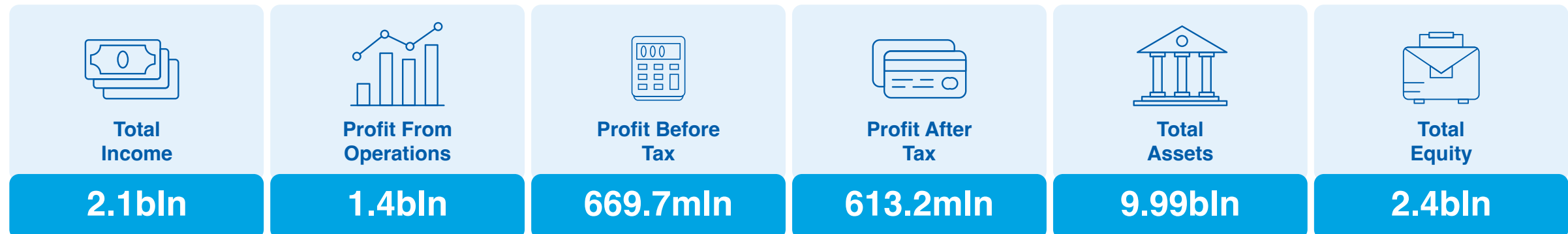


GROUP CHAIRMAN'S STATEMENT

I am pleased to present to you the half-year financial performance of our Group for the period ending June 30, 2024.

KEY FINANCIAL HIGHLIGHTS (ZWG)



The Group achieved a profit before tax of ZWG669.7 million on an operational profit of ZWG1.4 billion, weighed down by a monetary loss of ZWG774 million. The monetary loss reflects the impact of the hyperinflationary environment on the Group's net financial assets, which subsisted during the year's first quarter.

Total income of ZWG2.1 billion was recorded for the period, with core revenue streams of net interest income and insurance services experiencing growth and increased contribution. Other income, which comprises net foreign currency trading and dealing income, net gains from financial assets, and fair value gains on investment property, experienced a significant decline compared to the same period last year. This was largely due to the local currency's stability, the ZWG, following its introduction in the second quarter of the year on 5 April 2024. There was general stability in the Group hedging asset prices in the second quarter of the year, and this weighed down our total income compared to the same period last year.

Operating costs for the period under review were ZWG659 million driven by the mixed macroeconomic conditions during the first half of the year. Inflationary trends were experienced during the first quarter. However, there was relative stability in the second quarter of the year, which improved our cost management.

The Group's balance sheet strengthened, with total assets reaching ZWG9.99 billion, buoyed by the acquisition of FBC Crown Bank Limited, formerly Standard Chartered Bank Zimbabwe. The Group's assets and liabilities are largely denominated in foreign currency, enhancing financial stability and value preservation. Shareholder funds increased by 31% to ZWG2.4 billion from ZWG1.8 billion as of 31 December 2023, reflecting the Group's improved financial performance and capital position.

The Operating Environment

The half year ended 30 June 2024 was characterised by unstable macroeconomic conditions. There was instability during the first quarter, but improvements were noted during the second quarter following interventions by the authorities. The Reserve Bank of Zimbabwe (RBZ) put in place a raft of policy measures to stabilize macroeconomic environment with particular focus on exchange rates and inflation. Key amongst the measures, was the introduction of the structured currency Zimbabwe Gold (ZWG). Following the implementation of these measures, exchange rates stabilised, and inflation levels significantly reduced.

It is worth noting however, that the economy still faces challenges, in particular, erratic power supplies and the El Nino induced drought. This has led to a significant reduction in GDP growth estimates from an initial projection of 3.5% to 2%. On the other hand, authorities continue to follow strict monetary and fiscal policies to stabilize the economy. It is expected that these measures will be maintained until the end of the year. The Group in response, continues to explore opportunities to grow the business, whilst at the same time putting in place hedging strategies to preserve value.

Banking Cluster

The banking sector has remained stable, safe and sound according to the Reserve Bank of Zimbabwe. The industry is going through transformation and innovation which has resulted in the deepening of product and service offering. Demand for financial services remains strong, even though liquidity challenges have impacted the ability of the banking sector to support economic growth through credit creation. Various banking institutions are seeking alternative funding options regionally and globally, to augment financial resources sourced locally.

The Group's strategic thrust is liquidity mobilization to support balance sheet growth and to meet customers' funding requirements. We, however, remain cautious in our lending practices due to the high inherent credit risk. Our loan portfolios are performing well and are in line with our expectations and regulatory thresholds. The Group is also focusing on Information Technology investments, in line with our digitalization thrust and the need to provide seamless customer experience. Going forward, the innovation and access to new markets, will be core to our strategy.

Insurance Cluster

The insurance sector is experiencing significant changes due to technological advancements, evolving stakeholder expectations, and a shifting regulatory and competitor landscape. These factors are driving innovation and adaptability within the sector. This has seen an increase in product offerings such as micro-insurance, which suits our country's per capita income levels.

Our insurance subsidiaries are trading profitably, despite the challenging operating environment and we expect this trend to continue during the second half of the year. Our operations in Botswana are in line with expectations and we anticipate significant returns from this investment. The focus for the Group is micro-insurance and diaspora insurance products, in addition to the traditional core insurance products, as we aim to expand our market reach and promote financial inclusion.

Real Estate Sector

In line with our diversified business model, the Group also generates income from investment activities in addition to the banking and insurance revenues. The real estate sector is projected to remain on a firm positive trajectory, given the stable and solid investment returns relative to other investment options. The commercial office market is however, experiencing subdued activity in the CBD, as businesses increasingly favour office locations outside the Central Business District to minimize operational costs. Small and medium-sized enterprises (SMEs) have become the main drivers of demand for CBD office space. Demand remains firm for high to medium density houses. Through our Building Society, we are focusing on this segment given the strong demand. Our project pipeline is across several cities and towns, which include Zvishavane, Marondera, Hwange, Masvingo and Harare.

Stock market performance

The Zimbabwe Stock Exchange (ZSE) recorded a strong performance, with its benchmark All-Share Index closing at 131.25 on June 30, 2024. This marked a significant 31.25% increase from its rebase on April 5, 2024. As a result, the market capitalization rose by 31% to ZWG39 billion (US\$2.8 billion) by the end of June.

At the same time, the US dollar-denominated Victoria Falls Stock Exchange (VFEX) also experienced a modest increase, with its All-Share Index and market capitalization rising by 2.29% and 3.32% respectively, during the same period.

FBCH Share Price Performance

The share price of FBC Holdings Limited increased by 14%, ending the period at ZWG 220 cents, up from ZWG 192.86 cents on 5 April 2024. A total of 1,284,500 shares were traded at a volume-weighted average price of ZWG 299.48 cents.

Digital Transformation and Innovation Thrust

Our markets are rapidly transforming while customer expectations continue to evolve. This requires the Group to transform and adapt its operations to meet customers' expectations and deliver value to our shareholders. The Group has increased its investments in technology-related solutions, to achieve operational efficiency and improve customer service. Emerging trends in cloud computing and AI have become topical and the Group is putting in place policies and procedures to guide business with respect to the same. Whilst our strategic thrust is to improve customer service and operational efficiency through automation and adoption of relevant technologies, the risk of cyber threats is increasing and thus requires robust risk management systems and processes. The Group has also made significant investments to improving our technology environment and ensure the safety of the business.

Climate Risk, Finance and Sustainability

Climate change presents a significant threat to the global economy, and Zimbabwe is particularly vulnerable to its devastating long-term impacts. To mitigate these risks and foster resilience, a concerted effort is underway involving the government, public institutions, regulatory bodies, and non-governmental organizations. The Reserve Bank of Zimbabwe (RBZ) has issued the Climate Risk Management Guideline, bolstering the banking sector's capacity to withstand climate shocks.

FBC Bank Limited is at the forefront of this initiative, actively collaborating with public and private partners to develop innovative financial solutions and align with the Sustainable Development Goals. By implementing the Sustainability Standards and Certification Initiative, guided by the RBZ, we are embedding sustainability into our core operations. This commitment not only fulfills our corporate social responsibility but also creates long-term value for our stakeholders.

Capitalization

FBC Holdings targets to maintain a solid financial position and ensure business units are adequately capitalized to underwrite business in line with our growth targets. The Group is currently undertaking a capital rationalization exercise in line with the Group's Capital Allocation Framework, following the acquisition of Standard Chartered Bank Zimbabwe. Our strategy focuses on efficient capital allocation, in line with the risk-return profile of each business and ensuring compliance with minimum regulatory capital requirements.

Standard Chartered Bank Zimbabwe Acquisition and Integration

FBC Holdings completed the acquisition of Standard Chartered Zimbabwe on May 18, 2024, further consolidating our market share in the banking sector and the business has since been integrated into FBC Holdings. Standard Chartered Bank Zimbabwe Limited was successfully renamed to FBC Crown Bank Limited trading as Crown Bank on the 17th of August 2024 after obtaining regulatory approvals. The focus is now on driving business growth, in line with the Group's market segmentation. We are confident that this acquisition will generate substantial value for our shareholders in the years to come.

Regulatory Developments and Compliance

The regulatory environment continues to evolve as evidenced by several statutory instruments and regulatory guidelines issued during the first half of the year. The Group has a robust Legal and Compliance framework to guide the organization with respect to matters of legal and compliance. The Group remains committed to complying with all applicable laws, regulations, standards and international best practices and will continue to direct the necessary human, financial and technological resources to support this objective.

Dividend

I am delighted to announce that the company has proposed an interim dividend of 0.25 US cents per share. This dividend will be paid out on or about 7 October 2024. The Group is committed to provide shareholders with a fair return on their investment, while also retaining resources to support future growth opportunities.

Outlook

Notwithstanding the projected slowdown in economic growth for the year 2024 on account of the drought and tight liquidity conditions, the Group expects to continue trading profitably across its business segments. The Group is focusing on resource mobilization, market share growth, hedging and capital rationalization among other key strategic issues.

Appreciation

I would like to extend my sincere gratitude to all our stakeholders for their unwavering support which has enabled us to continue to trade profitably, despite the challenging macroeconomic environment. I further extend my appreciation to the Board, SBU Boards, Management and staff whose dedication to duty has made us achieve the commendable set of results.



