EcoCash
HOLDINGS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

Audited Abridged Consolidated Financial Statements
for the year ended 29 February 2024

HIGHLIGHTS

Key Performance Indicators (Continuing Operations)

Revenue	Gross Profit	Profit after Tax	Basic earnings per share
Increased by	Increased by	Increased by	Increased by
64%	63%	423%	357%
ZW$875 billion	ZW$758 billion	ZW$287 billion	ZW$88.17

Chairperson's statement

OPERATING ENVIRONMENT

FY24 was a pivotal year for EcoCash Holdings, characterized by a drive to consolidate and expand our services, building on the efforts and achievements of the preceding year. During the year, EcoCash Holdings navigated a dynamic operating environment characterized by evolving market trends and regulatory changes. We remained agile and adaptive, capitalizing on emerging opportunities while addressing challenges to sustain our leadership in the digital financial services sector. Our dedication to delivering cutting-edge solutions and customer-centric services has positioned us at the forefront of the evolving digital financial landscape.

KEY DEVELOPMENTS

Scheme of Reconstruction

The EGM to consider and approve the proposed scheme of reconstruction was held on the 17th of April 2024. The shareholders approved the scheme of reconstruction where all non-banking assets will be transferred from EcoCash Holdings Zimbabwe Limited to Econet Wireless Zimbabwe Limited. The Scheme of Reconstruction will not result in the delisting of EcoCash Holdings Zimbabwe Limited from the Zimbabwe Stock Exchange.

Subject to regulatory approval, only the banking unit, Steward Bank, will remain under EcoCash Holdings and has been classified as Continuing Operations in the audited Financials under review. Businesses transferring to Econet have been classified as Discontinuing Operations and are shown separately in the Financial Statements in line with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

OPERATIONS REVIEW

Continuing Operations

Digital Banking

The financial year under review reflects a decade of Steward Bank promoting digital financial inclusion through pioneering products and services in the Zimbabwean market. The bank has been at the forefront of competitiveness in the banking industry pushing boundaries to provide innovative banking solutions.

The banking services division has observed considerable growth in the adoption of USD banking services. Notably, VISA card transaction values achieved a 115% increase affirming the bank's position as a market leader.

The increasing prevalence of USD transactions in the economy has been followed by considerable growth in FCA accounts. To further enhance the USD banking experience for customers, Steward Bank introduced the FCA Debit card, providing added convenience for local USD transactions. This addition aligns with our commitment to offering seamless and accessible banking services. The Point of Sale (POS) network saw improved devices distributed throughout our network of merchant partners for acquiring both local currency and USD transactions on the same POS device.

The launch of the Agent Portal to support the agency banking model during the year has significantly improved access for Steward Bank customers. With the integration of USSD services, the Agent Portal enables customers to access banking services through a simple mobile device, expanding the reach of our services to 130 locations and improving customer experience.

Steward Bank is fully compliant with the Tier 1 capital requirements prescribed by the Reserve Bank of Zimbabwe.

Discontinued Operations

Mobile Money

The mobile money business experienced consistent growth in customer base, transaction volumes and values particularly for USD transactions, due to the efficient distribution network, enhanced customer experience, and sustained innovation. EcoCash also reintroduced Kashagi loans in USD, making the loan application process instant and hassle-free. The mobile money partnership network expanded significantly, enabling various sectors such as agriculture, corporates, NGOs, and pensions to process payroll and cash disbursements conveniently. Integration of USD payments rails with partners and banking institutions further strengthened EcoCash's value proposition, providing customers with a wider range of services and benefits.

Insurtech

EcoSure, the life insurance division, witnessed growth in the core funeral value proposition and relaunched the "Enda Education Cover" to provide comprehensive coverage for your child's education in case of unfortunate events. The year saw the introduction of "Airtime Cover," a unique bundled product that bundles airtime and data purchases with life insurance cover. The company has seen significant growth in USD policies, on account of synergies realized from the uptake of the USD EcoCash wallet.

The short-term insurance business, Moovah, has forged strategic partnerships to enhance the efficiency of insurance claim resolutions, particularly for vehicles. The number of customer touch points for vehicle insurance has increased from 150 to 250 by the end of FY24, resulting in an increase of our market share. The goal is to provide exceptional service standards and convenience for our customers, with partnerships benefiting key sectors such as mining, manufacturing, tourism, and agriculture.

Other business segments

Vaya Technologies has focused on nurturing anchor businesses in Healthtech, Agritech, and On-Demand Services. They have expanded their offerings and delivered innovative solutions in these sectors. One of Vaya Technologies' recent launches, 'Asset Track,' is an IoT-powered solution that has contributed to a 32% growth in connections. Vaya Technologies is committed to enhancing and optimizing products and services in these sectors, driven by a strong belief in the potential and opportunities they offer.

FINANCIAL PERFORMANCE

On the 5th of April 2024, Statutory Instrument 60 of 2024 was gazetted where the Reserve Bank of Zimbabwe issued a new currency, Zimbabwe Gold (ZiG), which replaced the Zimbabwe Dollar. This report has been presented in ZW$ which is the reporting currency for the year ended 29 February 2024.

The report of the Directors is based on inflation-adjusted financial statements, which are the primary financial statements. Historical financial statements have been presented as supplementary information. To comply with International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies (IAS 29) in the preparation of our financial statements, the Group estimated and applied inflation rates for the year ended 29 February 2024 based on the Total Consumption Poverty Line published by ZIMSTAT. The Directors caution users of the financial statements on the usefulness of these reported inflation -adjusted financial results, in light of distortions that arise when reporting in a hyperinflationary economy.

The results for Ecocash Holdings continuing operations exclude the businesses transferring to EWZL in line with IFRS 5 "Non-Current Assets Held for Sale and discontinued operations.

EcoCash Holdings recorded revenue of ZW$874.7 billion for the period, a 64% increase from the prior period's ZW$534.1 billion. Profit for the year was ZW$287.3 billion, a 423% increase from prior year loss of ZW$89 billion. Foreign exchange losses from debentures reduced by 40% compared to prior year following the settlement of the debentures during the year. The Group is confident that the Bank's contribution will grow next year on the back of the Bank's diversification strategy.

The loss for the year from discontinued operations was ZW$42.1 billion, a reduction from the previous year's position of ZW$151.6 billion due to the cost optimisation that increased operational efficiencies.

The business continues to leverage on technology to strengthen the control environment in line with the combined assurance model.

DIVIDEND DECLARATION

The Directors have decided not to declare a dividend for the period under review as they continue to assess the economic environment.

