.44%	18 521 403 775	27.36%
Agriculture	87 943 663 445	8.79%	14 926 664 702	4.59%	87 943 663 445	8.79%	3 106 243 234	4.59%
Mining	138 725 610 726	13.86%	55 004 772 312	16.90%	138 725 610 726	13.86%	11 446 508 998	16.90%
Manufacturing	47 735 588 135	4.77%	9 606 822 274	2.95%	47 735 588 135	4.77%	1 999 182 489	2.95%
Distribution	53 539 175 877	5.35%	30 208 713 183	9.28%	53 539 175 877	5.35%	6 286 441 935	9.28%
Construction	15 506 893 165	1.55%	1 210 836 764	0.37%	15 506 893 165	1.55%	251 975 480	0.37%
Transport	33 225 856 824	3.32%	17 855 978 239	5.49%	33 225 856 824	3.32%	3 715 834 227	5.49%
Services	273 592 678 789	27.34%	87 120 232 243	26.77%	273 592 678 789	27.34%	18 129 745 483	26.77%
Financial	55 669 905 894	5.56%	20 451 916 166	6.28%	55 669 905 894	5.56%	4 256 049 658	6.28%
Communication	126 953 424	0.01%	38 474 490	0.01%	126 953 424	0.01%	8 006 550	0.01%
	1 000 714 529 297	100%	325 426 707 725	100%	1 000 714 529 297	100%	67 721 391 829	100%
3.7 Sectoral analysis of guarantees								
Manufacturing	28 593 615 204	67.36%	14 636 923 946	97.20%	28 593 615 204	67.36%	3 045 948 099	97.20%
Distribution	259 572 805	0.61%	197 118 727	1.31%	259 572 805	0.61%	41 020 464	1.31%
Construction	11 615 243 918	27.36%	-	-	11 615 243 918	27.36%	-	-
Services	1 981 180 650	4.67%	224 927 910	1.49%	1 981 180 650	4.67%	46 807 563	1.49%
	42 449 612 577	100%	15 058 970 583	100%	42 449 612 577	100%	3 133 776 126	100%
3.8 Sectoral analysis of loan commitments								
Agriculture	63 913 070 999	13.36%	5 693 008 587	17.26%	63 913 070 999	13.36%	1 184 716 731	17.27%
Mining	51 740 701 106	10.82%	210 314 759	0.64%	51 740 701 106	10.82%	43 766 562	0.64%
Manufacturing	31 268 783 191	6.54%	5 933 849 560	17.99%	31 268 783 191	6.54%	1 234 835 807	17.99%
Distribution	46 874 219 843	9.80%	2 781 601 374	8.43%	46 874 219 843	9.80%	578 852 049	8.43%
Construction	16 432 463 368	3.44%	30 739 471	0.09%	16 432 463 368	3.44%	6 396 893	0.09%
Transport	29 467 700 140	6.16%	5 770 523 111	17.49%	29 467 700 140	6.16%	1 200 847 525	17.49%
Communication	228 372 342 150	47.76%	195 334 382	0.59%	228 372 342 150	47.76%	40 649 141	0.59%
Services	10 108 753 990	2.11%	12 340 507 900	37.41%	10 108 753 990	2.11%	2 568 063 257	37.41%
Financial Services	28 847 794	0.01%	28 938 291	0.09%	28 847 794	0.01%	6 022 066	0.09%
Total	478 206 882 581	100%	32 984 817 435	100%	478 206 882 581	100%	6 864 150 031	100%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3.9 Non-performing debt				
Non-performing loans and advances	15 410 174 002	1 073 366 810	15 410 174 002	223 367 943
Less: Allowance for loan impairment	(3 460 087 456)	(360 539 375)	(3 460 087 456)	(75 028 348)
Carrying amount	11 950 086 546	712 827 435	11 950 086 546	148 339 595

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Bank discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW$40 734 038 279 as at 31 December 2023 (2022: ZW$16 635 882).

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3.10 Loan impairment movement				
Balance at beginning of the year	19 620 273 637	11 172 259 064	4 082 984 608	676 329 756
Write offs charged to provision	(770 991)	(6 663 877 148)	(770 991)	(1 386 754 759)
Charge to statement of profit or loss (note 18)	48 712 002 517	31 685 180 374	42 593 499 535	4 793 409 611
Effects of inflation adjustment	(21 655 792 011)	(16 573 288 653)	-	-
Balance at end of the year	46 675 713 152	19 620 273 637	46 675 713 152	4 082 984 608

3.11 Internal rating grade:

Loans and advances are carried at amortised cost using the effective interest rate.

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.11.1 Total loans and advances								
Good (AAA - A-)	936 393 432 173	-	-	936 393 432 173	316 128 452 395	-	-	316 128 452 395
Special mention (BBB+ - CCC-)	-	48 910 923 122	-	48 910 923 122	-	8 224 888 517	-	8 224 888 517
Non performing (CC – D)	-	-	15 410 174 002	15 410 174 002	-	-	1 073 366 813	1 073 366 813
Total	936 393 432 173	48 910 923 122	15 410 174 002	1 000 714 529 297	316 128 452 395	8 224 888 517	1 073 366 813	325 426 707 725
Corporate lending								
Good (AAA – A-)	626 975 996 678	-	-	626 975 996 678	217 904 665 696	-	-	217 904 665 696
Special mention (BBB+ - CCC-)	-	34 927 807 461	-	34 927 807 461	-	6 478 986 632	-	6 478 986 632
Non performing (CC – D)	-	-	8 410 236 370	8 410 236 370	-	-	138 858 041	138 858 041
	626 975 996 678	34 927 807 461	8 410 236 370	670 314 040 509	217 904 665 696	6 478 986 632	138 858 041	224 522 510 369
Small business lending								
Good (AAA – A-)	26 775 895 447	-	-	26 775 895 447	12 691 734 523	-	-	12 691 734 523
Special mention (BBB+ - CCC-)	-	3 595 048 137	-	3 595 048 137	-	92 231 443	-	92 231 443
Non performing (CC – D)	-	-	1 513 085 248	1 513 085 248	-	-	385 876 337	385 876 337
	26 775 895 447	3 595 048 137	1 513 085 248	31 884 028 832	12 691 734 523	92 231 443	385 876 337	13 169 842 303
Consumer lending								
Good (AAA – A-)	232 744 542 586	-	-	232 744 542 586	75 564 880 227	-	-	75 564 880 227
Special mention (BBB+ - CCC-)	-	6 800 899 186	-	6 800 899 186	-	1 213 227 673	-	1 213 227 673
Non performing (CC – D)	-	-	3 205 873 238	3 205 873 238	-	-	499 526 429	499 526 429
	232 744 542 586	6 800 899 186	3 205 873 238	242 751 315 010	75 564 880 227	1 213 227 673	499 526 429	77 277 634 329
Mortgage lending								
Good (AAA – A-)	49 896 997 462	-	-	49 896 997 462	9 967 171 949	-	-	9 967 171 949
Special mention (BB+ - CCC-)	-	3 587 168 338	-	3 587 168 338	-	440 442 769	-	440 442 769
Non performing (CC – D)	-	-	2 280 979 146	2 280 979 146	-	-	49 106 006	49 106 006
	49 896 997 462	3 587 168 338	2 280 979 146	55 765 144 946	9 967 171 949	440 442 769	49 106 006	10 456 720 724

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.11.1 Total loans and advances								
Good (AAA - A-)	936 393 432 173	-	-	936 393 432 173	65 786 422 211	-	-	65 786 422 211
Special mention (BBB+ - CCC-)	-	48 910 923 122	-	48 910 923 122	-	1 711 601 675	-	1 711 601 675
Non performing (CC – D)	-	-	15 410 174 002	15 410 174 002	-	-	223 367 943	223 367 943
Total	936 393 432 173	48 910 923 122	15 410 174 002	1 000 714 529 297	65 786 422 211	1 711 601 675	223 367 943	67 721 391 829
Corporate lending								
Good (AAA – A-)	626 975 996 678	-	-	626 975 996 678	45 346 023 842	-	-	45 346 023 842
Special mention (BBB+ - CCC-)	-	34 927 807 461	-	34 927 807 461	-	1 348 278 989	-	1 348 278 989
Non performing (CC – D)	-	-	8 410 236 370	8 410 236 370	-	-	28 896 398	28 896 398
	626 975 996 678	34 927 807 461	8 410 236 370	670 314 040 509	45 346 023 842	1 348 278 989	28 896 398	46 723 199 229
Small business lending								
Good (AAA – A-)	26 775 895 447	-	-	26 775 895 447	2 641 153 618	-	-	2 641 153 618
Special mention (BBB+ - CCC-)	-	3 595 048 137	-	3 595 048 137	-	19 193 390	-	19 193 390
Non performing (CC – D)	-	-	1 513 085 248	1 513 085 248	-	-	80 300 977	80 300 977
	26 775 895 447	3 595 048 137	1 513 085 248	31 884 028 832	2 641 153 618	19 193 390	80 300 977	2 740 647 985
Consumer lending								
Good (AAA – A-)	232 744 542 586	-	-	232 744 542 586	15 725 073 391	-	-	15 725 073 391
Special mention (BBB+ - CCC-)	-	6 800 899 186	-	6 800 899 186	-	252 473 029	-	252 473 029
Non performing (CC – D)	-	-	3 205 873 238	3 205 873 238	-	-	103 951 594	103 951 594
	232 744 542 586	6 800 899 186	3 205 873 238	242 751 315 010	15 725 073 391	252 473 029	103 951 594	16 081 498 014
Mortgage lending								
Good (AAA – A-)	49 896 997 462	-	-	49 896 997 462	2 074 171 360	-	-	2 074 171 360
Special mention (BBB+ - CCC-)	-	3 587 168 338	-	3 587 168 338	-	91 656 267	-	91 656 267
Non performing (CC – D)	-	-	2 280 979 146	2 280 979 146	-	-	10 218 974	10 218 974
	49 896 997 462	3 587 168 338	2 280 979 146	55 765 144 946	2 074 171 360	91 656 267	10 218 974	2 176 046 601

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.11.2 Financial guarantees and loan commitments								
Financial guarantees								
Good (AAA – A-)	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Total	42 449 612 577	-	-	42 449 612 577	15 058 970 583	-	-	15 058 970 583
Loan commitments								
Good (AAA – A-)	478 206 882 581	-	-	478 206 882 581	32 984 817 435	-	-	32 984 817 435
Total	478 206 882 581	-	-	478 206 882 581	32 984 817 435	-	-	32 984 817 435

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
Financial guarantees								
Good (AAA – A-)	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Total	42 449 612 577	-	-	42 449 612 577	3 133 776 126	-	-	3 133 776 126
Loan commitments								
Good (AAA – A-)	478 206 882 581	-	-	478 206 882 581	6 864 150 031	-	-	6 864 150 031
Total	478 206 882 581	-	-	478 206 882 581	6 864 150 031	-	-	6 864 150 031

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.12.3 Other financial assets								
Bonds								
Good (AAA+ – A-)	-	-	-	-	1 060 533 681	-	-	1 060 533 681
Total	-	-	-	-	1 060 533 681	-	-	1 060 533 681

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
Bonds								
Good (AAA+ – A-)	-	-	-	-	220 697 365	-	-	220 697 365
Total	-	-	-	-	220 697 365	-	-	220 697 365

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Audited Financial Results for the year ended 31 December 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

3.12 Impairment allowance for loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.12.1 Total loans and advances								
Good (AAA to -A-)	40 299 500 582	-	-	40 299 500 582	17 397 578 115	-	-	17 397 578 115
Special Mention (BBB+ to B-)	-	2 916 125 114	-	2 916 125 114	-	1 862 156 151	-	1 862 156 151
Non performing (CC to D)	-	-	3 460 087 456	3 460 087 456	-	-	360 539 371	360 539 371
TOTAL	40 299 500 582	2 916 125 114	3 460 087 456	46 675 713 152	17 397 578 115	1 862 156 151	360 539 371	19 620 273 637
Corporate Lending								
Good (AAA to -A-)	27 745 220 363	-	-	27 745 220 363	13 694 528 197	-	-	13 694 528 197
Special Mention (BBB+ to B-)	-	1 045 722 887	-	1 045 722 887	-	1 425 481 384	-	1 425 481 384
Non performing (CC to D)	-	-	2 264 155 745	2 264 155 745	-	-	42 937 800	42 937 800
TOTAL	27 745 220 363	1 045 722 887	2 264 155 745	31 055 098 995	13 694 528 197	1 425 481 384	42 937 800	15 162 947 381
Small business Lending								
Good (AAA to -A-)	1 061 586 577	-	-	1 061 586 577	750 408 448	-	-	750 408 448
Special Mention (BBB+ to B-)	-	63 708 744	-	63 708 744	-	3 736 554	-	3 736 554
Non performing (CC to D)	-	-	99 021 447	99 021 447	-	-	141 541 233	141 541 233
TOTAL	1 061 586 577	63 708 744	99 021 447	1 224 316 768	750 408 448	3 736 554	141 541 233	895 686 235
Consumer Lending								
Good (AAA to -A-)	11 459 648 099	-	-	11 459 648 099	2 686 569 958	-	-	2 686 569 958
Special Mention (BBB+ to B-)	-	1 806 693 483	-	1 806 693 483	-	301 271 602	-	301 271 602
Non performing (CC to D)	-	-	1 094 736 992	1 094 736 992	-	-	170 771 698	170 771 698
TOTAL	11 459 648 099	1 806 693 483	1 094 736 992	14 361 078 574	2 686 569 958	301 271 602	170 771 698	3 158 613 258
Mortgage Lending								
Good (AAA to -A-)	33 045 543	-	-	33 045 543	266 071 512	-	-	266 071 512
Special Mention (BBB+ to CCC-)	-	-	-	-	-	131 666 611	-	131 666 611
Non performing (CC to D)	-	-	2 173 272	2 173 272	-	-	5 288 640	5 288 640
TOTAL	33 045 543	-	2 173 272	35 218 815	266 071 512	131 666 611	5 288 640	403 026 763

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.12.1 Total loans and advances								
Good (AAA to -A-)	40 299 500 582	-	-	40 299 500 582	3 620 441 028	-	-	3 620 441 028
Special Mention (BBB+ to CCC-)	-	2 916 125 114	-	2 916 125 114	-	387 515 232	-	387 515 232
Non performing (CC to D)	-	-	3 460 087 456	3 460 087 456	-	-	75 028 348	75 028 348
TOTAL	40 299 500 582	2 916 125 114	3 460 087 456	46 675 713 152	3 620 441 028	387 515 232	75 028 348	4 082 984 608
Corporate Lending								
Good (AAA to -A-)	27 745 220 363	-	-	27 745 220 363	2 849 835 271	-	-	2 849 835 271
Special Mention (BBB+ to CCC-)	-	1 045 722 887	-	1 045 722 887	-	296 643 087	-	296 643 087
Non performing (CC to D)	-	-	2 264 155 745	2 264 155 745	-	-	8 935 369	8 935 369
TOTAL	27 745 220 363	1 045 722 887	2 264 155 745	31 055 098 995	2 849 835 271	296 643 087	8 935 369	3 155 413 727
Small business Lending								
Good (AAA to -A-)	1 061 586 577	-	-	1 061 586 577	156 160 214	-	-	156 160 214
Special Mention (BBB+ to CCC-)	-	63 708 744	-	63 708 744	-	777 578	-	777 578
Non performing (CC to D)	-	-	99 021 447	99 021 447	-	-	29 454 771	29 454 771
TOTAL	1 061 586 577	63 708 744	99 021 447	1 224 316 768	156 160 214	777 578	29 454 771	186 392 563
Consumer Lending								
Good (AAA to -A-)	11 459 648 099	-	-	11 459 648 099	559 075 984	-	-	559 075 984
Special Mention (BBB+ to CCC-)	-	1 806 693 483	-	1 806 693 483	-	62 694 707	-	62 694 707
Non performing (CC to D)	-	-	1 094 736 992	1 094 736 992	-	-	35 537 640	35 537 640
TOTAL	11 459 648 099	1 806 693 483	1 094 736 992	14 361 078 574	559 075 984	62 694 707	35 537 640	657 308 331
Mortgage Lending								
Good (AAA to -A-)	33 045 543	-	-	33 045 543	55 369 559	-	-	55 369 559
Special Mention (BBB+ to CCC-)	-	-	-	-	-	27 399 860	-	27 399 860
Non performing (CC to D)	-	-	2 173 272	2 173 272	-	-	1 100 568	1 100 568
TOTAL	33 045 543	-	2 173 272	35 218 815	55 369 559	27 399 860	1 100 568	83 869 987

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.12.2 Financial guarantees and loan commitments								
Guarantees								
Good (AAA to -A-)	314 298 007	-	-	314 298 007	1 514 376 687	-	-	1 514 376 687
TOTAL	314 298 007	-	-	314 298 007	1 514 376 687	-	-	1 514 376 687
Loan commitments								
Good (AAA to -A-)	14 176 165 912	-	-	14 176 165 912	125 587 919	-	-	125 587 919
TOTAL	14 176 165 912	-	-	14 176 165 912	125 587 919	-	-	125 587 919

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
Guarantees								
Good (AAA to -A-)	314 298 007	-	-	314 298 007	315 142 225	-	-	315 142 225
TOTAL	314 298 007	-	-	314 298 007	315 142 225	-	-	315 142 225
Loan commitments								
Good (AAA to -A-)	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882
TOTAL	14 176 165 912	-	-	14 176 165 912	26 134 882	-	-	26 134 882

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
3.12.3 Other financial assets								
Bonds								
Good (AAA+ -A-)	-	-	-	-	31 674 376	-	-	31 674 376
TOTAL	-	-	-	-	31 674 376	-	-	31 674 376

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2023 TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	2022 TOTAL ZW$
Bonds								
Good (AAA+ - A-)	-	-	-	-	6 591 447	-	-	6 591 447
TOTAL	-	-	-	-	6 591 447	-	-	6 591 447

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
4. INVENTORIES				
Point of sale machines	10 701 093	40 182 812	8 016 858	8 164 218
Stationery	3 148 284 823	1 271 952 282	2 358 576 889	258 431 306
Fuel	8 281 763	47 505 329	6 204 386	9 651 985
PPE materials	4 187 186	5 001 321	3 136 883	1 016 153
ATM spares	98 595	363 542	73 863	73 863
Computer consumables	8 046	29 669	6 028	6 028
	3 171 561 506	1 365 034 955	2 376 014 907	277 343 553