Herbert Nkala
Group Chairman

17 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Interest income calculated using the effective interest method	17	435 474 980	427 848 750
Interest and related expense	18	(59 755 753)	(172 691 750)
Net interest and related income		375 719 227	255 157 000
Fee and commission income	19	207 651 147	231 800 116
Fee and commission expense		(2 951 549)	(2 753 650)
Net fee and commission income		204 699 598	229 046 466
Insurance revenue	21	182 211 488	158 141 473
Insurance service expenses	25	(143 166 829)	(196 921 443)
Net (expenses)/revenue from reinsurance contracts	14.1	(15 687 231)	5 216 422
Insurance service result		23 357 428	(33 563 548)
Revenue		603 776 253	450 639 918
Net foreign currency trading and dealing income		1 116 335 450	2 072 117 530
Net gains from financial assets at fair value through profit or loss		212 829 126	383 072 249
Other operating income	22	178 482 152	528 719 744
Other income		1 507 646 728	2 983 909 523
Total income		2 111 422 981	3 434 549 441
Impairment allowance		(8 739 090)	(306 572 229)
Other operating expenses	25	(658 898 460)	(1 450 484 243)
Profit from operations		1 443 785 431	1 677 492 969
Monetary (loss)/gain		(774 082 488)	37 858 792
Profit before income tax		669 702 943	1 715 351 761
Income tax expense	26	(56 466 219)	(243 415 122)
Profit for the period		613 236 724	1 471 936 639
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Foreign operations- foreign currency translation differences tax		21 815 125	21 203 840
		-	-
		21 815 125	21 203 840
Items that will not be reclassified to profit or loss			
(Loss)/gain on property revaluation		(79 529 876)	254 713 792
Tax		60 731 382	(37 786 864)
(Loss)/gain on equity instruments at fair value through other comprehensive income		(13 337 101)	490 566
Tax		2 718 631	(7 358)
		(29 416 964)	217 410 136
Total comprehensive income for the period		605 634 885	1 710 550 615
Profit attributable to :			
Equity holders of the parent		611 665 768	1 471 003 532
Non-controlling interests		1 570 956	933 107
Total		613 236 724	1 471 936 639
Total comprehensive income attributable to :			
Equity holders of the parent		604 514 093	1 708 370 885
Non-controlling interests		1 120 792	2 179 730
Total		605 634 885	1 710 550 615
Earnings per share (ZWG cents)			
Basic earnings per share	29.1	100.18	240.89
Diluted earnings per share	29.2	100.18	240.89
Headline earnings per share	29.3	100.01	240.88

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	Unreviewed 30-Jun-24 ZWG	Audited 31-Dec-23 Restated* ZWG
ASSETS			
Balances with banks and cash	4	2 166 582 212	2 096 897 906
Financial assets at amortised cost	5.3	38 987 045	248 033 528
Loans and advances to customers	5.1	4 457 781 983	4 154 580 082
Trade and other receivables	5.2	11 288 943	1 921 415
Insurance contract assets		60 052 062	52 058 476
Reinsurance contract assets		68 785 443	52 083 388
Bonds and debentures	6	123 340 266	-
Financial assets at fair value through profit or loss	7	363 517 189	319 384 267
Financial assets at fair value through other comprehensive income		8 442 902	3 154 645
Inventory	8	29 820 335	13 794 186
Prepayments and other assets	9	782 801 575	430 248 831
Current income tax asset		5 637 907	3 200 622
Deferred tax asset		12 314 042	2 218 622
Investment property	12	1 279 792 489	852 857 174
Intangible assets	10	5 412 792	5 847 379
Property and equipment	11	566 391 412	626 901 810
Right of use asset		6 405 655	9 831 702
Total assets		9 987 354 252	8 873 014 033
EQUITY AND LIABILITIES			
Liabilities			
Deposits from customers	13	4 057 289 179	2 660 393 865
Deposits from other banks	13	540 075 534	286 818 250
Borrowings	13	1 638 147 126	1 874 315 742
Insurance contract liabilities	14	177 323 351	191 592 147
Reinsurance contract liabilities	14	1 369 770	24 173 099
Trade and other payables	15	991 816 642	1 641 853 638
Current income tax liabilities		44 305 343	19 937 738
Deferred tax liabilities		121 012 158	319 820 808
Lease liability		2 541 962	8 655 645
Total liabilities		7 573 881 065	7 027 560 932
Equity			
Capital and reserves attributable to equity holders of the parent entity			
Share capital and share premium		37 782 320	37 782 320
Other reserves	16	559 958 744	570 184 340
Retained profits		1 812 547 097	1 235 422 207
		2 410 288 161	1 843 388 867
Non controlling interest in equity		3 185 026	2 064 234
Total equity		2 413 473 187	1 845 453 101
Total equity and liabilities		9 987 354 252	8 873 014 033

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Cash flow from operating activities			
Profit before income tax		669 702 943	1 715 351 761
Adjustments for:			
Depreciation on property and equipment	25	18 755 351	9 897 834
Amortisation	25	671 842	439 087
Credit impairment losses		8 739 090	306 572 229
(Profit)/loss from disposal of property and equipment	22	(1 080 657)	(68 711)
Net unrealised exchange gains and losses		(2 621 276 038)	(2 060 322 016)
Fair value adjustment on investment property	22	(121 545 560)	(501 942 633)
Fair value adjustment on financial assets at fair value through profit or loss		(212 829 126)	(383 072 249)
Net interest income		(375 719 227)	(255 157 000)
Interest on lease liability		(5 634 587)	6 552 720
Depreciation on right of use assets		3 426 047	(2 279 083)
Net Cash used before changes in operating assets and liabilities		(2 636 789 922)	(1 164 028 061)
Decrease/(increase) in financial assets at amortised cost		432 684 561	(156 046 761)
Decrease in loans and advances		913 257 133	797 933 118
(Increase)/decrease in trade and other receivables		(9 345 992)	161 786 535
Increase in bonds and debentures		(123 340 266)	(13 393 462)
Decrease in financial assets at fair value through profit or loss		244 304 500	34 546 398
Decrease/(increase) in Insurance contract assets		30 463 432	(55 188 312)
Decrease/(increase) in reinsurance contract assets		1 427 452	(8 552 429)
Increase in inventory		(17 910 276)	(10 376 173)
Decrease in prepayments and other assets		216 913 837	515 167 780
Increase in investment property		(154 606 453)	(11 877 093)
Increase/(decrease) in deposits from other banks and customers	1	1 131 161 530	(589 336 019)
(Decrease)/increase in insurance liabilities		(75 213 100)	61 709 376
Increase/(decrease) in trade and other payables		43 012 897	(75 571 462)
(Decrease)/increase in reinsurance contract liabilities		(22 803 329)	35 484 773
		(26 783 996)	(477 741 792)
Interest received		435 474 980	427 848 750
Income tax expense paid		(179 989 957)	(24 070 354)
Interest paid		(59 755 753)	(172 691 750)
Net cash generated/(used) from operating activities		168 945 274	(246 655 146)
Cash flows from investing activities			
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	2 147 710
Purchase of financial assets at fair value through other comprehensive income		(18 625 358)	-
Purchase of property and equipment	11	(160 141 845)	(20 787 705)
Purchase of intangible assets	10	(239 527)	(1 180 099)
Proceeds from sale of property and equipment		2 207 552	507 500
Purchase of subsidiary		(213 303 129)	-
Net cash used in investing activities		(390 102 307)	(19 312 594)
Net cash flows before financing activities		(221 157 033)	(265 967 740)
Cash flows from financing activities			
Proceeds from borrowings		138 343 117	235 929 835
Repayment of borrowings		(720 786 900)	-
Dividend paid to company's shareholders		(37 614 799)	(20 574 231)
Purchase of treasury shares		-	(237 600)
Net cash (used)/generated in financing activities		(620 058 582)	215 118 004
Net increase in cash and cash equivalents		(841 215 615)	(50 849 736)
Exchange gains and losses on cash and cash equivalents		910 899 921	2 123 355 715
Cash and cash equivalents at beginning of the period		2 096 897 906	1 052 826 830
Cash and cash equivalents at the end of period	4.1	2 166 582 212	3 125 332 809



* This is due to the currency conversion (refer note 3.3 & 3.4)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital ZWG	Share premium ZWG	Retained profits ZWG	Translation reserve ZWG	Treasury shares ZWG	Non distributable reserve ZWG	Revaluation reserve ZWG	Financial assets at fair value reserve ZWG	Changes in ownership ZWG	Total ZWG	Non controlling Interest ZWG	Total equity ZWG
Unreviewed												
Half year ended 30 June 2024												
Balance at 1 January 2024	18 017	37 764 303	1 235 422 206	15 028 580	(65 732 597)	176 340 183	426 736 112	13 332 126	4 479 937	1 843 388 867	2 064 234	1 845 453 101
Profit for the period	-	-	611 665 768	-	-	-	-	-	-	611 665 768	1 570 956	613 236 724
Other comprehensive income												
Gain on revaluation of property and equipment, net of tax	-	-	-	-	-	-	(18 348 330)	-	-	(18 348 330)	(450 164)	(18 798 494)
Net transfer to regulatory reserves	-	-	3 073 922	-	-	-	(3 073 922)	-	-	-	-	-
Foreign operations – foreign translation differences	-	-	-	21 815 125	-	-	-	-	-	21 815 125	-	21 815 125
Gain on financial assets through OCI	-	-	-	-	-	-	-	(10 618 470)	-	(10 618 470)	-	(10 618 470)
Total other comprehensive income	-	-	3 073 922	21 815 125	-	-	(21 422 252)	(10 618 470)	-	(7 151 675)	(450 164)	(7 601 839)
Total comprehensive income	-	-	614 739 690	21 815 125	-	-	(21 422 252)	(10 618 470)	-	604 514 093	1 120 792	605 634 885
Transaction with owners												
Dividend paid	-	-	(37 614 799)	-	-	-	-	-	-	(37 614 799)	-	(37 614 799)
Shareholders' equity at 30 June 2024	18 017	37 764 303	1 812 547 097	36 843 705	(65 732 597)	176 340 183	405 313 860	2 713 656	4 479 937	2 410 288 161	3 185 026	2 413 473 187
Reviewed												
Restated*												
Half year ended 30 June 2023												
Balance at 1 January 2023, as previously reported	18 017	37 764 303	475 239 590	6 902 408	(65 494 997)	176 340 183	143 249 964	10 079 378	4 479 937	788 578 783	1 367 703	789 946 486
Changes on initial application of IFRS 17	-	-	21 085 349	-	-	-	-	-	-	21 085 349	484 547	21 569 896
Restated balance at 1 January 2023	18 017	37 764 303	496 324 939	6 902 408	(65 494 997)	176 340 183	143 249 964	10 079 378	4 479 937	809 664 132	1 852 250	811 516 382
Profit for the period	-	-	1 471 003 532	-	-	-	-	-	-	1 471 003 532	933 107	1 471 936 639
Other comprehensive income												
Gain on revaluation of property and equipment net of tax	-	-	-	-	-	-	215 680 306	-	-	215 680 306	1 246 623	216 926 929
Foreign operations – foreign translation differences	-	-	-	21 203 840	-	-	-	-	-	21 203 840	-	21 203 840
Gain on financial assets through OCI	-	-	-	-	-	-	-	483 207	-	483 207	-	483 207
Total other comprehensive income	-	-	-	21 203 840	-	-	215 680 306	483 207	-	237 367 353	1 246 623	238 613 976
Total comprehensive income	-	-	1 471 003 532	21 203 840	-	-	215 680 306	483 207	-	1 708 370 885	2 179 730	1 710 550 615
Transaction with owners												
Dividend paid	-	-	(20 574 231)	-	-	-	-	-	-	(20 574 231)	-	(20 574 231)
Treasury share purchase	-	-	-	-	(237 600)	-	-	-	-	(237 600)	-	(237 600)
Shareholders' equity at 30 June 2023	18 017	37 764 303	1 946 754 240	28 106 248	(65 732 597)	176 340 183	358 930 270	10 562 585	4 479 937	2 497 223 186	4 031 980	2 501 255 166

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS

For the six months ended 30 June 2024

1 GENERAL INFORMATION

FBC Holdings Limited ("the Company") and its subsidiaries (together "the Group") provide a wide range of commercial banking, mortgage finance, micro lending, short-term reinsurance, short-term insurance, short-term insurance broking and stockbroking services.