SUSTAINABILITY

The Group maintains a steadfast dedication to upholding the principles of the Global Reporting Initiative ("GRI") protocol. This dedication aligns with internationally recognized frameworks for responsible business conduct, including the UN Global Compact's ten principles. Our commitment extends to ensuring long-term sustainability by adhering to robust environmental, social, and governance (ESG) practices. Our ESG approach is aligned with the relevant Sustainable Development Goals ("SDGs"). We are committed to sustainable development within our operating environment. As we strive for long-term business success, we persistently reinforce our sustainability practices and values throughout our operations, continuously seeking improvement.

BUSINESS OUTLOOK

Post the Scheme of Reconstruction, the Bank, which will be the remaining unit under EcoCash Holdings, is poised to drive a digital banking expansion as it invests in technologies to enhance operational efficiencies and increase the product offering to customers. These technological innovations will necessitate a parallel scaling up of the Bank's underlying systems and processes and grow shareholder value.

The businesses being transferred to EWZL post the scheme of reconstruction will leverage on the MNO customer base and technologies to scale up and increase operating efficiencies through leveraging on synergies.

APPRECIATION

On behalf of the Board, I extend heartfelt gratitude to our customers, business partners, shareholders, and other stakeholders for their unwavering support. I would also like to extend my gratitude to the EcoCash Holdings employees, management, executive team, and my fellow directors for their effort during the year under review. Their unwavering passion, commitment, and dedication has been pivotal to ensuring our continuous growth and prosperity.

On behalf of the Board

Sherree Shereni
Board Chairperson

24 June 2024

EcoCash HOLDINGS

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012) ZSE Alpha Code: EHZL.zw ISIN ZW0009012437

EcoCash | STEWARD BANK | Moovah | Maisha Health Fund | EcoSure | ownai | Maisha | mars | akello | VAYA TECHNOLOGIES

Audited Abridged Consolidated Financial Statements For the year ended 29 February 2024

Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 29 February 2024

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		2024 ZW$ '000	2023 ZW$ '000 Restated**	**2024 ZW$ '000**	2023 ZW$ '000 Restated**
Continuing Operations					
Revenue		**874,707,786**	**534,101,367**	**182,235,861**	**22,214,861**
- Interest revenue calculated using the effective interest method		200,077,614	236,514,981	41,629,273	10,073,284
- Non-interest revenue		674,630,172	297,586,386	140,606,588	12,141,577
Cost of sales and external services rendered		(83,632,837)	(45,383,179)	(18,940,298)	(1,978,465)
Impairment on financial assets charge: expected credit loss allowances on loans and advances to bank customers		(33,293,529)	(23,216,541)	(33,293,529)	(1,241,669)
Gross profit		**757,781,420**	**465,501,647**	**130,002,034**	**18,994,727**
Other income		126,117,057	112,002,237	614,298,166	18,671,813
Other expenses		(398,580,254)	(89,484,210)	(50,568,727)	(1,031,671)
General administrative expenses:		(1,309,301,048)	(227,908,371)	(131,298,214)	(9,429,996)
- Administration expenses		(716,045,230)	(412,872,826)	(148,617,483)	(16,964,516)
- Impairment on financial assets charge: expected credit loss allowances on items other than loans and advances		(39,107,690)	(38,453,037)	(39,642,081)	(3,165,710)
- Depreciation, amortisation and impairment		(93,734,256)	(75,304,508)	(14,376,753)	(1,609,462)
- Foreign exchange (losses) / gains arising from items other than debenture related liabilities		(460,413,872)	298,722,000	71,338,103	12,309,692
Marketing and sales expenses		(60,048,455)	(32,937,273)	(11,745,809)	(1,344,083)
Foreign exchange losses arising from debenture related liabilities		(350,525,206)	(586,052,671)	(79,216,601)	(22,101,579)
Gain on net monetary position		1,671,053,344	506,929,298	-	-
Profit before net finance costs		**436,496,858**	**148,050,657**	**471,470,849**	**3,759,211**
Finance costs		(30,378,592)	(49,155,265)	(3,600,258)	(1,080,329)
Profit before taxation		**406,118,266**	**98,895,392**	**467,870,591**	**2,678,882**
Income tax expense		(76,686,078)	(36,327,231)	(47,186,606)	(3,126,061)
Profit / (Loss) for the year		**329,432,188**	**62,568,161**	**420,683,985**	**(447,179)**

Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)
For the year ended 29 February 2024

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		2024 ZW$ '000	2023 ZW$ '000 Restated**	**2024 ZW$ '000**	2023 ZW$ '000 Restated**
Discontinued operations					
(Loss) / Profit for the year from discontinuing operations		(42,092,328)	(151,597,059)	(39,225,790)	1,400,692
Profit / (Loss) for the year		**287,339,860**	**(89,028,898)**	**381,458,195**	**953,513**
Other comprehensive income for the year Items that may not to be reclassified to profit or loss		**60,316,918**	**375,686,484**	**534,810,433**	**29,255,112**
Gain arising on revaluation of property and equipment		82,104,723	498,642,109	715,131,727	38,750,465
Taxation effect of other comprehensive income		(21,787,805)	(122,955,625)	(180,321,294)	(9,495,353)
Comprehensive income for the year		**347,656,778**	**286,657,586**	**916,268,628**	**30,208,625**
Profit / (Loss) for the year attributable to:		**287,339,860**	**(89,028,898)**	**381,458,195**	**953,513**
Equity holders of parent		293,671,284	(72,155,715)	371,340,831	866,650
Non-controlling interest		(6,331,424)	(16,873,183)	10,117,364	86,863
Other comprehensive income attributable to:		**60,316,918**	**375,686,484**	**534,810,433**	**29,255,112**
Equity holders of parent		59,810,982	372,535,242	529,656,895	28,973,204
Non-controlling interest		505,936	3,151,242	5,153,538	281,908
Total comprehensive income for the year		**347,656,778**	**286,657,586**	**916,268,628**	**30,208,625**
Earnings per share attributable to owners of the parent in the financial statements					
Basic and diluted earnings / loss per share (ZW$)	7	88.168	(34.366)	117.048	0.368
Headline earnings / (loss) per share (ZW$)	7	87.970	(12.970)	117.019	0.446

**The historical cost financial information is unaudited and has been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*
***Comparatives have been restated as per par 34 of IFRS 5.*