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
5. TRADE AND OTHER RECEIVABLES				
Accrued interest	3 578 816 950	8 029 585	3 578 816 950	1 670 959
Advance payments and sundry Assets	108 509 575 255	50 572 919 904	97 118 160 392	10 524 239 236
Amounts clearing from other Banks	17 212 896 899	4 243 855 444	17 212 896 899	883 147 543
	129 301 289 104	54 824 804 933	117 909 874 241	11 409 057 738

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
6.1 Carrying amounts				
Unquoted equities	61 386 015 998	36 257 213 345	61 386 015 998	7 545 136 564
Listed equity investments	7 654 379 510	3 228 399 050	7 654 379 510	671 830 775
Virtual Gold Tokens purchased	7 978 954 286	-	7 978 954 286	-
	77 019 349 794	39 485 612 395	77 019 349 794	8 216 967 339
6.2 Movement of financial assets at fair value through profit or loss				
Balance at beginning of the year	39 485 612 395	34 735 110 903	8 216 967 339	2 102 742 957
Movement during the year				
- On Virtual Gold Tokens purchased	7 039 369 571	-	2 009 099 686	-
	46 524 981 966	34 735 110 903	10 226 067 025	2 102 742 957
Fair value adjustments				
- On listed equity investments	(1 524 741 822)	(1 369 749 692)	1 031 826 455	(8 592 292)
- On Unquoted equity investments	23 234 340 236	2 503 694 271	51 946 417 017	5 370 210 136
- On Virtual Gold Tokens purchased	939 584 718	-	5 969 854 601	-
	69 174 165 098	35 869 055 482	69 174 165 098	7 464 360 801
Exchange gains				
- On listed equity investments	5 950 722 279	2 724 700 882	5 950 722 279	567 011 040
- On Unquoted equity investments	1 894 462 417	891 856 031	1 894 462 417	185 595 498
Balance at end of year	77 019 349 794	39 485 612 395	77 019 349 794	8 216 967 339
7. FINANCIAL ASSETS HELD AT AMORTISED COST				
7.1 Carrying amounts				
Bonds	-	1 060 533 681	-	220 697 365
Cash balances	3 926 716 299	2 075 402 746	3 926 716 299	431 891 911
	3 926 716 299	3 135 936 427	3 926 716 299	652 589 276
Maturing within 1 year	-	1 060 533 681	-	220 697 365
Maturing after 1 year	3 926 716 299	2 075 402 746	3 926 716 299	431 891 911
	3 926 716 299	3 135 936 427	3 926 716 299	652 589 276
7.2 Movement of financial assets held at armotised cost				
Balance at beginning of the year	3 135 936 427	4 646 951 857	652 589 276	281 310 324
*Movement during the year on Bonds:				
- Purchases	-	6 664 693 800	-	772 249 473
- Maturities	(1 025 966 387)	(6 337 804 818)	(216 666 666)	(796 956 340)
	2 109 970 040	4 973 840 839	435 922 610	256 603 457
Accrued interest on bonds:				
- current period	-	51 043 399	-	10 622 146
- prior year received in current period	(51 043 399)	(261 584 884)	(10 622 146)	(15 835 440)
	2 058 926 641	4 763 299 354	425 300 464	251 390 163
Exchange gains:				
- on bonds	-	157 040 883	-	32 680 253
- on cash balances	3 494 824 388	1 739 522 403	3 494 824 388	361 995 114
	5 553 751 029	6 659 862 640	3 920 124 852	646 065 530
Impairment reversal				
- on bonds	10 139 860	116 180 132	6 591 447	6 523 746
	5 563 890 889	6 776 042 772	3 926 716 299	652 589 276
Monetary gains / (losses) – on bonds	6 336 244	(3 640 106 345)	-	-
-on cash balances	(1 643 510 834)	-	-	-
Balance at end of year	3 926 716 299	3 135 936 427	3 926 716 299	652 589 276
7.3 Impairment movement on bonds				
Balance at beginning of the year	31 674 376	216 649 242	6 591 447	13 115 193
Reversal to statement of profit or loss (Note 18)	(10 139 860)	(116 180 132)	(6 591 447)	(6 523 746)
Effect of monetary gain	(21 534 516)	(68 794 734)	-	-
Closing balance	-	31 674 376	-	6 591 447
8. INVESTMENT IN SUBSIDIARY COMPANY				
Investment in Barcelona Investments Limited				
Opening balance	101 281 198 189	59 528 151 592	21 076 562 656	3 602 074 649
Fair value through profit or loss unrealised gains (Note 21)	121 179 014 480	41 753 046 597	201 383 650 013	17 474 488 007
Closing balance	222 460 212 669	101 281 198 189	222 460 212 669	21 076 562 656
9. RIGHT OF USE ASSET				
Cost				
Balance at beginning of year	22 983 055 003	18 209 021 437	1 508 661 845	515 184 082
Arising from lease modification	60 697 438 344	4 774 033 566	32 438 830 873	993 477 763
Balance at end of year	83 680 493 347	22 983 055 003	33 947 492 718	1 508 661 845
Accumulated depreciation				
Balance at beginning of year	12 490 062 552	10 387 754 356	400 016 065	144 689 542
Charge to statement of profit or loss (Note 22)	7 965 469 643	2 102 308 196	6 438 485 928	255 326 523
Balance at end of year	20 455 532 195	12 490 062 552	6 838 501 993	400 016 065
Carrying value at end of year	63 224 961 152	10 492 992 451	27 108 990 725	1 108 645 780

	Inflation adjusted		
	Computer software ZW$	Capital work in progress ZW$	Total ZW$
10. INTANGIBLE ASSETS			
2023			
Cost or valuation			
Balance at 1 January 2023	25 041 303 834	5 986 093 480	31 027 397 314
Additions	1 318 458 528	67 643 465	1 386 101 993
Balance at 31 December 2023	26 359 762 362	6 053 736 945	32 413 499 307
Accumulated amortisation			
Balance at 1 January 2023	24 389 596 913	-	24 389 596 913
Recognised in statement of profit or loss (Note 22)	689 328 379	-	689 328 379
Balance at 31 December 2023	25 078 925 292	-	25 078 925 292
Carrying value at 31 December 2023	1 280 837 070	6 053 736 945	7 334 574 015
2022			
Cost or valuation			
Balance at 1 January 2022	24 250 081 017	1 953 315 246	26 203 396 263
Additions	791 222 817	4 032 778 234	4 824 001 051
Balance at 31 December 2022	25 041 303 834	5 986 093 480	31 027 397 314
Accumulated amortisation			
Balance at 1 January 2022	23 379 410 894	-	23 379 410 894
Recognised in statement of profit or loss (Note 22)	1 010 186 019	-	1 010 186 019
Balance at 31 December 2022	24 369 596 913	-	24 369 596 913
Carrying value at 31 December 2022	651 706 921	5 986 093 480	6 637 800 401

Audited Financial Results for the year ended 31 December 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Unaudited Historical cost		
	Computer software ZW$	Capital work in progress ZW$	Total ZW$
10. INTANGIBLE ASSETS (continued)			
2023			
Cost or valuation			
Balance at 1 January 2023	173 062 734	483 965 397	657 028 131
Additions	1 273 983 597	49 709 937	1 323 693 534
Balance at 31 December 2023	1 447 046 331	533 675 334	1 980 721 665
Accumulated amortisation			
Balance at 1 January 2023	28 671 570	-	28 671 570
Charge to income statement (Note 22)	55 665 363	-	55 665 363
Balance at 31 December 2023	84 336 933	-	84 336 933
Carrying value at 31 December 2023	1 362 709 398	533 675 334	1 896 384 732
2022			
Cost or valuation			
Balance at 1 January 2022	23 077 903	17 202 845	40 280 748
Additions	149 984 831	466 762 552	616 747 383
Balance at 31 December 2022	173 062 734	483 965 397	657 028 131
Accumulated amortisation			
Balance at 1 January 2022	21 583 672	-	21 583 672
Charge to income statement (Note 22)	7 087 898	-	7 087 898
Balance at 31 December 2022	28 671 570	-	28 671 570
Carrying value at 31 December 2022	144 391 164	483 965 397	628 356 561

11. PROPERTY AND EQUIPMENT

	Inflation adjusted						
	Freehold properties ZW$	Leasehold improvements ZW$	Equipment, furniture & fittings ZW$	Computer equipment ZW$	Motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
2023							
Cost or valuation							
Balance at 1 January 2023	3 468 532 523	38 861 839 166	52 978 313 663	68 040 819 445	16 693 065 206	2 337 778 753	182 380 348 756
Additions	-	9 791 254 136	3 989 793 068	6 081 850 725	5 730 337 363	5 858 248 993	31 451 484 285
Gains on revaluation	3 109 123 168	-	4 845 785 506	42 368 736 918	10 624 371 352	-	60 948 016 944
Disposals	-	-	(132 753 727)	(26 706 466)	(495 369 011)	-	(654 829 204)
Transfer between categories	-	5 750 997 277	7 531 046	-	-	(5 758 528 323)	-
Other movements	-	-	-	-	-	(96 339 826)	(96 339 826)
Balance at 31 December 2023	6 577 655 691	54 404 090 579	61 688 669 556	116 464 700 622	32 552 404 910	2 341 159 597	274 028 680 955
Accumulated depreciation							
Balance at 1 January 2023	272 765 691	31 023 013 860	34 214 260 874	32 232 554 855	8 001 421 329	1 441 822 575	107 185 839 184
Charge to statement of profit or loss (Note 22)	-	1 552 584 921	3 618 514 231	12 545 901 487	4 784 890 114	-	22 501 890 753
Disposals	-	-	(26 104 453)	(6 811 921)	(148 952 336)	-	(181 868 710)
Balance at 31 December 2023	272 765 691	32 575 598 781	37 806 670 652	44 771 644 421	12 637 359 107	1 441 822 575	129 505 861 227
Net book value at 31 December 2023	6 304 890 000	21 828 491 798	23 881 998 904	71 693 056 201	19 915 045 803	899 337 022	144 522 819 728
2022							
Cost or valuation							
Balance at 1 January 2022	2 823 787 516	31 047 290 025	48 776 626 766	65 283 896 155	11 829 969 195	959 294 452	160 720 864 109
Additions	-	75 940 542	3 525 642 073	2 784 182 740	3 600 915 835	10 387 978 813	20 374 660 003
Gains on revaluation	644 745 007	-	-	-	1 290 821 991	-	1 935 566 998
Disposals	-	-	(139 266 230)	(27 259 450)	(28 641 815)	-	(195 167 495)
Transfer between categories	-	7 738 608 599	815 311 054	-	-	(8 553 919 653)	-
Other movements	-	-	-	-	-	(455 574 859)	(455 574 859)
Balance at 31 December 2022	3 468 532 523	38 861 839 166	52 978 313 663	68 040 819 445	16 693 065 206	2 337 778 753	182 380 348 756
Accumulated depreciation							
Balance at 1 January 2022	272 765 691	29 164 228 325	14 129 708 404	16 456 825 050	7 302 534 159	893 644 678	68 219 706 307
Charge to statement of profit or loss (Note 27)	-	304 778 095	1 411 937 350	6 615 032 433	704 794 544	-	9 036 542 422
Disposals	-	-	(10 280 267)	(6 132 866)	(5 907 374)	-	(22 320 507)
Impairment	-	1 554 007 440	18 682 895 387	9 166 830 238	-	548 177 897	29 951 910 962
Balance at 31 December 2022	272 765 691	31 023 013 860	34 214 260 874	32 232 554 855	8 001 421 329	1 441 822 575	107 185 839 184
Net book value at 31 December 2022	3 195 766 832	7 838 825 306	18 764 052 789	35 808 264 590	8 691 643 877	895 956 178	75 194 509 572

	Unaudited Historical cost						
	Freehold properties ZW$	Leasehold improvements ZW$	Equipment, furniture & fittings ZW$	Computer equipment ZW$	Motor vehicles ZW$	Capital work in progress ZW$	Total ZW$
2023							
Cost or valuation							
Balance at 1 January 2023	665 040 000	1 705 280 487	4 142 701 228	8 640 157 908	1 961 267 087	186 448 739	17 300 895 449
Additions	-	4 477 463 642	2 408 956 038	3 745 300 104	3 219 759 770	1 941 297 514	15 792 777 068
Gains on revaluation	5 639 850 000	-	18 460 298 489	63 278 202 875	16 338 553 345	-	103 716 904 709
Disposals	-	-	(98 946 900)	(20 574 901)	(306 488 700)	-	(426 010 501)
Transfer between categories	-	1 953 931 333	7 531 046	-	-	(1 961 462 379)	-
Other movements	-	-	-	-	-	(20 048 346)	(20 048 346)
Balance at 31 December 2023	6 304 890 000	8 136 675 462	24 920 539 901	75 643 085 986	21 213 091 502	146 235 528	136 364 518 379
Accumulated depreciation							
Balance at 1 January 2023	-	74 018 680	237 896 424	1 188 447 707	152 533 485	-	1 652 896 296
Charge to statement of profit or loss (Note 27)	-	400 927 896	819 844 646	2 766 920 934	1 250 483 287	-	5 238 176 763
Disposals	-	-	(19 200 073)	(5 338 856)	(104 971 073)	-	(129 510 002)
Balance at 31 December 2023	-	474 946 576	1 038 540 997	3 950 029 785	1 298 045 699	-	6 761 563 057
Net book value at 31 December 2023	6 304 890 000	7 661 728 886	23 881 998 904	71 693 056 201	19 915 045 803	146 235 528	129 602 955 322
2022							
Cost or valuation							
Balance at 1 January 2022	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522	5 978 699 745
Additions	-	14 134 137	616 027 230	404 831 338	589 889 342	1 944 683 667	3 569 565 714
Gains on revaluation	510 610 000	-	1 251 964 180	5 022 852 162	1 050 643 625	-	7 836 069 967
Disposals	-	-	(28 280 656)	(4 899 644)	(5 960 370)	-	(39 140 670)
Transfer between categories	-	1 547 392 301	167 021 842	-	-	(1 714 414 143)	-
Other movements	-	-	-	-	-	(44 299 307)	(44 299 307)
Balance at 31 December 2022	665 040 000	1 705 280 487	4 142 701 228	8 640 157 908	1 961 267 087	186 448 739	17 300 895 449
Accumulated depreciation							
Balance at 1 January 2022	-	29 760 038	38 564 543	261 552 773	52 619 298	-	382 496 652
Charge to statement of profit or loss (Note 27)	-	44 258 642	201 423 091	928 108 733	101 143 513	-	1 274 933 979
Disposals	-	-	(2 091 210)	(1 213 799)	(1 229 326)	-	(4 534 335)
Balance at 31 December 2022	-	74 018 680	237 896 424	1 188 447 707	152 533 485	-	1 652 896 296
Net book value at 31 December 2022	665 040 000	1 631 261 807	3 904 804 804	7 451 710 201	1 808 733 602	186 448 739	15 647 999 153

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
12. DEPOSITS FROM CUSTOMERS				
Current accounts	81 918 521 915	67 004 274 707	81 918 521 915	13 943 608 911
Savings and call accounts	800 273 228 871	382 164 630 373	800 273 228 871	79 528 569 914
Term deposits	105 228 580 246	48 501 343 035	105 228 580 246	10 093 143 488
Bank deposits	144 621 078 432	18 846 944 798	144 621 078 432	3 922 054 654
	1 132 046 409 464	516 517 192 913	1 132 046 409 464	107 487 376 967
Maturity analysis of deposits				
On demand	234 363 144 623	456 715 216 578	234 363 144 623	95 042 568 426
Within 1 month	834 972 287 900	41 717 286 300	834 972 287 900	8 681 379 323
Between 1 and 6 months	62 710 976 941	17 363 880 701	62 710 976 941	3 613 428 587
Between 6 and 12 months	-	720 809 334	-	150 000 631
	1 132 046 409 464	516 517 192 913	1 132 046 409 464	107 487 376 967
Secured and unsecured deposits analysis				
Secured deposits	170 936 843 965	30 501 267 820	170 936 843 965	6 347 322 639
Unsecured deposits	961 109 565 499	486 015 925 093	961 109 565 499	101 140 054 328
	1 132 046 409 464	516 517 192 913	1 132 046 409 464	107 487 376 967