The Company is a limited liability company, which is listed on the Zimbabwe Stock Exchange. The Company and its subsidiaries are incorporated and domiciled in Zimbabwe.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 13 August 2024.

2 BASIS OF PREPARATION

The Group's condensed consolidated interim financial statements for the half year ended 30 June 2024 have been prepared in accordance with the International Accounting Standard ("IAS") 34 Interim Financial Reporting, the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Insurance Act (Chapter 24:07) and the Zimbabwe Banking Act (Chapter 24:20).

They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

They should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective as of 1 January 2024.

These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Zimbabwe Gold ("ZWG") and are rounded to the nearest Zimbabwe Gold.

3.1 Presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Zimbabwe Gold ("ZWG"), which is the Group's presentation currency as at half year ended 30 June 2024.

All the Group's subsidiaries operate in Zimbabwe and have the Zimbabwe Gold ("ZWG") as their functional and presentation currency as at half year ended 30 June 2024.

3.2 Adoption of the IAS 29 (Financial Reporting in Hyperinflation Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflation economies had become effective in Zimbabwe, for reporting periods on or after 1 July 2019. These interim consolidated financial statements have been partly prepared in accordance with IAS 29 together with International Financial Reporting Standards Committee (IFRIC) 7 for the first three months plus five days of the year 2024, the period under which the economy was still hyperinflationary. (Applying Restated Approach under IAS 29), as if the

economy had been hyperinflationary from 1 October 2018. The Group adopted both the Zimbabwe Consumer Price Index ("CPI") and the Total Consumption Poverty Line ("TCPL") as the general price index to restate the transactions and balances. Non-monetary assets and liabilities carried in the Group's financial results as at the 5th April 2024 have been restated applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognized in the statement of profit or loss for the half year ended 30 June 2024 and the comparative period. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 October 2018 to the 5th of April 2024 the day the economy ceased to be hyperinflationary. All items in the statement of cash flows are expressed based on the restated financial information for the period.

As noted above, the Group adopted the "CPI" and the "TCPL" as the general price index and used the monthly indices to inflation adjust the historical figures for the period up to the 5th of April 2024.

The factors used in the periods under review are as follows:

Period	Indices	Conversion Factors at 5 April 2024
CPI as at 30 June 2022	8 707.4	49.2939
CPI as at 31 December 2022	13 672.9	31.3920
CPI as at 30 June 2023	42 710.7	10.0495
CPI as at 31 December 2023	65 703.4	6.5327
CPI as at 5 April 2024	429 219.6	1.0000

3.3 Conversion from Zimbabwean Dollar ("ZWL") to Zimbabwe Gold ("ZWG")

Following the Introduction of the Zimbabwe Gold by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar balances were converted into Zimbabwe Gold as at that date. The swap rate of ZWL 1: ZWL2 498.7242 was used as guided by the Reserve Bank of Zimbabwe.

The Group applied the requirements of IAS 21- The Effects of Changes in Foreign Exchange Rates - when converting ZWL amounts to ZWG as functional and reporting currency.

Transactions between 1 January 2024 and 5 April 2024 were inflation adjusted to the 5th of April 2024 in compliance with the requirements of IAS 29 - Financial Reporting in Hyper Inflation economies.

These amounts were then converted to ZWG using the swap rate of ZWL 1: ZWL2 498.7242. Current results in the Condensed consolidated interim financial results for the period ended 30 June 2024 are a combination of these transactions and transactions that occurred between 6 April 2024 and 30 June 2024 which have not been restated using inflation adjusting factors, given that the ZWG has not yet exhibited all the characteristics that would indicate it is a currency of a hyperinflationary economy.

3.4 Comparative financial information

Figures for prior periods were uplifted to 5 April 2024 with the inflation adjusted ZWL figures which were then converted to ZWG using a conversion rate as guided by the Reserve Bank of Zimbabwe.



Step into the Future of Financial Innovation





















Unreviewed Condensed Consolidated Financial Results

FOR THE SIX MONTHS ENDED 30 JUNE 2024

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*	
	ZWG	ZWG	
4 BALANCES WITH BANKS AND CASH			
Balances with Reserve Bank of Zimbabwe ("RBZ")			
Current account balances	831 164 081	43 112 964	
	831 164 081	43 112 964	
Balances with other banks and cash			
Notes and coins	774 454 745	378 070 683	
Other bank balances	560 963 386	1 675 714 259	
	2 166 582 212	2 096 897 906	
Balances with banks and cash (excluding bank overdrafts)			
Current	1 585 494 120	2 096 897 906	
Non-current	581 088 092	-	
	2 166 582 212	2 096 897 906	
Total	2 166 582 212	2 096 897 906	
	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*	Reviewed 30-Jun-23 Restated*
	ZWG	ZWG	ZWG
4.1 For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances:			
Balances with other banks, cash and current account balances at RBZ (excluding bank overdrafts)	2 166 582 212	2 096 897 906	3 125 332 809
Total cash and cash equivalents - statement of cash flows	<u>2 166 582 212</u>	<u>2 096 897 906</u>	<u>3 125 332 809</u>
	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*	
	ZWG	ZWG	
5 FINANCIAL ASSETS			
5.1 Loans and advances to customers			
Loans and advances maturities			
Maturing within 1 year	1 434 213 269	2 838 446 171	
Maturing after 1 year	3 112 717 857	1 464 442 587	
Gross carrying amount	4 546 931 126	4 302 888 758	
Impairment allowance	(89 149 143)	(148 308 676)	
	4 457 781 983	4 154 580 082	
5.2 Trade and other receivables			
Trade receivables	11 288 943	1 921 415	
	11 288 943	1 921 415	
Gross carrying amount	11 288 943	1 921 415	
Impairment allowance	-	-	
	11 288 943	1 921 415	
Current	11 288 943	1 921 415	
Non-current	-	-	
	11 288 943	1 921 415	
5.3 Financial assets at amortised cost			
Maturing within 1 year	39 606 810	89 170 789	
Maturing after 1 year	961 937	160 083 275	
Gross carrying amount	40 568 747	249 254 064	
Impairment allowance	(1 581 702)	(1 220 536)	
	38 987 045	248 033 528	
5.4 Movement in impairment allowance			
Balance at beginning of period	151 270 086	63 309 248	
Additions from new business acquisition	78 236 719	-	
Effects of IAS 29	(114 767 361)	(50 134 572)	
Change on application of IFRS 17	-	(90 715)	
Impairment allowance through statement of profit or loss	8 739 090	140 094 116	
Reversal of impairment	(20 772 998)	(166 017)	
Amounts (recovered)/written off during the year as uncollectible	(4 376)	(1 741 974)	
	102 701 160	151 270 086	
6 BONDS AND DEBENTURES			
Maturing within 1 year	-	-	
Maturing after 1 year	133 918 244	-	
Gross carrying amount	133 918 244	-	
Impairment allowance	(10 577 978)	-	
	123 340 266	-	
Current	-	-	
Non-current	123 340 266	-	
	123 340 266	-	
7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed securities at market value	251 197 952	201 191 064	
Unlisted securities (Afreximbank class B shares)	112 319 237	118 193 203	
	363 517 189	319 384 267	
Current	363 517 189	319 384 267	
Non-current	-	-	
	363 517 189	319 384 267	
8 INVENTORY			
Raw materials	614 255	1 636 790	
Work in progress	29 206 080	12 157 396	
	29 820 335	13 794 186	
Current	29 820 335	13 794 186	
Non-current	-	-	
	29 820 335	13 794 186	