Abridged Consolidated Statement of Financial Position
As at 29 February 2024

	Notes	INFLATION ADJUSTED			HISTORICAL COST*		
		2024 ZW$ '000	2023 ZW$ '000	1 March 2022 ZW$ '000	**2024 ZW$ '000**	2023 ZW$ '000	1 March 2022 ZW$ '000
ASSETS							
Intangible assets		167,300,295	178,041,698	179,631,315	4,182,270	1,181,335	684,994
Property and equipment		336,892,590	843,525,400	585,049,905	287,210,788	43,232,014	8,490,288
Right of use assets		16,660,677	13,225,570	8,678,177	693,144	421,275	43,306
Investment property		395,572,000	413,236,461	114,173,431	395,572,000	22,100,747	1,888,757
Inventories		25,584,931	33,771,833	47,790,303	1,734,976	730,666	115,592
Current tax assets		16,249,678	-	-	16,249,678	-	-
Amounts owed by related party companies		1,562,465	2,838,371	7,302,614	1,562,465	151,802	120,284
Trade and other receivables		165,671,972	515,741,069	416,276,489	114,445,878	22,793,338	5,954,483
Loans and advances to bank customers		426,803,977	522,575,302	403,890,004	426,803,977	27,948,416	6,681,503
Treasury bills and government bonds		158,276,467	228,634,678	353,249,363	158,276,467	12,227,859	5,843,761
Financial assets at fair value through profit and loss	8	165,752,221	199,323,891	369,276,618	165,752,221	10,660,257	6,108,898
Insurance contract assets		-	-	55,286	-	-	915
Reinsurance contract assets		-	44,132,119	57,996,608	-	1,963,859	949,520
Cash and cash equivalents		351,760,377	753,264,724	400,515,865	351,760,377	40,286,167	6,625,685
Total assets from Continuing operations		**2,228,087,650**	**3,748,311,116**	**2,943,885,978**	**1,924,244,241**	**183,697,735**	**43,507,986**
Assets in disposal group classified as held for sale		1,539,745,308	-	-	1,185,653,338	-	-
Total assets		**3,767,832,958**	**3,748,311,116**	**2,943,885,978**	**3,109,897,579**	**183,697,735**	**43,507,986**
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital and share premium		164,755,039	8,619,185	8,619,185	156,138,477	2,591	2,591
(Accumulated losses) / Retained earnings		(17,235,811)	(310,907,095)	(195,260,968)	372,481,888	1,141,057	994,130
Other reserves		1,310,208,203	1,252,948,995	880,622,720	562,509,845	34,840,150	5,902,755
Equity attributable to owners of parent		1,457,727,431	950,661,085	693,980,937	1,091,130,210	35,983,798	6,899,476
Non-controlling interest		19,136,998	24,962,486	(3,225,878)	16,228,152	957,250	376,820
Total equity		**1,476,864,429**	**975,623,571**	**690,755,059**	**1,107,358,362**	**36,941,048**	**7,276,296**
			-	-		-	-
Liabilities							
Deferred tax liabilities		122,903,464	158,715,712	134,442,424	63,414,086	7,572,077	1,498,198
Lease liabilities		6,918,848	15,433,804	3,694,639	6,918,848	825,432	61,120
Provisions		-	28,375,338	106,962,918	-	1,756,213	362,939
Corporate tax liability		-	61,308,083	6,264,621	-	3,278,884	96,625
Loans and borrowings		1,214,402	121,099,676	245,770,361	1,214,402	6,476,663	4,065,749
Amounts owed to related party companies		80,779,868	598,327,735	256,771,522	80,779,868	31,999,814	4,247,741
Trade and other payables		232,272,266	475,171,609	209,114,529	232,272,266	25,013,350	5,567,836
Mobile money trust liabilities	9	-	345,417,787	327,257,818	-	18,473,663	5,413,786
Deposits due to banks and customers		727,520,120	862,114,188	771,923,849	727,520,120	46,107,663	12,769,841
Insurance contract liabilities		-	106,723,613	190,895,968	-	5,252,928	2,146,129
Reinsurance contract liabilities		-	-	32,270	-	-	1,726
Total liabilities from continuing operations		**1,171,608,968**	**2,772,687,545**	**2,253,130,919**	**1,112,119,590**	**146,756,687**	**36,231,690**
Liabilities in disposal group classified as held for sale		1,119,359,561	-	-	890,419,627	-	-
Total liabilities		**2,290,968,529**	**2,772,687,545**	**2,253,130,919**	**2,002,539,217**	**146,756,687**	**36,231,690**
Total equity and liabilities		**3,767,832,958**	**3,748,311,116**	**2,943,885,978**	**3,109,897,579**	**183,697,735**	**43,507,986**

**Comparatives are not restated as per IFRS 5 PAR 40 which exempts the restatement of comparatives in the Statement of Financial Position.*
***The Group is presenting a statement of financial position as at 1 March 2022 to reflect the initial application of IFRS 17, Insurance contracts.*

EcoCash HOLDINGS

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Audited Abridged Consolidated Financial Statements For the year ended 29 February 2024

Abridged Consolidated Statement of Cashflows

For the year ended 29 February 2024

	INFLATION ADJUSTED		HISTORICAL COST*	
	2024 ZW$ '000	2023 ZW$ '000 Restated**	**2024 ZW$ '000**	2023 ZW$ '000 Restated**
Operating activities				
Cash generated from operations	98,666,411	361,189,832	437,335,446	26,184,216
Corporate tax paid	(131,399,448)	(14,336,506)	(78,633,101)	(708,740)
Net cash flows (utilised) / generated from operating activities	**(32,733,037)**	**346,853,326**	**358,702,345**	**25,475,476**
Investing activities				
Dividends received	-	117,929,942	-	4,464,085
Investment income received	7,496,828	8,270,377	1,115,037	378,772
Acquisition of investment property	(36,566,063)	(56,956,264)	(6,889,654)	(1,072,607)
Acquisition of intangible assets	(15,121,507)	(3,822,678)	(3,560,433)	(192,112)
Net acquisition of financial assets at fair value through profit or loss	(836,773)	(1,539,020)	(836,773)	(705,807)
Proceeds from disposal of assets held for sale	-	31,558	-	522
Purchase of property and equipment	(90,292,870)	(27,045,064)	(20,507,433)	(1,175,800)
Proceeds on disposal of property and equipment	-	24,023	-	423
Net cash (utilised) or generated from investing activities	**(135,320,385)**	**36,892,874**	**(30,679,256)**	**1,697,476**
Financing activities				
Interest on lease liability paid	(1,871,499)	(1,588,238)	(348,528)	(49,351)
Proceeds from rights issue	1,010,314,472	-	165,750,504	-
Repayment of Debenture liability	(942,457,533)	-	(154,618,008)	-
Rights offer expenses	(67,856,939)	-	(11,132,496)	-
Proceeds from loans and borrowings	-	32,140,539	-	1,718,943
Repayment of loans and borrowings	-	(14,628,131)	-	(963,663)
Finance costs paid	(28,507,093)	(41,173,246)	(3,251,731)	(1,831,123)
Lease repayments	(6,370,891)	(2,096,207)	(1,268,160)	(118,813)
Net cashflows utilised in financing activities	**(36,749,483)**	**(27,345,283)**	**(4,868,419)**	**(1,244,007)**
Net (decrease) / increase in cash and cash equivalents	(204,802,905)	356,400,917	323,154,670	25,928,945
Cash and cash equivalents at the beginning of the year	557,106,919	203,421,116	29,149,344	3,365,629
Expected credit losses (ECL)	(543,637)	(2,715,114)	(543,637)	(145,230)
Cash and cash equivalents at the end of the year	**351,760,377**	**557,106,919**	**351,760,377**	**29,149,344**

