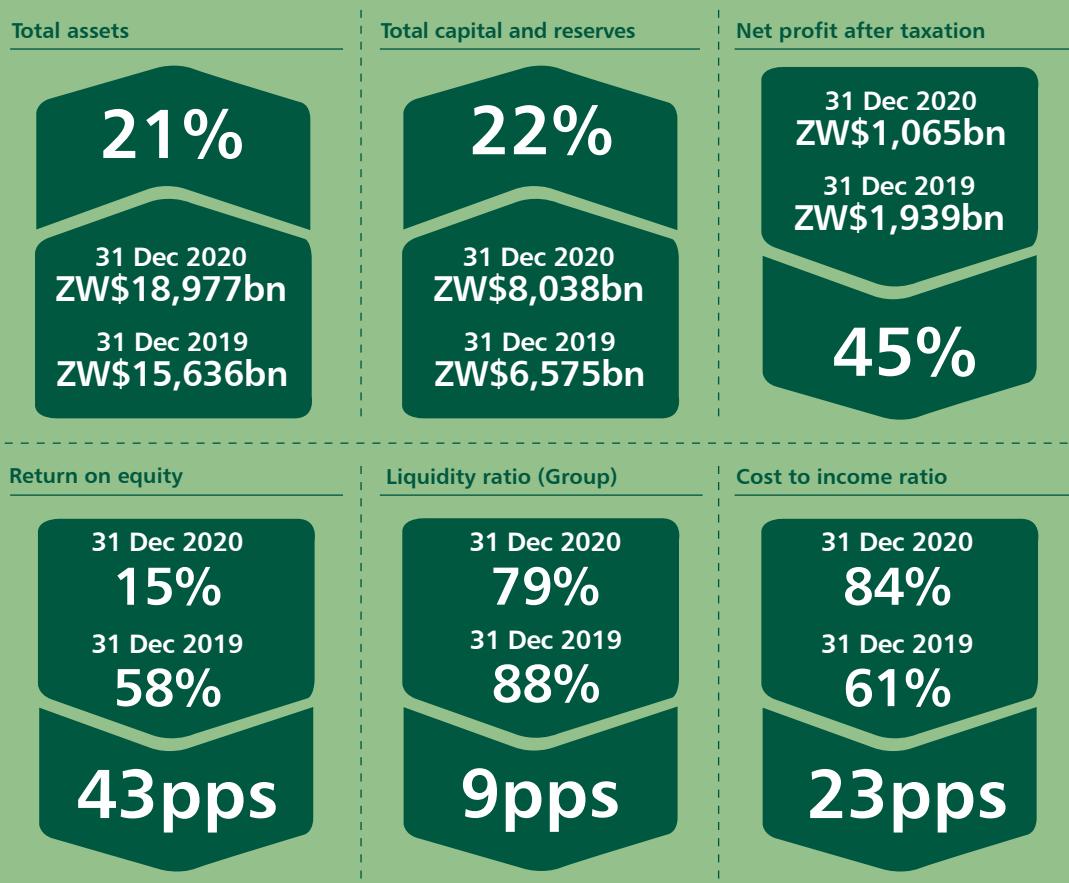




INFLATION ADJUSTED FINANCIAL HIGHLIGHTS



CHAIRMAN'S STATEMENT

Operating environment:

The operating environment remained beset with significant headwinds in the year 2020, with the outbreak of the COVID-19 pandemic taking centre stage, exacerbating an already fragile domestic economy. Like most other economies globally, Zimbabwe endured varying levels of lockdown restrictions during the year as part of measures instituted to limit the spread of the COVID-19 virus. This adversely affected business activities across the board.

The introduction of the foreign exchange auction system in June 2020 brought a modicum of stability in the exchange rate, which curtailed the, hitherto, rapid expansion in the general price level. This saw annual inflation rate dropping from a peak of 837.53% in July 2020 to 348.59% in December 2020. According to the Confederation of Zimbabwe Industries, industry capacity utilisation is reported to have improved at 47% as at year end, compared to 36.4% in 2019.

Group Performance:

I am pleased to announce that despite challenges in the macroeconomic environment, the ZB Financial Holdings Limited (ZBFH) Group remained profitable, greater detail is posted in the Acting Group Chief Executive's report.

Capital Requirements:

As at 31 December 2020, all ZBFH companies were in compliance with prescribed minimum capital requirements.

The Group is confident that it will meet the new minimum capital requirements for banking operations, which come into effect from 31 December 2021. This will be achieved by the re-arrangement of capital resources and the planned merger of banking operations within the Group.

Dividends:

The Board has declared a dividend of ZW74.13 cents per share for the year ended 31 December 2020. A detailed dividend announcement will be published after the Annual General Meeting.

Legal Contingencies:

The long-standing legal dispute between the Company and Transnational Holdings Limited (THL) regarding the ownership of Intermarket Holdings Limited (IHL) was resolved by the withdrawal of THL's appeal at the Supreme Court of Zimbabwe on 2 October 2020. This followed a settlement arrangement in which the Government of Zimbabwe (GoZ) ceded its shareholding in the Company to THL in transactions concluded between 2017 and 2020.

Compliance & Regulatory Issues:

The Group has dealt with all governance issues which were the subject of a Corrective Order issued by the Reserve Bank of Zimbabwe (RBZ) on 7 March 2017 and reviewed in March 2018 and awaits the lifting of the order upon satisfactory review by the regulator.

Directorate:

Messrs Sydney Bvurere and Olatunde Akerele resigned from the Board on 3 May 2021 and Ronald Mutandagayi resigned as Group Chief Executive from the Board and the Company on 31 May 2021.

On behalf of the Board, I would like to express our gratitude for their diligent services to the Group and wish them success in their future endeavours.

Mr Fanuel Kapanje was appointed to act as Group Chief Executive pending recruitment of a substantive Group Chief Executive.

Outlook:

The Zimbabwean economy is projected to rebound in 2021 and beyond, following contraction in 2019 and 2020. The positive outlook is predicated on an above-average 2020/21 farming season, a tight monetary policy complemented by fiscal discipline, stability in the exchange rate and expected further slow-down in inflation.

The Group will proceed with cautious optimism in the short to medium term. It remains imperative for the Group to continuously seek ways to preserve its capital from value erosion occasioned by inflation. Furthermore, the 'new normal' brought about by the COVID-19 pandemic has placed increased importance on the need to build digital capacities for customer service delivery in a sustainable and cost-effective manner.

Conclusion:

I wish to express my appreciation to all our valued Customers and Stakeholders, for the support and commitment to the ZBFH Group. I am grateful to fellow Directors, Management and Staff, for their hard work and contributions for the year ended 31 December 2020.

Pamela Chiromo
Chairman

30 June 2021

ACTING GROUP CHIEF EXECUTIVE'S REPORT

Introduction:

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

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

Performance Outturn:

In 2020, the Group recorded a 9% decline in total income from ZW\$3.656bn in 2019 to ZW\$3.323bn. The revenue performance was mainly underpinned by an 87% decrease in fair value adjustments, from ZW\$1.032bn in 2019 to ZW\$0.136bn in 2020. Banking commissions and fees also fell in real terms by 8%, from ZW\$1.242bn in 2019 to ZW\$1.142bn in 2020, as inflation continued to outpace rate adjustments for commissions and fees.

Net interest income increased by 0.34%, from ZW\$0.657bn in 2019 to ZW\$0.660bn in 2020.

Loan impairment charges to the income statement decreased from ZW\$0.339bn in 2019 to ZW\$0.282bn in 2020. Overall credit quality continued to improve, with non-performing loans as a percentage of total loans reducing from 2% in 2019 to 0.7% in 2020.

Net insurance related earnings declined from ZW\$0.4bn in 2019 to a loss of ZW\$0.002bn in 2020. This was influenced by a 58% increase in insurance related expenses which grew faster than the growth in gross premiums. Gross premiums increased by 2% from ZW\$1.128bn in 2019 to ZW\$1.148bn in 2020, whilst the related expenses increased from ZW\$0.728bn in 2019 to ZW\$1.149bn in 2020.

Other income increased by 152%, from ZW\$0.663bn in 2019 to ZW\$1.669bn in 2020, mainly underpinned by exchange gains.

The subdued revenue performance in 2020 was mainly due to the combined effects of low-cost absorption as performance of most economic sectors receded. This was compounded by the freeze on banking fees by the authorities which was necessary to ameliorate the effects of COVID-19 on industry and the general public.

Operating costs increased by 25% from ZW\$2.222bn in 2019 to ZW\$2.789bn in 2020, largely influenced by a catch-up adjustment on the cost base in tandem with the inflation profile over the past 2 years.

The cost to income ratio rose from 61% in 2019 to 84% in 2020. The sustainability of the cost base against contracting income levels in real terms continues to be a matter of continued strategic importance for the Group.

Profit from ordinary activities declined by 63% from ZW\$1.433bn in 2019 to ZW\$0.534bn in 2020.

An increased transfer to the life fund of ZW\$0.599bn, compared to ZW\$0.093bn in 2019 was made on the back of strong performance of the underlying assets.

The Group earned ZW\$1.405bn as its share of profits reported by its associate companies for 2020, compared to ZW\$1.091bn in 2019. The share of profits from associates is largely driven by the revaluation of investment properties which constitute the bulk of the assets at a significant listed investee entity.

The Group posted a net profit after taxation of ZW\$1.065bn in 2020, representing a 45% decline from the ZW\$1.939bn attained in 2019.

Meanwhile, the Group's total assets increased by 21% in real terms, from ZW\$15.636bn as at 31 December 2019 to ZW\$18.977bn as at 31 December 2020.

Deposits and other related funding account balances grew by 15%, from ZW\$6.155bn as at 31 December 2019 to ZW\$7.108bn as at 31 December 2020.

Earning assets increased by 25% from ZW\$7.982bn as at 31 December 2019 to ZW\$10bn as at 31 December 2020 whilst constituting 53% of total assets (51% as at 31 December 2019).

The Group maintained a comfortable liquidity margin of safety, with the ratio of liquid assets to customer deposits being above 79% throughout the year against a prescribed ratio of 30%.

The Group's total equity increased by 22%, from ZW\$6.575bn as at 31 December 2019 to ZW\$8.038bn as at 31 December 2020, driven by the positive performance for the year as well as gains on the revaluation of properties and equipment.

Operations Review:

Banking Operations:

ZB Bank Limited posted a profit of ZW\$0.633bn in 2020, as compared to ZW\$0.819bn in 2019. The reduction in profitability was mainly as a result of an increase in operating expenses from ZW\$1.632bn in 2019 to ZW\$2.284bn in 2020.

The Bank's total assets stood at ZW\$12.434bn as at 31 December 2020, from ZW\$10.244bn as at 31 December 2019.

ZB Building Society posted a loss of ZW\$0.055bn for the year ended 31 December 2020, reducing from a profit of ZW\$0.285bn in 2019. Its assets increased from ZW\$1.043bn as at 31 December 2019 to close the year 2020 at ZW\$1.119bn.

A review of the branch network was done in 2020 resulting in the merger of branches in Harare and Bulawayo into modernised facilities with improved ambience which also offer safe online self-help facilities.

During the year, the Group expanded its product portfolio by launching VISA and Kesto Diaspora Banking.

Insurance Operations:

ZB Reinsurance posted a profit of ZW\$0.086bn in 2020 compared to ZW\$0.113bn in 2019. Its total assets increased in real terms from ZW\$0.678bn as at 31 December 2019 to close the year 2020 at ZW\$0.839bn.

The company has maintained good relations with its cedants and retrocession partners.

ZB Life Assurance posted a profit of ZW\$0.135bn in 2020, compared to ZW\$0.650bn in 2019. Its total assets increased in real terms from ZW\$2.418bn as at 31 December 2019 to ZW\$3.257bn as at 31 December 2020.

Growth in life assurance premiums has slowed down significantly as household incomes are affected by inflation.

The company has started offering funeral service facilities as an add-on to its bouquet of services in partnership with selected partners.

Other Strategic Operations:

Land bank acquisition was maintained as a focal strategy to preserve value against inflation.

The Group attained an operating licence for its micro-finance business on 3 December 2020, and the unit was launched virtually on 16 December 2020, initially operating from 2 branches in Harare.

Internal Processes:

During the year, the Group commenced the process of certification under the Sustainability Standards & Certification Initiative (SSCI) through the European Organisation for Sustainable Development (EOSD). Full certification is expected within 12 to 18 months. Satisfactory progress in this regard has been registered.

The Group initiated processes to refresh its banking system, as an integral component of a digitalisation thrust, which will have an impact on the business model and customer experience. This has become a strategic imperative to guarantee the long-term survival of the business in a fast-changing business environment.

Group Human Resources and Training:

Despite the operating environment becoming less competitive relative to other countries in the region and beyond, staff attrition in the Group continues to be within acceptable levels.

The Group staff complement as at 31 December 2020 was 967, with 655 being permanent employees whilst 312 members were employed on a fixed contract basis.

A total of 1,423 attendances were recorded at 115 training courses held in 2020. All staff members attended wellness clinics and soft skills training during the year.

Industrial relations remained cordial during the year under review.

Appreciation:

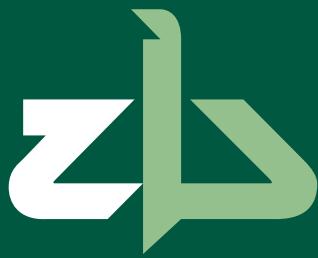
I extend gratitude to our valued customers for their support during a very challenging period.

I also thank staff and the management team for their contribution to the profitable outturn in 2020.

Finally, I would like to thank the Board for its wise counsel.

Fanuel Kapanje
Acting Group Chief Executive

30 June 2021



Investments Savings Loans Mortgages Insurance Financial Advisory Community Involvement

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020

AUDITOR'S STATEMENT

The consolidated inflation adjusted financial results should be read in conjunction with the complete set of consolidated inflation adjusted financial statements as at and for the year ended 31 December 2020, which have been audited by KPMG Chartered Accountants (Zimbabwe) and an adverse opinion has been issued thereon indicating that the financial statements do not present fairly the inflation adjusted consolidated statement of financial position of ZB Financial Holdings Limited and its subsidiaries as at 31 December 2020 and the inflation adjusted consolidated financial performance and inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards. The auditors' report carries an adverse opinion in respect of inconsistent application of fair value measurement principles related to valuation of investment properties and owner-occupied properties between ZB Financial Holdings Limited, its subsidiaries and an associate in the current year as well as non-compliance with International Financial Reporting Standards IAS 21 - The Effects of Changes in Foreign Exchange Rates (IAS 21) and International Financial Reporting Standards IAS 29 - Financial Reporting in Hyperinflationary Economies (IAS 29) in the prior financial year and the impact of this non-compliance on the comparative financial information.

The auditors' report includes key audit matters in respect of the valuation of owner-occupied property and investment property, valuation of insurance contract liabilities and expected credit loss allowance on loans and advances.

The auditor's report has been made available to management and the directors of ZB Financial Holdings Limited.

The Engagement Partner responsible for the audit was Michael de Beer (PAAB Practicing Certificate Number 0369).

KPMG Chartered Accountants (Zimbabwe) are in their first year of a five year cycle of providing assurance services to the Company and its subsidiaries as required by Paragraph 41(4) of the Banking Act (Chapter 24:20).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
ASSETS				
Cash and cash equivalents	5 086 686 008	4 453 093 877	5 086 686 008	992 705 450
Treasury bills	3 518 114 164	973 641 269	518 114 164	217 048 870
Mortgages and other advances	4.1 3 147 343 462	2 021 222 577	3 147 343 462	450 580 815
Financial asset at fair value through profit or loss	952 005 400	576 397 672	952 005 400	128 493 386
Financial assets held at amortised cost	46 164 336	51 670 920	46 164 336	11 518 736
Investments in associates	3 158 264 043	1 991 904 613	2 902 113 354	445 466 831
Inventories	50 889 170	106 050 428	36 230 398	7 790 244
Trade and other receivables	606 162 537	182 443 744	606 162 537	38 627 667
Investment properties	5.1 2 177 997 851	2 366 813 359	2 177 997 851	527 621 601
Right of use assets	6 66 234 057	29 811 485	66 234 057	6 645 722
Property and equipment	7 2 951 346 535	2 582 487 732	2 951 346 535	575 700 787
Intangible assets	8 216 199 560	300 182 868	28 389 024	47 551 609
Total assets	18 977 407 123	15 635 720 544	18 518 787 126	3 449 751 718
LIABILITIES				
Deposits and other accounts	9 7 107 782 993	6 155 055 357	7 107 782 993	1 372 115 021
Trade and other payables	1 180 683 296	911 111 324	1 180 683 296	203 445 862
Current tax liabilities	92 783 651	23 113 938	92 783 651	5 152 672
Deferred tax liabilities	555 868 237	461 737 751	498 499 777	84 675 096
Lease liabilities	10 69 577 553	29 811 485	69 577 553	6 645 722
Long term borrowings	11 16 140 639	68 956 128	16 140 639	15 372 037
Life assurance funds	1 673 756 150	1 074 898 824	1 673 756 150	238 655 969
Offshore borrowings	243 206 638	335 619 414	243 206 638	74 817 920
Total liabilities	10 939 799 157	9 060 304 221	10 882 430 697	2 000 880 299
EQUITY				
Share capital	72 710 908	72 710 908	1 751 906	1 751 906
Share premium	1 123 995 356	1 123 995 356	27 081 696	27 081 696
Other components of equity	1 996 907 870	1 593 933 726	2 410 826 591	435 217 631
Retained income	3 598 071 959	2 557 365 655	3 844 673 945	596 855 711
Functional currency translation Reserve	-	-	101 292 105	105 410 850
Attributable to equity holders of parent	6 791 686 093	5 348 005 645	6 385 626 243	1 166 317 794
Non-controlling interests	1 245 921 873	1 227 410 678	1 250 730 186	282 553 625
Total equity	8 037 607 966	6 575 416 323	7 636 356 429	1 448 871 419
Total equity and liabilities	18 977 407 123	15 635 720 544	18 518 787 126	3 449 751 718