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*				
	ZWG	ZWG				
9 PREPAYMENTS AND OTHER ASSETS						
Prepayments	72 710 705	50 893 299				
Refundable deposits for Mastercard and Visa transactions	24 122 792	29 151 504				
Stationery stock and other consumables	91 280	1 307 020				
Time- share asset	7 536 705	12 078 559				
Zimswitch receivables	42 427 007	27 843 380				
Bill payments receivables	12 078 330	4 927 945				
RBZ NNCD and auction system balances	388 439 356	211 279 295				
Capital work in progress	6 488 283	6 488 283				
Deferred employee benefit on staff loan	9 716 320	63 473 630				
Other	219 190 797	22 805 916				
	782 801 575	430 248 831				
Current	758 678 783	401 097 327				
Non-current	24 122 792	29 151 504				
Total	782 801 575	430 248 831				
10 INTANGIBLE ASSETS						
As at end of period						
Opening net book amount	5 847 379	5 326 709				
Additions	239 527	1 180 099				
Adjustment to cost	(2 272)	-				
Amortisation charge	(671 842)	(659 429)				
	5 412 792	5 847 379				
Closing net book amount	5 412 792	5 847 379				
As at end of period						
Cost	29 186 118	28 948 863				
Accumulated amortisation	(23 773 326)	(23 101 484)				
Net book amount	5 412 792	5 847 379				
11 PROPERTY AND EQUIPMENT						
Unreviewed Half year ended 30 June 2024	Freehold premises ZWG	Machinery ZWG	Computer equipment ZWG	Furniture and Office equipment ZWG	Motor vehicles ZWG	Total ZWG
Opening net book amount at January 2024	422 806 160	19 491 469	24 973 276	73 247 753	86 383 152	626 901 810
Additions	136 050 029	1 439 176	10 644 703	8 372 996	3 634 941	160 141 845
Revaluation	(12 778 843)	(5 528 745)	(12 900 371)	(26 657 761)	(31 604 278)	(89 466 998)
Transfers	(111 300 000)	-	-	-	-	(111 300 000)
Disposals	-	-	(12 801)	(1 054 577)	(59 517)	(1 126 895)
Depreciation	(1 470 771)	(1 645 588)	(3 680 837)	(2 129 529)	(9 828 625)	(18 755 350)
Closing net book amount at June 2024	433 306 575	13 756 312	19 023 970	51 778 882	48 525 673	566 391 412
Audited Year ended 31 December 2023 Restated*	Freehold premises ZWG	Machinery ZWG	Computer equipment ZWG	Furniture and Office equipment ZWG	Motor vehicles ZWG	Total ZWG
Opening net book amount at January 2023	166 231 368	8 465 380	14 738 252	31 635 329	43 502 281	264 572 610
Additions	2 328 323	4 611 385	8 858 950	15 078 012	7 034 465	37 911 135
Revaluation	256 279 271	7 843 063	6 676 618	37 550 994	42 857 867	351 207 813
Disposals	-	-	(195 168)	(5 965 867)	(363 240)	(6 524 275)
Depreciation	(2 032 802)	(1 428 359)	(5 105 376)	(5 050 715)	(6 648 221)	(20 265 473)
Closing net book amount at December 2023	422 806 160	19 491 469	24 973 276	73 247 753	86 383 152	626 901 810
Freehold premises was revalued at half year ended 30 June 2024						
12 INVESTMENT PROPERTY						
Opening balance	852 857 174	347 306 850				
Additions	154 606 453	27 609 447				
Fair value adjustment	160 026 135	454 186 724				
Disposals	(881 400)	(8 612 284)				
Transfers from inventory	1 884 127	32 366 437				
Transfers from property and equipment	111 300 000	-				
	1 279 792 489	852 857 174				
Closing balance	1 279 792 489	852 857 174				
Non-current	1 279 792 489	852 857 174				
Total	1 279 792 489	852 857 174				
Fair valued adjustment of ZWG 160,026,135 was made as at 30 June 2024.						
The fair value of investment property was determined by external, independent property valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.						
13 DEPOSITS FROM OTHER BANKS AND CUSTOMERS						
13.1 DEPOSITS FROM CUSTOMERS						
Demand deposits	3 536 243 035	2 149 870 070				
Promissory notes	182 913 190	286 000 204				
Other time deposits	338 132 954	224 523 591				
	4 057 289 179	2 660 393 865				
13.2 DEPOSITS FROM OTHER BANKS						
Money market deposits	540 075 534	286 818 250				
Bank borrowings and lines of credit	1 638 147 126	1 874 315 742				
	2 178 222 660	2 161 133 992				
Total deposits	6 235 511 839	4 821 527 857				
Current	4 705 185 740	4 422 394 558				
Non-current	1 530 326 099	399 133 299				
Total	6 235 511 839	4 821 527 857				
All borrowings are secured with an average interest rate of 13% per annum.						

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

13.3 Deposits concentration

	Unreviewed		Audited	
	30-Jun-24		31-Dec-23	
	ZWG	%	Restated* ZWG	%
Agriculture	380 842 254	6%	163 508 275	3%
Construction	262 511 201	4%	325 319 318	7%
Wholesale and retail trade	519 524 784	8%	440 138 316	9%
Public sector	594 892 510	10%	424 032 328	9%
Manufacturing	190 540 900	3%	364 470 743	8%
Telecommunication	251 204 692	4%	48 810 682	1%
Transport	167 241 932	3%	44 689 479	1%
Individuals	606 932 100	10%	267 939 476	6%
Financial services	1 775 774 937	28%	2 074 282 102	45%
Mining	763 059 946	12%	349 336 829	7%
Other	722 986 583	12%	319 000 309	7%
Total	6 235 511 839	100%	4 821 527 857	100%

There are material concentration of deposits to the following sectors; Financial services 28%, public sector 10%, individual 10%, mining 12% and other 12%.

14 INSURANCE AND REINSURANCE CONTRACTS
Insurance contracts
Insurance contract liabilities
- Insurance contract balances

 - Life risk
 - Non-Life

- Assets for insurance acquisition cash flows

 - Life risk
 - Non-Life

Net Insurance contract liabilities
Insurance contract assets
- Insurance contract balances

 - Life risk
 - Non-Life

- Assets for insurance acquisition cash flows

 - Life risk
 - Non-Life

Net Insurance contract assets
Reinsurance contracts
Reinsurance contract assets

 - Life risk
 - Non-Life

Reinsurance contract liabilities

 - Life risk
 - Non-Life

The following sets out the carrying amounts of insurance and reinsurance contracts expected to be (recovered) settled more than 12 months after the reporting date

	Unreviewed	Audited
	30-Jun-24	31-Dec-23
	ZWG	Restated* ZWG
Insurance contract assets	-	-
Insurance contract liabilities	-	-
Reinsurance contract assets	-	-
Reinsurance contract liabilities	-	-
Maximum exposure to credit risk from Insurance contracts	60 052 062	52 058 476
Maximum exposure to credit risk from Reinsurance contracts	68 785 443	52 083 388

14.1 The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

Movement in insurance and reinsurance contract balances
Unreviewed
30-Jun-24
Non-life
Insurance contracts
Analysis by remaining coverage and incurred claims
and incurred claims

	Liability for incurred claims		Contracts under PAA		Total ZWG
	Liability for remaining coverage excluding loss component ZWG	Loss component ZWG	Estimates of present value of future cash flows		
			Estimates of present value of future cash flows ZWG	Risk adjustment for non-financial risk ZWG	
Net opening assets/(liabilities)	(59 443 457)	(103 327)	(73 505 039)	(6 481 849)	(139 533 672)
Net opening balance	(59 443 457)	(103 327)	(73 505 039)	(6 481 849)	(139 533 672)
Changes in the statement of profit or loss and OCI					
Insurance revenue	182 211 488	-	-	-	182 211 488
Insurance service expense					
Incurred claims and other insurance service expenses	41 487 290	-	(48 840 036)	-	(7 352 746)
Amortisation of insurance acquisition cash flows	(34 375 127)	-	-	-	(34 375 127)
Adjustment to liabilities for incurred claims	56 230 262	(56 136 865)	(19 046 742)	2 398 370	(16 554 975)
Insurance service result	245 553 913	(56 136 865)	(67 886 778)	2 398 370	123 928 640
Effect of movement in exchange rates	43 310 060	-	-	-	43 310 060
Total changes in the statement of profit or loss and OCI	288 863 973	(56 136 865)	(67 886 778)	2 398 370	167 238 700
Cash flows					
Premiums received	(283 412 821)	-	-	-	(283 412 821)
Claims and other insurance service expenses paid	34 146 437	-	48 840 036	-	82 986 473
Insurance acquisition cash flows	55 450 032	-	-	-	55 450 032
Total cash flows	(193 816 352)	-	48 840 036	-	(144 976 316)
Transfer to other items in the statement of financial position					
Contracts derecognised on disposal of subsidiary	-	-	-	-	-
Net closing balance	35 604 164	(56 240 192)	(92 551 781)	(4 083 479)	(117 271 288)

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

Audited
31-Dec-23
Restated*
Non-life
Insurance contracts
Analysis by remaining coverage and incurred claims
and incurred claims
Insurance contracts
Analysis by remaining coverage and incurred claims
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	Liability for incurred claims				Total ZWG
	Liability for remaining coverage excluding loss component ZWG	Loss component ZWG	Contracts under PAA		
			Estimates of present value of future cash flows ZWG	Risk adjustment for non-financial risk ZWG	
Opening liabilities	(11 422 771)	5 343 638	(26 767 225)	(927 365)	(33 773 723)
Net opening balance	(11 422 771)	5 343 638	(26 767 225)	(927 365)	(33 773 723)
Changes in the statement of profit or loss and OCI					
Insurance revenue	313 946 692	-	-	-	313 946 692
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	(162 585 851)	-	(162 585 851)
Amortisation of insurance acquisition cash flows	(95 167 085)	-	-	-	(95 167 085)
Losses and reversals of losses on onerous contracts	(18 437 007)	-	-	-	(18 437 007)
Adjustment to liabilities for incurred claims	-	4 890 415	(21 174 013)	(4 422 259)	(20 705 857)
Insurance service result	200 342 600	4 890 415	(183 759 864)	(4 422 259)	17 050 892
Effect of movement in exchange rates	(55 320 217)	-	-	-	(55 320 217)
Total changes in the statement of profit or loss and OCI	145 022 383	4 890 415	(183 759 864)	(4 422 259)	(38 269 325)
Cash flows					
Premiums received	(288 747 386)	-	-	-	(288 747 386)
Claims and other insurance service expenses paid	-	-	126 089 677	-	126 089 677
Insurance acquisition cash flows	95 167 085	-	-	-	95 167 085
Total cash flows	(193 580 301)	-	126 089 677</		

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

	Assets for remaining coverage			Total ZWG
	Excluding Loss recovery component ZWG	Loss recovery component ZWG	Asset for incurred claims ZWG	
Opening assets	(5 721 795)	452 424	1 854 479	(3 414 892)
Net opening balance	(5 721 795)	452 424	1 854 479	(3 414 892)
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums paid	106 796 408	-	-	106 796 408
	106 796 408	-	-	106 796 408
Amortisation of reinsurance acquisition cash flows	(62 309 810)	-	-	(62 309 810)
Losses and reversals of losses on onerous contracts	(12 625 627)	3 064 306	14 601 098	5 039 777
	(74 935 437)	3 064 306	14 601 098	(57 270 033)
Premium refunds	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net (revenue)/expenses from reinsurance contracts	31 860 971	3 064 306	14 601 098	49 526 375
Effect of movement in exchange rates	29 718 354	-	(47 852 706)	(18 134 352)
Total changes in the statement of profit or loss and OCI	61 579 325	3 064 306	(33 251 608)	31 392 023
Cash flows				
Premiums paid	-	-	(16 205 348)	(16 205 348)
Amounts received	-	-	16 138 508	16 138 508
Total cash flows	-	-	(66 840)	(66 840)
Contracts derecognised on disposal of subsidiary	-	-	-	-
Closing assets	55 857 530	3 516 730	(31 463 969)	27 910 291