***Comparatives have been restated as per par 34 of IFRS 5.*

Abridged Consolidated Statement of Changes in Equity

For the year ended 29 February 2024

INFLATION ADJUSTED

	Share capial and share premium ZW$'000	Retained earnings ZW$ '000	Other reserves (Note 22) ZW$ '000	Attributable to equity holders of the entity ZW$'000	Non-controlling interest ZW$'000	Total ZW$'000
Balance at 1 March 2022 as previously reported	**8,619,185**	**(185,749,476)**	**880,622,720**	**703,492,429**	**(1,867,093)**	**701,625,336**
Effect of initial application of IFRS 17	-	(9,511,492)	-	(9,511,492)	(1,358,785)	**(10,870,277)**
Restated balances as at 1 March 2022	**8,619,185**	**(195,260,968)**	**880,622,720**	**693,980,937**	**(3,225,878)**	**690,755,059**
Profit for the year	-	(72,155,715)	-	(72,155,715)	(16,873,183)	**(89,028,898)**
Impact of IFRS 17 restatement	-	(4,480,395)	-	(4,480,395)	(640,056)	**(5,120,451)**
Other comprehensive income:	**-**	**-**	**372,535,242**	**372,535,242**	**3,151,242**	**375,686,484**
Revaluation of property and equipment net of tax	-	-	372,535,242	372,535,242	3,151,242	**375,686,484**
Total comprehensive income	**-**	**(76,636,110)**	**372,535,242**	**295,899,132**	**(14,361,997)**	**281,537,135**
Transfers within and out of reserves	**-**	**(39,010,017)**	**(208,967)**	**(39,218,984)**	**42,550,361**	**3,331,377**
Non-controlling interests share of capitalisation of a subsidiary	-	-	-	-	3,331,377	**3,331,377**
Transfer from reserves to non-controlling interests	-	(39,010,017)	(208,967)	(39,218,984)	39,218,984	**-**
Restated balance at 28 February 2023	**8,619,185**	**(310,907,095)**	**1,252,948,995**	**950,661,085**	**24,962,486**	**975,623,571**
Profit/(loss)for the year	-	293,671,284	-	293,671,284	(6,331,424)	**287,339,860**
Other comprehensive income	**-**	**-**	**59,810,982**	**59,810,982**	**505,936**	**60,316,918**
Revaluation of property and equipment net of tax	-	-	59,810,982	59,810,982	505,936	**60,316,918**
Total comprehensive income	**-**	**293,671,284**	**59,810,982**	**353,482,266**	**(5,825,488)**	**347,656,778**
Transfers within reserves	**156,135,854**	**-**	**(2,551,774)**	**153,584,080**	**-**	**153,584,080**
Issue of shares	156,135,854	-	-	156,135,854	-	**156,135,854**
Purchase of treasury shares	-	-	(2,551,774)	(2,551,774)	-	**(2,551,774)**
Balance at 29 February 2024	**164,755,039**	**(17,235,811)**	**1,310,208,203**	**1,457,727,431**	**19,136,998**	**1,476,864,429**

Abridged Consolidated Statement of Changes in Equity (continued)

For the year ended 29 February 2024

HISTORICAL COST*

	Share capital and share premium ZW$'000	Retained earnings ZW$ '000	Other reserves (Note 22) ZW$ '000	Attributable to equity holders of the entity ZW$'000	Non-controlling interest ZW$'000	Total ZW$'000
Balance at 1 March 2022 as previously reported	**2,591**	**1,229,712**	**5,902,755**	**7,135,058**	**400,432**	**7,535,490**
Effect of initial application of IFRS 17	-	(235,582)	-	(235,582)	(23,612)	**(259,194)**
Restated balances as at 1 March 2022	**2,591**	**994,130**	**5,902,755**	**6,899,476**	**376,820**	**7,276,296**
Profit for the year	-	866,650	-	866,650	86,863	**953,513**
Impact of IFRS 17 restatement	-	(647,097)	-	(647,097)	(64,858)	**(711,955)**
Other comprehensive income:	**-**	**-**	**28,973,204**	**28,973,204**	**281,908**	**29,255,112**
Revaluation of property and equipment net of tax	-	-	28,973,204	28,973,204	281,908	**29,255,112**
Total comprehensive income	**-**	**219,553**	**28,973,204**	**29,192,757**	**303,913**	**29,496,670**
Transfers within and out of reserves	**-**	**(72,626)**	**(35,809)**	**(108,435)**	**276,517**	**168,082**
Non-controlling interests share of capitalisation of a subsidiary				-	168,082	**168,082**
Transfer from reserves to non-controlling interests	-	(72,626)	(35,809)	(108,435)	108,435	**-**
Restated balance at 28 February 2023	**2,591**	**1,141,057**	**34,840,150**	**35,983,798**	**957,250**	**36,941,048**
Profit/(Loss)for the year	-	371,340,831	-	371,340,831	10,117,364	**381,458,195**
Other comprehensive income	**-**	**-**	**529,656,895**	**529,656,895**	**5,153,538**	**534,810,433**
Revaluation of property and equipment net of tax	-	-	529,656,895	529,656,895	5,153,538	**534,810,433**
Total comprehensive income	**-**	**371,340,831**	**529,656,895**	**900,997,726**	**15,270,902**	**916,268,628**
Transfers within reserves	**156,135,886**	**-**	**(1,987,200)**	**154,148,686**	**-**	**154,148,686**
Issue of shares	156,135,886	-	-	156,135,886	-	**156,135,886**
Purchase of treasury shares	-	-	(1,987,200)	(1,987,200)	-	**(1,987,200)**
Balance at 29 February 2024	**156,138,477**	**372,481,888**	**562,509,845**	**1,091,130,210**	**16,228,152**	**1,107,358,362**