	Inflational adjusted				Unaudited Historical cost			
	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution
Sectoral analysis of deposits								
Private	160 566 918 825	14.18%	79 034 650 823	15.30%	160 566 918 825	14.18%	16 447 133 654	15.30%
Agriculture	25 957 346 086	2.29%	27 774 863 410	5.38%	25 957 346 086	2.29%	5 779 957 094	5.38%
Mining	29 793 843 801	2.63%	11 777 131 686	2.28%	29 793 843 801	2.63%	2 450 824 504	2.28%
Manufacturing	21 359 793 368	1.89%	28 247 074 992	5.47%	21 359 793 368	1.89%	5 878 224 461	5.47%
Distribution	30 080 358 550	2.66%	18 371 102 381	3.56%	30 080 358 550	2.66%	3 823 031 709	3.56%
Construction	28 424 743 308	2.51%	2 708 386 698	0.52%	28 424 743 308	2.51%	563 616 054	0.52%
Transport	7 260 821 150	0.64%	2 811 561 519	0.54%	7 260 821 150	0.64%	585 086 764	0.54%
Services	477 639 154 976	42.19%	232 307 018 040	44.98%	477 639 154 976	42.19%	48 343 157 523	44.98%
Financial	294 301 471 743	26.00%	69 636 168 976	13.48%	294 301 471 743	26.00%	14 491 306 868	13.48%
Communication	56 661 957 657	5.01%	43 849 234 388	8.49%	56 661 957 657	5.01%	9 125 038 336	8.49%
	1 132 046 409 464	100%	516 517 192 913	100%	1 132 046 409 464	100%	107 487 376 967	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
13. TRADE AND OTHER PAYABLES				
Items in transit	105 514 306 479	21 344 464 711	105 514 306 479	4 441 789 269
Interest accrued on deposits	6 042 300 260	2 586 171 980	6 042 300 260	538 183 136
Accrued expenses	56 786 300 738	12 932 540 398	56 786 300 738	2 691 265 390
Sundry creditors	78 720 508 474	33 907 653 972	78 720 508 474	7 056 192 582
Deferred income	16 189 885 095	4 680 957 435	9 792 758 040	974 108 594
Amounts clearing to other banks	21 235 867 719	12 192 489 596	21 235 867 719	2 537 260 605
Provisions for guarantees and loan impairment on loan commitments	14 490 463 921	1 639 964 607	14 490 463 921	341 277 108
	298 979 632 686	89 284 242 699	292 582 505 631	18 580 076 684
14. LEASE LIABILITIES				
Balance at the beginning of the year	28 419 198 785	6 447 318 241	5 914 043 472	390 298 251
Add accrued interest posted to profit and loss	32 634 294 411	2 915 747 970	29 219 156 962	508 029 915
Less payments for lease liabilities	(34 848 572 273)	(8 195 553 070)	(31 064 388 513)	(1 147 403 003)
Add lease liability modifications	60 697 438 344	4 774 033 566	32 438 830 873	993 477 763
Subtract adjustment on lease Modifications - profit	(11 590 542 676)	(736 216 866)	(5 522 444 354)	(153 206 942)
Add exchange loss on lease liabilities	9 419 110 875	25 578 280 171	9 419 110 874	5 322 847 488
Effects of inflation adjustment	(44 326 618 152)	(2 364 411 227)	-	-
Balance at the end of the year	40 404 309 314	28 419 198 785	40 404 309 314	5 914 043 472
15. OFFSHORE BORROWINGS				
Balance at beginning of year	32 265 529 480	10 868 004 541	6 714 466 000	657 911 243
New loans	446 130 408 146	132 890 846 018	227 423 179 244	20 316 275 173
Interest expense (Note 22.2.1)	13 152 710 380	2 054 106 121	8 115 707 427	329 280 095
Repayments	(528 915 186 550)	(127 067 308 240)	(272 014 880 325)	(20 619 642 880)
Exchange movements	129 656 988 360	28 979 500 250	129 656 988 359	6 030 642 369
Effects of inflation adjustment	7 605 010 889	(15 459 619 210)	-	-
Balance at 31 December 2023	99 895 460 705	32 265 529 480	99 895 460 705	6 714 466 000

16. DEFERRED TAX ASSETS / (LIABILITIES)

	Inflation adjusted			
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Recognised in OCI ZW$	Balance at 31 December ZW$
2023				
Property and equipment	(12 892 133 878)	(4 988 409 217)	(15 048 971 306)	(32 929 514 401)
Provisions	8 532 063 165	21 553 463 856	-	30 085 527 021
Right of use assets	(2 593 867 734)	(13 686 559 763)	-	(16 280 427 497)
Lease liabilities	7 025 225 940	3 378 883 708	-	10 404 109 648
Fair value adjustments on investment securities	(1 877 428 648)	(1 344 959 742)	-	(3 222 388 390)
Fair value adjustments on FVTOCI financial assets	4 037 235 000	(3 484 058 902)	2 541 301 705	3 094 477 803
Inventories	-	(204 853 250)	-	(204 853 250)
Prepayments	-	(2 933 289 327)	-	(2 933 289 327)
	2 231 093 845	(1 709 782 637)	(12 507 669 601)	(11 986 358 393)
2022				
Property and equipment	(21 590 063 615)	9 049 258 184	(351 328 447)	(12 892 133 878)
Provisions	4 213 281 640	4 318 781 525	-	8 532 063 165
Right of use assets	(1 933 417 222)	(660 450 512)	-	(2 593 867 734)
Lease liabilities	1 593 777 069	5 431 448 871	-	7 025 225 940
Fair value adjustments on investment securities	(694 702 218)	(1 182 726 430)	-	(1 877 428 648)
Fair value adjustments on FVTOCI financial assets	9 501 987	-	4 027 733 013	4 037 235 000
	(18 401 622 359)	16 956 311 638	3 676 404 566	2 231 093 845

	Unaudited Historical Cost			
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Recognised in OCI ZW$	Balance at 31 December ZW$
2023				
Property and equipment	(2 766 066 185)	(966 903 679)	(22 628 620 677)	(26 361 590 541)
Provisions	1 731 903 939	28 353 623 082	-	30 085 527 021
Right of use assets	(274 057 237)	(6 706 507 875)	-	(6 980 565 112)
Leases liabilities	1 461 951 546	8 942 158 102	-	10 404 109 648
Fair value adjustments on investment securities	(390 693 444)	(2 831 694 946)	-	(3 222 388 390)
Fair value adjustments on FVTOCI financial assets	553 176 098)	-	2 541 301 706	3 094 477 804
Arising from changes in functional currency	(3 694 609)	3 694 609	-	-
	312 520 108	26 794 369 293	(20 087 318 971)	7 019 570 430
2022				
Property and equipment	(1 251 642 232)	(820 435 115)	(693 988 838)	(2 766 066 185)
Provisions	255 057 385	1 476 846 554	-	1 731 903 939
Right of use assets	(91 586 250)	(182 470 987)	-	(274 057 237)
Lease liabilities	96 481 728	1 365 469 818	-	1 461 951 546
Fair value adjustments on investment securities	(101 734 787)	(288 958 657)	-	(390 693 444)
Fair value adjustments on FVTOCI financial assets	575 217	-	552 600 881	553 176 098
Arising from changes in functional currency	(3 694 609)	-	-	(3 694 609)
	(1 096 543 548)	1 550 451 613	(141 387 957)	312 520 108

Audited Financial Results for the year ended 31 December 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
17. NET INTEREST AND RELATED INCOME				
17.1.1 Interest income calculated using the effective interest rate method				
Advances	137 015 797 864	88 878 609 956	75 517 093 023	13 911 824 371
Overdrafts	21 558 375 340	11 422 162 924	13 137 791 813	1 865 623 463
Establishment fees	19 312 789 912	6 884 473 635	10 321 429 417	941 022 097
Placements with other banks	11 106 339 881	1 050 761 759	7 445 164 354	155 262 740
Financial assets at amortised cost	87 346 794	1 315 237 231	18 400 114	203 226 409
Treasury bills at FVTOCI	15 732 296 621	2 053 494 766	9 409 597 953	235 303 129
Treasury bills at FVTPL	5 370 009 363	4 486 198 459	1 984 753 224	750 328 035
	210 182 955 775	116 090 938 730	117 834 229 898	18 062 590 244
17.1.2 Other interest and related income				
Other interest categories	1 013 690 579	78 039 115	673 008 342	15 411 098
	1 013 690 579	78 039 115	673 008 342	15 411 098
17.2.1 Interest expense calculated using the effective interest rate method				
Customer deposits	27 846 017 477	16 901 087 477	14 515 385 133	2 511 191 851
Placements from other banks	17 144 282 005	3 087 023 108	10 696 067 442	543 064 362
Offshore borrowings	13 152 710 380	2 054 106 121	8 115 707 427	329 280 095
Lease liabilities	32 634 294 411	2 915 747 970	29 219 156 962	508 029 915
Productive sector facility	3 633 133 113	1 105 082 844	2 343 808 008	141 783 731
	94 410 437 386	26 063 047 520	64 890 124 972	4 033 349 954
17.2.2 Other interest and related expenses				
Other interest expenses	54 646 840	5 463 604	36 357 533	864 970
	54 646 840	5 463 604	36 357 533	864 970
Net interest and related income	116 731 562 128	90 100 466 721	53 580 755 735	14 043 786 418
18. ANALYSIS OF LOAN IMPAIRMENT CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS				
Impairment charges on loans and overdrafts (Note 3.10)	48 712 002 517	31 685 180 374	42 593 499 535	4 793 409 611
Impairment (reversal) / charges on other financial assets (Note 7.3)	(10 139 860)	(116 180 132)	(6 591 447)	(6 523 746)
Impairment charges on guarantees (Note 24.1)	(42 950 447)	1 679 163 884	(844 218)	276 864 188
Impairment charges / (reversal) on undrawn facilities(Note 24.2)	14 450 907 239	230 895 300	14 150 031 030	24 546 943
Recoveries during the year	(10 621 332 979)	(1 095 276 009)	(6 096 180 752)	(234 068 861)
	52 488 486 470	32 383 783 417	50 639 914 148	4 854 228 135
19 COMMISSION AND FEE INCOME COMPRISES INCOME FROM:				
Digital channels	51 915 475 142	16 679 545 708	32 394 577 768	2 572 957 520
Management and service fees	215 597 672 675	43 536 646 868	134 530 129 118	6 715 886 925
Other commissions	5 017 694 268	10 940 326 056	3 130 975 624	1 687 635 543
	272 530 842 085	71 156 518 632	170 055 682 510	10 976 479 988
20. OPERATING INCOME				
Exchange gains realised	15 213 412 070	25 389 047 112	5 225 267 498	3 990 490 342
Net exchange gains (unrealised)	281 109 840 347	48 563 266 765	281 109 840 347	10 106 029 834
Dividends from other investments	2 155 757 224	1 460 356 599	1 017 242 753	216 804 845
Recoveries	2 166 686 713	2 230 334 121	1 824 433 620	359 077 900
Gain / (loss) on sale of equipment	1 204 068 750	(119 334 754)	766 663 245	(24 205 656)
Sundry	1 199 023 553	855 313 828	682 437 321	111 959 059
	303 048 788 657	78 378 983 671	290 625 884 784	14 760 156 324
21. FAIR VALUE ADJUSTMENTS				
Arising from fair value through profit or loss instruments				
Investment securities at fair value through profit or loss (Note 6.2)	21 709 598 414	1 133 944 579	52 978 243 472	5 361 617 844
Investment in subsidiary company (Note 8)	121 179 014 480	41 753 046 597	201 383 650 013	17 474 488 007
Treasury bills at fair value through profit or loss	(11 006 017 395)	(704 999 267)	140 847 943	(146 710 549)
Fair value adjustments of virtual tokens (note 6.2.)	939 584 718	-	5 969 854 601	-
	132 822 180 217	42 181 991 909	260 472 596 029	22 689 395 302
22. OPERATING EXPENSES				
Staff expenses	227 620 410 877	60 200 444 872	138 434 094 553	9 305 919 248
Communication expenses	9 451 860 679	2 868 628 443	6 819 059 302	448 072 739
Computer and information technology	61 325 443 206	16 558 138 790	35 604 265 680	2 719 964 538
Occupation expenses	41 056 684 239	5 046 103 189	15 905 386 326	710 469 145
Transport expenses	3 977 535 652	1 306 564 781	2 291 963 102	196 268 649
Travelling expenses	4 217 615 210	1 213 872 328	2 611 418 621	201 198 592
Administration expenses	199 304 214 501	95 870 474 053	121 380 651 579	10 644 892 871
	546 953 764 364	183 064 226 456	323 046 839 163	24 226 785 782
Included in administration expenses are the following:				
Depreciation charges on property and equipment (Note 11)	22 501 890 753	9 036 542 422	5 238 176 763	1 274 933 979
Amortisation of intangible assets (Note 10)	689 328 379	1 010 186 019	55 665 363	7 087 898
Depreciation charges on right of use Asset (Note 9)	7 965 469 643	2 102 308 196	6 438 485 928	255 326 523
Auditor's remuneration	2 617 994 188	1 960 263 362	1 175 208 988	283 873 238
23. INCOME TAX EXPENSE				
Current income tax expense	5 182 488 206	12 682 025 328	5 182 488 206	2 639 133 130
Deferred taxation charge /(credit)	1 709 782 637	(16 956 311 638)	(26 794 369 293)	(1 550 451 613)
- current	14 592 365 010	(16 956 311 638)	(22 189 369 084)	(1 550 451 613)
- effect of change in tax rate	(12 882 582 373)	-	(4 605 000 209)	-
	6 892 270 843	(4 274 286 310)	(21 611 881 087)	1 088 681 517
24. CONTINGENT LIABILITIES				
In respect of guarantees	42 449 612 577	15 058 970 583	42 449 612 577	3 133 776 126
In respect of undrawn loan commitments	478 206 882 581	32 984 817 435	478 206 882 581	6 864 150 031
	520 656 495 158	48 043 788 018	520 656 495 158	9 997 926 157
24.1 Impairment movement on guarantees				
Opening balance	1 514 376 686	632 313 090	315 142 225	38 278 037
Charge to statement of profit or loss (Note 18)	(42 950 447)	1 679 163 884	(844 218)	276 864 188
Effect of inflation adjusted	(1 157 128 232)	(797 100 288)	-	-
	314 298 007	1 514 376 686	314 298 007	315 142 225
24.2 Impairment movement on undrawn commitments				
Opening balance	125 587 919	26 231 089	26 134 882	1 587 939
Charge to statement (Note 18)	14 450 907 239	230 895 300	14 150 031 030	24 546 943
Profit or loss	(400 329 246)	(131 538 470)	-	-
	14 176 165 912	125 587 919	14 176 165 912	26 134 882
25. CAPITAL ADEQUACY				
Ordinary share capital	1 995 089 822	1 995 089 822	1 810 402	1 810 402
Share premium	36 390 145 325	36 320 246 459	78 396 005	32 958 032
Reserves	546 621 686 957	204 186 678 118	541 668 785 997	48 443 474 472
IFRS capital	585 006 922 104	242 502 014 399	541 748 992 404	48 478 242 906
Add / (less) Regulatory adjustments:				
Fair value adjustment on capitalization treasury bills	(889 753)	2 044 399	(889 753)	425 440
Interest in reserve	(2 089 220 657)	(875 187 077)	(2 089 220 657)	(182 126 683)
Loans to group entities	(28 513 090 794)	(4 201 858 003)	(28 513 090 794)	(874 407 863)
Revaluation reserve	(137 159 454 154)	(91 534 306 637)	(92 479 625 750)	(11 665 239 839)
Effects of change in functional currency	-	-	-	(45 437 973)
Tier 1 capital	417 244 266 746	145 892 707 081	418 666 165 450	35 711 455 988
Revaluation reserve	137 159 454 154	91 534 306 637	92 479 625 750	11 665 239 839
General provision	7 687 033 802	3 798 462 989	7 687 033 802	790 461 245
Effect of change in functional currency	-	-	-	45 437 973
Tier 2 capital	144 846 487 956	95 332 769 626	100 166 659 552	12 501 139 057
Total capital base	562 090 754 702	241 225 476 707	518 832 825 002	48 212 595 045
Credit risk weighted assets	1 504 871 933 013	620 146 920 586	1 438 300 340 319	127 225 388 169
Operational risk equivalent assets	862 274 695 257	443 106 861 343	538 384 910 993	51 540 950 078
Market risk equivalent assets	384 291 926 237	172 665 914 737	384 291 926 237	35 931 826 706
Total risk weighted assets	2 751 438 554 507	1 235 919 696 666	2 360 977 177 549	214 698 164 953
Tier 1 capital ratio	15.16%	11.80%	17.73%	16.63%
Tier 2 capital ratio	5.26%	7.71%	4.24%	5.82%
Capital adequacy ratio	20.43%	19.52%	21.98%	22.46%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

26. RISK MANAGEMENT

26.1 Fair values and risk management - accounting classification and fair values

		Inflation adjusted							
		CARRYING AMOUNT				FAIR VALUE			
	Notes	Mandatory FVTPL ZW$	Classified as "AMCO" ZW$	FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
31 December 2023									
Financial assets measured at fair value									
Equity securities	9	69 040 395 508	-	-	69 040 395 508	7 654 379 510	-	61 386 015 998	69 040 395 508
Treasury bills	5	6 889 284 386	-	139 534 041 646	146 423 326 032	-	6 889 284 386	139 534 041 646	146 423 326 032
Virtual Gold Tokens Purchased		7 978 954 286	-	-	7 978 954 286	7 978 954 286	-	-	7 978 954 286
Investment in subsidiary	11	222 460 212 669	-	-	222 460 212 669	-	-	222 460 212 669	222 460 212 669
Total		306 368 846 849	-	139 534 401 646	445 902 888 495	15 633 333 796	6 889 284 386	423 380 270 313	445 902 888 495
Financial assets not measured at fair value									
Cash and cash equivalents	4	-	433 419 934 265	-	433 419 934 265				
Treasury Bills	5	-	39 411 858	-	39 411 858				
Advances and other accounts	6	-	932 520 164 313	-	932 520 164 313				
Trade and other receivables	8	-	81 135 833 323	-	81 135 833 323				
Financial assets at amortised cost	10	-	3 926 716 299	-	3 926 716 299				
Total		-	1 451 042 060 058	-	1 451 042 060 058				
Financial liabilities									
Deposits and other accounts	15	-	(1 132 046 409 464)	-	(1 132 046 409 464)				
Offshore borrowings	18	-	(99 895 460 705)	-	(99 895 460 705)				
Trade and other payables	16	-	(282 789 747 591)	-	(282 789 747 591)				
Total		-	(1 514 731 617 760)	-	(1 514 731 617 760)				

		Inflation adjusted							
		CARRYING AMOUNT				FAIR VALUE			
	Notes	Mandatory FVTPL ZW$	Classified as "AMCO" ZW$	FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
31 December 2022									
Financial assets measured at fair value									
Equity securities	9	39 485 612 395	-	-	39 485 612 395	3 228 399 050	-	36 257 213 345	39 485 612 395
Treasury bills	5	32 312 347 174	-	48 046 492 246	80 358 839 420	-	32 312 347 174	48 046 492 246	80 358 839 420
Investment in subsidiary	11	101 281 198 189	-	-	101 281 198 189	-	-	101 281 198 189	101 281 198 189
Total		173 079 157 758	-	48 046 492 246	221 125 650 004	3 228 399 050	32 312 347 174	185 584 903 780	221 125 650 004
Financial assets not measured at fair value									
Cash and cash equivalents	4	-	244 824 870 638	-	244 824 870 638				
Treasury Bills	5	-	193 664 367	-	193 664 367				
Advances and other accounts	6	-	291 005 413 955	-	291 005 413 955				
Trade and other receivables	8	-	54 824 804 932	-	54 824 804 932				
Financial assets at amortised cost	10	-	3 135 936 427	-	3 135 936 427				
Total		-	593 984 690 319	-	593 984 690 319				
Financial liabilities									
Deposits and other accounts	15	-	(516 517 192 913)	-	(516 517 192 913)				
Offshore borrowings	18	-	(32 265 529 480)	-	(32 265 529 480)				
Trade and other payables	16	-	(89 284 242 699)	-	(89 284 242 699)				
Total		-	(638 066 965 092)	-	(638 066 965 092)				