15 TRADE AND OTHER PAYABLES

	Unreviewed 30-Jun-24 ZWG	Audited 31-Dec-23 Restated* ZWG
Trade and other payables	180 615 259	695 793 197
Deferred income	43 778 205	37 703 931
Mastercard and Visa prepayments	152 965 834	182 113 532
TT Resdex inwards	2 144 121	10 901 239
RBZ cash cover	49 714 171	141 058 451
Zimswitch settlement	29 725 844	16 917 432
Instant banking balances	2 739 961	5 195 353
Intermediary tax	58 232 667	24 113 808
Other liabilities	316 833 022	332 423 824
Customer funds awaiting payment	155 067 558	195 632 871
Total	991 816 642	1 641 853 638
Current	715 614 790	1 283 869 337
Non-current	276 201 852	357 984 301
Total	991 816 642	1 641 853 638

16 SHARE CAPITAL AND SHARE PREMIUM

	Unreviewed 30-Jun-24 ZWG	Audited 31-Dec-23 Restated* ZWG		
Authorised				
Number of ordinary shares, with a nominal value of ZWG0.000000004	800 000 000	800 000 000		
Issued and fully paid				
Number of ordinary shares, with a nominal value of ZWG0.000000004	671 949 927	671 949 927		
Share capital movement				
	Number of Shares	Share Capital ZWG	Share Premium ZWG	Total ZWG
As at 1 January 2024	671 949 927	18 017	37,764,303	37 782 320
Share issue	-	-	-	-
As at 30 June 2024	671 949 927	18 017	37 764 303	37 782 320

The unissued share capital is under the control of the directors subject to the restrictions imposed by the Companies and Other Business Entities Act (Chapter 24:31), Zimbabwe Stock Exchange Listing Requirements and the Articles and Memorandum of Association of the Company.

17 INTEREST AND RELATED INCOME

	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Cash and cash equivalents	24 738 613	24 400 391
Loans and advances to other banks	22 265 747	45 889 240
Loans and advances to customers	381 538 802	334 252 300
Bankers acceptances and tradable bills	6 931 818	23 306 819
Total	435 474 980	427 848 750

18 INTEREST AND RELATED EXPENSE

	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Deposit from other banks	13 897 309	57 573 784
Demand deposits	4 696 681	4 163 178
Afreximbank	42 393 175	93 132 111
Time deposits	(1 231 412)	17 822 677
Total	59 755 753	172 691 750

19 FEE AND COMMISSION INCOME

	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Retail service fees	199 141 310	223 109 440
Credit related fees	5 016 052	3 308 410
Investment banking fees	2 089	2 218 911
Brokerage	3 491 696	3 163 355
Total	207 651 147	231 800 116

21 INSURANCE REVENUE

	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Contracts measured under PAA	-	-
Life risk	-	-
Non-life	182 211 488	158 141 473
Total	182 211 488	158 141 473

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

	Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG		
22 OTHER OPERATING INCOME				
Rental income	13 488 656	7 126 879		
Profit on disposal of property and equipment	1 080 657	68 711		
Sundry income	42 042 627	19 502 813		
Bad debts recovered	324 652	78 708		
Fair value adjustment investment property	121 545 560	501 942 633		
Total	178 482 152	528 719 744		
25 OPERATING EXPENSES				
Insurance service expenses				
Claims and benefits	60 672 066	161 022 290		
Amortisation of insurance acquisition cash flows	54 920 947	35 899 153		
Staff costs	7 945 209	-		
Administration expenses	19 628 607	-		
Total	143 166 829	196 921 443		
Other operating expenses				
Administration expenses	169 818 715	224 888 740		
Staff costs	459 192 454	1 196 818 582		
Directors' remuneration	5 219 108	5 761 133		
Audit fees:				
- current year fees	3 109 750	7 570 953		
- prior year fees	2 131 117	2 575 949		
- other services	-	-		
Depreciation	18 755 351	9 897 834		
Amortisation	671 842	439 087		
Operating lease payment	123	2 531 964		
Total	658 898 460	1 450 484 243		
26 INCOME TAX EXPENSE				
Current income tax on income for the half year	43 344 289	62 159 276		
Deferred tax	13 121 930	181 255 846		
Total	56 466 219	243 415 122		
27 CAPITAL COMMITMENTS				
Capital expenditure authorized but not yet contracted for	454 907 437	127 613 346		
28 CONTINGENT LIABILITIES				
Guarantees and letters of credit	402 591 156	252 386 872		
29 EARNINGS PER SHARE				
29.1 Basic earnings per share				
Profit attributable to equity holders of the parent	611 665 768	1 471 003 532		
Total	611 665 768	1 471 003 532		
Basic earnings per share				
Basic earnings per share (ZWG cents)	100.18	240.89		
Total	100.18	240.89		
Weighted average number of ordinary shares				
Half Year ended 30 June 2024				
Issued ordinary shares as at 1 January 2024	671 949 927	(61 406 905)	610 543 022	610 543 022
Treasury shares purchased	-	-	-	-
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 30 June	671 949 927	(61 406 905)	610 543 022	610 543 022
Half Year ended 30 June 2023				
Issued ordinary shares as at 1 January 2023	671 949 927	(61 248 405)	610 701 522	610 701 522
Treasury shares purchased	-	(158 500)	(158 500)	(46 157)
Treasury shares sold	-	-	-	-
Weighted average number of ordinary shares as at 30 June	671 949 927	(61 406 905)	610 543 022	610 655 365
29.2 Diluted earnings per share				
Diluted earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.				
			Unreviewed 30-Jun-24 ZWG	Reviewed 30-Jun-23 Restated* ZWG
Profit attributable to equity holders of the parent			611 665 768	1 471 003 532
Total			611 665 768	1 471 003 532
Weighted average number of ordinary shares at 30 June			610 543 022	610 655 365
Diluted earnings per share (ZWG cents)				
Diluted earnings per share (ZWG cents)			100.18	240.89
Total			100.18	240.89
29.3 Headline earnings per share				
Profit attributable to equity holders			611 665 768	1 471 003 532
Adjusted for excluded remeasurements				
Profit on the disposal of property and equipment			(1 080 657)	(68 711)
Other			-	-
Headline earnings			610 585 111	1 470 934 821
Weighted average number of ordinary shares at 30 June			610 543 022	610 655 365
Headline earnings per share (ZWG cents)			100.01	240.88
29.4 Diluted headline earnings per share				
Diluted headline earnings per share is calculated after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have dilutive ordinary shares.				
Headline earnings			610 585 111	1 470 934 821
Weighted average number of ordinary shares at 30 September			610 543 022	610 655 365
Diluted earnings per share (ZWG cents)			100.01	240.88

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

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30 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE HIERARCHY

IFRS 13 'Fair value measurement' requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below.

Quoted market prices - Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets in active markets where the quoted price is readily available.

Valuation technique using observable inputs - Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique using significant observable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

The following table shows the Group's assets and liabilities that are held at fair value disaggregated by valuation technique:

Valuation technique using;

	Quoted prices in active markets for identical assets (Level 1) ZWG	Significant other observable inputs (Level 2) ZWG	Significant unobservable inputs (Level 3) ZWG
Recurring fair value measurements			
As at 30 June 2024			
Investment property	-	-	1 279 792 489
Financial assets at amortised cost	-	-	38 987 045
Financial assets at fair value through profit or loss	363 517 189	-	-
Financial assets at fair value through other comprehensive income	8 442 902	-	-
Land and buildings	-	-	433 306 576
As at 31 December 2023, restated*			
Investment property	-	-	852 857 174
Financial assets at amortised cost	-	-	248 033 528
Financial assets at fair value through profit or loss	319 384 267	-	-
Financial assets at fair value through other comprehensive income	3 154 645	-	-
Land and buildings	-	-	422 806 160

There were no transfers between levels 1 and 2 during the period

31 CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the Group's classification of each class of financial assets and liabilities.

	Financial assets at amortised cost ZWG	Financial assets at fair value through profit or loss ZWG	Financial assets at fair value through other comprehensive income ZWG	Loans and receivables ZWG	Financial liabilities at amortised cost ZWG
As at 30 June 2024					
Trading assets					
Balances with other banks and cash	-	-	-	2 166 582 212	-
Financial assets at amortised cost	38 987 045	-	-	-	-
Loans and advances to customers	-	-	-	4 457 781 983	-
Insurance contract assets	-	-	-	60 052 062	-
Reinsurance contract assets	-	-	-	68 785 443	-
Trade and other receivables	-	-	-	11 288 943	-
Bonds and debentures	123 340 266	-	-	-	-
Financial assets at fair value through profit or loss	-	363 517 189	-	-	-
Financial assets at fair value through other comprehensive income	-	-	8 442 902	-	-
	162 327 311	363 517 189	8 442 902	6 764 490 643	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	1 638 147 126
Insurance contract liabilities	-	-	-	-	177 323 351
Reinsurance contract liabilities	-	-	-	-	1 369 770
Trade and other payables	-	-	-	-	991 816 642
	-	-	-	-	2 808 656 889
As at 31 December 2023, restated*					
Trading assets					
Balances with other banks and cash	-	-	-	2 096 897 906	-
Financial assets at amortised cost	248 033 528	-	-	-	-
Loans and advances to customers	-	-	-	4 154 580 082	-
Insurance contract assets	-	-	-	52 058 476	-
Reinsurance contract assets	-	-	-	52 083 388	-
Trade and other receivables	-	-	-	1 921 415	-
Bonds and debentures	-	-	-	-	-
Financial assets at fair value through profit or loss	-	319 384 267	-	-	-
Financial assets at fair value through other comprehensive income	-	-	3 154 645	-	-
	248 033 528	319 384 267	3 154 645	6 357 541 267	-
Trading liabilities					
Deposits and borrowings from other banks and customers	-	-	-	-	1 874 315 742
Insurance contract liabilities	-	-	-	-	191 592 147
Reinsurance contract liabilities	-	-	-	-	24 173 099
Trade and other payables	-	-	-	-	1 641 853 638
	-	-	-	-	3 731 934 626

32 RELATED PARTIES

The Group carried out banking, insurance and investment related transactions with various companies related to its shareholders, all of which were undertaken in compliance with the relevant banking and insurance regulations. The full list of related party transactions are provided in the Group's annual report for the year ended 31 December 2023.

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For the six months ended 30 June 2024

33 SEGMENT REPORTING

Segment information is presented in respect of business segments.

Segment revenue, expenses, results and assets are items that are directly attributable to the business segment or which can be allocated on a reasonable basis to a business segment.

The Group comprises eight business segments i.e. commercial banking, wholesale banking, microlending, mortgage financing, short term reinsurance, short-term insurance, insurance broking and stockbroking.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group Executive Committee.