**The historical cost financial information is unaudited and has been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Abridged Consolidated Segment Information

For the year ended 29 February 2024

INFLATION ADJUSTED

	Digital Banking ZW$ '000	Holding Company ZW$'000	Adjustment Journal & Eliminations ZW$ '000	Total ZW$'000
For the year ended 29 February 2024				
Interest income	200,077,614	-	-	**200,077,614**
Non interest income	745,885,404	-	(71,255,232)	**674,630,172**
Finance costs	(1,871,499)	(28,507,093)	-	**(30,378,592)**
Fair value adjustments on financial assets	56,334,824	89,570,776	-	**145,905,600**
Depreciation, amortisation and impairment	(93,734,256)	-	-	**(93,734,256)**
Segment profit / (loss)	68,503,209	326,498,338	(65,569,359)	**329,432,188**
Segment assets	2,152,643,630	1,199,418,592	(1,123,974,572)	**2,228,087,650**
Segment liabilities	1,154,507,392	156,535,787	(139,434,211)	**1,171,608,968**
Analysis of additions during the year				
Additions to property and equipment	15,121,507	-	-	**15,121,507**
Additions to intangible assets	-	-	-	**-**
Additions to investment properties	836,773	-	-	**836,773**
For the year ended 28 February 2023				
Interest income	236,514,981	-	-	**236,514,981**
Non interest income	354,322,863	-	(56,736,477)	**297,586,386**
Finance costs	(1,588,457)	(41,173,265)	-	**(42,761,722)**
Fair value adjustments on financial assets	(55,458,114)	8,832,801	-	**(46,625,313)**
Depreciation, amortisation and impairment	(75,304,508)	-	-	**(75,304,508)**
Segment profit / (loss)	278,994,814	(18,743,903)	(197,682,750)	**62,568,161**
Segment assets	2,465,147,204	1,258,618,726	(635,111,273)	**3,088,654,657**
Segment liabilities	1,520,056,445	1,585,353,605	(332,722,505)	**2,772,687,545**
Analysis of additions during the year				
Additions to property and equipment	27,052,648	-	-	**27,052,648**
Additions to intangible assets	1,871,499	-	-	**1,871,499**
Additions to investment properties	56,964,123	-	-	**56,964,123**

HISTORICAL COST*

	Digital Banking ZW$ '000	Holding Company ZW$'000	Adjustment Journal & Eliminations ZW$ '000	Total ZW$'000
For the year ended 29 February 2024				
Interest income	41,629,273	-	-	**41,629,273**
Non interest income	154,204,462	-	(13,597,874)	**140,606,588**
Finance costs	(348,527)	(3,251,731)	-	**(3,600,258)**
Fair value adjustments on financial assets	102,719,266	57,829,110	-	**160,548,376**
Depreciation, amortisation and impairment	(14,376,754)	-	-	**(14,376,754)**
Segment profit / (loss)	553,409,333	(171,951,141)	-	**381,458,192**
Segment assets	1,892,214,585	42,536,629	(10,506,973)	**1,924,244,241**
Segment liabilities	1,100,607,121	156,535,787	(145,023,318)	**1,112,119,590**
Analysis of additions during the year				
Additions to property and equipment	20,507,433	-	-	**20,507,433**
Additions to intangible assets	3,560,433	-	-	**3,560,433**
Additions to investment properties	6,889,654	-	-	**6,889,654**
For the year ended 28 February 2023				
Interest income	10,073,284	-	-	**10,073,284**
Non interest income	14,427,403	-	(2,285,826)	**12,141,577**
Finance costs	(49,351)	(1,831,123)	800,145	**(1,080,329)**
Fair value adjustments on financial assets	698,164	446,038	446,037	**1,590,239**
Depreciation, amortisation and impairment	(1,609,461)	-	-	**(1,609,461)**
Segment profit / (loss)	26,180,855	(19,937,421)	(6,690,613)	**(447,179)**
Segment assets	123,746,719	11,720,172	(18,473,663)	**116,993,228**
Segment liabilities	79,881,243	37,350,291	(22,267,152)	**94,964,382**
Analysis of additions during the year				
Additions to property and equipment	1,175,959	-	-	**1,175,959**
Additions to intangible assets	192,112	-	-	**192,112**
Additions to investment properties	1,072,607	-	-	**1,072,607**

**The historical cost financial information is unaudited and has been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*
**The adjustment journal and elimination amounts relates to intercompany transactions between continuing and discontinued units.*

DIRECTORS: Mrs S.G. Shereni (Chairperson), Mr M.L. Bennett, Dr Z. Dillon, Ms E.T. Masiyiwa, Mr C. Maswi, Mr D. Musengi, Mr H. Pemhiwa, Mr D.T. Mandivenga, Mr E. Chibi*, Mrs T. Nyemba*. ** Executive.* | **REGISTERED OFFICE:** 1906 Liberation Legacy Way, Borrowdale, Harare. | www.ecocashholdings.co.zw

Notes to the abridged consolidated financial statements

For the year ended 29 February 2024

1. GENERAL INFORMATION

Corporate information

EcoCash Holdings Zimbabwe Limited ("EHZL" or "the Company") and its subsidiaries were demerged from Econet Wireless Zimbabwe Limited ("EWZL"), effective 1 November 2018.

These consolidated financial statements comprise the Holding Company and its subsidiary (collectively "the Group" or the "Group companies"). The group's subsidiary is Steward Bank Limited which is a digital commercial bank:

Following the approval of the Scheme of Reconstruction at an EGM held on the 17th of April 2024 all non banking units will be transfered from EHZL to EWZL. Below is a list of entities and their main activities, which were subsidiaries of the Group and are now classified as a disposal group held for sale to Econet Wireless Zimbabwe as at 29 February 2024;

- EcoCash (Private) Limited - (mobile money transfer and payments services);
- Econet Life (Private) Limited - (mobile based funeral and life assurance company)
- Econet Insurance (Private) Limited - (short-term insurance company);
- Vaya Technologies Zimbabwe (Private) Limited (formerly Econet Services (Private) Limited) - (On-demand services, e-commerce, farming technology, connected lifestyle and digital education services);
- Maisha Health Fund (Private) Limited - (medical aid service provider); and
- MARS (Private) Limited - (medical air and road rescue services).