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

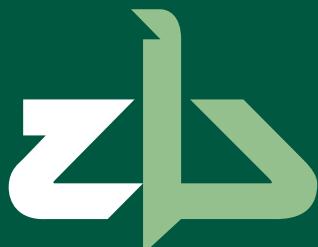
Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
Interest and related income				
Interest and related expenses	12 859 323 618	844 792 739	576 746 607	81 485 012
Net interest and related income	(199 653 141)	(187 368 533)	(131 366 383)	(15 165 760)
Loan impairment charges	13 659 670 477	657 424 206	445 380 224	66 319 252
Net income from lending activities	14 (281 831 858)	(339 348 244)	(205 384 931)	(49 666 837)
Gross insurance premium income	1 147 757 892	1 128 398 808	844 470 475	124 728 943
Total insurance expenses	(1 149 340 498)	(728 429 302)	(873 235 644)	(78 969 380)
Net insurance income	(1 582 606)	399 969 506	(28 765 169)	45 759 563
Commissions and fees	1 142 092 072	1 242 158 601	795 293 987	128 151 706
Other operating income	1 668 827 218	662 912 593	1 416 178 489	137 341 934
Fair value adjustments	135 720 750	1 032 413 348	2 377 458 643	502 697 392
Total income	3 322 896 053	3 655 530 010	4 800 161 243	830 603 010
Operating expenses	15 (2 788 791 101)	(2 222 385 985)	(1 557 669 838)	(204 866 956)
Profit from ordinary activities	534 104 952	1 433 144 025	3 242 491 405	625 736 054
Movement in life assurance funds	(598 857 326)	(92 276 637)	(1 435 100 181)	(179 186 905)
Share of associate companies' profit net of tax	1 405 255 116	1 091 160 274	2 673 601 949	370 148 646
Net monetary loss	(157 026 690)	(128 762 162)	-	-
Profit before taxation	1 183 476 052	2 303 265 500	4 480 993 173	816 697 795
Income tax expense	16 (118 531 820)	(363 987 277)	(295 066 140)	(41 310 502)
Net profit for the year	1 064 944 232	1 939 278 223	4 185 927 033	775 387 293
Profit attributable to:				
Owners of parent	1 051 585 421	1 344 922 287	3 255 331 492	554 224 420
Non-controlling interests	13 358 811	594 355 936	930 595 541	221 162 873
Profit for the year	1 064 944 232	1 939 278 223	4 185 927 033	775 387 293
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation	672 273 181	1 585 695 888	2 279 135 715	478 099 954
Fair value gains / (losses) on financial assets at FVTOCI	1 585 843	(35 020 433)	1 585 843	(7 806 926)
Income tax relating to components of other comprehensive income	(160 899 384)	(186 337 392)	(264 447 293)	(46 893 374)
Other comprehensive income for the year net of tax	512 959 640	1 364 338 063	2 016 274 265	423 399 654
Total comprehensive income for the year	1 577 903 872	3 303 616 286	6 202 201 298	1 198 786 947
Total comprehensive income attributable to:				
Owners of parent	1 558 745 624	2 668 272 302	5 233 699 125	966 840 972
Non-controlling interests	19 158 248	635 343 984	968 502 173	231 945 975
Total comprehensive income for the year	1 577 903 872	3 303 616 286	6 202 201 298	1 198 786 947
Earnings per share Basic and earnings per share (ZW cents)	18 667.58	853.79	2 066.58	351.84

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Inflation adjusted							
Share capital ZWS	Share premium ZWS	General reserve ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI ZWS	Retained income ZWS	Attributable to equity holders of parent ZWS	Non controlling interests ZWS	

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Audited Financial Results for the year ended 31 December 2020

1.2 Reporting currency (continued)

Following the adoption of the multi-currency system in January 2009, all local notes in issue and balances transacted through local payment platforms were rated at par with the US\$. The exchange of these balances against external obligations was done through an allocation system which was controlled by the Reserve Bank of Zimbabwe and delays were often experienced due to competing demands whilst substantially higher rates obtained in the alternative markets and became the basis for a multi-tier pricing regime that became pervasive in the Zimbabwean economy.

Following the Monetary Policy Statement of 20 February, 2019, the Government of Zimbabwe issued Statutory Instrument (SI) 32 and 33 of 2019 on 22 February, 2019 together with Exchange Control Directive RU28 of 2019, the effects of which were to:

- a) Formally recognise local unit monetary balances in the form of bank balances, balances on electronic payment platform and local bond notes as a currency distinct from the US\$. These were subsequently named RTGS Dollars (otherwise identified as ZWL or ZW\$).
- b) Create a base upon which the RTGS Dollars were to be allowed to trade against the US\$ or any other foreign currencies on the interbank market at a floating rate.

Consequently, the new RTGS Dollars started to trade officially with the USD on 22 February, 2019 and the maiden rate of USD1:ZWL2.5 was established. The maiden floating rate was presumed to have subsisted from the beginning of the year as practical expedient (deemed rate), the Group did not have material transactions in foreign currency between 1 January 2019 and 22 February 2019 to warrant an extensive process of separate identification and translation of these transactions at any other rate outside the "deemed" rate.

The Group's functional currency changed from US\$ to ZWL in line with the reporting provisions of SI 33 of 2019. The change in the functional currency and subsequent revaluation of foreign denominated balances resulted in the creation of foreign currency translation reserve which the Group has designated as non-distributable. However, in inflation adjusted financial statements which follow value movements on a year on year basis using the Consumer Price Index this reserve is subsumed in the restatement of equity and does not appear as a separate line in the inflation adjusted financial statements.

1.3 Inflation adjustment

The Public Accountants and Auditors Board (PAAB), through circular 01/19 indicating the conditions required for the application of International Accounting Standard ("IAS") 29, *Financial Reporting in Hyper-Inflationary Economies*. All entities reporting in Zimbabwe are now required to apply the requirements of IAS 29 with effect from 1 July 2019.

The Group has applied the requirement of IAS 29 for the year ended 31 December 2020. Paragraphs 2 and 3 of IAS 29 requires that in the period in which an entity identifies the existence of hyperinflation in the economy, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 for such earlier period as if the economy had always been hyperinflationary.

Consequently, prior year financial statements have been restated and technical concepts for the restatement of non-monetary balances have been applied with effect from the later date of acquisition or date of revaluation. For non monetary assets and liabilities which were acquired prior to 2009, not having been revalued in the interim period, restatement was done from 2009, being the point at which carrying values were last established by means of revaluation exercise.

The restatement of figures has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at 31 December 2020 are as follows:

	Index	Conversion factors
31 December 2020	2 474.51	1.00
31 December 2019	551.63	4.49
31 December 2018	88.81	27.86

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the balance sheet date are restated by applying a general CPI. Corresponding figures for previous periods are similarly restated.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held, assets and liabilities to be recovered or paid at the nominal value recorded in the historical cost.
- Non-monetary assets and liabilities and the components of shareholding's equity are restated by applying (to the initial acquisition cost and any accumulated depreciation for property and equipment), the relevant conversion factors reflecting the increase in the CPI from the date of acquisition or initial recording to the Statement of financial position date.
- All items in the income statement are restated by applying the relevant factors.
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the income statement and replaced by indexed cost.
- The effect of general inflation on the Group's net monetary position is included in the income statement as a monetary gain or loss.
- Share capital and share premium were restated from the date of contribution and of this pre-dates 2009.

The application of IAS 29 requires certain assumptions and estimates to be made which could have a material impact on the financial statements.

1.4 Basis of reporting

The preparation of the inflation adjusted financial statements, in conformity with IAS 29 "Financial Reporting in Hyperinflationary Economies" is required by International Financial Reporting Standards (IFRS). The inflation adjusted financial statements are the principal financial statements of the Group. The historic amount are shown as supplementary information this information does not comply with International Financial Reporting Standards in that it has not taken account of the requirement of International Accounting Standards 29: Financial Reporting for Hyper-Inflationary Economies. As a result the auditors have not expressed an opinion on the historical financial information as this is presented as supplementary information.

1.5 Basis of consolidation

The Group's financial results incorporate the financial results of the Company, its subsidiaries and associate companies. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to change returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The results of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial results of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities are eliminated in full. Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

1.6 Key sources of judgement and estimation uncertainty

Significant assumptions and estimations, as at the date of financial reporting, with material implications on the reported financial outcome and balances have been made in the following areas:

- The computation of expected credit losses (IFRS 9)
- Determination of the fair value of financial assets (IFRS 13)
- Valuation of property (including investment properties) and equipment (IAS 16 and IAS 40)
- Estimation of liabilities under insurance contracts including life funds valuation (IFRS 4)
- Ascertaining of the degree of control or significant influence in investee companies (IAS 27 and IAS 28)
- Determination of carrying amounts of right of use assets and lease liabilities (IFRS 16)

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

2. SEGMENT INFORMATION

	Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
31 December 2020				
External revenue				
Net earnings from lending activities	439 538 275	(11 858 820)	(49 840 836)	377 838 619
Net fees and commission income	1 124 933 945	(1 075 719)	16 651 240	1 140 509 466
Other revenue	1 315 427 162	425 483 035	(72 082 979)	1 668 827 218
Fair value adjustments	131 469 792	7 277 018	(3 026 060)	135 720 750
Total segment revenue	3 011 369 174	419 825 514	(108 298 635)	3 322 896 053
Total segment operating expenses	(2 506 115 202)	(296 074 145)	13 398 246	(2 788 791 101)
Material non-cash items included in the above figures:				
Depreciation of property and equipment	(352 332 314)	(13 447 512)	(11 609 957)	(377 389 783)
Amortisation of intangible assets	(76 769 498)	(6 391 601)	-	(83 161 099)
Reportable segment profit before taxation	475 747 206	328 520 759	379 208 087	1 183 476 052
Reportable segment assets as at 31 December 2020	14 307 658 307	4 109 514 094	560 234 722	18 977 407 123
Reportable segment liabilities as at 31 December 2020	8 783 501 475	2 245 104 978	(88 807 296)	10 939 799 157

¹Includes consolidation journals.

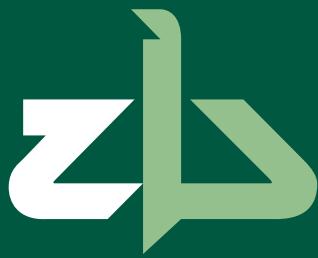
	Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
Restated 31 December 2019				
External revenue				
Net earnings from lending activities	398 200 754	(80 124 792)	-	318 075 962
Net fees and commission income	1 228 257 617	400 587 273	13 283 217	1 642 128 107
Other revenue	581 025 498	148 884 841	(66 997 746)	662 912 593
Fair value adjustments	1 133 789 377	43 556 557	(144 932 586)	1 032 413 348
Total segment revenue	3 341 273 246	512 903 879	(198 647 115)	3 655 530 010
Total segment operating expenses	(1 806 885 680)	(334 976 664)	(80 523 641)	(2 222 385 985)
Material non-cash items included in the above figures:				
Depreciation of property and equipment	(124 773 893)	(16 417 579)	(13 548 421)	(154 739 893)
Amortisation of intangible assets	(90 906 687)	(1 505 316)	-	(92 412 003)
Reportable segment profit before taxation	1 534 387 566	993 687 366	(96 047 270)	2 432 027 662
Reportable segment assets as at 31 December 2019	12 371 845 870	3 110 770 781	153 103 893	15 635 720 544
Reportable segment liabilities as at 31 December 2019	7 628 195 948	1 468 958 825	(36 850 552)	9 060 304 221

¹Includes consolidation journals.

	Unaudited Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
31 December 2020				
External revenue				
Net earnings from lending activities	274 258 624	(9 466 638)	(24 796 693)	239 995 293
Net fees and commission income	783 542 135	(28 448 160)	11 434 844	766 528 819
Fair value adjustments	1 644 991 903	790 804 292	(58 337 552)	2 377 458 643
Other revenue	1 252 104 593	195 929 060	(31 855 164)	1 416 178 489
Total segment revenue	3 954 897 255	948 818 554	(103 554 566)	4 800 161 243
Total segment operating expenses	(1 393 609 781)	(188 521 208)	24 461 151	(1 557 669 838)
Material non-cash items included in the above figures:				
Depreciation of property and equipment	(105 979 074)	(3 952 367)	(3 369 400)	(113 300 841)
Amortization of intangible assets	(2 203 474)	(246 459)	-	(2 449 933)
Reportable segment profit before taxation	2 561 287 475	1 613 856 770	305 848 928	4 480 993 173
Reportable segment assets as at 31 December 2020	14 127 824 984	4 052 599 525	338 362 617	18 518 787 126
Reportable segment liabilities as at 31 December 2020	8 716 645 637	2 245 620 765	(79 835 705)	10 882 430 697

¹Includes consolidation journals.

	Unaudited Historical cost
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4. MORTGAGES AND OTHER ADVANCES

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
4.1 Gross loan book				
Mortgage advances	104 016 406	127 067 024	104 016 406	28 326 402
Other advances:				
Loans, overdraft and other accounts	2 943 993 663	1 899 522 083	2 943 993 663	423 450 746
Finance leases	271 791 899	47 318 064	271 791 899	10 548 374
Bills discounted	1 149 070	59 608 287	1 149 070	13 288 171
Insurance advances	101 617 893	188 090 054	101 617 893	41 929 954
Total other advances	3 318 552 525	2 194 538 488	3 318 552 525	489 217 245
Gross advances	3 422 568 931	2 321 605 512	3 422 568 931	517 543 647
Off balance sheet exposures				
In respect of guarantees	688 652 647	636 121 888	688 652 647	141 807 400
In respect of Letter of credit	-	291 493 300	-	64 981 111
In respect of Loan commitments	219 933 545	450 168 271	219 933 545	100 353 711
Gross credit exposure	4 331 155 123	3 699 388 971	4 331 155 123	824 685 869
Gross advances	3 422 568 931	2 321 605 512	3 422 568 931	517 543 647
Less: Allowance for loan impairments	(275 225 469)	(300 382 935)	(275 225 469)	(66 962 832)
Net advances	3 147 343 462	2 021 222 577	3 147 343 462	450 580 815
4.2 Maturity analysis				
On demand	372 809 530	739 328 991	372 809 530	164 814 832
Within 1 month	148 324 919	69 955 639	148 324 919	15 594 853
Between 1 and 6 months	342 655 904	353 012 434	342 655 904	78 695 257
Between 6 and 12 months	1 505 968 640	357 920 020	1 505 968 640	79 789 280
After 12 months	1 961 396 130	2 179 171 887	1 961 396 130	485 791 647
4.3 Non-performing loans	4 331 155 123	3 699 388 971	4 331 155 123	824 685 869
Included in the above are the following:				
Non-performing loans	5 848 251	27 773 620	5 848 251	6 191 431
Less: Allowance for loan impairments	(1 485 660)	(11 513 519)	(1 485 660)	(2 566 650)
Value to be received from security held	4 362 591	16 260 101	4 362 591	3 624 781

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Group discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of the security held in respect of the non-performing book amounted to ZW\$18 389 830 as at 31 December 2020 (2019: ZW\$10 024 217).

	Inflation adjusted		Unaudited Historical cost			
	31 Dec 2020 ZWS	As a % of Total	Restated 31 Dec 2019 ZWS	As a % of Total	31 Dec 2020 ZWS	As a % of Total
4.4 Sectorial analysis						
Gross advances:						
Private	1 087 073 508	25%	568 708 252	15%	1 087 073 508	25%
Agriculture	620 639 675	14%	435 112 922	12%	620 639 675	14%
Mining	333 026 862	8%	391 570 453	11%	333 026 862	8%
Manufacturing	102 519 481	2%	65 950 721	2%	102 519 481	2%
Distribution	278 155 710	6%	200 731 065	5%	278 155 710	6%
Construction	8 590 466	0%	36 629 616	1%	8 590 466	0%
Transport	262 937 202	6%	32 187 129	1%	262 937 202	6%
Services	535 996 695	12%	423 744 857	11%	535 996 695	12%
Financial	190 870 235	4%	163 737 726	4%	190 870 235	4%
Communication	2 759 097	0%	3 232 771	0%	2 759 097	0%
	3 422 568 931	79%	2 321 605 512	63%	3 422 568 931	79%
Guarantees:						
Manufacturing	682 463 199	16%	631 942 004	17%	682 463 199	16%
Distribution	-	0%	-	0%	-	0%
Construction	1 225 000	0%	-	0%	1 225 000	0%
Transport	-	0%	-	0%	-	0%
Services	4 549 448	0%	2 318 270	0%	4 549 448	0%
Communication	-	0%	-	0%	-	0%
Financial Services	415 000	0%	1 861 614	0%	415 000	0%
Total guarantees	688 652 647	16%	636 121 888	17%	688 652 647	16%
Loan commitments:						
Private	-	0%	17 226 480	0%	-	0%
Agriculture	-	0%	70 645 307	2%	-	0%
Mining	-	0%	160 247	0%	-	0%
Manufacturing	127 337 597	3%	171 760 504	5%	127 337 597	3%
Distribution	701 250	0%	59 424 980	2%	701 250	0%
Construction	17 663 428	0%	582 317	0%	17 663 428	0%
Transport	57 744 966	1%	12 089 915	0%	57 744 966	1%
Communication	2 847 277	0%	1 406 586	0%	2 847 277	0%
Services	13 209 630	0%	94 784 220	3%	13 209 630	0%
Financial Services	429 397	0%	22 087 715	1%	429 397	0%
Total Loan commitments	219 933 545	5%	450 168 271	12%	219 933 545	5%
Letters of credit:						
Manufacturing	-	0%	291 493 300	8%	-	0%
Total letter of credit	-	0%	291 493 300	8%	-	0%
Total credit exposure	4 331 155 123	100%	3 699 388 971	100%	4 331 155 123	100%
4.5 Mortgage advances						
Mortgage advances were spread as follows:						
Type of property:-						
High density	2 857 428	3%	10 559 364	8%	2 857 428	3%
Medium density	3 414 690	3%	12 947 240	10%	3 414 690	3%
Low density	91 968 919	88%	66 668 272	52%	91 968 919	88%
Commercial	5 775 369	6%	36 692 148	29%	5 775 369	6%
	104 016 406	100%	127 067 024	100%	104 016 406	100%
4.6 Finance lease receivables						
Loans and advances to customers include the following finance lease receivables for leases of certain equipment where the Group is the lessor:						

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
Gross investment in finance leases:				
Less than 1 year	224 595 640	9 343 380	224 595 640	2 082 872
Between 1 and 5 years	458 687 511	55 651 682	458 687 511	12 406 145
Gross investment in finance leases Unearned finance charges	683 283 151 (411 491 252)	64 995 062 (17 676 998)	683 283 151 (411 491 252)	14 489 017 (3 940 643)
Net investment in finance leases	271 791 899	47 318 064	271 791 899	10 548 374
Maturing within 1 year Maturing after 1 year	98 328 499 173 463 400 271 791 899	8 474 227 38 843 837 47 318 064	98 328 499 173 463 400 271 791 899	1 889 116 8 659 258 10 548 374
5. INVESTMENT PROPERTIES				
5.1 Made up as follows:				
Land stock held for capital appreciation and completed properties available for lease:				
Residential	175 536 043	190 753 655	175 536 043	42 523 737
Commercial	1 947 935			



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8. INTANGIBLE ASSETS

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
Computer software				
Carrying amount at beginning of year	300 182 868	325 562 341	47 551 609	7 843 505
Additions at cost	15 418 909	67 551 126	4 081 548	13 730 219
Reversal of cancelled projects	(16 054 420)	-	(16 054 420)	-
Amortization	(83 161 099)	(92 412 003)	(2 449 933)	(2 617 031)
Effects of changes in functional currency translation reserve	-	-	(4 739 780)	4 714 468
Exchange rate movements	-	-	-	23 880 448
Impairment	(186 698)	(518 596)	-	-
Balance at end of year	216 199 560	300 182 868	28 389 024	47 551 609

Prior year error

The Group changed its accounting policy on intangible assets to revaluation model in 2018. The intangible assets comprised of computer software and work in progress in the development of internally generated computer software. The Group has significant computer software assets that were acquired during the multicurrency period as well as in the mono currency period. The computer software acquired in the multi-currency period was, through implementation of SI 33 of 2019, converted to local currency at the rate of 1:1 for USD to ZWL currency. The implementation of SI 33 of 2019, coupled with the significant depreciation of the local currency and the resultant hyperinflation that occurred in the period following currency reforms, which were implemented on 22 February 2019, resulted in significant erosion of carrying value of assets including the computer software.