Unreviewed 30-Jun-24	Head Office ZWG	Commercial banking ZWG	Microlending ZWG	Mortgage financing ZWG	Short term reinsurance ZWG	Short term insurance ZWG	Insurance Broking ZWG	Stockbroking ZWG	Wholesale Banking ZWG	Intersegment eliminations ZWG	Consolidated ZWG
Total segment revenue											
Interest income	8 903 050	328 434 278	74 840 815	26 897 214	641 002	2 125 900	-	382	7 267 000	(13 634 860)	435 474 980
Interest expense	(8 544 802)	(46 008 014)	(6 881 076)	(11 352 753)	-	-	(178 364)	(274 405)	(151 000)	13 634 661	(59 755 753)
Net interest income	358 248	282 426 264	67 959 739	15 544 461	641 002	2 125 900	(178 364)	(274 023)	7 116 000	1	375 719 227
Insurance service result	-	-	-	-	22 013 539	1 343 890	-	-	-	(1)	23 357 428
Net fee and commission income	1 730 571	162 318 744	30 327	35 867 289	-	-	285 232	1 069 180	7 983 023	(4 584 768)	204 699 598
Net trading income and other income	215 747 006	967 327 566	60 466 385	65 325 303	74 544 806	46 324 837	1 009 579	694 848	110 232 862	(34 026 463)	1 507 646 728
Total income	217 835 825	1 412 072 574	128 456 450	116 737 053	97 199 347	49 794 627	1 116 447	1 490 004	125 331 885	(38 611 231)	2 111 422 981
Intersegment revenue	(8 824 280)	(5 241 902)	32 122	(2 251 986)	(5 068 213)	(20 056 161)	(626 290)	(351)	(172 166)	42 209 226	-
Intersegment interest expense and commission	279 569	17 330 968	8 228 744	3 731 678	2 039 703	9 768 167	182 454	278 097	-	(41 839 380)	-
Other operating expenses	-	-	209 231	160 615	-	-	-	-	-	(369 846)	-
Revenue from external customers	209 291 113	1 424 161 641	136 926 547	118 377 361	94 170 836	39 506 633	672 611	1 767 750	125 159 720	(38 611 231)	2 111 422 981
Segment profit before income tax	166 762 869	139 293 495	60 086 945	156 485 490	44 350 202	14 669 471	3 280 468	(1 495 936)	119 926 556	(33 656 617)	669 702 943
Impairment losses on financial assets	(9 694 634)	25 659 932	8 273 986	5 236 893	-	131 913	-	-	(20 868 000)	-	8 739 090
Depreciation	725 678	10 380 537	103 062	4 970 245	1 307 337	927 040	140 843	33 176	167 432	-	18 755 351
Amortisation	-	632 149	-	-	12 415	-	27 278	-	-	-	671 842
Segment assets	1 079 050 746	6 632 001 053	191 944 206	1 268 178 345	281 915 500	158 680 076	5 677 430	10 930 831	1 899 029 086	(1 540 053 021)	9 987 354 252
Total assets includes: Additions to property and equipment	-	14 767 085	352 068	2 551 961	235 087	1 030 064	-	20 308	141 185 272	-	160 141 845
Segment liabilities	607 817 547	5 560 990 025	134 951 167	638 077 595	172 554 456	89 069 979	9 347 469	7 747 184	1 306 278 721	961 135 189	7 573 881 065

Restated* 30-Jun-23	Head Office ZWG	Commercial banking ZWG	Microlending ZWG	Mortgage financing ZWG	Underwriting short-term general classes of insurance ZWG	Underwriting short-term insurance ZWG	Short-term insurance broking ZWG	Equity market dealing ZWG	Wholesale banking ZWG	Intersegment eliminations ZWG	Consolidated ZWG
Total segment revenue											
Interest income	21 206 784	332 009 659	62 342 432	33 357 535	1 463 123	1 515 033	-	4 754	(24 050 570)	427 848 750	
Interest expense	(12 821 714)	(116 377 511)	(4 978 260)	(58 042 032)	-	-	(4 128 215)	(394 588)	24 050 570	(172 691 750)	
Net interest income	8 385 070	215 632 148	57 364 172	(24 684 497)	1 463 123	1 515 033	(4 128 215)	(389 834)	-	255 157 000	
Insurance service result	-	-	-	-	(25 649 349)	(7 883 800)	-	-	(30 399)	(33 563 548)	
Net fee and commission income	584 982	207 942 166	311 514	24 032 347	-	-	(41 672)	1 374 711	(5 157 582)	229 046 466	
Net trading income and other income	370 899 682	1 874 649 694	19 126 916	530 177 061	183 551 285	50 406 003	1 691 871	9 455 127	(56 048 116)	2 983 908 523	
Total income	379 869 734	2 296 224 008	76 802 602	529 524 911	159 365 059	44 037 236	(2 478 016)	10 440 004	(61 236 097)	3 434 549 441	
Intersegment revenue	-	(855 976)	11 537 993	7 476 860	963 421	6 686 876	4 129 255	466 300	(30 404 729)	-	
Intersegment interest expense and commission	-	787 643	375 935	150 144	-	-	-	-	(1 313 722)	-	
Amortisation	4 732 922	4 732 922	6 265	2 157 325	683 353	-	-	-	(12 312 786)	-	
Revenue from external customers	384 602 656	2 302 888 596	88 722 795	539 309 240	161 011 833	50 724 112	1 651 239	10 906 304	(105 267 334)	3 434 549 441	
Segment profit before income tax	146 644 985	1 059 663 972	24 793 594	411 803 155	100 644 671	24 766 293	(2 511 838)	5 342 521	(55 795 592)	1 715 351 761	
Impairment losses on financial assets	-	293 353 661	10 137 223	2 931 273	-	98 870	51 202	-	-	306 572 229	
Depreciation	64 158	5 623 179	419 537	1 327 900	547 375	1 602 922	270 170	42 593	-	9 897 834	
Amortisation	-	411 568	242	-	-	-	27 277	-	-	439 087	
Segment assets	952 745 103	9 767 471 114	235 765 776	1 315 742 902	259 645 367	201 252 753	7 126 850	14 140 025	(13 722 442 196)	(968 552 308)	
Total assets includes: Additions to non-current assets	67 368	14 524 962	750 731	1 162 870	4 151 351	108 595	-	21 828	-	20 787 705	
Segment liabilities	554 566 390	8 382 980 403	203 062 295	609 095 465	149 864 049	123 764 261	12 896 175	8 380 231	(10 250 569 731)	(205 960 462)	

34 FINANCIAL RISK MANAGEMENT

The Group has a defined risk appetite that is set by the Board and it outlines the amount of risk that business is prepared to take in pursuit of its objectives and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations and best market practice.

The policies specifically cover foreign exchange risk, liquidity risk, interest rate risk, credit risk and the general use of financial instruments. Group Risk and Compliance, Group Internal audit review from time to time the integrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The Group's risk management strategies and plans are aimed at achieving an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's activities and operations results in exposure to the following risks:

- Credit risk
- Market risk
 - Interest rate risk,
 - Currency risk, and
 - Price risk
- Liquidity risk
- Settlement risk
- Operational risk
- Capital risk

Other risks:

- Reputational risk
- Legal and Compliance risk
- Strategic risk

The Group controls these risks by diversifying its exposures and activities among products, clients, and by limiting its positions in various instruments and investments.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

34.1 Credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet their obligations as and when they fall due. Credit risk arises from lending, trading, insurance products and investment activities and products. Credit risk and exposure to loss are inherent parts of the Group's business.

The Group manages, limits and controls concentration of credit risk in respect of individual counterparties and groups. The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one counterparty or group or counterparties and to geographical and industry segments. Such risks are monitored on a revolving basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors of the subsidiary companies.

The Board Credit Committees of the Bank, Microplan and the Building Society periodically review and approve policies and procedures to define, measure and monitor the credit and settlement risks arising from the Group's activities. Limits are established to control these risks. Any facility exceeding established limits of the subsidiary Management Credit Committee must be approved by the subsidiary Board Credit Committee.

The Group Credit Management Department evaluates the credit exposures and assures ongoing credit quality by reviewing individual credit and concentration and monitoring of corrective action.

The Group Credit Management Department periodically prepares detailed reports on the quality of the customers for review by the Board Loans Review Committees of the subsidiary companies and assesses the adequacy of the impairment allowance. Any loan or portion thereof which is classified as a "loss" is written off. To maintain an adequate allowance for credit losses, the Group generally provides for a loan or a portion thereof, when a loss is probable.

Credit policies, procedures and limits

The Group has sound and well-defined policies, procedures and limits which are reviewed annually and approved by the Board of Directors of the subsidiary companies and strictly implemented by management. Credit risk limits include delegated approval and write-off limits to advances managers, management, board credit committees and the Board. In addition there are counterparty limits, individual account limits, group limits and concentration limits.

Credit risk mitigation and hedging

As part of the Group's credit risk mitigation and hedging strategy, various types of collateral is taken by the banking subsidiaries. These include mortgage bonds over residential, commercial and industrial properties, cession of book debts and the underlying moveable assets financed. In addition, a guarantee is often required particularly in support of a credit facility granted to a counterparty. Generally, guarantor counterparties include parent companies and shareholders.

Creditworthiness for the guarantor is established in line with the credit policy.

Credit risk stress testing

The Group recognises the possible events or future changes that could have a negative impact on the credit portfolios which could affect the Group's ability to generate more business. To mitigate this risk, the Group has put in place a stress testing framework that guides the Group in conducting credit stress tests.

Impairments

An allowance for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Credit terms: Default

This is failure by a borrower to comply with the terms and conditions of a loan facility as set out in the facility offer letter or loan contract. Default occurs when a debtor is either unwilling or unable to repay a loan.

Past due loans

These are loans whereby the debtor is in default by exceeding the loan tenure or expiry date as expressly set out in the loan contract i.e. the debtor fails to repay the loan by a specific given date.

Impaired loans

The Group's policy regarding impaired/ doubtful loans is all loans where the degree of default becomes extensive such that the Group no longer has reasonable assurance of collection of the full outstanding amount of principal and interest.

All such loans are classified in the 8, 9 and 10 under the Basel II ten tier grading system.