EHZL and its subsidiaries are incorporated in Zimbabwe. EHZL's registered office is 1906 Liberation Legacy Way (formerly Borrowdale Road), Harare. The ultimate holding company for the Group is Econet Global Limited, which is registered in Mauritius.

These abridged consolidated financial statements are presented in Zimbabwe Dollars ("ZW$"), which is the presentation currency of the Group.

The historical results have been presented as supplementary information, in line with the Public Accountants and Auditors Board ("PAAB") recommendation set out in Pronouncement 01/2019. The inflation adjusted results represent the primary financial information required by International Accounting Standard ("IAS") 29, '*Financial Reporting in Hyperinflationary Economies*', and these have been subjected to an audit by the auditors.

2. STATEMENT OF COMPLIANCE

The abridged consolidated financial statements have been prepared in compliance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC") except for non-compliance IAS 21, 'The Effects of Changes in Foreign Exchange Rates'. Consequently, the Directors advise users of these consolidated financial statements to exercise caution.

The underlying abridged consolidated financial statements have been prepared in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations.

These abridged consolidated financial statements do not include all the information and disclosures required to fully comply with IFRSs and should be read in conjunction with the Group's complete consolidated financial statements for the year ended 29 February 2024, which are available for inspection at the Company's registered office.

3. ACCOUNTING POLICIES

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous period, unless otherwise stated and except for the adoption of new standards and amendments that became effective for the year ended 29 February 2024.

4. BASIS OF PREPARATION

4.1 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

In the current year, because it is still reporting in the currency of a hyperinflationary environment, the Group has applied the requirements of IAS 29 and is presenting inflation adjusted consolidated financial statements as its primary financial statements.

The PAAB issued Pronouncement 01/2019 in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. Historical cost financial results have been presented as supplementary information, and the auditors have not expressed an opinion on those historical results.

The conversion factors used to restate the underlying historical numbers for the consolidated financial statements for the year ended 29 February 2024 are as follows;

	Index	Conversion Factor
29 February 2024	270,996.36	1.00
28 February 2023	14,493.45	18.70
1 March 2023 to 29 February 2024 Average	63,771.06	4.25
1 March 2022 to 28 February 2023 Average	10,835.36	1.34

Non-monetary assets and liabilities carried at historical cost have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period. Monetary assets and liabilities, and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

On the 3rd of March 2023, the Government of Zimbabwe through the Ministry of Finance and Economic Development ("MoFED") promulgated Statutory Instrument ("S.I.") 27 of 2023. Through S.I. 27, the old benchmark headline Consumer Price Index ("CPI") that was being published month on month since 2019, tracking ZW dollar inflation was discontinued effective February 2023. A blended CPI was introduced which is a weighted average based on the use of Zimbabwean dollars and United States dollars. The Group concluded that the blended CPI did not meet the criteria for the application of IAS 29 and an estimate was determined from February 2023 to February 2024 which meets the IAS 29 criteria.

5. INTERPRETATION OF FINANCIAL STATEMENTS PREPARED UNDER HYPERINFLATIONARY CONDITIONS

In as much as all reasonable care and attention has been taken by the Directors to present information that is meaningful and relevant to the users of the financial statements, it is not always possible to present this information in a way that is not contradictory to International Financial Reporting Standards when reporting is impacted by multiple factors in the environment, including but not limited to the legislative framework and economic variables affecting companies operating in Zimbabwe. This has resulted in a qualification to these financial statements. Economic variables changed at an extremely fast pace during the period under consideration. These circumstances require care and attention by users of financial statements in their interpretation of financial information presented under such conditions.

6. INDEPENDENT AUDITOR'S OPINION

The abridged consolidated financial statements should be read in conjunction with the complete set of audited consolidated financial statements for the year ended 29 February 2024 which have been audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing and a modified opinion has been issued thereon. This opinion carries a qualified opinion with respect to;

Non-compliance with IAS 21, '*The Effects of Changes in Foreign Exchange Rates* ', in the determination of the functional currency for some of its subsidiaries, namely Econet Insurance (Private) Limited, Econet Life (Private) Limited, Maisha Health Fund (Private) Limited and Mars (Private) Limited.

The audit report also includes key audit matters. The key audit matters were on:

- Implementation of IFRS 17,
- Revenue recognition,
- Determination of expected credit loss and
- Valuation of property, equipment and investment property.

The auditor's report on the consolidated financial statements is available for inspection at the Ecocash Holdings Zimbabwe Limited's registered offices and on the Zimbabwe Stock Exchange website. The engagement partner responsible for the audit was Mr. Gilbert Gwatiringa PAAB Practice Certificate number 0475.

7. EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL COST*	
	2024 ZW$ '000	2023 ZW$ '000	**2024 ZW$ '000**	2023 ZW$ '000
Continuing operations	329,432,188	62,568,161	420,683,985	(447,179)
Discontinued operations	(42,092,328)	(151,597,059)	(39,225,790)	1,400,692
Profit / (loss) for the year attributable to ordinary shareholders	**287,339,860**	**(89,028,898)**	**381,458,195**	**953,513**
Adjustment for capital items (net of tax):				
Profit on disposal of property and equipment	(645,868)	(65,706)	(93,528)	(12,637)
Impairment of property and equipment	-	55,494,958	-	213,397
Headline earnings / (loss) attributable to ordinary shareholders	**286,693,992**	**(33,599,646)**	**381,364,667**	**1,154,273**
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	3,259,002,528	2,590,577,241	3,259,002,528	2,590,577,241
Basic earnings / (loss) per share (ZW$)	88.168	(34.366)	117.048	0.368
Headline earnings / (loss) per share (ZW$)	87.970	(12.970)	117.019	0.446
Diluted basic earnings / (loss) per share (ZW$)	88.168	(34.366)	117.048	0.368
Diluted headline earnings / (loss) per share (ZW$)	87.970	(12.970)	117.019	0.446

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8. FINANCIAL INSTRUMENTS

Financial instruments are disclosed in the abridged consolidated statement of financial position at their carrying amount which approximates their respective fair value.