		Unaudited Historical Cost							
		CARRYING AMOUNT				FAIR VALUE			
	Notes	Mandatory FVTPL ZW$	Classified as "AMCO" ZW$	FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
31 December 2023									
Financial assets measured at fair value									
Equity securities	9	69 040 395 508	-	-	69 040 395 508	7 654 379 510	-	61 386 015 998	69 040 395 508
Treasury bills	5	6 889 284 386	-	139 534 041 646	146 423 326 032	-	6 889 284 386	139 534 041 646	146 423 326 032
Virtual Gold Tokens Purchased		7 978 954 286	-	-	7 978 954 286	7 978 954 286	-	-	7 978 954 286
Investment in subsidiary	11	222 460 212 669	-	-	222 460 212 669	-	-	222 460 212 669	222 460 212 669
Total		306 368 846 849	-	139 534 401 646	445 902 888 495	15 633 333 796	6 889 284 386	423 380 270 313	445 902 888 495
Financial assets not measured at fair value									
Cash and cash equivalents	4	-	433 419 934 265	-	433 419 934 265				
Treasury Bills	5	-	39 411 858	-	39 411 858				
Advances and other accounts	6	-	932 520 164 313	-	932 520 164 313				
Trade and other receivables	8	-	81 135 833 323	-	81 135 833 323				
Financial assets at amortised cost	10	-	3 926 716 299	-	3 926 716 299				
Total		-	1 451 042 060 058	-	1 451 042 060 058				
Financial liabilities									
Deposits and other accounts	15	-	(1 132 046 409 464)	-	(1 132 046 409 464)				
Offshore borrowings	18	-	(99 895 460 705)	-	(99 895 460 705)				
Trade and other payables	16	-	(282 789 747 591)	-	(282 789 747 591)				
Total		-	(1 514 731 617 760)	-	(1 514 731 617 760)				

		Unaudited Historical Cost							
		CARRYING AMOUNT				FAIR VALUE			
	Notes	Mandatory FVTPL ZW$	Classified as "AMCO" ZW$	FVTOCI ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
31 December 2022									
Financial assets measured at fair value									
Equity securities	9	8 216 967 339	-	-	8 216 967 339	671 830 775	-	7 545 136 564	8 216 967 339
Treasury bills	5	6 724 208 776	-	9 998 488 908	16 722 697 684	-	6 724 208 776	9 998 488 908	16 722 697 684
Investment in subsidiary	11	21 076 562 656	-	-	21 076 562 656	-	-	21 076 562 656	21 076 562 656
Total		36 017 738 771	-	9 998 488 908	46 016 227 679	671 830 775	6 724 208 776	38 620 188 128	46 016 227 679
Financial assets not measured at fair value									
Cash and cash equivalents	4	-	50 948 126 262	-	50 948 126 262				
Treasury Bills	5	-	40 301 611	-	40 301 611				
Advances and other accounts	6	-	60 558 310 658	-	60 558 310 658				
Trade and other receivables	8	-	11 409 057 738	-	11 409 057 738				
Financial assets at amortised cost	10	-	652 589 276	-	652 589 276				
Total		-	123 608 385 545	-	123 608 385 545				
Financial liabilities									
Deposits and other accounts	15	-	(107 487 376 967)	-	(107 487 376 967)				
Offshore borrowings	16	-	(6 714 466 000)	-	(6 714 466 000)				
Trade and other payables	17	-	(18 580 076 684)	-	(18 580 076 684)				
Total		-	(132 781 919 651)	-	(132 781 919 651)				

26.2 Liquidity risk

The tables below set out the remaining contractual maturities of the Bank's financial assets and financial liabilities.

	Inflation adjusted					
Liquidity gap analysis	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
As at 31 December 2023						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	368 122 881 350	38 243 449 201	27 053 603 714	-	433 419 934 265	433 419 934 265
Treasury bills	6 481 890 788	433 209 596	-	140 201 801 333	147 116 901 717	146 462 737 890
Advances and other accounts	135 158 541 452	171 581 518 788	148 375 379 189	731 677 242 317	1 186 792 681 746	932 520 164 313
Trade and other receivables	57 068 907 271	3 995 053 817	20 037 397 766	34 474 464	81 135 833 318	81 135 833 318
Financial assets at fair value through profit or loss	-	7 978 954 286	-	69 040 395 508	77 019 349 794	77 019 349 794
	566 832 220 861	222 232 185 688	195 466 380 669	940 953 913 622	1 925 484 700 840	1 670 558 019 580
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	1 072 116 404 280	63 487 701 231	-	-	1 135 604 105 511	1 132 046 409 464
Offshore borrowings	-	102 380 064 916	-	-	102 380 064 916	99 895 460 705
Trade and other payables	153 895 906 864	33 383 701 977	63 660 795 245	31 849 343 507	282 789 747 593	282 789 747 593
Lease liabilities	7 303 860 372	14 607 720 745	30 432 751 563	20 694 271 044	73 038 603 724	40 404 309 314
Loan commitments	6 330 050 382	59 355 799 395	103 391 058 501	309 129 974 303	478 206 882 581	478 206 882 581
Guarantees	3 999 648 112	29 185 307 636	9 264 656 828	-	42 449 612 576	42 449 612 576
	1 243 645 870 010	302 400 295 900	206 749 262 137	361 673 588 854	2 114 469 016 901	2 075 792 422 233
Period gap	(676 813 649 149)	(80 161 110 212)	(11 282 881 468)	579 280 324 768	(188 984 316 061)	(405 234 402 653)
Cumulative gap	(676 813 649 149)	(756 981 759 361)	(768 264 640 829)	(188 984 316 061)	-	-
As at 31 December 2022						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	231 159 566 059	4 184 961 952	9 480 342 627	-	244 824 870 638	244 824 870 638
Treasury bills	-	34 379 019 226	-	48 285 269 764	82 664 288 990	80 552 503 787
Advances and other accounts	19 501 771 888	49 376 492 889	69 167 591 809	167 167 457 770	305 213 314 356	291 005 413 955
Trade and other receivables	24 461 047 186	30 345 076 994	-	18 680 752	54 824 804 932	54 824 804 932
Financial assets at fair value through profit or loss	-	-	-	39 485 612 397	39 485 612 397	39 485 612 395
Financial assets held at amortised cost	-	806 288 526	254 245 155	2 075 402 747	3 135 936 428	3 135 936 428
	275 122 385 133	119 091 839 587	78 902 179 591	257 032 423 430	730 148 827 741	713 829 142 135
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	500 131 737 260	17 911 245 528	925 622 475	-	518 968 605 263	516 517 192 913
Offshore borrowings	-	32 400 289 109	-	-	32 400 289 109	32 265 529 480
Trade and other payables	45 263 540 283	28 820 056 613	8 395 642	15 192 250 162	89 284 242 700	89 284 242 699
Lease liabilities	-	-	11 841 332 827	16 577 865 958	28 419 198 785	28 419 198 785
Loan commitments	258 150 042	11 890 505 557	3 955 797 197	16 880 364 639	32 984 817 435	32 984 817 435
Guarantees	-	-	15 058 970 583	-	15 058 970 583	15 058 970 583
	545 653 427 585	91 022 096 807	31 790 118 724	48 650 480 759	717 116 123 875	714 529 951 895
Period gap	(270 531 042 452)	28 069 742 780	47 112 060 867	208 381 942 671	13 032 703 866	(700 809 760)
Cumulative gap	(270 531 042 452)	(242 461 299 672)	(195 349 238 805)	13 032 703 866	-	-

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

26.2 Liquidity risk (continued)

The tables below set out the remaining contractual maturities of the Bank's financial assets and financial liabilities.

	Unaudited Historical Cost					
Liquidity gap analysis	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Total ZW$	Carrying amount ZW$
As at 31 December 2023						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	368 122 881 350	38 243 449 201	27 053 603 714	-	433 419 934 265	433 419 934 265
Treasury bills	6 481 890 788	433 209 596	-	140 201 801 333	147 116 901 717	146 462 737 890
Advances and other accounts	135 158 541 452	171 581 518 788	148 375 379 189	731 677 242 317	1 186 792 681 746	932 520 164 313
Trade and other receivables	57 068 907 271	3 995 053 817	20 037 397 766	34 474 462	81 135 833 318	81 135 833 318
Financial assets at fair value through profit or loss	-	7 978 954 286	-	69 040 395 508	77 019 349 794	77 019 349 794
	566 832 220 861	222 232 185 688	195 466 380 669	940 953 913 622	1 925 484 700 840	1 670 558 019 580
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	1 072 116 404 280	63 487 701 231	-	-	1 135 604 105 511	1 132 046 409 464
Offshore borrowings	-	102 380 064 916	-	-	102 380 064 916	99 895 460 705
Trade and other receivables	153 895 906 864	33 383 701 977	63 660 795 245	31 849 343 507	282 789 747 593	282 789 747 593
Lease liabilities	7 303 860 372	14 607 720 745	30 432 751 563	20 694 271 044	73 038 603 724	40 404 309 314
Loan commitments	6 330 050 382	59 355 799 395	103 391 058 501	309 129 974 303	478 206 882 581	478 206 882 581
Guarantees	3 999 648 112	29 185 307 636	9 264 656 828	-	42 449 612 576	42 449 612 576
	1 243 645 870 010	302 400 295 900	206 749 262 137	361 673 588 854	2 114 469 016 901	2 075 792 422 233
Period gap	(676 813 649 149)	(80 168 110 212)	(11 282 881 468)	579 280 324 768	(188 984 316 061)	(405 234 402 653)
Cumulative gap	(676 813 649 149)	(756 981 759 361)	(768 264 640 829)	(188 984 316 061)	-	-
As at 31 December 2022						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	48 104 372 434	870 891 791	1 972 862 037	-	50 948 126 262	50 948 126 262
Treasury bills	-	7 154 283 826	-	10 048 178 578	17 202 462 404	16 762 999 295
Advances and other accounts	4 058 324 360	10 275 262 426	14 393 795 825	34 787 596 224	63 514 978 835	60 558 310 658
Trade and other receivables	5 090 350 981	6 314 819 283	-	3 887 474	11 409 057 738	11 409 057 738
Financial assets at fair value through profit or loss	-	-	-	8 216 967 339	8 216 967 339	8 216 967 339
Financial assets held at amortised cost	-	167 788 875	52 908 490	-	220 697 365	220 697 365
	57 253 047 775	24 783 046 201	16 419 566 352	53 056 629 615	151 512 289 943	148 116 158 657
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	104 077 558 915	3 727 335 366	192 622 304	-	107 997 516 585	107 487 376 967
Offshore borrowings	-	6 742 509 518	-	-	6 742 509 518	6 714 466 000
Trade and other payables	9 419 355 801	5 997 462 102	1 747 136	3 161 511 645	18 580 076 684	18 580 076 684
Lease liabilities	-	-	2 464 184 780	3 449 858 692	5 914 043 472	5 914 043 472
Loan commitments	53 721 098	2 474 417 639	823 202 539	3 512 808 755	6 864 150 031	6 864 150 031
Guarantees	-	-	3 133 776 126	-	3 133 776 126	3 133 776 126
	113 550 635 814	18 941 724 625	6 615 532 885	10 124 179 092	149 232 072 416	148 693 889 280
Period gap	(56 297 588 039)	5 841 321 576	9 804 033 467	42 932 450 523	2 280 217 527	(577 730 623)
Cumulative gap	(56 297 588 039)	(50 456 266 463)	(40 652 232 996)	2 280 217 527	-	-

	Inflation adjusted		Unaudited Historical Cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Liquidity ratios				
Cash and short term funds	433 419 934 265	244 824 870 638	433 419 934 265	50 948 126 262
Treasury bills	146 462 737 890	80 552 503 787	146 462 737 890	16 762 999 295
Parastatal bond	-	806 288 526	-	167 788 875
Corporate bond	-	254 245 156	-	52 908 490
Total liquid assets	579 882 672 155	326 437 908 107	579 882 672 155	67 931 822 922
Total liabilities to the public	1 132 046 409 464	516 517 192 913	1 132 046 409 464	107 487 376 967
Liquidity ratio	51%	63%	51%	63%
Average for the year	48%	63%	48%	63%
Maximum for the year	57%	85%	57%	85%
Minimum for the year	37%	47%	37%	47%
Minimum statutory liquidity ratio	30%	30%	30%	30%

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

26.3 Interest rate risk

	Inflation adjusted				
Interest rate gap analysis	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2023					
ASSETS					
Cash and short term funds	210 913 014 956	-	-	-	210 913 014 956
Treasury bills	6 471 304 005	433 209 596	-	139 558 224 289	146 462 737 890
Advances and other accounts	134 631 582 449	161 356 971 674	126 130 916 748	510 400 693 442	932 520 164 313
	352 015 901 410	161 790 181 270	126 130 916 748	649 958 917 731	1 289 895 917 159
LIABILITIES					
Deposits and other accounts	1 069 335 432 523	62 710 976 941	-	-	1 132 046 409 464
Offshore borrowings	-	99 895 460 705	-	-	99 895 460 705
Lease liability	4 040 430 931	8 080 861 863	16 835 128 882	11 447 887 638	40 404 309 314
	1 073 375 863 454	170 687 299 509	16 835 128 882	11 447 887 638	1 272 346 179 483
Period gap	(721 359 962 044)	(8 897 118 239)	109 295 787 866	638 511 030 093	17 549 737 676
Cumulative gap	(721 359 962 044)	(730 257 080 283)	(620 961 292 417)	17 549 737 676	-
As at 31 December 2022					
ASSETS					
Cash and short term funds	71 363 041 424	-	-	-	71 363 041 424
Treasury bills	-	32 312 347 179	-	48 240 156 608	80 552 503 787
Advances and other accounts	19 500 716 460	49 315 326 464	69 115 057 354	153 074 313 671	291 005 413 949
Financial assets at amortised cost	-	806 288 526	254 245 155	-	1 060 533 681
	90 863 757 884	82 433 962 169	69 369 302 509	201 314 470 279	443 981 492 841
LIABILITIES					
Deposits and other accounts	498 432 502 878	17 363 880 698	720 809 337	-	516 517 192 913
Offshore borrowings	-	32 265 529 480	-	-	32 265 529 480
Lease liability	-	-	11 841 332 827	16 577 865 958	28 419 198 785
	498 432 502 878	49 629 410 178	12 562 142 164	16 577 865 958	577 201 921 178
Period gap	(407 568 744 994)	32 804 551 991	56 807 160 345	184 736 604 321	(133 220 428 337)
Cumulative gap	(407 568 744 994)	(374 764 193 003)	(317 957 032 658)	(133 220 428 337)	-

	Unaudited Historical Cost				
Interest rate gap analysis	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2023					
ASSETS					
Cash and short term funds	210 913 014 956	-	-	-	210 913 014 956
Treasury bills	6 471 304 005	433 209 596	-	139 558 224 289	146 462 737 890
Advances and other accounts	134 631 582 449	161 356 971 674	126 130 916 748	510 400 693 442	932 520 164 313
	352 015 901 410	161 790 181 270	126 130 916 748	649 958 917 731	1 289 895 917 159
LIABILITIES					
Deposits and other accounts	1 069 335 432 523	62 710 976 941	-	-	1 132 046 409 464
Offshore borrowings	-	99 895 460 705	-	-	99 895 460 705
Lease liability	4 040 430 931	8 080 861 863	16 835 128 882	11 447 887 638	40 404 309 314
	1 073 375 863 454	170 687 299 509	16 835 128 882	11 447 887 638	1 272 346 179 483
Period gap	(721 359 962 044)	(8 897 118 239)	109 295 787 866	638 511 030 093	17 549 737 676
Cumulative gap	(721 359 962 044)	(730 257 080 283)	(620 961 292 417)	17 549 737 676	-
As at 31 December 2022					
ASSETS					
Cash and short term funds	14 850 669 523	-	-	-	14 850 669 523
Treasury bills	-	6 724 208 777	-	10 038 790 518	16 762 999 295
Advances and other accounts	4 058 104 725	10 262 533 675	14 382 863 389	31 854 808 869	60 558 310 658
Finance assets at amortised cost	-	167 788 875	52 908 490	-	220 697 365
	18 908 774 248	17 154 531 327	14 435 771 879	41 893 599 387	92 392 676 841
LIABILITIES					
Deposits and other accounts	103 723 947 750	3 613 428 586	150 000 631	-	107 487 376 967
Offshore borrowings	-	6 714 466 000	-	-	6 714 466 000
Lease liability	-	-	2 464 184 780	3 449 858 692	5 914 043 472
	103 723 947 750	10 327 894 586	2 614 185 411	3 449 858 692	120 115 886 439
Period gap	(84 815 173 502)	6 826 636 741	11 821 586 468	38 443 740 695	(27 723 209 598)
Cumulative gap	(84 815 173 502)	(77 988 536 761)	(66 166 950 293)	(27 723 209 598)	-