In the course of preparation of financial statements, management made judgement for certain items that are especially critical for the Group's results and financial situation due to materiality, and a judgement was made to adopt the revaluation model for computer software with a view to provide financial information that is meaningful and reasonable to the users of financial statements. The revaluation exercise was undertaken by an independent external valuer and the necessary adjustments were done to the financial statements for the year ended 31 December 2019.

Further reassessment made on the application of revaluation model on computer software in the current year pointed to a technical difficulty in satisfying the requirement of the existence of an active market "as is required by IAS 38 [Intangible Assets]" for adoption of the revaluation model for intangible assets. This was due to the following reasons:

- The pricing information of the computer software is not publicly available as contracts are negotiated between individual buyers and sellers. Computer software was considered a packaged deal designed to meet the specific selection of the buyer.
- The computer software is customized to satisfy the requirements of the Group and this has made it a unique product.

The Group has accordingly reverted to the historical cost model from the 2020 financial year.

The inflation adjusted financial statements for the year ended 31 December 2019 have been restated to reverse the revaluation gain adjustment on computer software. The financial statements have also been restated to apply the exchange rate of USD:ZWL1 on the date of change of functional currency (22 February 2019), which was the earliest observable exchange rate per IAS 21.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
9. DEPOSITS AND OTHER ACCOUNTS				
9.1 Summary of deposits by type				
Balances of banks	30 529 298	69 244 530	30 529 298	15 436 329
Current accounts	1 857 839 882	1 875 623 661	1 857 839 882	418 123 193
Savings and call accounts	4 681 066 603	3 594 320 581	4 681 066 603	801 263 510
Fixed deposits	538 347 210	615 866 585	538 347 210	137 291 989
	7 107 782 993	6 155 055 357	7 107 782 993	1 372 115 021
9.2 Maturity analysis				
On demand	4 688 111 315	4 487 911 672	4 688 111 315	1 000 467 203
Within 1 month	2 362 638 511	1 519 827 684	2 362 638 511	338 807 415
Between 1 and 6 months	26 030 161	94 988 973	26 030 161	21 175 406
Between 6 and 12 months	26 922 779	33 448 957	26 922 779	7 456 605
After 12 months	4 080 227	18 878 071	4 080 227	4 208 392
	7 107 782 993	6 155 055 357	7 107 782 993	1 372 115 021

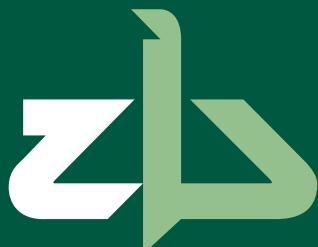
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	% Contribution	31 Dec 2019 ZWS	% Contribution
9.3 Deposit concentration				
Private individuals	1 275 156 726	18%	924 998 921	15%
Agriculture	523 997 303	7%	332 194 669	5%
Mining	51 402 570	1%	339 051 727	6%
Manufacturing	293 573 852	4%	498 186 153	8%
Distribution	472 772 864	7%	176 418 257	3%
Construction	120 134 405	2%	70 635 326	1%
Transport	81 461 850	1%	55 202 253	1%
Services	2 993 000 416	42%	2 294 187 704	37%
Financial	653 303 426	9%	654 493 177	11%
Communication	642 979 581	9%	809 687 170	13%
	7 107 782 993	100%	6 155 055 357	100%
	7 107 782 993	100%	7 107 782 993	100%
	7 107 782 993	100%	7 107 782 993	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	% Contribution	31 Dec 2019 ZWS	% Contribution
9.4 Secured and unsecured deposits analysis				
Secured deposits	-	257 761 517	-	57 461 457
Unsecured deposits	7 107 782 993	5 897 293 840	7 107 782 993	1 314 653 564
	7 107 782 993	6 155 055 357	7 107 782 993	1 372 115 021

For secured deposits security was provided in the form of treasury bills which are included in the note 3.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
10. LEASE LIABILITIES				
Balance at the beginning of year	29 811 485	182 831 318	6 645 722	6 561 587
Add accrued interest posted to profit or loss	34 165 142	4 615 487	16 708 668	448 157
Less lease commitments paid during the year	(47 510 286)	(29 019 591)	(23 235 191)	(2 817 760)
Lease adjustments	64 007 929	7 275 706	68 889 265	1 621 936
Profit on lease liability reassessment	4 881 336	3 731 311	569 089	831 802
Effects of inflation adjustments	(15 778 053)	(139 622 746)	-	-
Balance at end of year	69 577 553	29 811 485	69 577 553	6 645 722
Maturing within 1 year	23 051 592	3 632 038	23 051 592	809 672
Maturing after 1 year	92 206 368	14 528 151	92 206 368	3 238 686
	69 577 553	29 811 485	69 577 553	6 645 722

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
11. LONG TERM BORROWINGS				
Comprising:				
Face value of loan	20 000 000	89 716 318	20 000 000	20 000 000
Valuation discount	(3 859 361)	(20 760 190)	(3 859 361)	(4 627 963)
Balance at end of year	16 140 639	68 956 128	16 140 639	15 372 037
Non-current				
Valuation discount:				
Balance at beginning of the year	20 760 190	149 349 444	4 627 963	5 359 965
Amortisation during the year	(1 571 603)	(7 538 755)	(768 602)	(732 002)
Effects of monetary adjustments	(15 329 226)	(121 050 499)	-	-
Balance at end of year	3 859 361	20 760 190	3 859 361	4 627 963



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19.2 Financial risk management

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

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

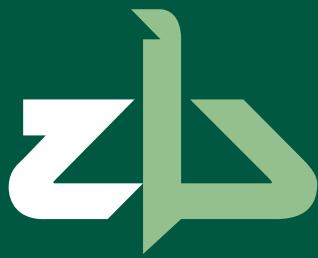
19.2.1 Classification and measurement of financial assets and liabilities

31 December 2020	Inflation adjusted								
	CARRYING AMOUNT			FAIR VALUE					
	Designated at FVTPL ZWS	Designated at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS	
Financial assets measured at fair value:									
Listed equity securities	534 352 428	-	-	534 352 428	534 352 428	-	-	534 352 428	
Government public utility stock	3 172 804	-	-	3 172 804	-	3 172 804	3 172 804		
Unit trusts	44 631 872	-	-	44 631 872	-	44 631 872	-	44 631 872	
Unlisted equity investments	576 347 064	-	-	576 347 064	-	576 347 064	576 347 064		
Treasury bills	309 051 167	-	165 972 103	475 023 270	-	309 051 167	165 972 103	475 023 270	
Financial assets not measured at fair value:									
Trade and other receivables	-	606 162 537	-	606 162 537					
Cash and cash equivalents	-	5 086 686 008	-	5 086 686 008					
Treasury bills	-	43 090 894	-	43 090 894					
Advances and other accounts	-	3 147 343 462	-	3 147 343 462					
Total	1 467 555 335	8 883 282 901	165 972 103	10 516 810 339					
Financial liabilities									
Deposit and other accounts	-	(7 107 782 993)	-	(7 107 782 993)					
Trade and other payables	-	(1 180 683 296)	-	(1 180 683 296)					
Offshore borrowings	-	(243 206 638)	-	(243 206 638)					
Total	-	(8 531 672 927)	-	(8 531 672 927)					

Restated 31 December 2019	Inflation adjusted								
	CARRYING AMOUNT			FAIR VALUE					
	Designated at FVTPL ZWS	Designated at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS	
Financial assets measured at fair value:									
Listed equity securities	304 599 091	-	-	304 599 091	304 599 091	-	-	304 599 091	
Government public utility stock	116 627 898	-	-	116 627 898	-	116 627 898	116 627 898		
Unit trusts	32 468 169	-	-	32 468 169	-	32 468 169	-	32 468 169	
Unlisted equity investments	174 373 443	-	-	174 373 443	-	174 373 443	174 373 443		
Treasury bills	282 143 011	-	501 993 023	784 136 034	-	282 143 011	501 993 023	784 136 034	
Financial assets not measured at fair value:									
Trade and other receivables	-	182 443 744	-	182 443 744					
Cash and cash equivalents	-	4 453 093 877	-	4 453 093 877					
Treasury bills	-	189 505 235	-	189 505 235					
Advances and other accounts	-	2 021 222 577	-	2 021 222 577					
Total	910 211 612	6 846 265 433	501 993 023	8 258 470 068					
Financial liabilities									
Deposit and other accounts	-	(6 155 055 357)	-	(6 155 055 357)					
Trade and other payables	-	(911 111 324)	-	(911 111 324)					
Offshore borrowings	-	(335 619 414)	-	(335 619 414)					
Total	-	(7 401 786 095)	-	(7 401 786 095)					

31 December 2020	Unaudited Historical cost								
	CARRYING AMOUNT			FAIR VALUE					
	Designated at FVTPL ZWS	Designated at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS	
Financial assets measured at fair value:									
Listed equity securities	534 352 428	-	-	534 352 428	534 352 428	-	-	534 352 428	
Government public utility stock	3 172 804	-	-	3 172 804	-	3 172 804	3 172 804		
Unit trusts	44 631 872	-	-	44 631 872	-	44 631 872	-	44 631 872	
Unlisted equity investments	576 347 064	-	-	576 347 064	-	576 347 064	576 347 064		
Treasury bills	309 051 167	-	165 972 103	475 023 270	-	309 051 167	165 972 103	475 023 270	
Financial assets not measured at fair value:									
Trade and other receivables	-	606 162 537	-	606 162 537					
Cash and cash equivalents	-	5 086 686 008	-	5 086 686 008					
Treasury bills	-	43 090 894	-	43 090 894					
Advances and other accounts	-	3 147 343 462	-	3 147 343 462					
Total	1 467 555 335	8 883 282 901	165 972 103	10 516 810 339					
Financial liabilities									
Deposit and other accounts	-	(7 107 782 993)	-	(7 107 782 993)					
Trade and other payables	-	(1 180 683 296)	-	(1 180 683 296)					
Offshore borrowings	-	(243 206 638)	-	(243 206 638)					
Total	-	(8 531 672 927)	-	(8 531 672 927)					

Restated 31 December 2019	Unaudited Historical cost								



Audited Financial Results for the year ended 31 December 2020

19.2.3 Market risk

Market arises from adverse movements in the market place which cause interest rate, foreign exchange and equity price fluctuations in the market in which the Group operates.

19.2.3.1 Interest rate risk

Interest rate gap analysis as at 31 December 2020

	Inflation adjusted				
	Up to 1 month	2 to 6 months	7 to 12 months	Above 12 months	Carrying amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	5 086 686 008	-	-	-	5 086 686 008
Treasury bills	50 000 000	228 161 763	78 005 017	161 947 384	518 114 164
Advances and other accounts	473 155 758	299 155 476	879 876 561	1 495 155 667	3 147 343 462
	5 609 841 766	527 317 239	957 881 578	1 657 103 051	8 752 143 634
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(7 039 736 385)	(44 112 074)	(26 922 779)	2 988 245	(7 107 782 993)
Long term loan	-	-	-	(16 140 639)	(16 140 639)
Offshore borrowings	-	(60 801 658)	(60 801 658)	(121 603 322)	(243 206 638)
	(7 039 736 385)	(104 913 732)	(87 724 437)	(134 755 716)	(7 367 130 270)
Period gap	(1 429 894 619)	422 403 507	870 157 141	1 522 347 335	1 385 013 364
Cumulative gap	(1 429 894 619)	(1 007 491 112)	(137 333 971)	1 385 013 364	-

Restated Interest rate gap analysis as at 31 December 2019

	Inflation adjusted				
	Up to 1 month	2 to 6 months	7 to 12 months	Above 12 months	Carrying amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	4 453 093 877	-	-	-	4 453 093 877
Treasury bills	51 156 312	109 651 355	378 187 564	434 646 038	973 641 269
Advances and other accounts	233 817 967	331 914 274	375 254 307	1 080 236 029	2 021 222 577
	4 738 068 156	441 565 629	753 441 871	1 514 882 067	7 447 957 723
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(6 037 759 019)	(27 595 250)	(55 595 757)	(34 105 331)	(6 155 055 357)
Long term loan	-	-	-	(68 956 128)	(68 956 128)
Offshore borrowings	-	(76 393 902)	(41 816 610)	(217 408 902)	(335 619 414)
	(6 037 759 019)	(103 989 152)	(97 412 367)	(320 470 361)	(6 559 630 899)
Period gap	(1 299 690 863)	337 576 477	656 029 504	1 194 411 706	888 326 824
Cumulative gap	(1 299 690 863)	(962 114 386)	(306 084 882)	888 326 824	-

Interest rate gap analysis as at 31 December 2020

	Unaudited Historical cost				
	Up to 1 month	2 to 6 months	7 to 12 months	Above 12 months	Carrying amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	5 086 686 008	-	-	-	5 086 686 008
Treasury bills	50 000 000	228 161 763	78 005 017	161 947 384	518 114 164
Advances and other accounts	473 155 758	299 155 476	879 876 561	1 495 155 667	3 147 343 462
	5 609 841 766	527 317 239	957 881 578	1 657 103 051	8 752 143 634
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(7 039 736 385)	(44 112 074)	(26 922 779)	2 988 245	(7 107 782 993)
Long term loan	-	-	-	(16 140 639)	(16 140 639)
Offshore borrowings	-	(60 801 658)	(60 801 658)	(121 603 322)	(243 206 638)
	(7 039 736 385)	(104 913 732)	(87 724 437)	(134 755 716)	(7 367 130 270)
Period gap	(1 429 894 619)	422 403 507	870 157 141	1 522 347 335	1 385 013 364
Cumulative gap	(1 429 894 619)	(1 007 491 112)	(137 333 971)	1 385 013 364	-

Restated Interest rate gap analysis as at 31 December 2019

	Unaudited Historical cost				
	Up to 1 month	2 to 6 months	7 to 12 months	Above 12 months	Carrying amount
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	992 705 450	-	-	-	992 705 450
Treasury bills	11 404 015	24 444 016	84 307 420	96 893 419	217 048 870
Advances and other accounts	52 123 844	73 991 952	83 653 524	240 811 495	450 580 815
	1 056 233 309	98 435 968	167 960 944	337 704 914	1 660 335 135
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(1 345 966 748)	(6 151 668)	(12 393 678)	(7 602 927)	(1 372 115 021)
Long term borrowings	-	-	-	(15 372 037)	(15 372 037)
Offshore borrowings	-	(17 030 102)	(9 321 963)	(48 465 855)	(74 817 920)
	(1 345 966 748)	(23 181 770)	(21 715 641)	(71 440 819)	(1 462 304 978)
Period gap	(289 733 439)	75 254 198	146 245 303	266 264 095	198 030 157
Cumulative gap	(289 733 439)	(214 479 241)	(68 233 938)	198 030 157	-

19.2.3.2 Foreign exchange risk

Foreign currency position

The carrying amount of the Group's non United States dollar monetary assets and liabilities as at 31 December 2020 were as follows:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
Botswana pula	323 142 463	321 607 376	323 142 463	71 694 288
British pound	1 529 232 311	2 484 597 660	1 529 232 311	553 878 653
Malawian kwacha	-	35 093	-	7 823
Euro	1 582 674 325	1 193 533 882	1 582 674 325	266 068 406
South African rand	7 526 665 268	5 573 611 546	7 526 665 268	1 242 496 725
Zambian kwacha	-	19 379 519	-	4 320 177
USD	17 040 893 746	112 233 579	17 040 893 746	25 019 658
Total assets	28 002 608 113	9 704 998 655	28 002 608 113	2 163 485 730
Botswana pula	(182 980 623)	(318 645 706)	(182 980 623)	(71 034 058)
British pound	(833 987 347)	(1 218 306 921)	(833 987 347)	(271 590 933)
Euro	(901 990 745)	(1 139 795 118)	(901 990 745)	(254 088 698)
South African rand	(3 690 183 563)	5 598 416 982	(3 690 183 563)	1



Audited Financial Results for the year ended 31 December 2020

19.2.4 Credit risk (continued)

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

	Inflation adjusted 2020			Inflation adjusted Restated 2019				
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances	121 515 027	130 148 598	1 899 777	253 563 402	222 264 826	9 873 182	12 482 399	244 620 407
Treasury bills	-	-	-	-	-	-	-	-
Insurance debtors	-	-	21 662 067	21 662 067	-	-	55 762 528	55 762 528
Other financial assets	-	-	-	-	-	-	-	-
Total impairment allowances	121 515 027	130 148 598	23 561 844	275 225 469	222 264 826	9 873 182	68 244 927	300 382 935
In respect of guarantees	832 533	-	-	832 533	627 193	-	-	627 193
In respect of Letter of credit	-	-	-	-	-	-	-	-
In respect of Loan commitments	630 160	-	-	630 160	3 339 766	-	-	3 339 766
In respect of other financial assets	1 536 953	-	-	1 536 953	3 405	406 141	-	409 546
Total	124 514 673	130 148 598	23 561 844	278 225 115	226 235 190	10 279 323	68 244 927	304 759 440

Treasury bills were assessed for impairment at 31 December 2020 and, having been considered to carry low credit risk, no IFRS 9 impairment charge was raised. There was no objective evidence to suggest that future cash flows on the treasury bills could end up being less than those anticipated at the point of initial recognition.