Provisioning policy and write offs

The Group has adopted IFRS 9 to determine expected credit losses (ECL)

The table below shows the mapping of the RBZ Supervisory Rating Scale to the IFRS 9 staging matrix

Rating	Descriptive classification	Risk level	Level of allowance	IFRS 9 grading/tier system	Type of allowance
1	Prime grade	Insignificant	1%		
2	Strong	Modest	1%	Stage 1	12 Months ECL
3	Satisfactory	Average	2%		
4	Moderate	Acceptable	3%		
5	Fair	Acceptable with care	4%	Stage 2	Lifetime ECL
6	Speculative	Management attention	5%		
7	Highly Speculative	Special mention	10%		
8	Substandard	Vulnerable	20%		
9	Doubtful	High default	50%	Stage 3	Lifetime ECL
10	Loss	Bankrupt	100%		

Expected Credit Losses (ECL)

In the context of IFRS 9 is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows)

Expected Credit Losses are the product of Probability of Default(PD)*Exposure at Default (EAD)* Loss Given Default(LGD)

Probability of Default (PD)

It is the chance that borrowers will fail to meet their contractual obligations in the future. The PD is derived using historical internal credit rating data.

Exposure at Default (EAD)

It is the total value that a bank is exposed to at the time of a loan's default. In most cases and for most loan products, EAD is taken as the gross outstanding balance at time of default. It also includes off -balance sheet exposures such as guarantees and lending commitments which are then modelled based on historical experience to determine the appropriate exposure estimates.

Loss Given Default (LGD)

It is an estimate of the loss from a transaction given that a default has occurred. The LGD estimate is calculated as the quotient of the set of estimated cash flows resulting from the workout and/or collections process (the loss of principal, the carrying costs of non-performing loans e.g. interest income foregone and workout expenses. The estimates take into account the time value of money by discounting the recoveries to the date of default.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

34.1.1 Exposure to credit risk

Loans and advances

Stage 3/Grade 8:
Stage 3/Grade 9:
Stage 3/Grade 10:
Gross amount
Credit impairment loss allowance

Carrying amount

Stage 2/Grades 4 - 7:

Stage 1/Grades 1 - 3:

Gross amount
Credit impairment loss allowance

Carrying amount

Total carrying amount

	Inflation Adjusted	
	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*
ZWG		ZWG
7 556 330		14 510 885
13 977 615		32 867 585
23 932 062		2 333 746
45 466 007		49 712 216
(29 269 702)		(32 532 280)
16 196 305		17 179 936
804 555 399		986 980 363
3 696 909 720		3 266 196 179
4 501 465 119		4 253 176 542
(59 879 441)		(115 776 396)
4 441 585 678		4 137 400 146
4 457 781 983		4 154 580 082

Unreviewed
30-Jun-24

Audited
31-Dec-23
Restated*

34.1.2 Sectoral analysis of utilisations - loans and advances

Inflation Adjusted

	ZWG	%	Audited 31-Dec-23 Restated*	%
Mining	189 709 897	4%	186 750 199	4%
Manufacturing	588 248 557	13%	533 431 459	12%
Mortgage	172 402 783	4%	217 321 719	5%
Wholesale	96 525 388	2%	494 957 578	12%
Distribution	356 213 017	8%	3 856 596	0%
Individuals	959 167 142	21%	509 425 276	12%
Agriculture	315 561 812	7%	309 688 916	7%
Communication	239 501 411	5%	8 692 224	0%
Construction	119 903 643	3%	215 444 673	5%
Local Authorities	8 415 605	0%	394	0%
Other services	1 501 281 871	33%	1 823 319 724	42%
Gross loans and advances	4 546 931 126	100%	4 302 888 758	100%
Less credit impairment loss allowance	(89 149 143)		(148 308 676)	
Carrying amount	4 457 781 983		4 154 580 082	

There are material concentration of loans and advances to the following sectors; other services 33%, individual 21%, distribution 8% and manufacturing 13%.

34.1.3 Loans and advances

	Unreviewed 30-Jun-24				Audited 31-Dec-23 Restated*			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total ZWG	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total ZWG
Investment grade	3 696 909 720	1 538 435	-	3 698 448 155	3 266 196 179	-	-	3 266 196 179
Standard monitoring	-	612 456 882	-	612 456 882	-	785 017 485	-	785 017 485
Special monitoring	-	190 560 082	-	190 560 082	-	201 962 878	-	201 962 878
Default	-	-	45 466 007	45 466 007	-	-	49 712 216	49 712 216
Gross loans and advances	3 696 909 720	804 555 399	45 466 007	4 546 931 126	3 266 196 179	986 980 363	49 712 216	4 302 888 758
Credit impairment loss allowance	(49 476 038)	(10 403 403)	(29 269 702)	(89 149 143)	(48 861 423)	(66 914 973)	(32 532 280)	(148 308 676)
Net loans and advances	3 647 433 682	794 151 996	16 196 305	4 457 781 983	3 217 334 756	920 065 390	17 179 936	4 154 580 082

34.1.4 Reconciliation of credit impairment allowance for loans and advances

	Unreviewed 30-Jun-24	Audited 31-Dec-23 Restated*
	ZWG	ZWG
Balance at 1 January	148 308 676	59 950 349
Additions from new business acquisition	28 771 803	-
Effects of IAS 29	(103 559 332)	(47 474 661)
Impairment allowance through statement of profit or loss	15 632 372	139 121 871
Write off	(4 376)	(3 288 883)
89 149 143		148 308 676
34.1.5 Trade and other receivables		
Past due and impaired	-	-
Allowance for impairment	-	-
Carrying amount	-	-
Past due but not impaired	-	-
Niether past due nor impaired	11 288 943	1 921 415
Gross amount	11 288 943	1 921 415
Allowance for impairment	-	-
Changes on initial application of IFRS 17	-	-
Carrying amount	11 288 943	1 921 415
Total carrying amount	11 288 943	1 921 415

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For the six months ended 30 June 2024

34.1.6 Financial assets at amortised cost

	Unreviewed 30-Jun-24				Audited 31-Dec-23 Restated*			
	ECL staging			Total	ECL staging			Total
	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime		Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	
	ECL	ECL	ECL	ZWG	ECL	ECL	ECL	ZWG
Credit grade								
Investment grade	40 568 747	-	-	40,568,747	249 254 064	-	-	249,254,064
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross financial assets at amortised cost	40 568 747	-	-	40 568 747	249 254 064	-	-	249 254 064
Credit impairment loss allowance	(1 581 702)	-	-	(1 581 702)	(1 220 536)	-	-	(1,220,536)
Net financial asset at amortised cost	38 987 045	-	-	38 987 045	248 033 528	-	-	248 033 528

34.1.7 Bonds and debentures

	Unreviewed 30-Jun-24				Audited 31-Dec-23 Restated*			
	ECL staging			Total	ECL staging			Total
	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime		Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	
	ECL	ECL	ECL	ZWG	ECL	ECL	ECL	ZWG
Credit grade								
Investment grade	133 918 244	-	-	133 918 244	-	-	-	-
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross bonds and debentures	133 918 244	-	-	133 918 244	-	-	-	-
Credit impairment loss allowance	(10 577 978)	-	-	(10 577 978)	-	-	-	-
Net bonds and debentures	123 340 266	-	-	123 340 266	-	-	-	-

34.1.8 Credit exposure on undrawn loan commitments and guarantees

	Unreviewed 30-Jun-24				Audited 31-Dec-23 Restated*			
	ECL staging			Total	ECL staging			Total
	Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime		Stage 1 12-month	Stage 2 Lifetime	Stage 3 Lifetime	
	ECL	ECL	ECL	ZWG	ECL	ECL	ECL	ZWG
Credit grade								
Investment grade	405 622 446	-	-	405 622 446	166 751 287	-	-	166,751,287
Standard monitoring	-	-	-	-	-	-	-	-
Special monitoring	-	-	-	-	-	-	-	-
Default	-	-	-	-	-	-	-	-
Gross undrawn loan commitments and guarantees	405 622 446	-	-	405 622 446	166 751 287	-	-	166 751 287
Credit impairment loss allowance	(1 392 335)	-	-	(1 392 335)	(2 285 185)	-	-	(2,285,185)
Net undrawn loan commitments and guarantees	404 230 111	-	-	404 230 111	164 466 102	-	-	164 466 102

34.2 Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to meet financial commitments to extend credit, meet deposit maturities, settle claims and other unexpected demands for cash. Liquidity risk arises when assets and liabilities have differing maturities.

Management of liquidity risk

The Group does not treat liquidity risk in isolation as it is often triggered by consequences of other financial risks such as credit risk and market risk. The Group's liquidity risk management framework is therefore designed to ensure that its subsidiaries have adequate liquidity to withstand any stressed conditions. To achieve this objective, the Board of Directors of the subsidiary companies through the Board Asset Liability Committees of the Bank, Microplan and the Building Society and Board Risk and Compliance Committees is ultimately responsible for liquidity risk management. The responsibility for managing the daily funding requirements is delegated to the Heads of Treasury Divisions for banking entities and Finance Directors for non-banking entities with independent day to day monitoring being provided by Group Risk Management.

Liquidity and funding management

The Group's management of liquidity and funding is decentralised and each entity is required to fully adopt the liquidity policy approved by the Board with independent monitoring being provided by the Group Risk Management Department. The Group uses concentration risk limits to ensure that funding diversification is maintained across the products, counterparties and sectors. Major sources of funding are in the form of deposits across a spectrum of retail and wholesale clients for banking subsidiaries.

Cash flow and maturity profile analysis

The Group uses the cash flow and maturity mismatch analysis on both contractual and behavioural basis to assess their ability to meet immediate liquidity requirements and plan for their medium to long term liquidity profile.

Liquidity contingency plans

In line with the Group's liquidity policy, liquidity contingency plans are in place for the subsidiaries in order to ensure a positive outcome in the event of a liquidity crisis. The plans clearly outline early warning indicators which are supported by clear and decisive crisis response strategies. The crisis response strategies are created around the relevant crisis management structures and address both specific and market crises.

Liquidity stress testing

It is the Group's policy that each entity conducts stress tests on a regular basis to ensure that they have adequate liquidity to withstand stressed conditions. In this regard, anticipated on-and-off balance sheet cash flows are subjected to a variety of specific and systemic stress scenarios during the period in an effort to evaluate the impact of unlikely events on liquidity positions.

34.3 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The market risk for the trading portfolio is managed and monitored based on a collection of risk management methodologies to assess market risk including Value-at-Risk ("VaR") methodology that reflects the interdependency between risk variables, stress testing, loss triggers and traditional risk management measures. Non-trading positions are managed and monitored using other sensitivity analysis. The market risk for the non-trading portfolio is managed as detailed in notes 34.3.1 to 34.3.3.

34.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The interest rate risk profile is assessed regularly based on the fundamental trends in interest rates, economic developments and technical analysis. The Group's policy is to monitor positions on a daily basis to ensure positions are maintained within the established limits.