Audited Financial Results for the year ended 31 December 2023

zb Building Society

AUDITED FINANCIAL RESULTS for the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	Inflation adjusted		*Unaudited Historical cost	
		31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
ASSETS					
Cash and cash equivalents	1	15 730 542 024	19 972 376 665	15 730 542 024	4 156 257 350
Treasury bills	2	2 154 570 368	-	2 154 570 368	-
Loans and other advances	3	15 480 078 940	7 576 953 551	15 480 078 940	1 576 766 221
Trade and other receivables	4	13 796 859 722	2 295 237 360	13 796 256 707	477 639 557
Inventories	5	84 390 337	84 390 337	17 146 166	17 146 166
Financial assets "at Fair Value Through Profit or Loss"	6	7 296 623 408	4 384 375 358	7 296 623 408	912 389 778
Right of use assets	7	454 006 018	501 777 265	92 288 516	104 419 994
Property and equipment	8	1 375 459 676	1 392 731 470	984 345 293	289 827 821
Investment properties	9	65 265 197 000	31 837 317 676	65 265 197 000	6 625 355 000
Investment in subsidiaries	10	34 430 848 075	17 211 056 534	34 430 848 075	3 581 624 075
Total assets		156 068 575 568	85 256 216 216	155 247 896 497	17 741 425 962
LIABILITIES					
Deposits from customers	11	30 988 161 213	15 709 504 562	30 988 161 213	3 269 152 435
Trade and other payables	12	5 498 624 488	11 390 624 304	5 498 624 488	2 370 392 206
Lease liabilities	13	810 549 032	578 009 535	810 549 032	120 283 951
Deferred tax liabilities	14	3 263 259 850	1 591 865 884	3 263 259 850	331 267 750
Total liabilities		40 560 594 583	29 270 004 285	40 560 594 583	6 091 096 342
EQUITY					
Share capital	15.1.1	1 052 219 370	1 052 219 370	954 814	954 814
Share premium	15.1.2	9 832 360 539	9 804 575 787	26 958 516	8 896 953
Reserves	15.2	104 623 401 076	45 129 416 774	114 659 388 584	11 640 477 853
Total equity		115 507 980 985	55 986 211 931	114 687 301 914	11 650 329 620
Total equity and liabilities		156 068 575 568	85 256 216 216	155 247 896 497	17 741 425 962

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	Inflation adjusted		*Unaudited Historical cost	
		31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Interest income calculated using effective interest rate	16.1.1	6 379 968 300	2 818 582 848	3 199 801 103	412 743 032
Other interest and related income	16.1.2	2 089 124 761	1 082 317 029	831 114 532	180 253 578
Interest expense calculated using effective interest rate	16.2.1	(125 823 789)	(56 317 739)	(74 290 867)	(7 991 957)
Other interest and related expense	16.2.2	(169 853 239)	(35 866 405)	(64 756 165)	(4 109 812)
Net interest and related income	16	8 173 416 033	3 808 715 733	3 891 868 603	580 894 841
Allowance for loan impairment	17	(867 352 313)	(272 267 909)	(860 483 634)	(56 659 030)
Net income from lending activities		7 306 063 720	3 536 447 824	3 031 384 969	524 235 811
Commissions, fees and operating income	18	32 417 221 289	8 226 380 100	23 501 399 019	1 252 543 865
Fair value adjustments	19	53 559 918 915	20 553 523 082	95 873 299 630	9 128 978 872
Total income		93 283 203 924	32 316 351 006	122 406 083 618	10 905 758 548
Total operating expenses	20	(29 297 772 806)	(7 658 670 680)	(16 789 945 098)	(1 174 010 465)
Operating profit		63 985 431 118	24 657 680 326	105 616 138 520	9 731 748 083
Net monetary loss		(1 407 059 446)	(2 499 508 503)	-	-
Profit before taxation		62 578 371 672	22 158 171 823	105 616 138 520	9 731 748 083
Income tax expense	21	(1 671 393 966)	(666 342 017)	(2 931 992 100)	(275 239 750)
Profit for the year		60 906 977 706	21 491 829 806	102 684 146 420	9 456 508 333
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Gains on property and equipment revaluation		202 976 658	243 726 546	715 664 970	121 397 227
Items that will be reclassified to profit or loss.					
Fair value losses on FVTOCI financial instruments		(1 615 970 062)	-	(362 839 096)	-
Other comprehensive income for the year		(1 412 993 404)	243 726 546	352 825 874	121 397 227
Total comprehensive income for the year		59 493 984 302	21 735 556 352	103 036 972 294	9 577 905 560

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STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Inflation adjusted					
	Ordinary shares ZW$	Share premium ZW$	Property revaluation reserve ZW$	Financial assets held at FVTOCI reserve ZW$	Retained income ZW$	Total ZW$
Balance at 1 January 2022	1 052 219 370	9 804 575 787	642 222 951	-	22 751 637 471	34 250 655 579
Changes in equity for 2022						
Profit or loss						
Profit for the year	-	-	-	-	21 491 829 806	21 491 829 806
Other comprehensive income, net of tax						
Revaluation of property and equipment	-	-	243 726 546	-	-	243 726 546
Balance at 31 December 2022	1 052 219 370	9 804 575 787	885 949 497	-	44 243 467 277	55 986 211 931
Changes in equity for 2023						
Profit or loss						
Profit for the period	-	-	-	-	60 906 977 706	60 906 977 706
Other comprehensive income, net of tax						
Revaluation of property and equipment	-	-	202 976 658	-	-	202 976 658
Fair value losses on medium term Treasury bills	-	-	-	(1 615 970 062)	-	(1 615 970 062)
Other movements						
Transfer to Share premium	-	27 784 752	-	-	-	27 784 752
Balance at 31 December 2023	1 052 219 370	9 832 360 539	1 088 926 155	(1 615 970 062)	105 150 444 983	115 507 980 985

STATEMENT OF CHANGES IN EQUITY (continued)
For the year ended 31 December 2023

	*Unaudited Historical cost						
	Ordinary shares ZW$	Share premium ZW$	Functional currency translation reserve ZW$	Property revaluation reserve ZW$	Financial assets held at FVTOCI reserve ZW$	Retained income ZW$	Total ZW$
Balance at 1 January 2022	954 814	8 896 953	18 061 563	30 358 699	-	2 014 152 031	2 072 424 060
Changes in equity for 2022							
Profit or loss							
Profit for the year	-	-	-	-	-	9 456 508 333	9 456 508 333
Other comprehensive income, net of tax							
Revaluation of property and equipment	-	-	-	121 397 227	-	-	121 397 227
Balance at 31 December 2022	954 814	8 896 953	18 061 563	151 755 926	-	11 470 660 364	11 650 329 620
Changes in equity for 2023							
Profit or loss							
Profit for the year	-	-	-	-	-	102 684 146 420	102 684 146 420
Other comprehensive income, net of tax							
Revaluation of property and equipment	-	-	-	715 664 970	-	-	715 664 970
Fair value losses on financial assets at FVTOCI	-	-	-	-	(362 839 096)	-	(362 839 096)
Other movements							
Transfer to Share premium	-	18 061 563	(18 061 563)	-	-	-	-
Balance at 31 December 2023	954 814	26 958 516	-	867 420 896	(362 839 096)	114 154 806 784	114 687 301 914

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	Inflation adjusted		*Unaudited Historical cost	
		31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Cash flows (used in) / generated from operating activities		(18 594 576 975)	14 716 520 837	(478 061 442)	3 283 758 826
Interest received		8 126 296 217	3 900 899 877	3 741 721 444	592 996 610
Interest paid		(295 677 028)	(92 184 144)	(139 047 032)	(12 101 769)
Net cash (used in) / generated from operating activities		(10 763 957 786)	18 525 236 570	3 124 612 970	3 864 653 667
Cash flows from investing activities					
Proceeds from disposal of property and equipment		-	224 373	-	46 692
Purchase of property and equipment	8	(55 030 865)	(842 315 814)	(35 363 473)	(175 286 164)
Dividends received	18	163 454 913	178 897 909	117 821 935	26 398 583
Net cash generated from / (used in) investing activities		108 424 048	(663 193 532)	82 458 462	(148 840 889)
Cash flows from financing activities					
**Lease liabilities interest payments		(134 587 257)	-	(28 007 647)	-
Lease liabilities capital payments		(801 370 516)	(18 848 595)	(166 765 436)	(2 638 863)
Net cash used in financing activities		(935 957 773)	(18 848 595)	(194 773 083)	(2 638 863)
Net (decrease) / increase in cash and cash equivalents		(11 591 491 511)	17 843 194 443	3 012 298 349	3 713 173 915
Cash and cash equivalents at beginning of year		19 972 376 665	2 129 182 222	4 156 257 350	443 083 435
Effects of foreign exchange rates on cash and cash equivalents		8 561 986 325	-	8 561 986 325	-
Effects of inflation adjustments		(1 212 329 455)	-	-	-
Cash and cash equivalents at end of year		15 730 542 024	19 972 376 665	15 730 542 024	4 156 257 350
Comprising of;					
Balances with the Reserve Bank of Zimbabwe		5 800 387 502	1 430 428 266	5 800 387 502	297 672 535
Balances with other banks and cash		9 930 154 522	18 541 948 399	9 930 154 522	3 858 584 815
		15 730 542 024	19 972 376 665	15 730 542 024	4 156 257 350

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

** Lease liabilities payments have been disaggregated between capital payments and interest payments in the current period, in prior year the interest payments were not material therefore no changes have been made.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
1. CASH AND CASH EQUIVALENTS				
Balances with the Reserve Bank of Zimbabwe	5 800 387 502	1 430 428 266	5 800 387 502	297 672 535
Balances with other banks and cash	9 930 154 522	18 541 948 399	9 930 154 522	3 858 584 815
	15 730 542 024	19 972 376 665	15 730 542 024	4 156 257 350
Cash and cash equivalents balances are current assets.				
2. TREASURY BILLS				
Assets classified at FVTOCI				
Medium term Treasury bills acquired from the market	2 154 570 368	-	2 154 570 368	-
Movement of Treasury bills;				
Acquisition of Treasury bills	3 427 743 586	-	2 228 215 273	-
Accrued interest posted to profit or loss statement	342 796 844	-	289 194 191	-
FVTOCI adjustment	(1 615 970 062)	-	(362 839 096)	-
	2 154 570 368	-	2 154 570 368	-

The Society acquired treasury bills from the secondary market in 2023. The Treasury bills have a face value of ZW$3 257 260 209 and were acquired at a discount of 23% These treasury bills have no coupon with a maturity period of 1 year 6 months.

Determination of fair value of Treasury bills
The fair value of treasury bills was determined using level 3 inputs due to the lack of an active market. The Society used the discounted cash flow valuation technique by applying average yield market rate on the contractual cash flows. The USD denominated treasury bills fair value was computed using a proxy discount of 9% by reference to the US Federal Reserve Treasury bills with same tenure and adjusted for country risk.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3. LOANS AND ADVANCES				
3.1 Categories of loans and advances				
Mortgages loans				
Residential properties	13 198 670	62 050 789	13 198 670	12 912 787
Other loans and overdrafts				
Consumer loans	16 402 277 885	7 874 892 562	16 402 277 885	1 638 767 416
Gross loans and advances	16 415 476 555	7 936 943 351	16 415 476 555	1 651 680 203
Less: Allowance for loan impairment (note 17)	(935 397 615)	(359 989 800)	(935 397 615)	(74 913 982)
Loans and advances	15 480 078 940	7 576 953 551	15 480 078 940	1 576 766 221
3.2 Maturity analysis				
Within 1 month	1 684 136 461	652 798 113	1 684 136 461	135 847 475
Between 2 – 6 months	2 630 726 841	568 676 273	2 630 726 841	118 341 697
Between 7 – 12 months	4 097 108 137	3 559 486 714	4 097 108 137	740 730 213
After 12 months	8 003 505 116	3 155 982 251	8 003 505 116	656 760 818
	16 415 476 555	7 936 943 351	16 415 476 555	1 651 680 203
3.3 Loans and advances to customers by business line				
Mortgage lending	13 198 670	62 050 789	13 198 670	12 912 787
Consumer lending	13 464 726 181	6 658 374 254	13 464 726 181	1 385 609 605
Small business lending	2 937 551 704	1 216 518 308	2 937 551 704	253 157 811
	16 415 476 555	7 936 943 351	16 415 476 555	1 651 680 203
3.4 Mortgage loans spread				
Residential high density	3 641 717	581 189	3 641 717	120 946
Residential medium density	2 628 612	19 018 850	2 628 612	3 957 828
Residential low density	6 928 341	42 450 750	6 928 341	8 834 013
	13 198 670	62 050 789	13 198 670	12 912 787

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Audited Financial Results for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
3.5 Non-performing debt				
Non-performing loans and advances	28 134 684	32 696 502	28 134 684	6 804 151
Less: Allowance for loan impairment	(15 811 872)	(18 375 642)	(15 811 872)	(3 823 976)
Value to be received from security held	12 322 812	14 320 860	12 322 812	2 980 175

3.6 Non-performing debt

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally, no security value is placed on ordinary guarantees. In inflation adjusted terms the internally discounted value of security held in respect of the non-performing book amounted to ZW$273 845 416 as at 31 December 2023 (2022: ZW$9 584 970) and unaudited historic cost terms it was ZW$273 854 416 as at 31 December 2023 (2022: ZW$1 994 635).

	Inflation adjusted			
	31 Dec 2023 ZW$	Percentage Contribution	31 Dec 2022 ZW$	Percentage Contribution
3.7 Sectorial analysis				
Private	13 477 924 851	82%	6 720 425 043	85%
Manufacturing	2 219 672 295	14%	1 189 446 573	15%
Distribution	2 040 502	0%	2 179 942	0%
Construction	1 377 981	0%	-	0%
Services	714 460 926	4%	24 891 793	0%
	16 415 476 555	100%	7 936 943 351	100%

	Unaudited Historical cost			
	31 Dec 2023 ZW$	Percentage Contribution	31 Dec 2022 ZW$	Percentage Contribution
Private	13 477 924 851	82%	1 398 522 391	85%
Manufacturing	2 219 672 295	14%	247 524 175	15%
Distribution	2 040 502	0%	453 646	0%
Construction	1 377 981	0%	-	0%
Services	714 460 926	4%	5 179 989	0%
	16 415 476 555	100%	1 651 680 203	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
4. TRADE AND OTHER RECEIVABLES				
Sundry debtors and other accounts	13 796 087 847	2 294 422 022	13 796 087 847	477 469 885
Intercompany balances	10 396	53 859	10 396	11 208
Prepayments	761 479	761 479	158 464	158 464
	13 796 859 722	2 295 237 360	13 796 256 707	477 639 557
Sundry debtors and other accounts comprise of;				
VAT claimable	50 927 100	1 458 321	50 927 100	303 477
Items in transit	11 499 450 912	1 904 536 847	11 499 450 912	396 334 667
Lease receivables	2 482 333 531	431 354 489	2 482 333 531	89 764 994
ECL on lease receivables	(236 623 696)	(42 927 635)	(236 623 696)	(8 933 253)
	13 796 087 847	2 294 422 022	13 796 087 847	477 469 885

All trade and other receivables are current assets.

Intercompany balances have been assessed for impairment in the year under review in line with requirements of IFRS 9. The amount of expected credit loss was insignificant as such no adjustment for impairment was recognized

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
5. INVENTORIES				
Inventories comprise of;				
Serviced land held for resale	84 390 337	84 390 337	17 146 166	17 146 166
6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
6.1 Equity investments				
Unlisted equity investments				
Balance at beginning of year	4 384 375 358	4 020 635 500	912 389 778	243 395 307
Fair value gain (note 22)	2 912 248 050	363 739 858	6 384 233 630	668 994 471
Balance at end of year	7 296 623 408	4 384 375 358	7 296 623 408	912 389 778

All equity investments are non-current assets.

6.2 Measurements of fair value

The fair value of the investment in unlisted equity investments has been categorized into Level 3 of the fair value hierarchy.

	Inflation adjusted			
	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
2023				
Unlisted equity investments	-	-	7 296 623 408	7 296 623 408
2022				
Unlisted equity investments	-	-	4 384 375 358	4 384 375 358

	Unaudited Historical cost			
	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
2023				
Unlisted equity investments	-	-	7 296 623 408	7 296 623 408
2022				
Unlisted equity investments	-	-	912 389 778	912 389 778

7. RIGHT OF USE ASSETS

The Society recognises right of use assets in respect of non-cancellable lease agreements that are classified as neither short-term nor low value leases in terms of accounting policy note 3.10.2. Right of use assets relate to leased branch premises, there are no residual value guarantees. Lease modifications relate to changes in lease rentals and incremental borrowing rates. The movement in the right of use asset during the year was as follows:

	Inflation adjusted		Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Balance at beginning of year	501 777 265	11 386 683	104 419 994	689 310
Arising from lease modification	39 697 861	531 907 520	21 215 923	110 690 109
Depreciation charge	(87 469 108)	(41 516 938)	(33 347 399)	(6 959 425)
Balance at end of year	454 006 018	501 777 265	92 288 518	104 419 994

The corresponding lease liabilities matching the above assets are discussed in note 16.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. PROPERTY AND EQUIPMENT

	Inflation adjusted				
	Leasehold improvements ZW$	Motor vehicles ZW$	Office furniture & equipment ZW$	Computer equipment ZW$	Total ZW$
2023					
Cost/valuation					
Balance at beginning of year	937 450 523	437 338 157	1 438 767 157	414 708 971	3 228 264 808
Additions	-	-	40 395 987	14 634 878	55 030 865
Revaluation gains	-	179 744 891	-	23 231 767	202 976 658
Balance at end of year	937 450 523	617 083 048	1 479 163 144	452 575 616	3 486 272 331
Accumulated depreciation and impairment charges					
Balance at beginning of year	373 496 485	322 915 921	764 710 850	374 410 082	1 835 533 338
Charge to statement of profit or loss	67 314 433	102 980 011	87 093 810	16 943 237	274 331 491
Impairment charge	-	-	947 826	-	947 826
Balance at end of year	440 810 918	425 895 932	852 752 486	391 353 319	2 110 812 655
Carrying amount at end of year	496 639 605	191 187 116	626 410 658	61 222 297	1 375 459 676
2022					
Cost/valuation					
Balance at beginning of year	368 793 132	413 421 728	946 314 378	414 712 720	2 143 241 958
Additions	568 657 391	-	273 658 423	-	842 315 814
Revaluation gains	-	23 916 429	219 810 117	-	243 726 546
Disposals	-	-	(1 015 761)	(3 749)	(1 019 510)
Balance at end of year	937 450 523	437 338 157	1 438 767 157	414 708 971	3 228 264 808
Accumulated depreciation and impairment charges					
Balance at beginning of year	362 128 480	313 161 762	755 281 271	368 159 085	1 798 730 598
Charge to statement of profit or loss	7 682 695	9 754 159	9 507 230	6 037 184	32 981 268
Impairment charge	3 685 310	-	-	214 750	3 900 060
Disposals	-	-	(77 651)	(937)	(78 588)
Balance at end of year	373 496 485	322 915 921	764 710 850	374 410 082	1 835 533 338
Carrying amount at end of year	563 954 038	114 422 236	674 056 307	40 298 889	1 392 731 470