Total loans and advances	Good(AAA to BBB-)	121 496 630	182 868	84 274	121 763 772	222 016 514	300 620	142 784	222 459 918
Special Mention(BB+ to CCC-)	18 397	129 965 730	837	129 984 964	248 312	9 572 562	21 680	9 842 554	
Nonperforming(CC to D)	-	-	1 814 666	1 814 666	-	-	12 317 935	12 317 935	

Total loans and advances	Impairment allowance for total loans and advances	121 515 027	130 148 598	1 899 777	253 563 402	222 264 826	9 873 182	12 482 399	244 620 407
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Impairment allowance for loans and advances by lending category:	Corporate Lending	Good(AAA to BBB-)	92 334 033	-	92 334 033	151 551 820	-	-	151 551 820
Special Mention(BB+ to CCC-)	-	128 506 460	-	128 506 460	-	8 762 499	-	8 762 499	
Nonperforming(CC to D)	-	-	513 917	513 917	-	-	10 337 316	10 337 316	
Impairment allowance for corporate lending	92 334 033	128 506 460	513 917	221 354 410	151 551 820	8 762 499	10 337 316	170 651 635	

Small business Lending	Good(AAA to BBB-)	4 084 218	13	571	4 084 802	2 823 166	52	45	2 823 263
Special Mention(BB+ to CCC-)	-	229 105	-	229 105	10 488	98 612	2 499	111 599	
Nonperforming(CC to D)	-	-	106 001	106 001	-	-	214 041	214 041	
Impairment allowance for small business lending	4 084 218	229 118	106 572	4 419 908	2 833 654	98 664	216 585	3 148 903	

Consumer lending	Good(AAA to BBB-)	23 733 784	182 855	83 703	24 000 342	52 105 156	100 182	38 659	52 243 997
Special Mention(BB+ to CCC-)	18 397	946 091	837	965 325	169 263	624 668	13 309	807 240	
Nonperforming(CC to D)	-	-	1 194 748	1 194 748	-	-	1 099 133	1 099 133	

Impairment allowance for consumer lending	23 752 181	1 128 946	1 279 288	26 160 415	52 274 419	724 850	1 151 101	54 150 370
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Mortgage Lending	Good(AAA to BBB-)	1 344 595	-	-	1 344 595	15 536 372	200 386	104 080	15 840 838
Special Mention(BB+ to CCC-)	-	284 074	-	284 074	68 561	86 783	5 872	161 216	667 445
Nonperforming(CC to D)	-	-	-	-	-	-	667 445	667 445	

Impairment allowance for mortgage lending	1 344 595	284 074	-	1 628 669	15 604 933	287 169	777 397	16 669 499
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Impairment allowances on guarantees and loan commitments included in provisions under other liabilities	Guarantees	Good(AAA to BBB-)	832 533	-	832 533	627 193	-	-	627 193
Special Mention(BB+ to CCC-)	-	832 533	-	-	-	-	-	-	
Nonperforming(CC to D)	-	-	-	-	-	-	-	-	
Impairment allowances for guarantees	832 533	-	-	832 533	627 193	-	-	-	627 193

Loan commitments	Good(AAA to BBB-)	630 160	-	630 160	3 339 766	-	-	3 339 766
Special Mention(BB+ to CCC-)	-	630 160	-	630 160	3 339 766	-	-	
Nonperforming(CC to D)	-	-	-	-	-	-	-	

Impairment allowances for loan commitments	630 160	-	630 160	3 339 766	-	-	3 339 766
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Other financial assets	De



Audited Financial Results for the year ended 31 December 2020

19.3 Other business risks

- Other business risks faced by the Group are;
- Operational risk
 - Legal, reputational and compliance risks
 - Technological risks
 - Solvency risk
 - Underwriting risks

The Group has put in place a framework for the management of the above risks. Regular reviews are undertaken to evaluate the adequacy of risk management processes against a changing operating environment.

19.4 Risk rating

19.4.1 Regulatory risk rating

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

ZB Bank Limited and ZB Building Society were assessed using the Risk Assessment System (RAS) and the CAMELS rating model. The individual components of the rating systems were rated as follows

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

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

Summary of Risk Assessment

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

Overall Risk Matrix – ZB Bank Limited

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

Overall Risk Matrix – ZB Building Society

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

19.4.2 External credit ratings

Some of the Group's significant trading companies subscribe to an internationally recognised rating agency, Global Credit Rating Group (GCR). The ratings for the last three (3) years were as follows:

Long-term debt rating scale:

Entity	2020	2019	2018
ZB Bank Limited	BB	BB	BB
ZB Building Society	B-	B-	BB-
ZB Reinsurance Company	BBB	BBB	A-

Ratings for ZB Bank Limited and ZB Building Society expired in September 2020 whilst the rating for ZB Reinsurance Company expired in May 2021.

20. COMPLIANCE WITH REGULATIONS

20.1 Banking operations

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW\$25 million and ZW\$20 million respectively as at 31 December 2020. ZB Bank Limited and ZB Building Society (ZBBS) met these requirements as at 31 December 2020.

20.2 Insurance operations

In terms of paragraph 3 of Statutory Instrument 206 of 2019, Amendment Regulations of 2019 (Number 22), paragraph 11B (1) was inserted to the principal regulations of the Insurance Act (Chapter 24:07) with the effect of setting the minimum prescribed assets ratios for insurers at the rate of 15% of the market value of total adjusted assets in the case of life assurance businesses and 10% of the market value of total adjusted assets in the case of short-term re-insurance businesses. ZB Life Assurance Limited and ZB Reinsurance Limited did not comply with these ratios throughout 2020, closing the year with ratios at 0.7% (2019: 1.78%) for the Life Company and 5% (2019: 1%) for the Reinsurance Company respectively. As further required by paragraph 11B sub-section 4, the two entities have collaborated with the Insurance and Pensions Commissions (IPEC) on the non-compliance as required by the Regulations, and provided a roadmap to remedy the non-compliance which is being tracked on a monthly basis. Compliance has been affected by the shortage of qualifying assets on the market. Furthermore, the ratios have been impacted on by an inflationary growth in the value of assets.

The non-compliance persisted up to the date of release of these financial statements. No penalties have been levied on the entities for the non-compliance.

20.3 Other compliance issues

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

21. SUBSEQUENT EVENTS

The Group lost US\$2 775 000 and ZW\$43 090 in a heist on 6 January, 2021 after a Cash In Transit (CIT) vehicle was involved in a robbery incident. Measures have been taken to strengthen controls around the operation of cash movement activities and to mitigate the impact of similar events.

22. GOING CONCERN

The Board undertakes regular assessment of whether the Group is a going concern in the light of current economic conditions and all available information about future risks and uncertainties.

The Monetary Policy Committee of the Reserve Bank of Zimbabwe, revised minimum capital requirements for banking institutions with effect from 31 December 2021. The revised limit for Tier 1 Banks is the ZW\$ equivalent of US\$30m and for Building Societies is the ZW\$ equivalent of US\$20m reckoned with reference to the exchange rate ruling at that time.

A rearrangement of capital resources through the merger of the Group's banking operation namely ZB Bank Limited and ZB Building Society is planned for the optimisation of capital resources and also address possible capital strain at a solo level for the subsidiaries.

The projections for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these financial statements including performing sensitivity analyses. These analyses have taken into account the ongoing developments related to the COVID-19 pandemic and do not affect the possibility of a strain that can affect the continuation of operations in their current state.

Whilst aggregate risk has been assessed as a whole, risks in the following areas continue to remain under close monitoring as a result of the continuation of the COVID-19 pandemic:

- Credit Risk – changed operating models and market dynamics may affect the ability of borrowers to service their obligations. The Group may be forced to consider loan forbearance to mitigate the risk of loss.
- Liquidity Risk – During the year, the market continued to have excess liquidity and the Group has not been affected by this risk. Any mismatches that may arise between assets and liabilities due to changed business models for suppliers of critical funding, the Group will maintain a significant liquidity buffer in the short-term. This may affect asset creation activities in the short-term period.
- Insurance Risk – funeral insurance claims remained very low on individual life products despite the advent of COVID-19. There was also an improvement in the claims experience for 2020 where the overall claims ratio came down to 32% compared to 40% in 2019. Current claims levels have been in line with expected trends.
- Market risk – the valuation of equity investments maybe affected through an unfavourable underlying performance fundamentals as a result of COVID-19. This may have an effect of reducing the carrying value for investments designated as fair value instruments. The Group does not hold any derivative instruments which may be exposed to secondary risks related to COVID-19. Additionally, there may be a market wide requirement to re-price instruments which may affect the Group's investment portfolio of interest rate sensitive instruments. This may result in a repricing gap between assets and liabilities. The Group's interest sensitive liabilities were higher than interest sensitive assets as at 31 December 2020. A market wide increase in interest rates is likely to reduce the Group's net interest earnings in the short-term.

Consequently, the financial statements for the year ended 31 December 2020 have been prepared on a going concern basis.

23. BOARD ATTENDANCE DURING THE YEAR

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
TOTAL MEETINGS	10	5	5	5	5
*P CHIROMO	10	X	X	X	X
R MUTANDAGAYI	10	4	5	5	5
O AKERELE	10	X	X	X	X
T S BVURERE	9	X	X	X	X
F KAPANJE	8	X	X	X	X
A Z MANGWIRO	10	X	X	X	X
J MUTEVEDZI	8	X	X	X	X
B P NYONI	8	X	X	X	X
T SIBANDA	10	X	X	X	X
A MAKAMURE	9	X	X	X	X
K MAUKAZUVA	9	X	X	X	X
S A SIBANDA	X	5	X	X	X
P M MATUPIRE	X	5	X	X	X
C MANDIZVIDZA	X	5	X	X	X
G N MAHLANGU	X	5	X	X	X
**G CHIKOMO	X	5	X	X	X
F NYAMBIRI	X	5	X	X	X
K J LANGLEY	X	5	X	X	X
P MURENA	X	5	X	X	X
***E MASINIRE	X	2	X	X	X
O MANDIMIKA	X	X	5	X	X
S K CHIGANZE	X	X	5	X	X
T KAPUMHA	X	X	5	X	X
J KATSIDZIRA	X	X	5	X	X
F B CHIRIMUITA	X	X	X	5	X
B SHUMBA	X	X	X	5	X
P MURAMBINDA (MRS)	X	X	X	5	X
A NYAKONDA	X	X	X	5	X
****M SHONIWA	X	X	X	5	X
C MASIMBE	X	X	X	5	X
E T Z CHIDZONGA	X	X	X	X	5
L MAWIRE (MRS)	X	X	X	X	5
C MAKONI	X	X	X	X	5
****A MANGORO	X	X	X	X	5
****R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	5
*****T SANDURA	X	X	X	X	2

*P. Chiromo was appointed as the substantive board chairman of ZBFH with effect from 28 September 2020.

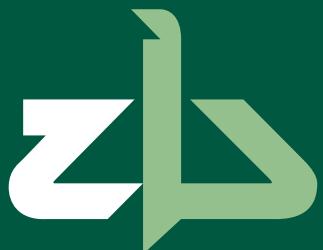
**G. Chikomo was appointed as the substantive Managing Director with effect from 17 August 2020

***E Masinire was appointed to the board with effect from 1 September 2020

****A. Mangoro and R. Dzimba- Mabvurunge were appointed to the board with effect from 27 January 2020

*****M. Shoniwa was appointed to the board with effect from 13 January 2020

*****T. Sandura was appointed to the board with effect from 1 September 2020



Investments Savings Loans Mortgages Insurance Financial Advisory Community Involvement

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020



AUDITED FINANCIAL RESULTS for the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
ASSETS				
Cash and short term funds	1	4 624 853 014	4 168 810 565	4 624 853 014
Treasury Bills	2	518 114 164	973 641 269	217 048 870
Advances and other accounts	3	2 992 466 648	1 828 863 815	2 992 466 648
Inventories	4	31 941 332	52 200 852	29 710 244
Trade and other receivables	5	516 543 296	167 039 604	516 543 296
Financial assets at fair value through profit / loss	6	405 581 214	126 462 247	405 581 214
Financial assets held at amortised cost	6	68 108 946	95 993 737	68 108 946
Investment in Subsidiary company	7	1 578 171 428	1 594 657 624	347 762 808
Right of use asset	8	194 053 264	59 441 451	194 053 264
Intangible assets	9	192 282 723	271 140 015	27 441 348
Property and equipment	10	1 311 963 081	905 914 609	1 311 963 081
	12 434 079 110	10 244 165 788	12 248 854 470	2 251 990 620
Liabilities				
Deposits from customers	12	6 941 197 305	6 033 655 651	6 941 197 305
Offshore borrowings	13	243 206 638	335 619 414	243 206 638
Trade and other payables	14	868 280 553	726 766 933	868 280 553
Lease liabilities	15	207 726 184	59 441 451	207 726 184
Current tax liabilities		45 173 943	16 120 316	45 173 943
Deferred tax liabilities		205 976 792	93 651 422	137 274 209
Total liabilities		8 511 561 415	7 265 255 187	8 442 858 832
	12 434 079 110	10 244 165 788	12 248 854 470	2 251 990 620
Equity				
Share Capital	24	75 138 687	75 138 687	1 810 402
Share premium	24	1 367 886 092	1 367 886 092	32 958 032
Functional currency translation reserve	24	-	45 437 973	49 556 719
Revaluation reserves	24	896 893 061	443 935 144	919 239 238
General reserves	24	(1 793 231)	89 039 206	(1 793 231)
Retained income	24	1 584 393 086	1 002 911 472	2 808 343 224
Total equity		3 922 517 695	2 978 910 601	3 805 995 638
Total equity and liabilities		12 434 079 110	10 244 165 788	12 248 854 470

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
Interest and related income				
Interest and related expenses	16	786 361 477	779 971 027	536 440 838
Net interest income	16	(146 925 744)	(183 645 000)	(113 088 299)
Loan impairment charges	17	(270 993 407)	(243 195 794)	(194 546 480)
Net income from lending activities		368 442 326	353 130 233	228 805 526
Commission and fee income	18	1 058 837 272	1 146 431 976	735 540 602
Other income	19	1 240 030 659	535 443 912	1 179 632 920
Fair value adjustment	20	261 136 124	964 147 270	1 527 992 806
Total income		2 928 446 381	2 999 153 391	3 671 971 854
Operating expenses	21	(2 284 033 613)	(1 631 842 763)	(1 243 703 230)
Profit before tax		644 412 768	1 367 310 628	2 428 268 624
Income tax (expense)/credit	22	(30 916 888)	(187 510 377)	(8 947 440)
Net monetary loss		19 907 171	(360 826 976)	-
Net profit after taxation		633 403 051	818 973 275	2 419 321 184
Other Comprehensive income:				
Items that will never be reclassified to profit or loss				
Gains on property revaluation	10	615 145 517	554 793 173	973 453 259
Items that may be reclassified to profit or loss				
Fair value gains / (losses) on financial assets at FVTOCI		1 585 843	(35 020 433)	1 585 843
Related tax		(153 763 897)	(126 346 782)	(187 045 874)
Other comprehensive income for the year, net of tax		462 967 463	393 425 958	787 993 228
Total comprehensive income for the year		1 096 370 514	1 212 399 233	3 207 314 412
Earnings per share (ZW cents)		3.5	4.52	13.36
				2.22

STATEMENT OF CHANGES IN EQUITY

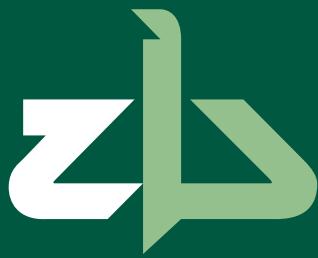
For the year ended 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost			
	Share capital ZWS	Share premium ZWS	Revaluation through other property and comprehensive equipment ZWS	Fair value through other property and comprehensive income ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2019						
Prior year adjustment	75 138 687	1 367 886 092	42 406 922	115 225 212	394 573 467	1 995 230 380
Restated balance at 1 January 2019			(18 083 742)	(25 288 229)	(43 71 971)	
Effects of changes in functional currency						
- as previously reported	-	-	-	818 973 275	818 973 275	
- prior year error	-	-	-	966 874 837	966 874 837	
Available for sale financial assets	-	-	(120 085 972)	-	(147 901 562)	
Distributions	-	-	-	(26 186 006)	-	(26 186 006)
Dividend to shareholders	-	-	-	-	(185 347 041)	(185 347 041)
Balance at 1 January 2020	75 138 687	1 367 886 092	443 935 144	89 039 206	1 002 911 472	2 978 910 601
Changes in equity for 2020						
Profit or loss	-	-	-	633 403 051	633 403 051	
Other comprehensive income, net of tax	-	-	-	-	461 773 641	461 773 641
Revaluation of property	-	-	-	1 193 822	-	1 193 822
- as previously reported	-	-	-	(60 737 161)	(60 737 161)	
- prior year error	-	-	-	(8 815 724)	8 815 724	
Effects of changes in general price index	-	-	-	(92 026 259)	-	(92 026 259)
Balance at 31 December 2020	75 138 687	1 367 886 092	896 893 061	(1 793 231)	1 584 393 086	3 922 517 695

STATEMENT OF CHANGES IN EQUITY

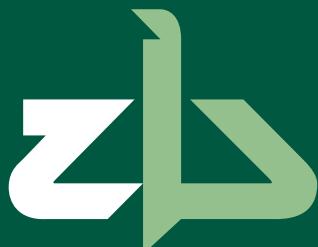
For the year ended 31 December 2020

	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Unaudited Historical cost		
				Revaluation through other property and comprehensive equipment ZWS	Fair value through other property and comprehensive income ZWS	Retained income ZWS
Balance at 1 January 2019	1 810 402	32 958 032	-	4 190		