Fair value hierarchy

The Group is guided by the following hierarchy as fair value measurement criteria for assets measured using the fair value model. The hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

INFLATION ADJUSTED	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 29 February 2024				
Investment in financial assets	256,365,378	235,898,679	-	20,466,699
Transfers to disposal group held for sale	(90,613,157)	(82,618,857)	-	(7,994,300)
	165,752,221	**153,279,822**	**-**	**12,472,399**
At 28 February 2023				
Investment in financial assets	199,323,891	183,411,048	-	15,912,843
	199,323,891	**183,411,048**	**-**	**15,912,843**

HISTORICAL COST*	Total ZW$ '000	Level 1 ZW$ '000	Level 2 ZW$ '000	Level 3 ZW$ '000
At 29 February 2024				
Investment in financial assets	256,365,378	235,898,679	-	20,466,699
Transfers to disposal group held for sale	(90,613,157)	(82,618,857)	-	(7,994,300)
	165,752,221	**153,279,822**	**-**	**12,472,399**
At 28 February 2023				
Investment in financial assets	10,660,257	9,809,205	-	851,052
	10,660,257	**9,809,205**	**-**	**851,052**

**The historical financial information is unaudited and has been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

9. MOBILE MONEY TRUST BALANCES

"Mobile money trust bank balances - restricted balances" and "Mobile money trust liabilities" represent restricted and reserved cash balances held in trust for the EcoCash customers.

10. DISPOSAL GROUP HELD FOR SALE

On 16 January 2024, the Group publicly announced the decision of its Board of Directors to sell EcoCash (Private) Limited (mobile money business), VAYA Technologies, Econet Insurance, Econet Life, MARS Zimbabwe and Maisha Health to Econet Wireless Zimbabwe. On 17 April 2024, the shareholders of the Company approved the plan to sell the subsidiaries. The sale is expected to be completed within 12 months from the reporting date. At 29 February 2024, these subsidiaries were classified as disposal groups held for sale and as discontinued operations. These discontinued operations will no longer be presented in the segment note.

11. GOING CONCERN

The Board regularly considers and records the facts and assumptions on which it relies to conclude that Ecocash Holdings will continue in operational existence into the foreseeable future at each reporting date.

The Group's operations will continue in FY25 despite the transfer of non-banking assets to Econet Wireless Zimbabwe due to the group's drive on digital banking expansion as it invests in technologies to enhance operational efficiencies and increase the product offering to customers. The introduction of the Zimbabwean Gold, ZiG also brought stability to local currency transactions which strengthened the capital position of digital banking operations. The group will continue to find additional avenues of increasing shareholder value in the upcoming financial year

The Directors have assessed the ability of the Group to continue operating as a going concern for the 12 months period subsequent to the date of authorisation of the financial statements. The Directors believe that the preparation of these financial statements on a going concern basis remains appropriate.

12. EVENTS AFTER REPORTING DATE

Proposed scheme to dispose non-banking assets to Econet Wireless Zimbabwe Limited

The EGM to consider and approve the proposed scheme of reconstruction was held on the 17th of April 2024. The shareholders approved the scheme of reconstruction where all non-banking assets namely EcoCash (Private) Limited, Econet Insurance (Private) Limited, Econet Life (Private) Limited, VAYA Technologies (Private) Limited, MARS Zimbabwe (Private) Limited and Maisha Health Fund (Private) Limited will be transferred from EcoCash Holdings Zimbabwe Limited to Econet Wireless Zimbabwe Limited in exchange for the total consideration of ZW$ 509 billion (equivalent to 521,861,057 Econet Shares) payable partly in Econet Treasury Shares and partly in cash and cash equivalents. The Scheme of Reconstruction will not result in the delisting of EcoCash Holdings Zimbabwe Limited from the Zimbabwe Stock Exchange.

Subject to regulatory approval, only the banking unit, Steward Bank, will remain under EcoCash Holdings. As such the businesses transferring to Econet have been classified as discontinued operations in line with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the reporting date.

Introduction of a new national currency

On the 5th of April 2024, the Reserve Bank of Zimbabwe (RBZ) introduced the Zimbabwean Gold (ZiG), a new currency that replaced the Zimbabwean Dollar (ZWL). This saw all ZWL balances converted to ZiG at a conversion rate of 2,498.7242. The new currency did not affect the business position as at 29 February 2024, thereby making it a non-adjusting event.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ECOCASH HOLDINGS ZIMBABWE LIMITED

Qualified opinion

We have audited the inflation adjusted consolidated financial statements of EcoCash Holdings Zimbabwe Limited and its subsidiaries (the Group), which comprise the inflation-adjusted consolidated statement of financial position as at 29 February 2024, and the inflation adjusted consolidated statement of comprehensive income, inflation adjusted statement of changes in equity and inflation-adjusted statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter discussed in the basis for Qualified Opinion section of our report, the inflation-adjusted consolidated financial statements present fairly, in all material respects, the inflation adjusted financial position of EcoCash Holdings Zimbabwe Limited and its subsidiaries as at 29 February 2024, its inflation-adjusted financial performance and inflation-adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Non-compliance with International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates

The Group has not complied with the requirements of International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates , in the determination of its functional currency for some of its significant subsidiaries, namely Econet Insurance (Private) Limited, Econet Life (Private) Limited, Maisha Health Fund (Private) Limited and Mars (Private) Limited. Based on our assessment using the guidance in IAS 21, the functional currency for the respective subsidiaries changed during the financial year to United States dollar, however, management continued to use the Zimbabwe dollar as the functional currency. This resulted in distortions to the financial information of the respective subsidiaries.

The distortions affect the following line items: Loss from discontinued operations, Assets held for sale and Liabilities associated with assets held for sale in the statement of financial position. Had the functional currency been changed in compliance with IAS 21, the amounts reclassified and accounted for under International Financial Reporting Standard 5 (IFRS 5)-Non-current assets held for sale and discontinued operations would have been materially different from those reported in these inflation adjusted consolidated financial statements. The effect of the non-compliance with IAS 21 could not be quantified but is considered to be material to the financial statements.

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

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the inflation-adjusted consolidated financial statements of the Group for the current period. These matters were addressed in the context of our audit of the inflation-adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matters described below to be key audit matters to be communicated in our report: -