	Unaudited Historical cost				
	Leasehold improvements ZW$	Motor vehicles ZW$	Office furniture & equipment ZW$	Computer equipment ZW$	Total ZW$
2023					
Cost/valuation					
Balance at beginning of year	119 910 755	26 815 592	166 083 130	10 557 460	323 366 937
Additions	-	-	25 414 398	9 949 074	35 363 473
Revaluation gains	-	188 805 985	479 672 123	47 186 862	715 664 970
Balance at end of year	119 910 755	215 621 577	671 169 651	67 693 396	1 074 395 380
Accumulated depreciation and impairment charges					
Balance at beginning of year	2 551 758	3 004 292	25 811 817	2 171 249	33 539 116
Charge to statement of profit or loss	11 833 777	21 430 170	18 947 174	4 299 850	56 510 971
Balance at end of year	14 385 535	24 434 462	44 758 991	6 471 099	90 050 087
Carrying amount at end of year	105 525 220	191 187 115	626 410 660	61 222 297	984 345 293
2022					
Cost/valuation					
Balance at beginning of year	1 572 988	7 708 069	13 470 426	4 144 223	26 895 706
Additions	118 337 767	-	56 948 397	-	175 286 164
Revaluation gains	-	19 107 523	95 875 687	6 414 017	121 397 227
Disposals	-	-	(211 380)	(780)	(212 160)
Balance at end of year	119 910 755	26 815 592	166 083 130	10 557 460	323 366 937
Accumulated depreciation and impairment charges					
Balance at beginning of year	1 169 534	1 638 679	1 905 945	1 326 028	6 040 186
Charge to statement of profit or loss	1 382 224	1 365 613	1 465 044	845 416	5 058 297
Impairment	-	-	22 456 987	-	22 456 987
Disposals	-	-	(16 159)	(195)	(16 354)
Balance at end of year	2 551 758	3 004 292	25 811 817	2 171 249	33 539 116
Carrying amount at end of year	117 358 997	23 811 300	140 271 313	8 386 211	289 827 821

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
9. INVESTMENT PROPERTIES				
9.1 Carrying amount of investment properties				
Balance at beginning of year	31 837 317 676	18 510 477 346	6 625 355 000	1 120 560 000
Fair value adjustment	33 427 879 324	13 326 840 330	58 639 842 000	5 504 795 000
Balance at end of year	65 265 197 000	31 837 317 676	65 265 197 000	6 625 355 000
Comprising of;				
- Commercial properties	55 411 812 000	27 012 913 028	55 411 812 000	5 621 395 000
- Residential properties	9 853 385 000	4 824 404 648	9 853 385 000	1 003 960 000
	65 265 197 000	31 837 317 676	65 265 197 000	6 625 355 000

The fair value of investment properties of ZW$65 265 197 000 for the Society has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used and the significant amount of judgement applied.The reconciliation of carrying amount shown above reconciles the opening balance and the closing balances for level 3 fair values.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
10 INVESTMENT IN SUBSIDIARIES				
10.1 Carrying amount if investment in subsidiaries				
Investment in Finsure Investments (Private) Limited				
Balance at beginning of year	17 065 650 917	10 160 957 070	3 551 366 883	615 109 046
Fair value gain	17 129 786 694	6 904 693 847	30 644 070 729	2 936 257 837
Balance at end of year	34 195 437 611	17 065 650 917	34 195 437 612	3 551 366 883
Investment in Wentspring Investments (Private) Limited				
Balance at beginning of year	145 405 617	187 156 570	30 257 192	11 325 628
Fair value gain / (loss)	90 004 847	(41 750 953)	205 153 271	18 931 564
Balance at end of year	235 410 464	145 405 617	235 410 463	30 257 192
Investment in subsidiaries				
Balance at beginning of year	17 211 056 534	10 348 113 640	3 581 624 075	626 434 674
Fair value gain	17 219 791 541	6 862 942 894	30 849 224 000	2 955 189 401
Balance at end of year	34 430 848 075	17 211 056 534	34 430 848 075	3 581 624 075

10.2 Interest in subsidiaries

	31 Dec 2023	31 Dec 2022
Finsure Investments (Private) Limited	51%	51%
Wentspring Investments (Private) Limited	100%	100%

Finsure Investments (Private) Limited is a property leasing company incorporated in Zimbabwe and Wentspring Investments (Private) Limited is a property development company incorporated in Zimbabwe

10.3 Measurement of fair value

The fair value of investment in subsidiaries has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used and the significant amount of judgement applied. The reconciliation of carrying amount shown above reconciles the opening balances for the level 3 fair values.

Audited Financial Results for the year ended 31 December 2023

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
11. DEPOSITS FROM CUSTOMERS				
11.1 Deposit by type				
Demand accounts	30 967 754 820	15 620 817 525	30 967 754 820	3 250 696 637
Savings accounts	3 799 369	5 382 372	3 799 369	1 120 073
Fixed deposits	16 607 024	83 304 665	16 607 024	17 335 725
	30 988 161 213	15 709 504 562	30 988 161 213	3 269 152 435

Interest for demand accounts was paid at an average paying rate of 0.5% per annum for the year ended 31 December 2023 (2022: 0.5%), for savings accounts interest was paid at 4% (2022: 4%), while for fixed deposits interest was paid at an average rate of 9% per annum (2022: 9%).

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
11.2 Maturity analysis				
On demand	30 974 290 465	15 621 478 380	30 974 290 465	3 250 834 161
Within 1 month	842 916	2 761 324	842 916	574 632
1 month to 6 months	904 873	3 004 138	904 873	625 162
6 months to 12 months	216 399	713 309	216 399	148 440
More than 1 year	11 906 560	81 547 411	11 906 560	16 970 040
	30 988 161 213	15 709 504 562	30 988 161 213	3 269 152 435

	Inflational adjusted				Unaudited Historical cost			
	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution	31 Dec 2023 ZW$	% Contribution	31 Dec 2022 ZW$	% Contribution
11.3 Sectoral analysis								
Private individuals	27 474 901 098	89%	10 628 785 099	68%	27 474 901 098	89%	2 211 853 247	68%
Financial institutions	61 291 012	0%	3 593 652	0%	61 291 012	0%	747 840	0%
Communication	196 124 074	1%	10 932 906	0%	196 124 074	1%	2 275 141	0%
Manufacturing	74 231 321	0%	160 399 695	1%	74 231 321	0%	33 379 223	1%
Distribution	698 120 123	2%	495 944 174	3%	698 120 123	2%	103 206 126	3%
Construction	1 939 745 613	6%	3 467 450 055	22%	1 939 745 613	6%	721 577 358	22%
Agriculture	324 185 624	1%	481 404 011	3%	324 185 624	1%	100 180 314	3%
Services	219 562 348	1%	460 994 970	3%	219 562 348	1%	95 933 186	3%
	30 988 161 213	100%	15 709 504 562	100%	30 988 161 213	100%	3 269 152 435	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
12. TRADE AND OTHER PAYABLES				
Leave pay provision	85 070 809	48 978 988	85 070 809	10 192 541
Creditors and other accounts	2 251 309 519	8 781 002 294	2 251 309 519	1 827 329 113
Deferred income	302 485 120	153 116 348	302 485 120	31 863 556
Intercompany balances	2 859 759 040	2 407 526 674	2 859 759 040	501 006 996
	5 498 624 488	11 390 624 304	5 498 624 488	2 370 392 206

All trade and other payables are current liabilities

13. LEASE LIABILITIES

The Society leases a banking hall under non-cancellable lease agreements. The lease terms are between 4 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

In terms of note 3.9 the Society recognises a lease liability in respect of discounted future payment commitments and accrued notional interest cost, net of any actual payments made during the period for all non-cancellable lease commitments that are assessed as neither short-term nor low value leases.

The movement in the lease liability during the year was as follows:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Balance at beginning of year	578 009 535	12 064 570	120 283 951	730 347
Lease modification	39 697 861	531 907 520	21 215 923	110 690 109
Accrued interest expense posted to profit or loss	169 853 239	35 866 405	64 756 165	4 109 812
Lease commitments paid during the year	(935 957 773)	(18 848 595)	(194 773 083)	(2 638 863)
Gain on lease modification	(15 175 418)	(521 539 985)	(8 110 273)	(108 532 621)
Exchange loss on lease liabilities	807 176 348	557 063 942	807 176 349	115 925 167
Effects of inflation adjustment	166 945 240	(18 504 322)	-	-
Balance at end of year	810 549 032	578 009 535	810 549 032	120 283 951

There were no lease additions during the year.

The Society has estimated that the potential future lease payments, should it exercise the extension option, would be;

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Below 1 year	323 061 920	1 552 433 790	323 061 920	323 061 920
Between 1 and 5 years	969 185 760	6 209 735 162	969 185 760	1 292 247 680
	1 292 247 680	7 762 168 952	1 292 247 680	1 615 309 600

14. DEFERRED TAX LIABILITIES

	Inflation adjusted		
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
2023			
Investment properties	1 591 865 884	1 671 393 966	3 263 259 850
2022			
Investment properties	925 523 867	666 342 017	1 591 865 884

	Unaudited Historical cost		
	Balance at 1 January ZW$	Recognised in profit or loss ZW$	Balance at 31 December ZW$
2023			
Investment properties	331 267 750	2 931 992 100	3 263 259 850
2022			
Investment properties	56 028 000	275 239 750	331 267 750

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
15. EQUITY AND RESERVES				
15.1 Share capital and share premium				
15.1 .1 Share capital				
Authorised;				
100 000 000 ordinary shares of ZW$0.01 each	1 000 000	1 000 000	1 000 000	1 000 000
Issued and fully paid;				
95 481 425 ordinary shares of ZW$0.01 each	1 052 219 370	1 052 219 370	954 814	954 814
15.1 .2 Share premium				
Balance at beginning of year	9 804 575 787	9 804 575 787	8 896 953	8 896 953
Transfer from Functional currency translation reserve	27 784 752	-	18 061 563	-
Balance at end of year	9 832 360 539	9 804 575 787	26 958 516	8 896 953
15.2 Reserves				
Functional currency translation reserve	-	-	-	18 061 563
Property and equipment revaluation reserves	1 088 926 155	885 949 497	867 420 896	151 755 926
Financial assets held at FVTOCI reserve	(1 615 970 062)	-	(362 839 096)	-
Retained income	105 150 444 983	44 243 467 277	114 154 806 784	11 470 660 364
Total reserves	104 623 401 076	45 129 416 774	114 659 388 584	11 640 477 853
16. NET INTEREST INCOME				
16.1 Interest and related income				
16.1.1 Interest income calculated using effective interest rate				
Mortgage advances	15 334 287	59 022 135	5 274 003	7 204 647
Consumer loans	5 838 335 908	2 731 492 546	2 816 799 752	401 413 555
Small business loans	183 501 261	28 068 167	88 533 157	4 124 830
Short term funds and securities	342 796 844	-	289 194 191	-
	6 379 968 300	2 818 582 848	3 199 801 103	412 743 032
16.1.2 Other interest and related income				
Penalty interest income	553 009 440	22 597 102	284 011 892	4 334 215
Other interest income	1 536 115 321	1 059 719 927	547 102 640	175 919 363
	2 089 124 761	1 082 317 029	831 114 532	180 253 578
Total interest income	8 469 093 061	3 900 899 877	4 030 915 635	592 996 610
16.2 Interest and related expense				
16.2.1 Interest expense calculated using effective interest rate				
Fixed deposits	2 033 737	8 814 733	808 950	940 183
Savings and current accounts	123 790 052	47 503 006	73 481 917	7 051 774
	125 823 789	56 317 739	74 290 867	7 991 957
16.2.2 Other interest and related expense				
Finance cost on lease liabilities	169 853 239	35 866 405	64 756 165	4 109 812
Total interest expense	295 677 028	92 184 144	139 047 032	12 101 769
Net interest and related income	8 173 416 033	3 808 715 733	3 891 868 603	580 894 841
17. LOAN IMPAIRMENT ALLOWANCE MOVEMENT				
Balance at beginning of year	359 989 800	301 552 678	74 913 981	18 254 952
Effect of inflation adjustments	(291 944 498)	(213 830 787)	-	-
Charge to statement of profit or loss	867 352 313	272 267 909	860 483 634	56 659 030
Balance at end of year	935 397 615	359 989 800	935 397 615	74 913 982
18. COMMISSIONS, FEES AND OPERATING INCOME				
Account service fees	11 380 973 044	694 862 685	7 405 252 329	102 492 551
Transaction fees	640 431 996	76 982 018	416 709 583	11 354 881
Other commissions and fees	5 001 678 433	3 389 028 350	2 826 817 478	569 391 262
Operating lease rental income	6 349 987 202	2 038 105 902	3 960 501 599	242 485 173
Realised exchange gains	52 837	1 078 670	32 955	159 104
Unrealised exchange gains	8 561 986 325	903 506 860	8 561 986 325	188 020 038
Loss on disposal of equipment	-	(716 549)	-	(149 114)
Dividend income	163 454 913	178 897 909	117 821 935	26 398 583
Other	318 656 539	944 634 255	212 276 815	112 391 387
	32 417 221 289	8 226 380 100	23 501 399 019	1 252 543 865
19. FAIR VALUE ADJUSTMENTS				
Fair value adjustment on:				
Assets at FVTPL	2 912 248 050	363 739 858	6 384 233 630	668 994 471
Investment properties	33 427 879 324	13 326 840 330	58 639 842 000	5 504 795 000
Investments in subsidiaries	17 219 791 541	6 862 942 894	30 849 224 000	2 955 189 401
	53 559 918 915	20 553 523 082	95 873 299 630	9 128 978 872
20. OPERATING EXPENSES				
Operating expenses comprise:				
Staff costs	1 808 684 251	639 842 935	1 267 169 833	105 693 697
Communication expenses	23 482 103	12 571 270	12 202 098	1 998 582
Computer and information technology expenses	5 279 588 782	848 186 080	3 093 694 265	134 138 129
Marketing and promotionvexpenses	1 377 741 105	462 656 693	819 958 553	66 675 597
Occupation expenses	1 053 052 490	322 524 915	777 112 308	50 356 028
Transport costs	48 739 440	28 629 840	30 844 952	4 851 185
Security	360 176 656	328 535 420	279 938 757	39 087 747
Administration expenses	19 346 307 979	5 015 723 527	10 509 024 332	771 209 500
	29 297 772 806	7 658 670 680	16 789 945 098	1 174 010 465
Administration expenses include:				
Directors fees	472 262 393	93 656 614	364 947 889	15 182 038
Shared ZBFH Group administration costs	7 546 495 728	2 440 039 803	4 750 088 575	290 305 559
Shared Service centre costs	2 984 816 688	1 473 536 523	1 386 368 841	306 643 376
Depreciation of property and equipment	274 331 491	32 981 268	56 510 971	5 058 298
Repairs and maintenance costs of Investment properties	171 656 711	218 689 523	122 937 759	26 018 749
Depreciation right of use assets	87 469 108	41 516 938	33 347 401	6 959 425
Impairment of right of use assets	-	5 255 989	-	-
Impairment of property and equipment	947 826	3 900 060	-	22 456 987
Expected Credit Loss adjustments for trade and other receivables	967 903 566	59 477 717	227 690 442	7 076 406
Audit fees	272 153 898	292 286 853	157 697 696	41 384 852
20.1 Staff costs				
Wages and salaries	1 729 005 744	620 260 918	1 219 891 446	101 783 535
NSSA contributions	20 278 632	7 021 721	12 237 009	1 414 768
Pension contributions	59 399 875	12 560 296	35 041 378	2 495 394
	1 808 684 251	639 842 935	1 267 169 833	105 693 697
21. INCOME TAX EXPENSE				
21.1 Income tax recognised in statement of profit or loss				
Tax expense comprises:				
Deferred tax expense	1 671 393 966	666 342 017	2 931 992 100	275 239 750
Total tax expense recognised in statement of profit or loss	1 671 393 966	666 342 017	2 931 992 100	275 239 750

Audited Financial Results for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RISK MANAGEMENT

22.1 Capital risk management

Capital adequacy ratio

	Inflation adjusted		Historical cost	
	31 Dec 2023 ZW$	31 Dec 2022 ZW$	31 Dec 2023 ZW$	31 Dec 2022 ZW$
Share capital	1 052 219 370	1 052 219 370	954 814	954 814
Share premium	9 832 360 539	9 804 575 787	26 958 516	8 896 953
Retained income	105 150 444 983	44 243 467 277	114 154 806 784	11 470 660 364
Tier 1 Capital	116 035 024 892	55 100 262 434	114 182 720 114	11 480 512 131
Functional currency translation reserve	-	-	-	18 061 563
Revaluation reserves	1 088 926 155	885 949 497	867 420 896	151 755 926
Revaluation reserves	(1 615 970 062)	-	(362 839 096)	-
Tier 2 Capital	(527 043 907)	885 949 497	504 581 800	169 817 489
Total capital base	115 507 980 985	55 986 211 931	114 687 301 914	11 650 329 620
Credit risk weighted assets	134 348 890 156	64 848 292 494	134 348 890 156	13 494 948 390
Operational risk equivalent assets	64 871 321 565	30 560 240 334	64 871 321 565	6 359 594 837
Total risk weighted assets	199 220 211 721	95 408 532 828	199 220 211 721	19 854 543 227

22.2.2 Classification and measurement of financial assets and liabilities

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is not a reasonable approximation of fair value.