Audited Financial Results for the year ended 31 December 2020

	Inflation adjusted		Unaudited Historical cost				
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS			
3.3 Loans and advances to customers by business line							
Corporate lending	3 105 450 529	3 017 466 643	3 105 450 529	672 668 410			
Small business lending	126 215 751	29 455 629	126 215 751	6 566 393			
Consumer lending	882 905 979	290 530 806	882 905 979	64 766 547			
Mortgage lending	95 117 708	104 748 756	95 117 708	23 351 105			
	4 209 689 967	3 442 201 834	4 209 689 967	767 352 455			
3.4 Mortgage loans							
Mortgage advances were spread as follows:							
Type of property:							
High density	658 303	5 538 507	658 303	1 234 671			
Medium density	2 473 840	7 059 822	2 473 840	1 573 810			
Low density	86 210 197	55 637 821	86 210 197	12 403 055			
Commercial	5 775 368	36 512 606	5 775 368	8 139 569			
	95 117 708	104 748 756	95 117 708	23 351 105			
3.5 Finance lease receivables							
Gross investment in finance leases:							
Maturing within 1 year	224 595 640	9 343 381	224 595 640	2 082 872			
Maturing after 1 year	458 687 510	55 651 683	458 687 510	12 406 145			
Gross investment in finance leases	683 283 150	64 995 064	683 283 150	14 489 017			
Unearned finance charges	(411 491 251)	(17 677 002)	(411 491 251)	(3 940 643)			
Net investment in finance leases	271 791 899	47 318 062	271 791 899	10 548 374			
Maturing within 1 year	98 328 499	8 474 226	98 328 499	1 889 116			
Maturing after 1 year	173 463 400	38 843 836	173 463 400	8 659 258			
	271 791 899	47 318 062	271 791 899	10 548 374			
	Inflation adjusted		Unaudited Historical cost				
	31 Dec 2020 ZWS	% Contribution	Restated 31 Dec 2019 ZWS	% Contribution			
	31 Dec 2020 ZWS	% Contribution	31 Dec 2020 ZWS	% Contribution			
	31 Dec 2020 ZWS	% Contribution	31 Dec 2019 ZWS	% Contribution			
	31 Dec 2020 ZWS	% Contribution	Restated 31 Dec 2019 ZWS	% Contribution			
3.6 Sectoral analysis of advances							
Private	1 000 510 407	30.86%	464 991 047	22.52%			
Agriculture	620 639 675	19.14%	435 112 921	21.08%			
Mining	333 026 862	10.27%	391 570 451	18.97%			
Manufacturing	102 519 481	3.16%	65 950 719	3.19%			
Distribution	277 922 014	8.57%	200 731 066	9.72%			
Construction	8 590 466	0.26%	36 629 614	1.77%			
Transport	262 937 202	8.11%	32 187 127	1.56%			
Services	534 730 634	16.49%	267 836 854	12.97%			
Financial	98 765 970	3.05%	166 175 798	8.05%			
Communication	2 759 098	0.09%	3 232 778	0.16%			
	3 242 401 809	100%	2 064 418 375	100%			
3.7 Sectoral analysis of guarantees							
Manufacturing	682 463 199	99.10%	631 942 004	99.34%			
Distribution	-	0.00%	216 665	0.03%			
Construction	1 225 000	0.18%	-	0.00%			
Services	4 549 448	0.66%	2 101 605	0.33%			
Financial	415 000	0.06%	1 861 614	0.29%			
	688 652 647	100%	636 121 888	100%			
3.8 Sectorial analysis of letters of credit							
Manufacturing	-	0.00%	291 493 300	100%			
	-	0.00%	291 493 300	100%			
3.9 Sectorial analysis of loan commitments							
Private	-	0%	17 226 480	3.83%			
Agriculture	127 337 597	46%	70 645 307	16.69%			
Mining	701 250	0.25%	160 247	0.04%			
Manufacturing	17 663 428	6.34%	171 760 504	38.15%			
Distribution	57 744 966	20.72%	59 424 980	13.20%			
Construction	2 847 277	1.02%	582 317	0.13%			
Transport	13 209 630	4.74%	12 089 915	2.69%			
Communications	429 396	0.15%	1 406 586	0.31%			
Services	58 136 220	20.86%	94 784 222	21.06%			
Financial	565 747	0.20%	22 087 713	4.91%			
	278 635 511	100%	450 168 271	100%			
	Inflation adjusted		Unaudited Historical cost				
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS			
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS			
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2019 ZWS	Restated 31 Dec 2019 ZWS			
3.10 Non-performing debt							
Non-performing loans and advances	4 735 348	13 478 432	4 735 348	3 004 677			
Less: Allowance for loan impairment	(1 485 660)	(11 513 609)	(1 485 660)	(2 566 670)			
Value to be received from security held	3 249 688	1 964 823	3 249 688	438 007			
For the secured non performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The company discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees.							
	Inflation adjusted		Unaudited Historical cost				
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS			
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS			
3.11 Loan impairment movement							
Balance at beginning of the year	235 554 560	327 085 131	52 510 974	11 738 676			
Effects of monetary gain or loss	(244 358 539)	(268 196 202)	-	1 389 132			
Charge to profit or loss	258 550 590	176 921 481	197 235 637	39 440 201			
Recoveries/(Write offs) charged to provision	188 550	(255 850)	188 550	(57 035)			
Balance at 31 December 2020	249 935 161	235 554 560	249 935 161	52 510 974			
3.12 Internal rating grade:							
Loans and advances are carried at amortised cost using the effective interest rate.							
3.12.1 Total loans and advances							
	Inflation adjusted		Unaudited Historical cost				
	2020	ECL STAGE CLASSIFICATION	2020	ECL STAGE CLASSIFICATION			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	Restated 2019
Total loans and advances	2 721 312 287	-	-	118 496 727	152 894 397	-	-
Good (AAA to A-)	-	-	-	129 952 774	-	71 146 554	-
Special mention (BBB+ to B-)	-	516 354 174	-	-	1 485 660	-	11 513 609
Non performing (CC to D)	-	-	4 735 348	-	1 485 660	-	235 554 560
Total	2 721 312 287	516 354 174	4 735 348	1 485 660	249 935 161	152 894 397	-
Corporate lending	1 643 822 050	-	1 643 822 050	1 158 957 918	-	-	-
Good (AAA to A-)	-	491 236 304	-	470 001 728	-	70 346 904	-
Special mention (BBB+ to B-)	-	-	3 104 017	-	513 917	-	10 337 316
Non performing (CC to D)	-	-	-	10 723 542	-	-	10 337 316
Total	1 643 822 050	491 236 304	3 104 017	2 138 162 371	1 158 957 918	470 001 728	10 337 316
Small business lending	116 261 376	-	116 261 376	28 301 978	-	-	-
Good (AAA to A-)	-	9 751 747	-	1 052 919	-	100 734	-
Special mention (BBB+ to B-)	-	-	202 628	202 628	-	-	-
Non performing (CC to D)	-	-	-	-	1 997 026	1 997 026	-
Total	116 261 376	9 751 747	202 628	1 052 919	1 997 026	29 455 631	-
Consumer lending	876 344 518	-	876 344 518	286 280 983	-	-	-
Good (AAA to A-)	-	5 132 758	-	2 252 792	-	2 252 792	-
Special mention (BBB+ to B-)	-	-	1 428 703	1 428 703	-	-	-
Non performing (CC to D)	-	-	-	-	1 997 026	1 997 026	-
Total	876 344 518	5 132 758	1 428 703	882 905 979	286 280 983	2 252 792	29 455 631
Mortgage lending	84 884 343	-	84 884 343	103 882 184	-	-	-
Good (AAA to A-)	-	10 233 365	-	209 441	-	209 441	-
Special mention (BBB+ to CCC-)	-	-	-	-	657 130	657 130	-
Non performing (CC to D)							



Audited Financial Results for the year ended 31 December 2020

3.13.1 Total loans and advances (continued)

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION				Restated 2019			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances								
Good (AAA to A-)	118 496 727	-	-	118 496 727	34 083 966	-	-	34 083 966
Special mention (BBB+ to B-)	-	129 952 774	-	129 952 774	-	15 860 338	-	15 860 338
Non performing (CC to D)	-	-	1 485 660	1 485 660	-	-	2 566 670	2 566 670
Total	118 496 727	129 952 774	1 485 660	249 935 161	34 083 966	15 860 338	2 566 670	52 510 974
Corporate lending								
Good (AAA to A-)	92 334 034	-	-	92 334 034	23 949 666	-	-	23 949 666
Special mention (BBB+ to B-)	-	128 506 460	-	128 506 460	-	15 682 077	-	15 682 077
Non performing (CC to D)	-	-	513 917	513 917	-	-	2 304 445	2 304 445
Total	92 334 034	128 506 460	513 917	221 354 411	23 949 666	15 682 077	2 304 445	41 936 188
Small business lending								
Good (AAA to A-)	4 076 504	-	-	4 076 504	621 780	-	-	621 780
Special mention (BBB+ to B-)	-	229 105	-	229 105	-	20 583	-	20 583
Non performing (CC to D)	-	-	106 001	106 001	-	-	7 327	7 327
Total	4 076 504	229 105	106 001	4 411 610	621 780	20 583	7 327	649 690
Consumer lending								
Good (AAA to A-)	20 843 043	-	-	20 843 043	6 737 559	-	-	6 737 559
Special mention (BBB+ to B-)	-	933 135	-	933 135	-	138 332	-	138 332
Non performing (CC to D)	-	-	865 742	865 742	-	-	190 277	190 277
Total	20 843 043	933 135	865 742	22 641 920	6 737 559	138 332	190 277	7 066 168
Mortgage lending								
Good (AAA to A-)	1 243 146	-	-	1 243 146	2 774 961	-	-	2 774 961
Special mention (BBB+ to CCC-)	-	284 074	-	284 074	-	19 346	-	19 346
Non performing (CC to D)	-	-	-	-	-	64 621	-	64 621
Total	1 243 146	284 074	-	1 527 220	2 774 961	19 346	64 621	2 858 928
Inflation adjusted								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
	3.13.3 Other financial assets							
Debentures	-	-	-	-	-	406 141	-	406 141
Special mention (BBB+ to CCC-)	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Good (AAA+ to A-)	1 536 953	-	-	1 536 953	3 405	-	-	3 405
Total	1 536 953	-	-	1 536 953	3 405	406 141	-	409 546
Unaudited Historical cost								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
	3.13.4 Financial guarantees and loan commitments							
Financial guarantees	-	-	-	-	-	90 539	-	90 539
Good (AAA to A-)	832 532	-	-	832 532	627 193	-	-	627 193
Special mention (BBB+ to CCC-)	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Good (AAA+ to A-)	1 536 953	-	-	1 536 953	759	-	-	759
Total	1 536 953	-	-	1 536 953	759	90 539	-	91 298
Inflation adjusted								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
	3.13.4 Financial guarantees and loan commitments							
Guarantees	-	-	-	-	-	139 817	-	139 817
Good (AAA to A-)	832 532	-	-	832 532	139 817	-	-	139 817
Special mention (BBB+ to CCC-)	-	-	-	-	-	-	-	-
Total guarantees	832 532	-	-	832 532	139 817	-	-	139 817
Loan commitments	-	-	-	-	-	-	-	-
Good (AAA to A-)	630 159	-	-	630 159	3 339 761	-	-	3 339 761
Total	630 159	-	-	630 159	3 339 761	-	-	3 339 761
Unaudited Historical cost								
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
	4 INVENTORIES							
As at 31 December 2020 the Bank held stocks of the following items:								
Point of sale machines	1 379 220	-	8 304 779	1 282 882	-	579 302	-	-
Stationery	28 848 734	-	30 387 519	26 833 663	-	2 119 687	-	-
Fuel	696 881	-	12 155 889	648 204	-	847 937	-	-
Personal protective equipment (PPE) materials	922 500	-	-	858 063	-	-	-	-
ATM spares	86 429	-	1 239 096	80 392	-	86 433	-	-
Computer consumables	7 568	-	113 569	7 040	-	7 922	-	-
Current	31 941 332	52 200 852	29 710 244	3 641 281	-	-	-	-
TRADE AND OTHER RECEIVABLES								
Accrued interest	-	-	3 572 362	-	-	796 368	-	-
Remittances in transit	7 603	-	2 505 907	7 603	-	558 629	-	-
Advance payments and sundry assets	486 102 794	-	148 575 773	486 102 794	-	30 806 389	-	-
Amounts clearing from other banks	30 432 899	-	12 385 562	30 432 899	-	2 761 050	-	-
Current	516 543 296	167 039 604	516 543 296	3 641 281	-	-	-	-
FINANCIAL ASSETS								
6.1 Carrying amounts								
Designated as at "Fair value through profit and loss"	-	-	-	-	-	-	-	-
Unlisted equities	239 361 498	-	27 540 963	239 361 498	-	6 139		



Audited Financial Results for the year ended 31 December 2020

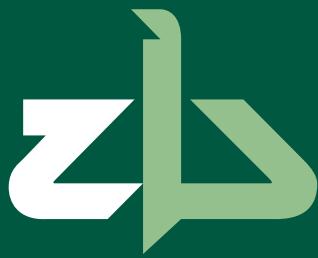
10. PROPERTY, PLANT AND EQUIPMENT

	Inflation adjusted						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
2020							
Cost or valuation							
Balance at 1 January 2020	19 024 345	382 484 742	267 090 192	624 593 712	397 974 673	28 498 603	1 719 666 267
Additions	64 938 230	2 464 607	12 274 721	44 997 053	-	116 871 336	241 545 947
Gains on revaluation	-	-	147 631 723	467 513 794	-	-	615 145 517
Disposals	-	-	(121 022)	(38 383)	(2 645 374)	-	(2 804 779)
Transfer between categories	-	46 971 028	20 976 281	4 687 764	-	(72 335 073)	-
Balance at 31 December 2020	83 962 575	431 620 377	447 851 895	1 141 753 940	395 329 299	73 034 866	2 573 552 952
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Balance at 1 January 2020	-	206 111 791	137 559 323	312 512 116	157 568 428	-	813 751 658
Charge to income statement	-	45 554 682	31 159 226	136 982 755	70 904 242	-	284 600 905
Disposals	-	-	(46 795)	-	(646 741)	-	(693 536)
Impairment	10 272 849	108 923 234	-	-	27 971 092	16 763 669	163 930 844
Balance at 31 December 2020	10 272 849	360 589 707	168 671 754	449 494 871	255 797 021	16 763 669	1 261 589 871
Net book value at 31 December 2020	73 689 726	71 030 670	279 180 141	692 259 069	139 532 278	56 271 197	1 311 963 081
Restated 2019	-	-	-	-	-	-	-
Balance at 1 January 1999	-	267 989 578	175 073 566	401 665 983	212 161 692	18 345 187	1 075 236 006
Additions	10 567 568	5 521 816	21 024 431	9 194 009	46 850 453	27 046 020	120 204 297
Gain on revaluation	8 456 777	108 973 348	71 401 444	214 606 612	151 354 992	-	554 793 173
Disposals	-	-	(409 249)	(872 892)	(12 392 464)	-	(13 674 605)
Balance at 31 December 1999	19 024 345	382 484 742	267 090 192	624 593 712	397 974 673	45 391 207	1 736 558 871
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Balance at 1 January 1999	-	189 150 349	123 391 126	249 331 490	138 733 671	-	700 606 636
Charge to income statement	-	16 961 442	14 320 656	63 845 830	20 757 627	-	115 885 555
Disposals	-	-	(152 459)	(665 204)	(1 922 870)	-	(2 740 533)
Impairment	-	-	-	-	-	16 892 604	16 892 604
Balance at 31 December 1999	-	206 111 791	137 559 323	312 512 116	157 568 428	16 892 604	830 644 262
Net book value at 31 December 1999	19 024 345	176 372 951	129 530 869	312 081 596	240 406 245	28 498 603	905 914 609

	Unaudited Historical cost						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
2020							
Cost or valuation							
Balance at 1 January 2020	4 241 000	45 072 711	32 883 507	82 441 145	58 746 818	6 353 048	229 738 229
Additions	45 510 451	2 420 618	11 076 597	36 918 811	-	110 060 509	205 986 986
Gains on revaluation	23 938 275	-	230 322 831	614 800 713	104 391 440	-	973 453 259
Currency conversion reversal	-	-	(121 022)	(38 383)	(2 645 374)	(773 075)	(773 075)
Disposals	-	-	-	-	-	-	(2 804 779)
Transfer between categories	-	39 947 112	16 263 449	3 158 724	-	(59 369 285)	-
Balance at 31 December 2020	73 689 726	87 440 441	290 425 362	737 281 010	160 492 884	56 271 197	1 405 600 620
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Balance at 1 January 2020	-	5 754 792	4 007 851	12 870 390	5 154 282	-	27 787 315
Charge to income statement	-	10 654 979	7 284 165	32 132 086	16 453 065	-	66 524 295
Disposals	-	-	(46 795)	-	(646 741)	-	(693 536)
Impairment	-	-	-	19 465	-	-	19 465
Balance at 31 December 2020	-	16 409 771	11 245 221	45 021 941	20 960 606	-	93 637 539
Net book value at 31 December 2020	73 689 726	71 030 670	279 180 141	692 259 069	139 532 278	56 271 197	1 311 963 081
Restated 2019	-	-	-	-	-	-	-
Balance at 1 January 1999	-	6 929 136	4 466 670	12 118 558	5 773 988	658 386	29 946 738
Effect of changes in functional currency	-	4 244 164	2 782 222	8 200 643	3 952 860	987 579	20 167 468
Additions	2 021 175	971 719	2 256 723	932 507	6 546 180	4 707 083	17 435 387
Gain on revaluation	2 219 825	32 927 692	23 392 579	61 220 764	42 918 540	-	162 679 400
Disposals	-	-	(14 687)	(31 327)	(444 750)	-	(490 764)
Balance at 31 December 1999	4 241 000	45 072 711	32 883 507	82 441 145	58 746 818	6 353 048	229 738 229
Accumulated depreciation and impairment	-	-	-	-	-	-	-
Balance at 1 January 1999	-	4 099 696	2 611 850	6 651 463	3 138 746	-	16 501 755
Charge to statement of profit or loss	-	1 655 096	1 401 473	6 242 800	2 084 545	-	11 383 914
Disposals	-	-	(5 472)	(23 873)	(69 009)	-	(98 354)
Balance at 31 December 1999	-	5 754 792	4 007 851	12 870 390	5 154 282	-	27 787 315
Net book value at 31 December 1999	4 241 000	39 317 919	28 875 656	69 570 755	53 592 536	6 353 048	201 950 914