Interest rate risk exposure stems from assets and liabilities maturing or being repriced at different times. For example:

- Liabilities may mature before assets, necessitating the rollover of such liabilities until sufficient quantity of assets mature to repay the liabilities. The risk lies in that interest rates may rise and that expensive funds may have to be used to fund assets that are yielding lower returns.
- Assets may mature before liabilities do, in which case they have to be reinvested until they are needed to repay the liabilities. If interest rates fall the re-investment may be made at rates below those being paid on the liabilities waiting to be retired.

This risk is managed by ALCO through the analysis of interest rate sensitive assets and liabilities, using such models as Value at Risk ("VAR"), Scenario Analysis and control and management of the gap analysis.

34.3.2 Currency risk

The Group operates locally and the majority of its customers transact in ZWL\$, the functional currency of the Group and its subsidiaries. The Group is exposed to various currency exposures primarily with respect to the United States dollar, South African rand, Botswana pula, British pound and the Euro, mainly due to the cash holding and switch transactions in the banking subsidiary.

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. This is the risk from movement in the relative rates of exchange between currencies. The risk is controlled through control of open position as per ALCO directives, Reserve Bank of Zimbabwe requirements and analysis of the market. The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecast movements in exchange rates on the Group's profitability.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

34.3.3 Price risk

The Group is exposed to equity price risk because of investments held by the Group and classified on the consolidated statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

34.4 Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the Group mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Settlement limits form part of the credit approval / limit monitoring process. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from Group Risk.

34.5 Operational risk

Operational risk is the risk of loss arising from the potential that inadequate information system, technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses. Operational risk exists in all products and business activities.

Group's approach to managing operational risk

The Group's approach is that business activities are undertaken in accordance with fundamental control principles of operational risk identification, clear documentation of control procedures, segregation of duties, authorization, close monitoring of risk limits, monitoring of assets use, reconciliation of transactions and compliance.

Operational risk framework and governance

The Board has ultimate responsibility for ensuring effective management of operational risk. This function is implemented through the Board Risk and Compliance Committee at Group level which meets on a quarterly basis to review all other major risks including operational risks. This Committee serves as the oversight body in the application of the Group's operational risk management framework, including business continuity management. Each entity has a Management and Board Risk and Compliance Committee to ensure a robust operational risk management framework. Other Group management committees which report to Group Executive Committee include the Group New Product Committee, Group IT Steering Committee and Group Business Continuity Committee.

The management and measurement of operational risk

The Group identifies and assesses operational risk inherent in all material products, activities, processes and systems. It ensures that before new products, activities, processes and systems are introduced or undertaken, the operational risk inherent in them is subjected to adequate assessment by the appropriate risk committees which include the Risk and Compliance Committee and Group New Product Committee.

The Group conducts Operational Risk Assessments in line with the Group's risk strategy. These assessments cover causes and events that have, or might result in losses, as well as monitor overall effectiveness of controls and whether prescribed controls are being followed or need correction. Key Risk Indicators (KRIs) which are statistical data relating to a business or operations unit are monitored on an ongoing basis. The Group also maintains a record of loss events that occur in the Group in line with Basel II requirements. These are used to measure the Group's exposure to the respective losses. Risk Limits are used to measure and monitor the Group's operational risk exposures. These include branch cash holding limits, teller transaction limits, transfer limits and write off limits which are approved by management and the Board. In addition, the Group also uses risk mitigation mechanisms such as insurance programmes to transfer risks. The Group maintains adequate insurance to cover key operational and other risks.

Business continuity management

To ensure that essential functions of the Group are able to continue in the event of adverse circumstances, the Group Business Continuity Plan is reviewed annually and approved by the Board. The Group Business Continuity Committee is responsible for ensuring that all units and branches conduct tests half yearly in line with the Group policy. The Group continues to conduct its business continuity tests in the second and fourth quarters of each year and all the processes are well documented.

34.6 Capital risk

34.6.1 Regulatory Capital and Financial Risk Management

Capital risk refers to the risk of the Group's subsidiaries own capital resources being adversely affected by unfavourable external developments.

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the Group's subsidiaries;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its businesses.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Reserve Bank of Zimbabwe (the "RBZ"), for supervisory purposes for the banking subsidiaries. The required information is filed with the RBZ on a quarterly basis.

It is the intention of the Group to maintain a ratio of total regulatory capital to its risk-weighted assets (the "Capital Adequacy Ratio") above the minimum level set by the Reserve Bank of Zimbabwe which takes into account the risk profile of the Group.

The regulatory capital requirements are strictly observed when managing economic capital. The banking subsidiaries' regulatory capital is analysed into three tiers;

- Tier 1 capital, which includes ordinary share capital and premium, retained profits, non distributable reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities, revaluation reserve, collective impairment allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.
- Tier 3 capital or market and operational risk capital includes market risk capital and operational risk capital. Operational risk includes legal risk. Market risk capital is allocated to the risk of losses in the on and off balance sheet position arising from movements in market prices.

Various limits are applied to elements of the capital base. The amount of capital qualifying for tier 2 capital cannot exceed tier 1 capital and the qualifying term subordinated loan capital may not exceed 50 percent of tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included as part of tier 2 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consolidation, investment in the capital of other banks and certain other regulatory items.

The Group's operations are categorised as either banking or trading book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels or risk attached to assets and off balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

The Securities Commission of Zimbabwe ("SECZ") sets and monitors capital requirements for the stockbroking subsidiary and the Insurance and Pensions Commission ("IPEC") sets and monitors capital requirements for the insurance subsidiaries.

The following subsidiaries have their capital regulated by the regulatory authorities:

Company As at 30 June 2024	Regulatory Authority	Minimum capital required US\$	Minimum capital required ZWG	Net Regulatory Capital ZWG	Total Equity ZWG
FBC Bank Limited	RBZ	30 000 000	411 093 000	620 824 734	1 071 003 028
FBC Building Society	RBZ	20 000 000	274 062 000	541 300 535	630 100 750
FBC Reinsurance Limited	IPEC	-	60 031	109 361 043	109 361 043
FBC Securities (Private) Limited	SECZ	-	60	3 183 647	3 183 647
FBC Insurance Company (Private) Limited	IPEC	-	15 008	69 610 098	69 610 098
Microplan Financial Services (Private) Limited	RBZ	25 000	342 578	56 993 039	56 993 039
FBC Crown (Private) Limited	RBZ	30 000 000	411 093 000	431 075 062	592 750 366

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

34.7 Compliance risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards. The Compliance function assesses the conformity of codes of conduct, instructions, procedures and organizations in relation to the rules of integrity in financial services activities. These rules are those which arise from the institution's own integrity policy as well as those which are directly provided by its legal status and other legal and regulatory provisions applicable to the financial services sector.

Management is also accountable to the Board for designing, implementing and monitoring the process of compliance risk management and integrating it with the day to day activities of the Group.

35 Statement of Compliance

The Group complied with the following statutes inter alia:-

The Banking Act (Chapter 24:20) and Banking Regulations, Statutory Instrument 205 of 2000; Bank Use Promotion & Suppression of Money Laundering (Chapter 24:24); Exchange Control Act (Chapter 22:05); the National Payments Systems Act (Chapter 24:23); Statutory Instrument 33 of 2019; Statutory Instrument 33 of 1999; Statutory Instrument 62 of 1996; Statutory Instrument 142 of 2019 and the Companies and Other Business Entities Act (Chapter - 24:31).

In addition, the Group also complied with the Reserve Bank of Zimbabwe's directives on liquidity management, capital adequacy as well as prudential lending guidelines.

36 International credit ratings

The Group had suspended the credit ratings on all banking and insurance subsidiaries which have in the past reviewed annually by an international credit rating agency, Global Credit Rating, except for the micro lending unit which has had its rating reviewed by Microfinanza rating agency due to the Covid-19 pandemic.

FBC bank and FBC reinsurance resumed their ratings in 2021. The remaining subsidiaries were last rated in 2019 and the ratings were as follows:

Subsidiary	2024	2023	2022	2021	2019
FBC Bank Limited	A-	A-	A-	A-	BBB+
FBC Reinsurance Limited	A-	A-	A-	A-	A-
FBC Building Society	-	-	-	-	BBB-
FBC Insurance Company Limited	-	-	-	-	A-
Microplan Financial Services	-	-	-	-	BBB-

37 Interim dividend paid

Notice is hereby given that an interim dividend of 0.25 US cents per share was declared by the Board on 671 949 927 ordinary shares in issue on 27 August 2024 in respect of the half year ended 30 June 2024.

The dividend is payable to shareholders registered in the books of the the company at the close of business on Friday 4 October 2024. The shares of the company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 1 October 2024 and ex-dividend as from 2 October 2024. Dividend payment will be made to Shareholders on or about 7 October 2024.

38 CORPORATE GOVERNANCE

The Board is committed to the principles of openness, integrity and accountability. It recognises the developing nature of corporate governance and assesses its compliance with local and international generally accepted corporate governance practices on an ongoing basis through its various subcommittees.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (CONTINUED)

For the six months ended 30 June 2024

The Board is responsible to the shareholders for setting the direction of the Group through the establishment of strategies, objectives and key policies. The Board monitors the implementation of these policies through a structured approach to reporting and accountability.

The Board meets regularly, with a minimum of four scheduled meetings annually. To assist the Board in the discharge of its responsibilities a number of committees have been established, of which the following are the most significant: (i) Board Audit Committee, (ii) Board Human Resources and Remuneration Committee, (iii) Board Finance and Strategy (iv) Board Risk Committee.

Board Attendance

Board member	Main board		Board Audit		Board Human Resources		Board Finance and Strategy		Board Risk and Compliance		Board Marketing and Public Relations	
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Herbert Nkala	✓	✓	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Chipo Mtasa	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Trynos Kufazvinei	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	✓	✓
Kleto Chiketsani	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aeneas Chuma	✓	✓	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Gary Collins	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
Franklin Kennedy	✓	✓	N/A	N/A	N/A	N/A	✓	✓	✓	✓	N/A	N/A
Abel Magwaza	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Makwara	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A
Canada Malunga	✓	✓	N/A	N/A	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A
Charles Msipa	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Rutenhuro Moyo	✓	✓	✓	X	N/A	N/A	✓	✓	✓	✓	N/A	N/A
Sifiso Ndlovu	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓
Vimbai Nyemba	X	✓	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	X	✓
Webster Rusere	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

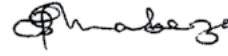
Legend

Not a member - N/A


Apologies - X

Attended - ✓

Quarter - Q

By order of the Board

Tichaona K. Mabeza
 GROUP COMPANY SECRETARY

17 September 2024



 @FBCHoldings

Serving you Financial Innovation