Inflation adjusted

	CARRYING AMOUNT					FAIR VALUE			
	Instruments at FVTPL ZW$	Amortised cost ZW$	Instruments at FVOCI ZW$	Non-financial instruments ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
As at 31 December 2023									
Financial assets measured at fair value									
Financial assets at FVTPL	7 296 623 408	-	-	-	7 296 623 408	-	-	7 296 623 408	7 296 623 408
Treasury bills	-	-	2 154 570 368	-	2 154 570 368	-	-	2 154 570 368	2 154 570 368
Investments in subsidiaries	34 430 848 075	-	-	-	34 430 848 075	-	-	34 430 848 075	34 430 848 075
	41 727 471 483	-	2 154 570 368	-	43 882 041 851	-	-	43 882 041 851	43 882 041 851
Financial assets not measured at fair value									
Trade and other receivables	-	13 745 171 143	-	51 688 579	13 796 859 722				
Loans and advances	-	15 480 078 940	-	-	15 480 078 940				
Cash and cash equivalent	-	15 730 542 024	-	-	15 730 542 024				
	-	44 955 792 107	-	51 688 579	45 007 480 686				
Financial liabilities not measured at fair value									
Trade and other payables	-	(5 196 139 368)	-	(302 485 120)	(5 498 624 488)				
Deposits from customers	-	(30 988 161 213)	-	-	(30 988 161 213)				
	-	(36 184 300 581)	-	(302 485 120)	(36 486 785 701)				
As at 31 December 2022									
Financial assets measured at fair value									
Financial assets at FVTPL	4 384 375 358	-	-	-	4 384 375 358	-	-	4 384 375 358	4 384 375 358
Investments in subsidiaries	17 211 056 534	-	-	-	17 211 056 534	-	-	17 211 056 534	17 211 056 534
	21 595 431 892	-	-	-	21 595 431 892	-	-	21 595 431 892	21 595 431 892
Financial assets not measured at fair value									
Trade and other receivables	-	2 293 017 560	-	2 219 800	2 295 237 360				
Loans and advances	-	7 576 953 551	-	-	7 576 953 551				
Cash and cash equivalents	-	19 972 376 665	-	-	19 972 376 665				
	-	29 842 347 776	-	2 219 800	29 844 567 576				
Financial liabilities not measured at fair value									
Trade and other payables	-	(11 237 507 956)	-	(153 116 348)	(11 390 624 304)				
Deposits from customers	-	(15 709 504 562)	-	-	(15 709 504 562)				
	-	(26 947 012 518)	-	(153 116 348)	(27 100 128 866)				

Unaudited Historical cost

	CARRYING AMOUNT					FAIR VALUE			
	Instruments at FVTPL ZW$	Amortised cost ZW$	Instruments at FVOCI ZW$	Non-financial instruments ZW$	Total ZW$	Level 1 ZW$	Level 2 ZW$	Level 3 ZW$	Total ZW$
As at 31 December 2023									
Financial assets measured at fair value									
Financial assets at FVTPL	7 296 623 408	-	-	-	7 296 623 408	-	-	7 296 623 408	7 296 623 408
Treasury bills	-	-	2 154 570 368	-	2 154 570 368	-	-	2 154 570 368	2 154 570 368
Investments in subsidiaries	34 430 848 075	-	-	-	34 430 848 075	-	-	34 430 848 075	34 430 848 075
	41 727 471 483	-	2 154 570 368	-	43 882 041 851	-	-	43 882 041 851	43 882 041 851
Financial assets not measured at fair value									
Trade and other receivables	-	13 745 171 143	-	51 085 564	13 796 256 707				
Loans and advances	-	15 480 078 940	-	-	15 480 078 940				
Cash and cash equivalents	-	15 730 542 024	-	-	15 730 542 024				
	-	44 955 792 107	-	51 085 564	45 006 877 671				
Financial liabilities not measured at fair value									
Trade and other payables	-	(5 196 139 368)	-	(302 485 120)	(5 498 624 488)				
Deposits from customers	-	(30 988 161 213)	-	-	(30 988 161 213)				
	-	(36 184 300 581)	-	(302 485 120)	(36 486 785 701)				
As at 31 December 2022									
Financial assets measured at fair value									
Financial assets at FVTPL	912 389 778	-	-	-	912 389 778	-	-	912 389 778	912 389 778
Investments in subsidiaries	3 581 624 075	-	-	-	3 581 624 075	-	-	3 581 624 075	3 581 624 075
	4 494 013 853	-	-	-	4 494 013 853	-	-	4 494 013 853	4 494 013 853
Financial assets not measured at fair value									
Trade and other receivables	-	477 177 616	-	461 941	477 639 557				
Loans and advances	-	1 576 766 221	-	-	1 576 766 221				
Cash and cash equivalents	-	4 156 257 350	-	-	4 156 257 350				
	-	6 210 201 187	-	461 941	6 210 663 128				
Financial liabilities not measured at fair value									
Trade and other payables	-	(2 338 528 650)	-	(31 863 556)	(2 370 392 206)				
Deposits from customers	-	(3 269 152 435)	-	-	(3 269 152 435)				
	-	(5 607 681 085)	-	(31 863 556)	(5 639 544 641)				

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22.3 Liquidity risk

22.3.1 Liquidity gap analysis

Inflation adjusted

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Gross nominal inflow/ (outflow) ZW$
As at 31 December 2023					
Financial assets by type					
Cash and cash equivalents	15 730 542 024	-	-	-	15 730 542 024
Treasury bills	-	-	-	2 585 484 442	2 585 484 442
Loans and other advances	1 923 612 731	3 183 179 477	4 643 866 605	11 187 726 127	20 938 384 940
Trade and other receivables	-	13 796 859 722	-	-	13 796 859 722
Financial assets at FVTPL	-	-	-	7 296 623 408	7 296 623 408
Investment in subsidiaries	-	-	-	34 430 848 075	34 430 848 075
	17 654 154 755	16 980 039 199	4 643 866 605	55 500 682 052	94 778 742 611
Financial liabilities by type					
Deposits from customers	30 981 801 640	916 029	224 432	12 601 109	30 995 543 210
Trade and other payables	-	5 196 139 368	-	-	5 196 139 368
Lease liabilities	26 921 827	134 609 133	161 530 960	969 185 760	1 292 247 680
	31 008 723 467	5 331 664 530	161 755 392	981 786 869	37 483 930 258
Sensitivity gap	(13 354 568 712)	11 647 771 654	4 482 111 213	54 518 895 183	57 294 812 353
Cumulative gap	(13 354 568 712)	(1 706 797 058)	2 775 314 155	57 294 812 353	-

The table above sets out the remaining contractual maturities of the Society's financial assets and liabilities.

Inflation adjusted

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Gross nominal inflow/ (outflow) ZW$
As at 31 December 2022					
Financial assets by type					
Cash and cash equivalents	19 972 376 664	-	-	-	19 972 376 664
Loans and other advances	454 236 967	688 098 291	4 564 278 651	4 562 273 243	10 268 887 152
Trade and other receivables	-	2 295 237 360	-	-	2 295 237 360
Financial assets at FVTPL	-	-	-	4 384 375 359	4 384 375 359
Investment in subsidiaries	-	-	-	17 211 056 534	17 211 056 534
	20 426 613 631	2 983 335 651	4 564 278 651	26 157 705 136	54 131 933 069
Financial liabilities by type					
Deposits from customers	15 627 603 254	3 041 173	739 788	86 304 344	15 717 688 559
Trade and other payables	-	11 237 507 956	-	-	11 237 507 956
Lease liabilities	-	-	-	578 009 534	578 009 534
	15 627 603 254	11 240 549 129	739 788	664 313 878	27 533 206 049
Sensitivity gap	4 799 010 377	(8 257 213 478)	4 563 538 863	25 493 391 258	26 598 727 020
Cumulative gap	4 799 010 377	(3 458 203 101)	1 105 335 762	26 598 727 020	-

The table above sets out the remaining contractual maturities of the Society's financial assets and liabilities.

Unaudited Historical cost

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Gross nominal inflow/ (outflow) ZW$
As at 31 December 2023					
Financial assets by type					
Cash and cash equivalents	15 730 542 024	-	-	-	15 730 542 024
Treasury bills	-	-	-	2 585 484 442	2 585 484 442
Loans and other advances	1 923 612 731	3 183 179 477	4 643 866 605	11 187 726 127	20 938 384 940
Trade and other receivables	-	13 796 256 707	-	-	13 796 256 707
Financial assets at FVTPL	-	-	-	7 296 623 408	7 296 623 408
Investment in subsidiaries	-	-	-	34 430 848 075	34 430 848 075
	17 654 154 755	16 979 436 184	4 643 866 605	55 500 682 052	94 778 139 596
Financial liabilities by type					
Deposits from customers	30 981 801 640	916 029	224 432	12 601 109	30 995 543 210
Trade and other payables	-	5 196 139 368	-	-	5 196 139 368
Lease liabilities	-	-	-	810 549 032	810 549 032
	30 981 801 640	5 197 055 397	224 432	823 150 141	37 002 231 610
Sensitivity gap	(13 327 646 885)	11 782 380 787	4 643 642 173	54 677 531 911	57 775 907 986
Cumulative gap	(13 327 646 885)	(1 545 266 098)	3 098 376 075	57 775 907 986	-

The table above sets out the remaining contractual maturities of the Society's financial assets and liabilities.

Unaudited Historical cost

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Gross nominal inflow/ (outflow) ZW$
As at 31 December 2022					
Financial assets by type					
Cash and cash equivalents	4 156 257 350	-	-	-	4 156 257 350
Loans and other advances	94 526 844	143 193 453	949 827 705	949 410 379	2 136 958 381
Trade and other receivables	-	477 639 557	-	-	477 639 557
Financial assets at FVTPL	-	-	-	912 389 778	912 389 778
Investment in subsidiaries	-	-	-	3 581 624 075	3 581 624 075
	4 250 784 194	620 833 010	949 827 705	5 443 424 232	11 264 869 141
Financial liabilities by type					
Deposits from customers	3 252 108 749	632 869	153 950	17 959 959	3 270 855 527
Trade and other payables	-	2 338 528 650	-	-	2 338 528 650
Lease liabilities	-	-	-	120 283 951	120 283 951
	3 252 108 749	2 339 161 519	153 950	138 243 910	5 729 668 128
Sensitivity gap	998 675 445	(1 718 328 509)	949 673 755	5 305 180 322	5 535 201 013
Cumulative gap	998 675 445	(719 653 064)	230 020 691	5 535 201 013	-

The table above sets out the remaining contractual maturities of the Society's financial assets and liabilities.

22.4 Interest rate risk

22.4.1 Interest rate gap analysis

Inflation adjusted

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2023					
Financial assets by type					
Balances with banks	8 804 295 328	-	-	-	8 804 295 328
Treasury bills	-	-	-	2 154 570 368	2 154 570 368
Loans and other advances	1 748 738 846	2 630 726 841	3 597 108 137	7 503 505 116	15 480 078 940
	10 553 034 174	2 630 726 841	3 597 108 137	9 658 075 484	26 438 944 636
Financial liability by type					
Deposits from customers	30 975 133 381	904 873	216 399	11 906 560	30 988 161 213
Sensitivity gap	(20 422 099 207)	2 629 821 968	3 596 891 738	9 646 168 924	(4 549 216 577)
Cumulative gap	(20 422 099 207)	(17 792 277 239)	(14 195 385 501)	(4 549 216 577)	-

Inflation adjusted

	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2022					
Financial assets by type					
Balances with banks	17 528 670 821	-	-	-	17 528 670 821
Loans and other advances	412 942 692	568 676 275	3 535 459 838	3 059 874 746	7 576 953 551
	17 941 613 513	568 676 275	3 535 459 838	3 059 874 746	25 105 624 372
Financial liability by type					
Deposits from customers	15 624 239 702	3 004 138	713 310	81 547 412	15 709 504 562
Sensitivity gap	2 317 373 811	565 672 137	3 534 746 528	2 978 327 334	9 396 119 810
Cumulative gap	2 317 373 811	2 883 045 948	6 417 792 476	9 396 119 810	-

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Audited Financial Results for the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22.4.1 Interest rate gap analysis (continued)

	Unaudited Historical cost				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2023					
Financial assets by type					
Balances with banks	8 804 295 328	-	-	-	8 804 295 328
Treasury bills	2 154 570 368	-	-	-	2 154 570 368
Loans and other advances	1 748 738 846	2 630 726 841	3 597 108 137	7 503 505 116	15 480 078 940
	12 707 604 542	2 630 726 841	3 597 108 137	7 503 505 116	26 438 944 636
Financial liability by type					
Deposits from customers	30 975 133 381	904 873	216 399	11 906 560	30 988 161 213
Sensitivity gap	(18 267 528 839)	2 629 821 968	3 596 891 738	7 491 598 556	(4 549 216 577)
Cumulative gap	(18 267 528 839)	(15 637 706 871)	(12 040 815 133)	(4 549 216 577)	-

	Unaudited Historical cost				
	Up to 1 month ZW$	2 to 6 months ZW$	7 to 12 months ZW$	Above 12 months ZW$	Carrying amount ZW$
As at 31 December 2022					
Financial assets by type					
Balances with banks	3 647 721 458	-	-	-	3 647 721 458
Money market investments	-	-	-	-	-
Loans and other advances	85 933 493	118 341 697	735 730 213	636 760 818	1 576 766 221
	3 733 654 951	118 341 697	735 730 213	636 760 818	5 224 487 679
Financial liability by type					
Deposits from customers	3 251 408 793	625 162	148 440	16 970 040	3 269 152 435
Sensitivity gap	482 246 158	117 716 535	735 581 773	619 790 778	1 955 335 244
Cumulative gap	482 246 158	599 962 693	1 335 544 466	1 955 335 244	-

22.5 Credit risk

22.5.1 Total loans and advances

	Inflation adjusted 2023				Inflation adjusted 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances								
Good (AAA to BBB-)	15 321 527 361	862 412 837	85 249 396	16 269 189 594	7 683 979 236	131 162 875	20 106 469	7 835 248 580
Special mention (BB+ to CCC-)	106 221 320	8 084 754	3 335 082	117 641 156	64 765 393	2 362 342	1 870 536	68 998 271
Non-performing (CC+ to D)	-	-	28 645 805	28 645 805	-	-	32 696 500	32 696 500
Total loans and advances	15 427 748 681	870 497 591	117 230 283	16 415 476 555	7 748 744 629	133 525 217	54 673 505	7 936 943 351
Treasury bills	2 154 570 368	-	-	2 154 570 368	-	-	-	-
Total exposures	17 582 319 049	870 497 591	117 230 283	18 570 046 923	7 748 744 629	133 525 217	54 673 505	7 936 943 351
Mortgage lending								
Good (AAA to BBB-)	13 197 550	-	970	13 198 520	62 011 500	-	3 220	62 014 720
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	36 069	36 069
Total	13 197 550	-	1 120	13 198 670	62 011 500	-	39 289	62 050 789
Consumer lending								
Good (AAA to BBB-)	12 382 845 732	860 796 957	82 935 507	13 326 578 196	6 408 663 432	130 408 522	19 952 817	6 559 024 771
Special mention (BB+ to CCC-)	106 221 320	3 376 728	3 335 082	112 933 130	64 765 393	2 313 236	1 858 700	68 937 329
Non-performing (CC+ to D)	-	-	25 214 855	25 214 855	-	-	30 412 154	30 412 154
Total	12 489 067 052	864 173 685	111 485 444	13 464 726 181	6 473 428 825	132 721 758	52 223 671	6 658 374 254
Small business lending								
Good (AAA to BBB-)	2 925 484 079	1 615 880	2 312 919	2 929 412 878	1 213 304 304	754 353	150 432	1 214 209 089
Special mention (BB+ to CCC-)	-	4 708 026	-	4 708 026	-	49 106	11 836	60 942
Non-performing (CC+ to D)	-	-	3 430 800	3 430 800	-	-	2 248 277	2 248 277
Total	2 925 484 079	6 323 906	5 743 719	2 937 551 704	1 213 304 304	803 459	2 410 545	1 216 518 308
Treasury bills								
Good (AAA to BBB-)	2 154 570 368	-	-	2 154 570 368	-	-	-	-

	Unaudited Historical cost 2023				Unaudited Historical cost 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total loans and advances								
Good (AAA to BBB-)	15 321 527 361	862 412 837	85 249 396	16 269 189 594	1 599 038 298	27 295 032	4 184 162	1 630 517 492
Special mention (BB+ to CCC-)	106 221 320	8 084 754	3 335 082	117 641 156	13 477 697	491 604	389 259	14 358 560
Non-performing (CC+ to D)	-	-	28 645 805	28 645 805	-	-	6 804 151	6 804 151
Total loans and advances	15 427 748 681	870 497 591	117 230 283	16 415 476 555	1 612 515 995	27 786 636	11 377 572	1 651 680 203
Treasury bills	2 154 570 368	-	-	2 154 570 368	-	-	-	-
Total exposures	17 582 319 049	870 497 591	117 230 283	18 570 046 923	1 612 515 995	27 786 636	11 377 572	1 651 680 203
Mortgage lending								
Good (AAA to BBB-)	13 197 550	-	970	13 198 520	12 904 611	-	670	12 905 281
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	7 506	7 506
Total	13 197 550	-	1 120	13 198 670	12 904 611	-	8 176	12 912 787
Consumer lending								
Good (AAA to BBB-)	12 382 845 732	860 796 957	82 935 507	13 326 578 196	1 333 644 711	27 138 051	4 152 187	1 364 934 949
Special mention (BB+ to CCC-)	106 221 320	3 376 728	3 335 082	112 933 130	13 477 697	481 385	386 796	14 345 878
Non-performing (CC+ to D)	-	-	25 214 855	25 214 855	-	-	6 328 778	6 328 778
Total	12 489 067 052	864 173 685	111 485 444	13 464 726 181	1 347 122 408	27 619 436	10 867 761	1 385 609 605
Small business lending								
Good (AAA to BBB-)	2 925 484 079	1 615 880	2 312 919	2 929 412 878	252 488 976	156 981	31 305	252 677 262
Special mention (BB+ to CCC-)	-	4 708 026	-	4 708 026	-	10 219	2 463	12 682
Non-performing (CC+ to D)	-	-	3 430 800	3 430 800	-	-	467 867	467 867
Total	2 925 484 079	6 323 906	5 743 719	2 937 551 704	252 488 976	167 200	501 635	253 157 811
Treasury bills								
Good (AAA to BBB-)	2 154 570 368	-	-	2 154 570 368	-	-	-	-