11. DEFERRED TAX ASSET / (LIABILITIES)

	Inflation adjusted					
	Balance at 1 January ZWS	Recognised in profit or loss ZWS	Recognised in OCI affecting equity ZWS	Other movements ZWS	Balance at 31 December ZWS	
2020						
Property and equipment	(163 794 070)	34 010 9808	(153 371 876)	-	-	(283 155 038)
Provisions and deferred income	67 119 691	22 238 433	-	-	-	89 358 124
Fair value adjustments on investment securities	(1 377 048)	(11 391 680)	-	-	-	(12 768 728)
Fair value adjustments on available for sale financial assets	4 400 005	(3 419 134)	(392 021)	-	-	588 850
Restated 2019	(93 651 422)	41 438 5				



Audited Financial Results for the year ended 31 December 2020

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS	31 Dec 2020 ZWS	Restated 31 Dec 2019 ZWS
				ZWS
20 FAIR VALUE ADJUSTMENTS				
Arising from FVTPL investments				
Investment securities	279 118 968	7 590 505	317 233 011	11 128 523
Investment in subsidiary company	(16 486 196)	956 556 765	1 212 256 443	290 407 085
Treasury bills	(1 496 648)	-	(1 496 648)	-
	261 136 124	964 147 270	1 527 992 806	301 535 608
21 OPERATING EXPENSES				
Staff expenses	627 731 752	481 180 466	399 100 138	49 289 454
Communication expenses	72 668 149	78 381 959	51 301 464	10 959 461
Computer and information technology	362 043 517	200 055 923	271 311 381	23 299 406
Occupation expenses	71 551 682	52 393 378	43 993 844	5 007 397
Transport expenses	11 601 489	14 794 746	7 767 574	1 864 741
Travelling expenses	10 655 329	16 216 806	7 026 327	2 104 513
Administration expenses	1 127 781 695	788 819 485	463 202 502	64 880 500
	2 284 033 613	1 631 842 763	1 243 703 230	157 405 472
Included in operating expenses are the following				
Depreciation charge on property and equipment	284 600 905	115 885 555	66 524 295	11 383 914
Amortisation of intangible assets	76 769 498	90 906 687	2 203 474	2 548 217
Depreciation charge on right of use asset	29 235 477	18 841 143	26 115 239	1 860 229
Auditors' remuneration	10 225 373	8 813 917	5 102 113	895 564
22 INCOME TAX EXPENSE				
Current income tax	72 355 415	200 471 251	72 355 418	14 875 628
Deferred taxation	(41 438 527)	(12 960 874)	(63 407 978)	(17 126 592)
	30 916 888	187 510 377	8 947 440	(2 250 964)
23. CONTINGENT LIABILITIES AND COMMITMENTS				
23.1 The nominal values of such commitments are listed below:				
In respect of guarantees	688 652 647	636 121 888	688 652 647	141 807 400
In respect of undrawn commitments	278 635 511	450 168 271	278 635 511	100 353 711
In respect of letters of credit	-	291 493 300	-	64 981 111
	967 288 158	1 377 783 459	967 288 158	307 142 222
23.2 Impairment movement on Guarantees				
Balance at beginning of the year	2 117 388	6 446 771	139 817	231 367
Charge to statement of profit or loss (Note 17)	12 740 232	(1 347 532)	692 715	(91 550)
Effects of monetary loss	(14 025 088)	(2 981 851)	-	-
Balance at end of the year	832 532	2 117 388	832 532	139 817
23.3 Impairment movement on loan commitments				
Balance at beginning of the year	1 849 578	14 348 968	744 516	514 966
Charge/(credit) to statement of profit or loss (Note 17)	4 523 453	3 378 768	(114 356)	229 550
Effects of monetary (loss)/gain	(5 742 871)	(15 878 158)	-	-
Balance at end of the year	630 160	1 849 578	630 160	744 516
24 CAPITAL ADEQUACY				
Ordinary share capital	75 138 687	75 138 687	1 810 402	1 810 402
Share premium	1 367 886 092	1 367 886 092	32 958 032	32 958 032
Total Reserves	2 479 492 916	1 535 885 822	3 771 227 204	603 504 426
IFRS Capital	3 922 517 695	2 978 910 601	3 805 995 638	638 272 860
Add/(less) Regulatory adjustments				
Fair value adjustment on capitalisation treasury bills	2 245 297	13 864 576	2 245 297	3 090 759
Interest in reserve on non-performing loans	(4 114 885)	(6 286 912)	(4 114 885)	(1 401 509)
Loans to group entities and directors	(3 473 420)	(4 843 720)	(3 473 420)	(1 079 786)
Revaluation reserve	(896 893 061)	(443 935 144)	(964 677 211)	(183 961 795)
Tier 1 capital	3 020 281 626	2 537 709 401	2 835 975 419	454 920 529
Revaluation reserve	896 893 061	443 935 144	919 239 238	134 405 076
Effect of changes in functional currency	-	-	45 437 973	49 556 719
Tier 2 Capital	896 893 061	443 935 144	964 677 211	183 961 795
Total Capital Base	3 917 174 687	2 981 644 545	3 800 652 629	638 882 324
Credit risk weighted assets	7 216 463 055	5 553 557 231	7 031 238 414	1 191 268 573
Operational risk equivalent assets	6 150 194 028	4 060 054 526	3 012 044 211	475 214 067
Market risk equivalent assets	1 611 615 208	1 051 116 054	1 611 615 208	234 319 928
Total Risk weighted Assets	14 978 272 291	10 664 727 811	11 654 897 833	1 900 802 568
Tier 1 capital ratio	20.16%	22.50%	23.98%	23.93%
Tier 2 capital ratio	5.99%	5.46%	8.63%	9.68%
Capital adequacy ratio	26.15%	27.96%	32.61%	33.61%
25 RISK MANAGEMENT				
25.1 Financial assets and financial liabilities classification and fair values				
Inflation adjusted				
CARRYING AMOUNT				
Designated at Fair Value P/L ZWS	Designated at AMCO ZWS	Designated at FVTOCI ZWS	Other financial liabilities ZWS	Total ZWS
Level 1 ZWS	Level 2 ZWS	Level 3 ZWS		Total ZWS

	Unaudited Historical cost							
	Designated at Fair Value P/L ZWS	Designated at AMCO ZWS	Designated at FVTOCI ZWS	Other financial liabilities ZWS	FAIR VALUE			
					Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS
31 December 2020								
Equity Securities	405 581 214	-	-	-	405 581 214	166 219 716	-	-
Treasury Bills	309 051 167	-	165 972 103	-	475 023 270	-	309 051 167	165 972 103
Investment in Subsidiary company	1 578 171 428	-	-	-	1 578 171 428	-	-	-
	2 292 803 809	-	165 972 103	-	2 458 775 912	166 219 716	309 051 167	1 983 505 029
Cash and short term funds	-	4 624 853 014	-	-	-	4 624 853 014	-	-
Treasury Bills	-	43 090 895	-	-	-	43 090 895	-	-
Advances and other accounts	-	2 992 466 648	-	-	-	2 992 466 648	-	-
Inventories, trade other receivables	-	486 110 397	-	-	-	486 110 397	-	-
Investment securities	-	68 108 946	-	-	-	68 108 946	-	-
Amounts clearing from other banks	-	30 432 899	-	-	-	30 432 899	-	-
	-	8 245 062 799	-	-	-	8 245 062 799	-	-
Deposits from customers	-	(6 941 197 305)	-	-	-	(6 941 197 305)	-	-
Offshore borrowings	-	-	(243 206 638)	(243 206 638)	-	-	-	-
Trade and other payables	-	-	(758 468 683)	(758 468 683)	-	-	-	-
Amounts clearing to other banks	-	(109 811 870)	-	-	-	(109 811 870)	-	-
	-	(7 051 009 175)	-	-	-	(7 051 009 175)	-	-
Deposits from customers	-	(1 001 675 321)	(8 052 684 496)	-	-	(1 001 675 321)	(8 052 684 496)	-
Restated 31 December 2019								
Equity Securities	126 462 247	-	-	-	-	126 462 247	98	

Audited Financial Results for the year ended 31 December 2020

25.3 Interest gap

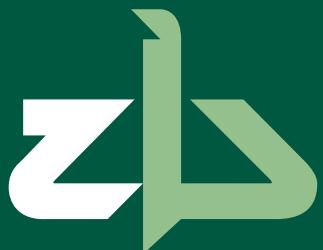
Interest rate gap analysis	Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
As at 31 December 2020					
ASSETS					
Cash and short term funds	730 216 943	-	-	-	730 216 943
Treasury bills	50 000 000	228 161 763	78 005 017	161 947 384	518 114 164
Advances and other accounts	472 273 612	297 969 363	795 672 222	1 426 551 451	2 992 466 648
Investment securities at fair value through profit or loss	-	-	-	405 581 214	405 581 214
Investment securities held at amortised cost	-	-	-	68 108 946	68 108 946
LIABILITIES	6 895 594 197	43 728 108	1 875 000	6 941 197 305	
Deposits and other accounts	-	60 801 658	60 801 658	121 603 322	243 206 638
Offshore borrowings	-	-	86 552 577	121 173 607	121 173 607
Lease liability	-	-	-	207 726 184	207 726 184
Period gap	6 895 594 197	104 529 766	149 229 235	242 776 929	7 392 130 127
Cumulative gap	(5 643 103 642)	421 601 360	724 448 004	1 819 412 066	(2 677 642 212)
Restated as at 31 December 2019					
ASSETS					
Cash and short term funds	917 407 487	-	448 581 589	-	1 365 989 076
Treasury bills	51 156 310	109 651 356	378 187 564	434 646 039	973 641 269
Advances and other accounts	188 856 972	308 780 725	350 296 080	980 930 037	1 828 863 814
Investment securities at fair value through profit or loss	-	-	-	126 462 247	126 462 247
Investment securities held at amortised cost	-	-	-	95 993 737	95 993 737
LIABILITIES	1 157 420 769	418 432 081	1 177 065 233	1 638 032 060	4 390 950 143
Deposits and other accounts	5 903 928 353	117 101 867	12 511 631	113 810	6 033 655 651
Offshore borrowings	-	69 873 846	69 873 846	195 871 722	335 619 414
Lease liability	-	-	24 767 271	34 674 180	59 441 451
Period gap	5 903 928 353	186 975 713	107 152 748	230 659 712	6 428 716 526
Cumulative gap	(4 746 507 584)	231 456 368	1 069 912 485	1 407 372 348	(2 037 766 383)

Interest rate gap analysis	Unaudited Historical cost				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
As at 31 December 2020					
ASSETS					
Cash and short term funds	730 216 943	-	-	-	730 216 943
Treasury bills	50 000 000	228 161 763	78 005 017	161 947 384	518 114 164
Advances and other accounts	472 273 612	297 969 363	795 672 222	1 426 551 451	2 992 466 648
Investment securities at fair value through profit or loss	-	-	-	405 581 214	405 581 214
Investment securities held at amortised cost	-	-	-	-	68 108 946
LIABILITIES	6 895 594 197	43 728 108	1 875 000	6 941 197 305	
Deposits and other accounts	-	60 801 658	60 801 658	121 603 322	243 206 638
Offshore borrowings	-	-	-	86 552 577	121 173 607
Lease liability	-	-	-	-	207 726 184
Period gap	6 895 594 197	104 529 766	149 229 235	242 776 929	7 392 130 127
Cumulative gap	(5 643 103 642)	421 601 360	724 448 004	1 819 412 066	(2 677 642 212)
Restated as at 31 December 2019					
ASSETS					
Cash and cash equivalents	204 512 961	-	100 000 000	-	304 512 961
Treasury bills	11 404 015	24 444 016	84 307 420	96 893 419	217 048 870
Advances and other accounts	42 100 919	68 834 908	78 089 714	218 673 718	407 699 259
Investment securities at fair value through profit or loss	-	-	-	28 191 582	28 191 582
Investment securities held at amortised cost	-	-	-	-	21 399 392
LIABILITIES	258 017 895	93 278 924	262 397 134	365 158 111	978 852 064
Deposits and other accounts	1 316 132 562	26 104 920	2 789 154	25 370	1 345 052 006
Offshore borrowings	-	15 576 619	15 576 619	43 664 682	74 817 920
Lease liability	-	-	5 521 241	7 729 738	13 250 979
Period gap	1 316 132 562	41 681 539	23 887 014	51 419 790	1 433 120 905
Cumulative gap	(1 058 114 667)	51 597 385	238 510 120	313 738 321	(454 268 841)

Live beyond the clock

#LiveBeyond





Investments Savings Loans Mortgages Insurance Financial Advisory Community Involvement

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020

ZB
ZB BUILDING SOCIETY
(A member of the Deposit Protection Corporation)

AUDITED FINANCIAL RESULTS for the year ended 31 December 2020

STATEMENTS OF FINANCIAL POSITION As at 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost		
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	
ASSETS					
Cash and cash equivalents	1	42 330 688	53 731 020	42 330 688 11 977 982	
Money market investments	2	49 992 421	8 987 609	49 992 421 2 003 562	
Loans and other advances	3	84 434 619	62 469 324	84 434 619 13 925 967	
Trade and other receivables	4	136 184 367	75 235 923	136 184 367 16 771 958	
Inventories	5	2 551 004	3 605 066	2 372 817 675 000	
Financial assets at fair value through profit or loss	6	29 808 362	3 082 596	29 808 362 687 187	
Right of use assets	7	660 890	643 584	660 890 143 471	
Property and equipment	8	56 641 745	74 201 363	56 641 745 16 541 331	
Investment properties	9	449 541 000	468 416 592	449 541 000 104 421 716	
Investments in subsidiaries	10	266 394 774	292 360 681	266 388 063 65 174 750	
Total assets		1 118 539 870	1 042 733 758	1 118 354 972 232 322 924	
LIABILITIES					
Deposits from customers	11	285 340 212	173 741 961	285 340 212 38 731 407	
Trade and other payables	12	30 559 666	13 107 179	30 559 666 2 921 916	
Lease liabilities	13	729 183	643 584	729 183 143 471	
Deferred tax liabilities	14	24 807 950	25 835 814	24 807 950 5 759 446	
Total liabilities		341 437 011	213 328 538	341 437 011 47 556 240	
EQUITY					
Share capital	15.1	39 628 482	39 628 482	954 814 953 954 814	
Share premium	15.1	369 258 036	369 258 036	8 896 953 8 896 953	
Reserves	15.2	368 216 341	420 518 702	767 066 194 174 914 917	
Total equity		777 102 859	829 405 220	776 917 961 184 766 684	
Total equity and liabilities		1 118 539 870	1 042 733 758	1 118 354 972 232 322 924	
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2020					
Notes	Inflation adjusted		Unaudited Historical cost		
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	
	Interest income	16.1	20 968 544	52 193 789	13 851 994 4 170 679
Interest expense	16.2	(1 550 044)	(5 577 455)	(874 158) (395 116)	
Net interest income		19 418 500	46 616 334	12 977 836 3 775 563	
Allowance for loan impairment	17	(1 607 239)	(3 279 121)	(1 607 239) (730 998)	
Net income from lending activities		17 811 261	43 337 213	11 370 597 3 044 565	
Commissions, fees and operating income	18	114 634 464	98 024 713	88 077 961 10 137 454	
Fair value adjustments	19	(18 115 733)	395 513 607	575 453 772 139 823 175	
Total income		114 329 992	536 875 533	674 902 330 153 005 194	
Total operating expenses	20	(163 495 846)	(149 384 370)	(105 777 749) (14 401 993)	
Operating (loss) / profit		(49 165 854)	387 491 163	569 124 581 138 603 201	
Net monetary adjustment		(6 963 722)	(119 841 981)	- -	
(Loss) / profit before taxation		(56 129 576)	267 649 182	569 124 581 138 603 201	
Income tax credit / (expense)	21	1 047 555	17 257 565	(17 232 830) (4 274 470)	
(Loss) / profit for the year		(55 082 021)	284 906 747	551 891 751 134 328 731	
Other comprehensive income: Items that will not be reclassified to profit or loss					
Gains on property and equipment revaluation					
Related tax		2 799 351	51 950 449	42 075 200 14 084 921	
		(19 691)	(1 371 584)	(1 815 674) (440 164)	
Other comprehensive income for the year, net of tax		2 799 350	50 578 865	40 259 526 13 644 757	
Total comprehensive (loss) / income for the year		(52 302 361)	335 485 612	592 151 277 147 973 488	
Earnings per share					
Basic and fully diluted earnings per share (ZW cents)		(57.69)	298.39	578.01 140.69	
STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2020					
Notes	Inflation adjusted				
	Ordinary shares ZW\$	Share premium ZW\$	Property and equipment revaluation reserve ZW\$	Retained income/ (loss) ZW\$	Total ZW\$
	Balance at 1 January 2019	39 628 482	369 258 036	2 306 798	86 291 476
Changes in equity for 2019					
Profit or loss					
Profit for the year					
Other comprehensive income, net of tax					
Revaluation of property and equipment					
Transactions with owners of the Society					
Dividends paid					
Balance at 1 January 2020	39 628 482	369 258 036	52 885 663	367 633 039	829 405 220
Changes in equity for 2020					
Profit or loss					
Loss for the year					
Other comprehensive income, net of tax					
Revaluation of property and equipment					
Other movements					
Transfer to retained income					
Balance at 31 December 2020	39 628 482	369 258 036	55 645 893	312 570 448	777 102 859

STATEMENT OF CHANGES IN EQUITY (continued)

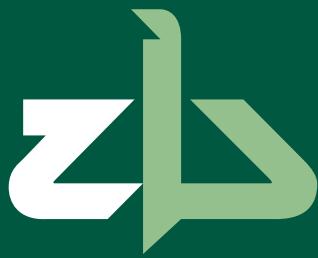
For the year ended 31 December 2020

	Ordinary shares ZW\$	Share premium ZW\$	Foreign currency translation reserve ZW\$	Unaudited Historical cost		
				Property and equipment revaluation reserve ZW\$	Retained income/ (loss) ZW\$	Total ZW\$
Balance at 1 January 2019	954 814	8 896 953	-	222 949	8 784 867	18 859 583
Effects of change in functional currency	-	-	18 061 563	-	-	18 061 563
Changes in equity for 2019						
Profit or loss						
Profit for the year						
Other comprehensive income, net of tax						
Revaluation of property and equipment						
Transactions with owners of the Society						
Dividends paid						
Balance at 1 January 2020	954 814	8 896 953	18 061 563	13 867 706	142 985 648	184 766 684
Changes in equity for 2020						
Profit or loss						
Profit for the year						
Other comprehensive income, net of tax						
Revaluation of property and equipment						
Other movements						
Transfer to retained income						
Balance at 31 December 2020	954 814	8 896 953	18 061 563	54 107 802	694 896 829	776 917 961

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
	Notes	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$
Cash flows (used in) / generated from operating activities				
Interest received	16.1	(36 387 502)	(494 351 940)</	



Audited Financial Results for the year ended 31 December 2020

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZWS	31 Dec 2019 ZWS	31 Dec 2020 ZWS	31 Dec 2019 ZWS
3.5 Non-performing debt				
Non-performing loans and advances	1 112 903	2 182 551	1 112 903	486 545
Less: Allowance for loan impairment	(329 006)	(1 181 873)	(329 006)	(263 469)
Value to be received from security held	783 897	1 000 678	783 897	223 076

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW\$1 753 947 as at 31 Dec 2020 (2019: ZW\$1 245 141).