Key audit matters	Audit responses
IFRS 17 - Insurance Contracts - Implementation and Reporting The new standard, IFRS 17 - "Insurance Contracts" ('IFRS 17'), which became effective for reporting periods beginning on or after 1 January 2023 was adopted by the Group's Insurtech entities on 1 March 2023. IFRS 17 replaces IFRS 4 – "Insurance Contracts". Since the Standard required retrospective application, the Insurtech entities applied IFRS 17 to insurance contracts issued and reinsurance contracts held as at 1 March 2022. The adoption of IFRS 17 is described in Note 32 to the inflation adjusted consolidated financial statements, in accordance with the accounting policies outlined in the same note. Initial implementation of IFRS 17 required the Insurtech entities to make estimates for previous accounting periods as well as the current period as IFRS 17 was applied on a full retrospective basis for all contracts measured under the Premium Allocation Approach (PAA). This was impracticable for one product measured under the General Measurement Model (GMM) for which the modified retrospective approach was utilised. Under both approaches, items in the opening statement of financial position and comparative information were restated. Applying IFRS 17 involves inherent risk factors such as significant complexity and subjectivity associated with the selection and application of the methods, assumptions and data used in developing accounting estimates, and the degree of estimation uncertainty. These factors include: • Increased estimation uncertainty, complexity and subjectivity in the actuarial models required to produce estimates of future cash flows on an expected present value basis, determine the risk adjustment, and determine and track the Contractual Service Margin (CSM) over time. • Increased complexity and subjectivity in developing the assumptions underpinning the actuarial models. • An increase in the granularity and volume of data required to apply IFRS 17, including data not previously utilised by insurers, and the need to enhance systems and information flows to capture this data. • Enhanced disclosure requirements relating to estimates, including a number of complex reconciliations from the opening to the closing of several components of insurance and reinsurance liabilities/assets. 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 AA to the inflation adjusted consolidated financial statements.	Our procedures on the application of IFRS 17 included assessing: • Whether the measurement method selected is appropriate under IFRS 17; • Whether the calculations are applied in accordance with the method and are mathematically accurate; • Whether judgements have been applied consistently and adjustments to the models are consistent with the objectives of IFRS 17 and are appropriate in the circumstances; and • Appropriateness of significant assumptions and the completeness and accuracy of data used. • Obtaining an understanding and evaluating the design and implementation of management's controls over the adoption of IFRS 17 accounting policies and the significant estimates and assumptions used in the determination of the Group's insurance contracts. • Evaluating, with the assistance of external actuarial experts, 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 Measurement Model, the Premium Allocation Approach and the Variable Fee Approach); the transition and valuation approaches and the wide range of financial and non-financial assumptions. • On the transition approaches applied in the calculation of the CSM, evaluating 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 test underlying contracts and data. • Assessing 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. • Testing the completeness and accuracy of data used in the calculation of the transition balances to underlying source systems on a sample basis. • Considering whether the associated transition disclosures in the financial statements are in compliance with IFRS 17 and with the methodologies and assumptions approved by the directors.
Determination of Expected Credit Loss of the Bank The Bank's expected credit loss (ECL) on advances and sundry receivables amounted to ZWL 79,684,784,296.26. The determination of impairment loss is an inherently uncertain process involving various assumptions and factors including the financial condition of the counterparty, expected future cash flows, observable market prices and expected interest rates. The use of different modelling techniques and assumptions could produce significantly different estimates of provisions. The determination of the ECL is a key area of judgement for management. We therefore considered the fair statement of expected credit losses as a key audit matter.	We assessed and tested the design and operating effectiveness of the controls over individual and collective impairment calculations including the quality of underlying data and systems. For loans and advances provisions calculated on an individual basis we tested the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default. For provisions calculated on a collective basis we tested, with the assistance of internal IFRS 9 experts, the underlying models including the model approval and validation process. We tested the appropriateness and accuracy of the inputs to those models, such as recovery and cure rates, and where available, compared data and assumptions made to external benchmarks.

<table>
<tr><td></td><td>We tested the accuracy and completeness of the receivables aging analysis with regards to the sundry debtors and circulated confirmation letters to confirm balances owed to the Bank.</td></tr>
<tr><td>Completeness, occurrence, and accuracy of revenue

Some revenue streams of the Group are characterised by high volumes of transactional data which is generated in a highly automated environment. The likelihood that small errors may become significant on aggregation is high due to the risk of automated replication. There are also different fee charges for the various service types, and these were subject to frequent changes during the year in response to the hyper-inflationary operating environment. The frequent changes to standing data increases the risk of errors. We therefore considered the completeness, occurrence and accuracy of revenue to be a key audit matter.</td><td>We performed the following procedures to address this matter:
Obtained an understanding of the revenue cycle and our information systems auditors, tested the design, implementation and operational effectiveness of general and application controls relevant to the revenue cycle.
Wrote scripts which enabled us to extract data from the revenue information systems and recomputed revenue 100%.
Reviewed access logs to the standing data in the revenue systems and verified that all tariff changes were authorised and timeously updated.
Reviewed the revenue ledgers for unusual or unexpected entries. We also reviewed the exception reports which are generated by the revenue systems.
Assessed the appropriateness of the revenue recognition criteria for compliance with the requirements of IFRS 15.</td></tr>
<tr><td>Valuation of Property, Equipment, and Investment property

The Group held investment property valued at ZWL 403,672,000,000 and property and equipment valued at ZWL 821,473,179,000 as at 29 February 2024.

A valuation exercise was carried out at year end. The valuation of property, equipment, and investment property was performed by independent valuers.

The determination of the value of property, equipment, and investment property was considered to be a matter of significance due to:

Inherent subjectivity of the key assumptions and judgements that underpin the process thereon due to the heightened uncertainties in the economic environment.

Subjectivity of the process that involved making a choice of the exchange rates to apply in the prevailing economic environment.</td><td>The Group applied the requirements of International Financial Reporting Standard 13 (IFRS 13) Fair Value Measurement and International Accounting Standards 21 (IAS 21) The Effects of Changes in Exchange Rates in the valuation of its assets.

We performed the following procedures to address this matter:
Obtained an understanding of the approach followed by the independent valuers and directors.
Evaluated the independent valuers' work by assessing their competence, independence, capabilities and industry experience.
Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements.
Evaluated the principles and the integrity of the models used, in accordance with generally accepted valuation methodologies in the economic environment at hand.
Assessed the inputs in the valuation model for accuracy, completeness and reasonableness.
Assessed the reasonableness of the spot exchange rate used in the valuation process in the context of disparities on available foreign exchange rates.</td></tr>
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Responsibilities of the Directors for the inflation-adjusted consolidated financial statements

The Directors are responsible for the preparation and fair presentation of these inflation-adjusted consolidated financial statements in accordance with the International Financial Reporting Standard (IFRSs) and supporting regulations. The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of inflation-adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error;

selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

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

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

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 the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements for the current year and are therefore 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.

Report on legal and regulatory requirements
The accompanying financial statements were not prepared in accordance with the requirements of section 273 of the Companies and Other Business Entities Act (Chapter 24:31) due to non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates.

The audit engagement partner on the audit resulting in this independent auditor's report is Gilbert Gwatiringa.

BDO
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Gilbert Gwatiringa CA(Z)
Partner
PAAB Practicing Certificate No. 0475
Registered Public Auditor

28 June 2024