22.5.2 Expected credit loss for total loans and advances

An analysis of changes in ECL in relation to loans and advances are as follows

	Inflation adjusted 2023				Inflation adjusted 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total ECL for loans and advances								
Good (AAA to BBB-)	717 642 426	169 640 157	29 467 260	916 749 843	304 320 635	39 977 076	7 463 892	351 761 603
Special mention (BB+ to CCC-)	6 847 052	4 494 365	1 706 773	13 048 190	2 318 464	403 291	826 611	3 548 366
Non-performing (CC+ to D)	-	-	5 599 582	5 599 582	-	-	4 679 831	4 679 831
Total	724 489 478	174 134 522	36 773 615	935 397 615	306 639 099	40 380 367	12 970 334	359 989 800
ECL for mortgage lending								
Good (AAA to BBB-)	-	-	183	183	1 260 464	-	67	1 260 531
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	15 906	15 906
Total	-	-	183	183	1 260 464	-	15 973	1 276 437
ECL for consumer lending								
Good (AAA to BBB-)	632 614 219	168 632 656	27 498 042	828 744 917	300 508 228	39 668 297	7 397 025	347 573 550
Special mention (BB+ to CCC-)	6 847 052	124 295	1 706 773	8 678 120	2 318 464	381 398	826 611	3 526 473
Non-performing (CC+ to D)	-	-	2 405 834	2 405 834	-	-	4 079 639	4 079 639
Total	639 461 271	168 756 951	31 610 649	839 828 871	302 826 692	40 049 695	12 303 275	355 179 662
ECL for small business lending								
Good (AAA to BBB-)	85 028 207	1 007 501	1 969 035	88 004 743	2 551 943	308 779	66 800	2 927 522
Special mention (BB+ to CCC-)	-	4 370 070	-	4 370 070	-	21 893	-	21 893
Non-performing (CC+ to D)	-	-	3 193 748	3 193 748	-	-	584 286	584 286
Total	85 028 207	5 377 571	5 162 783	95 568 561	2 551 943	330 672	651 086	3 533 701

	Unaudited Historical cost 2023				Unaudited Historical cost 2022			
	STAGE 1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$	STAGE1 ZW$	STAGE 2 ZW$	STAGE 3 ZW$	TOTAL ZW$
Total ECL for loans and advances								
Good (AAA to BBB-)	717 642 426	169 640 157	29 467 260	916 749 843	63 329 213	8 319 241	1 553 238	73 201 692
Special mention (BB+ to CCC-)	6 847 052	4 494 365	1 706 773	13 048 190	482 473	83 925	172 018	738 416
Non-performing (CC+ to D)	-	-	5 599 582	5 599 582	-	-	973 874	973 874
Total	724 489 478	174 134 522	36 773 615	935 397 615	63 811 686	8 403 166	2 699 130	74 913 982
ECL for mortgage lending								
Good (AAA to BBB-)	-	-	183	183	262 303	-	14	262 317
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	3 310	3 310
Total	-	-	183	183	262 303	-	3 324	265 627
ECL for consumer lending								
Good (AAA to BBB-)	632 614 219	168 632 656	27 498 042	828 744 917	62 535 850	8 254 984	1 539 323	72 330 157
Special mention (BB+ to CCC-)	6 847 052	124 295	1 706 773	8 678 120	482 473	79 369	172 018	733 860
Non-performing (CC+ to D)	-	-	2 405 834	2 405 834	-	-	848 974	848 974
Total	639 461 271	168 756 951	31 610 649	839 828 871	63 018 323	8 334 353	2 560 315	73 912 991
ECL for small business lending								
Good (AAA to BBB-)	85 028 207	1 007 501	1 969 035	88 004 743	531 060	64 257	13 901	609 218
Special mention (BB+ to CCC-)	-	4 370 070	-	4 370 070	-	4 556	-	4 556
Non-performing (CC+ to D)	-	-	3 193 748	3 193 748	-	-	121 590	121 590
Total	85 028 207	5 377 571	5 162 783	95 568 561	531 060	68 813	135 491	735 364

Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of ZB Financial Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of ZB Financial Holdings Limited and its subsidiaries ('the group and company') set out on pages 17 to 236 which comprise of the inflation adjusted consolidated and separate statements of financial position as at 31 December 2023, the inflation adjusted consolidated and separate statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statements of changes in equity and the inflation adjusted consolidated and separate statements of cash flows for the year then ended, and notes to the inflation adjusted consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraph, the inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of the group and company as at 31 December 2023, and their inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Building Society Act (Chapter 24:02), the Insurance Act (Chapter 24:07), the Securities and Exchange Act (Chapter 24:25) and the Microfinance Act (Chapter 24:29).

Basis for Qualified Opinion

Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"

As indicated on Note 3.1.1 to the inflation adjusted consolidated and separate financial statements, the functional currency of the Group and its subsidiaries is the Zimbabwean Dollar (ZWL).The inflation adjusted consolidated and separate financial statements are presented in Zimbabwean Dollars. However, during our audit, we identified discrepancies related to the functional currency used by Mashonaland Holdings Limited, "Mash", a subsidiary of the Group. The functional currency was incorrectly identified as Zimbabwean Dollars (ZWL), whereas our audit procedures have evidenced that effective the 3rd quarter of 2023, the United States Dollars (USD) would have been the appropriate functional currency as per IAS 21 "The Effects of Changes in Foreign Exchange Rates."

We believe that events in the market as well as specific circumstances at Mashonaland Holdings Limited supports that there was a change in its functional currency from ZWL to USD. This impacts the basis for measuring transactions that occurred during the year ended 31 December 2023, the valuation of assets and liabilities at year end as well as the accounting for foreign exchange differences. We believe that the inflation adjusted consolidated financial statements should have been adjusted for these changes.

Therefore, had the USD been designated as the functional currency of Mashonaland Holdings Limited; the following financial statement line items in the accompanying inflation adjusted consolidated financial statements, would have been materially different.

Inflation Adjusted Consolidated Statement of Financial Position

- Investment Property - ZWL646 773 075 000 of Mash included in ZWL902 768 230 521 of the Group.
- Retained Income - ZWL320 569 199 640 of Mash included in ZWL617 845 088 222 of the Group.
- Foreign currency translation reserve – ZWL Nil of Mash included in ZWL1 928 832 319.

Inflation Adjusted Consolidated Statement of Profit or Loss and other Comprehensive Income

- Fair value adjustments -ZWL320 800 163 652 of Mash included in ZWL468 635 037 753 of the Group.

Consequently deferred tax and income tax may be impacted.

The misstatements have however not been quantified due to the magnitude of the transactions requiring translation and availability of information.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the inflation adjusted Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated and separate financial statements of the current period. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the inflation adjusted consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the inflation adjusted consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying inflation adjusted consolidated and separate financial statements.

The Key Audit Matters apply only to the audit of the inflation adjusted consolidated financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">1. Impairment of mortgages and other advances</td></tr>
<tr><td>
As disclosed in Note 7 to the inflation adjusted consolidated financial statements, the carrying value of mortgages and other advances is significant and amounted to ZWL 947 121 776 721 as at 31 December 2023 (2022: ZWL 287 506 913 224).

The related accumulated impairment provision amounted to ZWL 50 853 334 809 (2022: ZWL 20 112 327 484) as disclosed in Note 7.1.

The Group provides for impairment on mortgages and other advances based on the expected credit losses model (ECL) in terms of IFRS 9 – Financial Instruments.

This was considered a key audit matter as the determination of the ECL requires significant judgements and assumptions such as:

• The estimation of the key components of the expected credit loss ("ECL") provisions, that is, the probability of default (PD), loss given default (LGD) and exposure at default (EAD).

• In the EAD calculation for ECL, collateral values bring about complexity due to their volatile nature, given the hyperinflationary economy in Zimbabwe. Fluctuating collateral values impact the assessment of net exposures and expected future cashflows. This require constant revaluation to ensure accurate exposure at default amounts are determined, ultimately impacting the expected credit loss under IFRS 9.

• Determination of Impairment indicators, uncertainties and assumptions made by management in their assessment of the recoverability of the exposure especially as it relates to expected future cashflows and recoverability of collateral.

• The allocation of assets to stage 1, 2, or 3 on a timely basis using criteria in accordance with IFRS 9. This includes allocation of appropriate credit grade ratings to customers.

• Determination of appropriate forward-looking information to incorporate in the ECL model considering the current economic environment which is volatile.

• Estimation of the loss rates for the non-performing loans including assessment of the ageing of defaulted assets, the type of collection process followed as well as the impact of the
</td><td>
We obtained an understanding of the approval of credit facilities; the subsequent monitoring and remediation of exposures including collateral management and the evaluation of credit risk ratings and tested the relevant controls relating to the approval of credit facilities. Furthermore, our procedures included the following:

• We tested the completeness and accuracy of data used in the ECL computations by management.

• We considered the impairment indicators, uncertainties and assumptions made by management in their assessment of the recoverability of the exposure. For a sample of loans, we independently recalculated the expected credit losses based on our assessment of the expected cash flows and recoverability of collateral.

• For collateral held, we inspected valuation reports and supporting documentation to confirm the existence and adequacy of the collateral.

• We also selected a sample of loans to trace back to their last date of repayment to confirm correct staging of the loans.

For model-based portfolio expected credit losses which considers the performing and the non-performing book, with the assistance of our experts we evaluated:

• The design and implementation of the models, including significant assumptions and the quality of the observable data used to derive model parameters in relation to our understanding of industry norms.

• The reasonableness of the expected credit losses model methodology used to determine the probability of default, loss given default, exposure at default and the emergence periods (together the “modelled parameters” excluding model parameter overrides) which are used to compute the performing portfolio provision in relation to their knowledge of the client and the industry.

• The reasonableness of the probability of default and loss given default (loss rates) estimated by management for the non-performing book allowing for the ageing of defaulted assets, the type of collection process followed as well as the impact of the treatment of renegotiated and cured loans in the expected credit losses model.
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treatment of renegotiated and cured loans in the expected credit losses model. • Additionally, the ECL models in use had their last calibration conducted in the year 2018. This considerable time gap since the last calibration poses a significant challenge, as the models are deemed outdated. Key inputs to the model such as loss given default require incorporation of forward-looking information in line with IFRS 9 requirements. Such information requires regular updates due to the hyperinflationary environment in which the company operates. To address this matter, management, with the guidance of an expert, sought to perform back testing procedures in order to determine whether the ECL models were still operating as intended. These procedures took considerable time and effort and required extensive discussions with Management. Management's approach and key assumptions are included on accounting policy Note 2.2.2.5 - Key Sources of Estimation Uncertainty; Note 7 – Mortgages and other advances and Note 39.2.4 of the inflation adjusted consolidated financial statements.	• The appropriateness of the modelling techniques (inputs, assumptions, methodology and performance) used by the Group against IFRS 9 and regulatory guidelines. This entailed Documentation reviews, Governance reviews, Conceptual Validation and Statistical Validation and back testing validation. • The appropriateness of the Macro Economic Variable Model which is used to incorporate a forward-looking probability of default to the ECL model for the Group. • For a sample of loans, through an independent computation of ECL to confirm the model results and conclusions on model performance reported by the Group, we performed the following procedures: a) Replication of staging and computation of ECL b) Verification of ECL input data into the models c) Replication of ECL parameter computations. • An in-depth review process of the back testing back testing reports to closely scrutinize the performance of the ECL models. This involved examining the predictive accuracy of the models by comparing the estimated losses against the actual credit losses that occurred. • An impact assessment to understand the ramifications of relying on the outdated ECL models. The assessment focused on identifying the implications for financial reporting, risk management, and regulatory compliance. It looked at the potential distortions in estimated credit losses due to hyperinflation and the lack of updated data inputs. • Review of financial statements for adequacy of disclosures as per the requirements of IFRS 9.
Key Audit Matter	**How the matter was addressed in the audit**
2. IFRS 17 - *Insurance Contracts* - Implementation and Reporting	
On 1 January 2023, the Group's Insurance Cluster entities adopted IFRS 17 - "Insurance Contracts" ('IFRS 17'), which replaced IFRS 4 – "Insurance Contracts". The Insurance Cluster applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 January 2022, as described in Note 2.1.3 to the inflation adjusted consolidated financial statements, in	Our procedures on the application of IFRS 17 included, amongst others: • We obtained an understanding and evaluated the design and implementation of management's controls over the adoption of IFRS 17 accounting policies and the significant estimates and

accordance with the accounting policies outlined in the same note. The standard was adopted using the full retrospective approach for contracts measured under the Premium Allocation Approach (PAA), and the modified retrospective approach for contracts measured in terms of the General Measurement Model (GMM) and the Variable Fee Approach. As a result, certain 2022 comparative amounts as presented in these financial statements have been restated for the adoption of IFRS 17. The impact of the initial application of IFRS 17 on the consolidated financial statements was an increase of ZW$16.4 billion to the Group's total equity as at 1 January 2022. We assessed the impact of the initial application of IFRS 17 to be an area of focus due to the judgement applied and the complexity of the initial application. Such areas of key judgment and complexity included: • Consideration and preparation of key accounting policies under IFRS 17. • Determination of measurement models which are appropriate for the Group's insurance products. • With the support of management's actuaries, determination of key accounting estimates and assumptions which included measurement of the Group's life and re-insurance contract assets and liabilities, including the loss components or Contractual Service Margins (CSM) at the transition date. • Determination of key inputs such as future cashflows, contractual service margin, risk adjustment and discount rates. • Identification and application of appropriate transition approaches. • Computation of the transition balances. This required the application of significant auditor judgment and involved specialised actuarial skills and knowledge to assist in evaluating and assessing management's judgements and assumptions. Accordingly, we have identified the initial application of IFRS 17 as a key audit matter. The critical accounting judgements and impact of the initial application of IFRS 17 are set out in Note 2.1.3.1 to the inflation adjusted consolidated financial statements.	assumptions used in the determination of the Group's insurance contracts. • With the support of our internal Actuarial specialists, we evaluated the related accounting policies and actuarial methodologies to assess compliance with IFRS 17. The methodologies included classification of contracts in terms of the three different measurement approaches (the General Model, the Premium Allocation Approach and the Variable Fee Approach); the transition and valuation approaches and the wide range of financial & non-financial assumptions. • With respect to the transition approaches applied in the calculation of the CSM, evaluated the Group's assessment of the availability of reasonable and supportable historical information required by the full retrospective approach and the appropriateness of simplifications, under the modified retrospective approach, or fair value approach applied and where applicable conducted testing to underlying contracts and data. • Assessed the appropriateness and consistency of key assumptions (both new and revised) considering industry and other external sources of benchmarking where applicable, and knowledge of the products and the requirements of IFRS 17. • Performed testing of the completeness and accuracy of data used in the calculation of the transition balances to underlying source systems on a sample basis. • Considered whether the associated transition disclosures in the financial statements are in compliance with IFRS 17 parameters and with the methodologies and assumptions approved by the directors.

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<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">3. Valuation of life and non-life Insurance contract liabilities and assets</td></tr>
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As of December 31, 2023, the Group incurred insurance and reinsurance contract liabilities totalling ZW$115.9 billion and ZW$6.1 billion respectively, Similarly , as at that date, the Group held insurance and reinsurance contract assets of ZWL$50.4 billion and ZWL$50.1 billion respectively under the IFRS 17 guidelines. The valuation of these assets and liabilities relies heavily on forecasting the present value of future cash flows (PVFCF). Expert judgment, integrated within complex actuarial models, is essential, drawing from subjective assumptions regarding forthcoming events, including mortality rates, persistency, and economic conditions. Given the prolonged nature of life insurance commitments, even minor adjustments to these assumptions can profoundly impact future cash flow valuations.
The actuarial assessments rely on sophisticated models and methodologies, for which the outcomes can be affected to a greater extent by flawed assumptions or inaccurate data inputs. Moreover, alterations in assumptions affecting the PVFCF for future coverage directly influence the release of the Contractual Service Margin (CSM) both in the current period and in subsequent years.
Given the complexity and subjective nature of this process, we have identified life and non-life insurance contract assets and liabilities, as of most significance in our audit of the current year financial statements and therefore a key audit matter.
The disclosures related to the insurance and reinsurance contract assets and liabilities are included on Note 22 to the inflation adjusted consolidated and separate financial statements.
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Our procedures over the life and non-life Insurance contract liabilities and assets included, amongst others:
Obtained an understanding and evaluated the design and implementation of management's controls over the significant estimates and assumptions used in the determination of the Cluster's insurance contracts, including model data inputs.
In collaboration with our actuarial specialists, our audit procedures included:

Evaluated the key assumptions used, including their reasonableness based on experience studies, our knowledge of the industry, the products offered and available market and macroeconomic data. This included the review of a sample of experience studies supporting specific assumptions.
As data input and completeness is a critical component in the determination of insurance/reinsurance assets and liabilities, we performed completeness tests of policyholder data from policy administration systems to the actuarial systems, leveraging management's key reconciliation controls where applicable.
Tested the methodology and logic of models used through independent recalculations on a sample of models, and a comparison of calculation logic to industry-comparable models.
We assessed the appropriateness of management's data and assumptions applied in determining the CSM, including the coverage units for reasonability.
For significant model changes, we performed a review of the model/code changes, as necessary, and where appropriate, replicated the change impacts or assessed the methodology, assumptions, and results of the significant model changes.
Reviewed analysis of actual experience over expected results for any unusual or unexpected results, ensuring these results were consistent with our audit tests of detail.

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Other matter

The prior year inflation adjusted consolidated and separate financial statements were audited by another auditor who issued an unmodified opinion on 19 April 2023.

Other Information

The other information comprises the Chairman's statement, the Group Chief Executive Officer's Statement, the Report of the Directors, the Directors' Responsibility Statement, and the unaudited historical cost financial information received before the date of this report. It also includes information included in the Annual Report expected to be received after the date of this report.

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

In connection with our audit of the inflation adjusted consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for qualified opinion section above Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", we have concluded that the other information is materially misstated for the same reason with respect to non-compliance with IAS 21.

Responsibilities of the Directors for the inflation adjusted Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), , the Banking Act (Chapter 24:20), the Building Society Act (Chapter 24:02), the Insurance Act (Chapter 24:07), the Securities and Exchange Act (Chapter 24:25) and the Microfinance Act (Chapter 24:29). and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the inflation adjusted Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated and separate financial statements, including the disclosures, and whether the inflation adjusted consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mrs Elina Bvurere (PAAB Practising Certificate Number 0462).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare

Date: 27 May 2024