	Inflation adjusted			
	31 Dec 2020 ZWS	Percentage Contribution	31 Dec 2019 ZWS	Percentage Contribution
Private Distribution Services	86 563 099	99%	70 687 829	99%
	233 697	0%	-	0%
	1 266 065	1%	847 339	1%
	88 062 861	100%	71 535 168	100%

3.6 Sectoral analysis

	Unaudited Historical cost			
	31 Dec 2020 ZWS	Percentage Contribution	31 Dec 2019 ZWS	Percentage Contribution
Private Distribution Services	86 563 099	99%	15 758 077	99%
	233 697	0%	-	0%
	1 266 065	1%	188 893	1%
	88 062 861	100%	15 946 970	100%

3.7 Internal rating scale of advances and other accounts

The table below shows the credit quality and the maximum exposure for credit risk based on the Society's internal credit rating system and period end stage classification.

	Inflation adjusted 31 Dec 2020				Inflation adjusted 31 Dec 2019			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances								
Good (AAA to BBB-)	85 474 199	751 842	145 435	86 371 476	66 110 271	908 337	355 684	67 374 292
Special mention (BB+ to CCC-)	516 711	60 971	-	578 519	1 452 238	44 292	43 284	1 539 814
Non-performing (CC+ to D)	-	-	1 112 866	1 112 866	-	-	2 621 062	2 621 062
Total	85 990 910	812 813	1 259 138	88 062 861	67 562 509	952 629	3 020 030	71 535 168
Mortgage lending								
Good (AAA to BBB-)	8 568 389	-	-	8 568 389	20 257 963	560 669	242 557	21 061 189
Special mention (BB+ to CCC-)	37 645	-	-	37 645	460 976	-	14 059	475 035
Non-performing (CC+ to D)	-	-	292 664	292 664	-	-	782 044	782 044
Total	8 606 034	-	292 664	8 898 698	20 718 939	560 669	1 038 660	22 318 268
Consumer lending								
Good (AAA to BBB-)	75 407 133	751 800	144 392	76 303 325	45 663 799	347 619	112 930	46 124 348
Special mention (BB+ to CCC-)	479 066	60 971	-	837	540 874	983 282	2 857	1 015 364
Non-performing (CC+ to D)	-	-	820 202	820 202	-	-	1 229 849	1 229 849
Total	75 886 199	812 771	965 431	77 664 401	46 647 081	350 476	1 372 004	48 369 561
Small business lending								
Good (AAA to BBB-)	1 498 677	42	1 043	1 499 762	188 509	49	197	188 755
Special mention (BB+ to CCC-)	-	-	-	-	7 980	41 435	-	49 415
Non-performing (CC+ to D)	-	-	-	-	-	-	609 169	609 169
Total	1 498 677	42	1 043	1 499 762	196 489	41 484	9 248	847 339

	Unaudited Historical cost 31 Dec 2020				Unaudited Historical cost 31 Dec 2019			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total loans and advances								
Good (AAA to BBB-)	85 474 199	751 842	145 435	86 371 476	14 737 625	202 491	79 291	15 019 407
Special mention (BB+ to CCC-)	516 711	60 971	-	837	578 519	9 874	9 649	343 263
Non-performing (CC+ to D)	-	-	1 112 866	1 112 866	-	-	584 300	584 300
Total	85 990 910	812 813	1 259 138	88 062 861	15 061 365	212 365	673 240	15 946 970
Mortgage lending								
Good (AAA to BBB-)	8 568 389	-	-	8 568 389	4 516 004	124 987	54 072	4 695 063
Special mention (BB+ to CCC-)	37 645	-	-	37 645	102 763	-	3 134	105 897
Non-performing (CC+ to D)	-	-	292 664	292 664	-	-	174 337	174 337
Total	8 606 034	-	292 664	8 898 698	4 618 767	124 987	231 543	4 975 297
Consumer lending								
Good (AAA to BBB-)	75 407 133	751 800	144 392	76 303 325	10 179 598	77 493	25 175	10 282 266
Special mention (BB+ to CCC-)	479 066	60 971	-	837	540 874	219 198	6 515	226 350
Non-performing (CC+ to D)	-	-	820 202	820 202	-	-	274 164	274 164
Total	75 886 199	812 771	965 431	77 664 401	10 398 796	78 130	305 854	10 782 780
Small business lending								
Good (AAA to BBB-)	1 498 677	42	1 043	1 499 762	42 023	11	44	42 078
Special mention (BB+ to CCC-)	-	-	-	-	1 779	9 237	-	11 016
Non-performing (CC+ to D)	-	-	-	-	-	-	135 799	135 799
Total	1 498 677	42	1 043	1 499 762	43 802	9 248	135 843	188 893

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

	Inflation adjusted 31 Dec 2020				Inflation adjusted 31 Dec 2019			
STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	

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Audited Financial Results for the year ended 31 December 2020

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
10. INVESTMENT IN SUBSIDIARIES				
10.1 Assets at fair value through profit or loss				
Balance at beginning of year	292 360 681	154 651 361	65 174 750	5 527 766
Effects of changes in functional currency	-	-	-	5 940 720
Fair value (loss) / gain	(25 965 907)	137 709 320	201 213 313	53 706 264
Balance at end of year	266 394 774	292 360 681	266 388 063	65 174 750
Non-current	266 394 774	292 360 681	266 388 063	65 174 750
10.2 Measurement of fair value				
The fair value of investment in subsidiaries has been categorised under level 3 in the fair value hierarchy based on the inputs to the valuation technique used and the significant amount of judgement applied. The reconciliation of carrying amount shown above reconciles the opening balance and the closing balances for level 3 fair values.				
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
11. DEPOSITS FROM CUSTOMERS				
11.1 Deposit by type				
Savings accounts	281 259 984	154 658 841	281 259 984	34 477 305
Fixed deposits	4 080 228	19 083 120	4 080 228	4 254 102
	285 340 212	173 741 961	285 340 212	38 731 407
11.2 Maturity analysis				
On demand	197 653 362	124 413 631	197 653 362	27 734 895
Within 1 month	58 175 938	9 417 032	58 175 938	2 099 291
1 month to 6 months	382 935	209 703	382 935	46 748
6 months to 12 months	25 047 749	20 937 326	25 047 749	4 667 451
More than 1 year	4 080 228	18 764 269	4 080 228	4 183 022
	285 340 212	173 741 961	285 340 212	38 731 407
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	% Contribution	31 Dec 2019 ZW\$	% Contribution
	31 Dec 2020 ZW\$	% Contribution	31 Dec 2019 ZW\$	% Contribution
11.3 Sectorial analysis				
Private individuals	261 643 892	92%	139 685 468	80%
Financial institutions	640 560	0%	820 981	0%
Communication	420 484	0%	471 553	0%
Manufacturing	56 343	0%	154 814	0%
Distribution	8 723 421	3%	11 489 583	7%
Construction	231 276	0%	229 858	0%
Agriculture	6 745 319	2%	6 347 972	4%
Services	6 878 917	2%	14 541 732	8%
	285 340 212	100%	173 741 961	100%
	285 340 212	100%	285 340 212	100%
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	% Contribution	31 Dec 2019 ZW\$	% Contribution
	31 Dec 2020 ZW\$	% Contribution	31 Dec 2019 ZW\$	% Contribution
12. TRADE AND OTHER PAYABLES				
Leave pay accrual	146 696		173 132	
Creditors and other accounts	11 521 979		1 230 637	
Deferred income	2 296 166		1 571 251	
Intercompany balances	16 594 825		10 132 159	
	30 559 666		13 107 179	
Current	30 559 666		30 559 666	
	30 559 666		13 107 179	
13 LEASE LIABILITIES				
Balance at beginning of year	643 584		2 592 366	
Lease reassessments	690 887		145 379	
Accrued interest expense posted to profit or loss	382 835		2 398 489	
Lease commitments paid during the year	(590 524)		(1 138 575)	
Gain on lease modification	(3 604)		-	
Net monetary adjustment	(393 995)		(3 354 075)	
Balance at end of year	729 183		643 584	
	729 183		729 183	
14 DEFERRED TAX LIABILITIES				
	Inflation adjusted		Unaudited Historical cost	
	Recognised in other comprehensive income		Effects of changes in functional currency	
	Balance at 1 January ZW\$	Recognised in comprehensive income ZW\$	Balance at 31 December ZW\$	
2020				
Property and equipment	2 414 983	(103 775)	19 691	-
Investment property	23 420 831	(943 780)	-	-
	25 835 814	(1 047 555)	19 691	-
	25 835 814	(1 047 555)	19 691	-
	25 835 814	(1 047 555)	19 691	-
2019				
Property and equipment	1 603 439	(560 040)	1 371 584	-
Investment property	40 118 356	(16 697 525)	-	-
	41 721 795	(17 257 565)	1 371 584	-
	41 721 795	(17 257 565)	1 371 584	-
	Unaudited Historical cost		Recognised in other comprehensive income	
	Recognised in other comprehensive income		Effects of changes in functional currency	
	Balance at 1 January ZW\$	Recognised in comprehensive income ZW\$	Balance at 31 December ZW\$	
2020				
Property and equipment	538 360	(23 134)	1 815 674	-
Investment property	5 221 086	17 255 964	-	-
	5 759 446	17 232 830	1 815 674	-
	5 759 446	17 232 830	1 815 674	-
	5 759 446	17 232 830	1 815 674	-
2019				
Property and equipment	40 500	(5 200)	440 164	62 896
Investment property	377 425	4 279 670	-	563 991
	417 925	4 274 470	440 164	626 887
	417 925	4 274 470	440 164	626 887
	417 925	4 274 470	440 164	626 887

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
15 EQUITY AND RESERVES				
15.1 Share capital				
Authorised	1 000 000		1 000 000	
100 000 000 ordinary shares of ZW\$0.01 each	1 000 000		1 000 000	
	1 000 000		1 000 000	
	1 000 000		1 000 000	
Issued and fully paid	39 628 482		39 628 482	
95 481 425 ordinary shares of ZW\$0.01 each	39 628 482		95 481 425	
	39 628 482		95 481 425	
Share premium	369 258 036		369 258 036	
	369 258 036		8 896 953	
	369 258 036		8 896 953	
15.2 Reserves				
Functional currency translation reserve	-		-	
Revaluation reserves	55 645 893		52 885 663	
Retained income	312 570 448		367 633 039	
Total reserves	368 216 341		420 518 702	
	368 216 341		767 066 194	
	368 216 341		174 914 917	
15.3 Capital adequacy				
Share capital	39 628 482		39 628 482	
Share premium	369 258 036		369 258 036	
Retained income	312 570 448		367 633 039	
Tier 1 Capital	721 456 966		776 519 557	
Functional currency translation reserve	-		-	
Revaluation reserves	55 645 893		52 885 663	
Tier 2 Capital	55 645 893		52 885 663	
Total capital base	777 102 859		829 405 220	
Credit risk weighted assets	1 025 797 7			



Audited Financial Results for the year ended 31 December 2020

22 RISK MANAGEMENT

22.1 Financial assets and financial liabilities classification and fair value

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

	Inflation adjusted							
	CARRYING AMOUNT			FAIR VALUE				
	Designated at FVTPL ZWS	Amortised cost ZWS	Designated at FVOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
As at 31 December 2020								
Financial assets measured at fair value								
Financial assets at FVTPL	29 808 362	-	-	29 808 362	-	-	29 808 362	29 808 362
Investments in subsidiaries	266 394 774	-	-	266 394 774	-	-	266 394 774	266 394 774
	296 203 136	-	-	296 203 136	-	-	296 203 136	296 203 136
Financial assets not measured at fair value								
Trade and other receivables	- 121 217 541	-	- 121 217 541	-	-	-	-	-
Loans and advances	- 84 434 619	-	- 84 434 619	-	-	-	-	-
Money market investments	- 49 992 421	-	- 49 992 421	-	-	-	-	-
Cash and cash equivalents	- 42 330 688	-	- 42 330 688	-	-	-	-	-
	- 297 975 269	-	- 297 975 269	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	- (30 559 666)	-	- (30 559 666)	-	-	-	-	-
Deposits from customers	- (285 340 212)	-	- (285 340 212)	-	-	-	-	-
	- (315 899 878)	-	- (315 899 878)	-	-	-	-	-
As at 31 December 2019								
Financial assets measured at fair value								
Financial assets at FVTPL	3 082 596	-	-	3 082 596	-	-	3 082 596	3 082 596
Investments in subsidiaries	292 360 681	-	-	292 360 681	-	-	292 360 681	292 360 681
	295 443 277	-	295 443 277	-	-	-	295 443 277	295 443 277
Financial assets not measured at fair value								
Trade and other receivables	- 75 235 923	-	- 75 235 923	-	-	-	-	-
Loans and advances	- 62 469 324	-	- 62 469 324	-	-	-	-	-
Money market investments	- 8 987 609	-	- 8 987 609	-	-	-	-	-
Cash and cash equivalents	- 53 731 020	-	- 53 731 020	-	-	-	-	-
	- 153 755 618	-	- 153 755 618	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	- (13 107 179)	-	- (13 107 179)	-	-	-	-	-
Deposits from customers	- (173 741 961)	-	- (173 741 961)	-	-	-	-	-
	- (186 849 140)	-	- (186 849 140)	-	-	-	-	-
Unaudited Historical cost								
CARRYING AMOUNT								
Designated at FVTPL ZWS	Amortised cost ZWS	Designated at FVOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS	
As at 31 December 2020								
Financial assets measured at fair value								
Financial assets at FVTPL	29 808 362	-	-	29 808 362	-	-	29 808 362	29 808 362
Investments in subsidiaries	266 388 063	-	-	266 388 063	-	-	266 388 063	266 388 063
	296 196 425	-	296 196 425	-	-	-	296 196 425	296 196 425
Financial assets not measured at fair value								
Trade and other receivables	- 121 217 541	-	- 121 217 541	-	-	-	-	-
Loans and advances	- 84 434 619	-	- 84 434 619	-	-	-	-	-
Money market investments	- 49 992 421	-	- 49 992 421	-	-	-	-	-
Cash and cash equivalents	- 42 330 688	-	- 42 330 688	-	-	-	-	-
	- 297 975 269	-	- 297 975 269	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	- (30 559 666)	-	- (30 559 666)	-	-	-	-	-
Deposits from customers	- (285 340 212)	-	- (285 340 212)	-	-	-	-	-
	- (315 899 878)	-	- (315 899 878)	-	-	-	-	-
As at 31 December 2019								
Financial assets measured at fair value								
Financial assets at FVTPL	687 187	-	-	687 187	-	-	687 187	687 187
Investments in subsidiaries	65 174 750	-	-	65 174 750	-	-	65 174 750	65 174 750
	65 861 937	-	65 861 937	-	-	-	65 861 937	65 861 937
Financial assets not measured at fair value								
Trade and other receivables	- 6 368 442	-	- 6 368 442	-	-	-	-	-
Loans and advances	- 13 925 967	-	- 13 925 967	-	-	-	-	-
Money market investments	- 2 003 562	-	- 2 003 562	-	-	-	-	-
Cash and cash equivalents	- 11 977 982	-	- 11 977 982	-	-	-	-	-
	- 34 275 953	-	- 34 275 953	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	- (2 921 916)	-	- (2 921 916)	-	-	-	-	-
Deposits from customers	- (38 731 407)	-	- (38 731 407)	-	-	-	-	-
	- (41 653 323)	-	- (41 653 323)	-	-	-	-	-
22.2 Interest rate risk								
22.2.1 Interest rate gap analysis								
Inflation adjusted								
Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS				
As at 31 December 2020								
Financial assets by type								
Local bank accounts	28 831 171	-	-	-	-	-	-	28 831 171
Money market investments	49 992 421	-	-	-	-	-	-	49 992 421
Loans and other advances	882 146	1 186 113	13 762 144	68 604 216	84 434 619	-	-	-
	79 705 738	1 186 113	13 762 144	68 604 216	163 258 211	-	-	-
Financial liability by type								
Deposits from customers	255 828 239	383 966	25 047 779	4 080 228	285 340 212	-	-	-
Sensitivity gap	(176 122 501)	802 147	(11 285 635)	64 523 988	(122 082 001)	-	-	-
Cumulative gap	(176 122 501)	(175 320 354)	(186 605 989)	(122 082 001)	-	-	-	-



Investments Savings Loans Mortgages Insurance Financial Advisory Community Involvement

ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020



AUDITED FINANCIAL RESULTS for the year ended 31 December 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$		Restated 31 Dec 2019 ZW\$	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
ASSETS				
Cash and cash equivalents	4 200 400	774 424	4 200 400	172 638
Funds on deposit	5 942 149	11 073 475	5 942 149	2 468 553
Reinsurance claim receivable	17 270	975 436	17 270	217 452
Inventories, Trade and other receivables	2 13 508 749	7 676 491	13 508 749	1 711 281
Investment securities	3 471 008 719	464 858 569	471 008 719	103 628 544
Treasury bills and bonds	3 12 220 511	20 209 564	12 220 511	4 505 215
Investment properties	4 208 249 228	207 706 356	208 249 228	46 302 916
Right of use asset	5 7 365 883	4 860 202	5 099 666	1 083 460
Equity accounted investments	6 2 482 737 278	1 646 843 337	2 450 748 623	364 786 119
Intangible assets	7 23 965 462	29 074 264	996 295	767 134
Equipment	8 27 371 149	23 928 679	27 371 149	5 334 297
TOTAL ASSETS	3 256 586 798	2 417 980 797	3 199 362 759	530 977 609
LIABILITIES				
Life assurance funds	9 1 673 756 150	1 074 898 822	1 673 756 150	238 655 969
Lease Liability	10 5 470 576	4 748 350	5 470 576	1 058 525
Deferred tax liability	155 719 524	107 995 531	155 719 526	11 831 124
Trade and other payables	11 50 704 313	29 139 790	50 704 313	6 495 984
Provisions	6 373 856	11 538 048	6 373 856	2 572 118
Reinsurance premium payable	2 056 516	773 872	2 056 516	172 512
Taxation	34 586 340	3 069 553	34 586 340	684 282
	1 928 667 275	1 232 163 966	1 928 667 277	261 470 514
EQUITY				
Share capital	9 634 892	9 634 892	231 908	231 908
Share premium	184 102 910	184 102 910	4 431 623	4 431 623
Investment reserve	1 236 516 791	526 416 451	827 451 668	117 351 328
Revaluation reserve	52 356 864	42 947 598	38 701 969	7 013 701
Foreign currency translation reserve	-	-	28 051 287	28 051 287
Retained earnings	(154 691 934)	422 714 980	371 827 027	112 427 248
Total equity	1 327 919 523	1 185 816 831	1 270 695 482	269 507 095
TOTAL EQUITY AND LIABILITIES	3 256 586 798	2 417 980 797	3 199 362 759	530 977 609

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

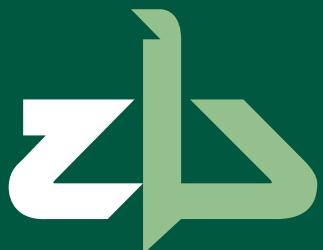
For the year ended 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$		Restated 31 Dec 2019 ZW\$	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
INCOME				
Gross premium income	12 166 279 025	255 637 296	115 020 301	21 939 086
Premiums ceded to reinsurers	13 (12 523 047)	(13 137 253)	(10 341 566)	(1 012 390)
Net premiums	153 755 978	242 500 043	104 678 735	20 926 696
Fair value gains on fair value through profit or loss financial instruments	18 881 533	(135 847 547)	416 152 998	75 117 355
Fair value gain on investment properties	542 872	114 561 562	161 946 312	37 945 791
Investment income	14 10 989 880	30 673 790	7 991 379	3 204 391
Profit on disposal of listed equity investments	53 091 974	16 114 575	8 261 210	2 417 274
Other (loss)/ income	15 2 941 794	(1 333 157)	2 175 847	118 240
Total income	240 204 031	266 669 266	701 206 481	139 729 747
Expenses and Policyholder Benefits				
Policyholders' benefits	16 (302 390 388)	(95 212 243)	(283 300 620)	(8 909 062)
Changes to policyholder liabilities	(598 857 326)	(92 276 638)	(1 435 100 181)	(179 186 906)
Operating expenses	17 (138 729 512)	(198 842 617)	(89 838 463)	(16 332 287)
Commissions	(48 826 813)	(40 578 512)	(23 879 047)	(3 537 681)
Profit share under bancassurance agreements	(5 699 431)	(3 739 461)	(4 316 407)	(507 910)
Total expenses and policyholder benefits	(1 094 503 470)	(430 649 471)	(1 836 434 718)	(208 473 846)
Operating profit before taxation	(854 299 439)	(163 980 205)	(1 135 228 237)	(68 744 097)
Share of profit/ (loss) of equity accounted investee net of tax	6 1 047 445 869	907 765 123	2 287 728 194	294 770 110
Lease finance charge	(4 217 687)	(421 386)	(2 062 685)	(28 628)
Net monetary gain/loss	66 845 264	(13 780 180)	-	-
Profit before taxation	255 774 007	729 583 352	1 150 437 272	225 997 383
Income tax expense	18 (121 025 925)	(79 722 960)	(179 737 153)	(9 580 262)
Profit for the year	134 748 082	649 860 392	970 700 119	216 417 121
Other comprehensive income				
Revaluation of Property and Equipment	9 411 391	20 133 574	22 594 136	4 384 426
Share of other comprehensive income of equity accounted investee net of tax	6 (2 125)	7 420 822	9 094 132	2 120 638
Other comprehensive income for the year	9 409 266	27 554 396	31 688 268	6 505 064
Total comprehensive income for the year	144 157 348	677 414 788	1 002 388 387	222 922 185

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

Note	Inflation adjusted					
	Share capital ZW\$	Share premium ZW\$	Revaluation reserve ZW\$	Investment reserve ZW\$	Retained earnings ZW\$	FCTR equity ZW\$
Balance at 31 December 2018	9 634 892	184 102 910	15 393 197	-	310 249 410	-
Profit for the year	-	-	-	-	676 737 795	-
Transfer to/ from retained earnings	-	-	-	526 416 451	(526 416 451)	-
Revaluation of property	-	-	113 330 992	-	-	113 330 992
Dividend paid	-	-	-	(10 978 371)	-	(10 978 371)
Balance at 31 December 2019 (reported)	9 634 892	184 102 910	128 724 189	526 416 451	449 592 383	- 1 298 470 825
Correction of prior year error	19 -	-	(85 776 591)	-	(26 877 403)	- (112 653 994)
Balance at 31 December 2019 (restated)	9 634 892	184 102 910	42 947 598	526 416 451	422 714 980	- 1 185 816 831
Profit for the year	-	-	-	-	134 748 082	-
Revaluation of Property	-	-	9 409 266	-	-	9 409 266
Transfer (to)/ from retained earnings	-	-	-	710 100 340	(710 100 340)	-
Dividend paid	-	-	-	-	(2 054 656)	- (2 054 656)
Balance at 31 December 2020	9 634 892	184 102 910				



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3.1 Reconciliation of carrying amount

	Inflation adjusted			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
2020				
Balance at 1 January 2020	128 907 671	310 776 297	25 174 601	464 858 569
Additions	8 930 247	-	-	8 930 247
Disposals	(21 661 630)	-	-	(21 661 630)
Fair value gains	22 302 019	(12 851 756)	9 431 270	18 881 533
Balance at 31 December 2020	138 478 307	297 924 541	34 605 871	471 008 719
Restated 2019				
Balance at 1 January 2019	355 555 280	169 140 585	11 734 435	536 430 300
Additions	75 232 959	-	-	75 232 959
Disposals	(10 957 143)	-	-	(10 957 143)
Fair value gains	(290 923 425)	141 635 712	13 440 166	(135 847 547)
Balance at 31 December 2019	128 907 671	310 776 297	25 174 601	464 858 569

	Unaudited Historical cost			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
2020				
Balance at 1 January 2020	28 736 727	69 279 772	5 612 045	103 628 544
Additions	4 175 363	-	-	4 175 363
Disposals	(52 948 186)	-	-	(52 948 186)
Fair value gains	158 514 403	228 644 769	28 993 826	416 152 998
Balance at 31 December 2020	138 478 307	297 924 541	34 605 871	471 008 719
Restated 2019				
Balance at 1 January 2019	12 760 433	6 070 245	421 135	19 251 813
Additions	3 451 466	-	-	3 451 466
Disposals	(1 672 555)	-	-	(1 672 555)
Fair value gains	13 860 142	56 463 389	4 793 824	75 117 355
Foreign currency translation	337 241	6 746 138	397 086	7 480 465
Balance at 31 December 2019	28 736 727	69 279 772	5 612 045	103 628 544

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
4. INVESTMENT PROPERTIES				
Reconciliation of carrying amount				
Opening balance as at 1 January	207 706 356	93 144 794	46 302 916	3 342 850
Fair value adjustment	542 872	114 561 562	161 946 312	37 945 791
Foreign currency translation	-	-	-	5 014 275
Closing balance as at 31 December	208 249 228	207 706 356	208 249 228	46 302 916
5. RIGHT OF USE ASSET				
Cost				
Balance at 1 January	21 325 964	29 323 146	1 674 396	1 052 371
Remeasurement of lease asset	8 425 201	2 790 290	5 335 814	622 025
Monetary adjustment	-	(10 787 472)	-	-
Balance at 31 December	29 751 165	21 325 964	7 010 210	1 674 396
Amortisation and impairment losses				
Balance as at 1 January	16 465 762	11 729 247	590 936	420 948
Amortisation	5 919 520	4 736 515	1 319 608	169 988
Balance as at 31 December	22 385 282	16 465 762	1 910 544	590 936
Net book value as at 31 December	7 365 883	4 860 202	5 099 666	1 083 460
6. EQUITY ACCOUNTED INVESTMENTS				
	Inflation adjusted			
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$	
2020				
Balance at 1 January 2020	1 636 382 304	10 461 033	1 646 843 337	
Share of profit/(loss) for the year	1 047 102 138	343 731	1 047 445 869	
Dividends received	(10 127 746)	-	(10 127 746)	
Share of other comprehensive income	-	(2 125)	(2 125)	
Termination transfer	(201 422 057)	-	(201 422 057)	
Balance at 31 December 2020	2 471 934 639	10 802 639	2 482 737 278	
Restated 2019				
Balance at 1 January 2019	728 345 534	2 369 959	730 715 493	
Share of profit/(loss) for the year	908 036 770	(271 647)	907 765 123	
Share of other comprehensive income	-	7 420 822	7 420 822	
Foreign currency translation reserve	-	941 899	941 899	
Balance at 31 December 2019	1 636 382 304	10 461 033	1 646 843 337	
	Unaudited Historical cost			
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$	
2020				
Balance at 1 January 2020	362 455 673	2 330 446	364 786 119	
Share of profit/(loss) for the year	2 288 659 604	(931 410)	2 287 728 194	
Dividends received	(9 437 765)	-	(9 437 765)	
Share of other comprehensive income	-	9 094 132	9 094 132	
Termination transfer	(201 422 057)	-	(201 422 057)	
Balance at 31 December 2020	2 440 255 455	10 493 168	2 450 748 623	
Restated 2019				
Balance at 1 January 2019	28 469 600	99 831	28 569 431	
Share of profit/(loss) for the year	294 807 910	(37 800)	294 770 110	
Share of other comprehensive income	-	2 120 638	2 120 638	
Foreign currency translation reserve	39 178 163	147 777	39 325 940	
Balance at 31 December 2019	362 455 673	2 330 446	364 786 119	

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
7. INTANGIBLE ASSETS				
Cost				
Balance at 1 January	31 716 213	44 601 023	835 948	1 104 983
Additions	1 452 282	1 899 084	475 621	99 480
Decommissioning of e Life	-	(14 783 894)	-	(368 515)
Balance at 31 December	33 168 495	31 716 213	1 311 569	835 948
Amortisation and impairment losses				
Balance as at 1 January	2 641 949	14 783 896	68 814	368 515
Amortisation	6 561 084	2 641 949	246 460	68 814
Decommissioning of e Life	-	(14 783 896)	-	(368 515)
Balance as at 31 December	9 203 033	2 641 949	315 274	68 814
Net book value as at 31 December	23 965 462	29 074 264	996 295	767 134
8. EQUIPMENT				
	Inflation adjusted			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
2020				
Cost or valuation				
At 1 January 2020	13 294 057	4 954 877	5 679 744	23 928 679
Additions	-	765 403	954 906	1 720 309
Disposals	(8 608 666)	11 155 932	(825 105)	1 722 161
Revaluation	4 685 391	16 876 212	5 809 546	27 371 149
Accumulated depreciation and impairment				
Balance at 1 January 2020	4 518 568	1 821 985	1 348 676	7 689 229
Charge for the year				
Disposal				
Revaluation	(



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	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
10. LEASE LIABILITY				
Balance as at 1 January	4 748 350	17 612 289	1 058 525	632 083
Remeasurement	363 766	2 902 143	5 335 814	646 960
Finance charge	4 217 687	421 386	2 062 685	28 628
Impairment due to inflation	-	(9 245 287)	-	-
Lease payments	(3 859 227)	(6 942 181)	(2 986 448)	(249 146)
Balance as at 31 December	5 470 576	4 748 350	5 470 576	1 058 525
11. TRADE AND OTHER PAYABLES				
Policyholders claims intimated but not paid	20 619 382	2 170 050	20 619 382	483 758
Other liabilities	10 397 292	12 808 837	10 397 292	2 855 409
Related parties	5 552 658	4 057 355	5 552 658	904 485
Unearned Premium	14 134 981	10 103 548	14 134 981	2 252 332
Balance at 31 December	50 704 313	29 139 790	50 704 313	6 495 984
12. GROSS PREMIUM INCOME				
Individual life	17 769 123	81 878 196	11 417 240	5 706 270
Group business	148 509 902	173 759 100	103 603 061	16 232 816
	166 279 025	255 637 296	115 020 301	21 939 086
13. PREMIUMS CEDED TO REINSURERS				
Individual life	287 673	(1 717 720)	(56 660)	(124 815)
Group business	(12 810 720)	(11 419 533)	(10 284 906)	(887 575)
	(12 523 047)	(13 137 253)	(10 341 566)	(1 012 390)
14. INVESTMENT INCOME				
Interest income on held to maturity financial instruments	2 925 806	8 673 002	1 953 812	589 234
Rentals from investment properties	5 998 298	6 551 075	4 079 102	643 733
Dividends from financial assets designated at fair value through profit or loss	2 065 776	15 449 713	1 958 465	1 971 424
	10 989 880	30 673 790	7 991 379	3 204 391
15. OTHER INCOME				
Loss on disposal of property and Equipment	-	(5 313 085)	-	(174 090)
Sundry income	201 486	964 617	117 577	65 533
Reinsurance commission	2 233 419	2 397 544	1 741 261	177 834
Asset Management income	506 889	617 767	317 009	48 963
	2 941 794	(1 333 157)	2 175 847	118 240
16. POLICYHOLDERS' BENEFITS				
Claims during the year were as follows:-				
Death and disability benefits	25 880 542	40 553 170	17 950 720	2 984 614
Maturities	4 726 030	19 531 020	3 543 733	3 152 484
Annuities	4 159 318	2 454 893	2 794 657	187 441
Surrenders and pensions withdrawals	267 624 498	32 673 160	259 011 510	2 584 523
	302 390 388	95 212 243	283 300 620	8 909 062
17. OPERATING EXPENSES				
Staff expenses	61 379 363	57 066 023	45 683 570	5 505 942
Administration expenses	45 522 408	63 668 548	34 679 615	5 189 453
Depreciation of equipment	7 689 229	13 476 956	1 540 110	483 669
Depreciation of software	6 561 084	2 641 949	246 460	68 814
Depreciation of right of use asset	5 919 520	4 736 515	1 319 608	169 988
Foreign exchange loss	4 913 757	49 024 064	1 773 130	3 752 562
Directors Fees	3 738 793	1 131 865	2 755 333	94 158
Audit Fees	3 005 358	7 096 697	1 840 637	1 067 701
	138 729 512	198 842 617	89 838 463	16 332 287

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	Restated 31 Dec 2019 ZW\$
18. INCOME TAX CHARGE				
Current taxation	73 301 932	11 772 257	35 848 751	799 794
Deferred taxation	47 723 993	67 950 703	143 888 402	8 780 468
	121 025 925	79 722 960	179 737 153	9 580 262
19. PRIOR YEAR ERROR				
The Company changed its accounting policy on intangible assets to the revaluation model in 2019. The intangible assets comprised of computer software. The adoption of the revaluation model had been necessitated by the observation that the computer software assets class was the only class that had remained at cost, whilst all other items of property, plant and equipment had changed to the revaluation model and the historical cost values of the computer software was viewed not to faithfully represent the value of computer software used for Company operations.				
On further reassessment of application of revaluation model on computer software in the current year, the Company noted that it was difficult to satisfy the requirement of the existence of an active market as is required by IAS 38 [Intangible Assets] for adoption of the revaluation model for intangible assets. This was due to the following reasons:				
<ul style="list-style-type: none"> The pricing information of the computer software is not publicly available as contracts are negotiated between individual buyers and sellers. The computer software is customized to the requirements of the Company thereby making it a unique product. 				
The above conditions were deemed present for the financial year ended 31 December 2019. This therefore entailed there was an error in adopting the revaluation model for computer software. The Company has accordingly reverted to the historical cost model from the 2020 financial year.				
The financial statements for the year ended 31 December 2019 have been restated to reverse the revaluation gain adjustment on computer software. The financial statements have also been restated to apply the exchange rate of USD1:ZW\$1 on the date of change of functional currency (23 February 2019), which was the earliest observable exchange rate per IAS21. The Company has not presented the earliest opening statement of financial position as is required by IAS 8 due to the impracticality to disclose the same as at 1 January 2019 as the statement of financial position for the year ended 31 December 2018 did not achieve fair presentation due to currency distortions since October 2018. An adverse opinion on the statement of financial position as at 31 December 2018 was issued given the complexity of determining the exchange rates between October 2018 and February 2019 being unknown.				
20. RISK MANAGEMENT				
Liquidity risk gap analyses as at 31 December 2020				
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
Assets				
Bank and cash	4 200 400	-	-	4 200 400
Funds on deposit	5 475 258	171 354	295 537	5 942 149
At Amortised cost	-	12 220 511	-	12 220 511
Investments-At Fair Value	-	208 249 227	262 759 492	471 008 719
Trade and other receivables	-	13 508 749	-	13 508 749
Reinsurance receivable	17 270	-	-	17 270
Total	9 692 928	234 149 841	263 055 029	506 897 798
Liabilities				
Trade and other payables	-	50 704 313	-	50 704 313
Reinsurance payable	2 056 516	-	-	2 056 516
Total	2 056 516	50 704 313	-	52 760 829
Period Gap	7 636 412	183 445 528	263 055 029	454 136 969
Cumulative Gap	7 636 412	191 081 940	454 136 969	-

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ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020



AUDITED FINANCIAL RESULTS for the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
Non-current assets				
Equipment	11 748 882	17 310 899	11 748 882	3 859 030
Right of use assets	6 124 820	1 318 671	6 124 820	293 965
Investment properties	187 862 000	200 469 892	187 862 000	44 689 728
Investments	131 268 437	98 324 423	131 268 437	21 918 961
Total non-current assets	337 004 139	317 423 885	337 004 139	70 761 684
Current assets				
Other assets	432 884	362 662	432 884	80 846
Balances receivable from insurance companies	79 955 826	132 327 526	79 955 826	29 499 099
Cash and cash equivalent	421 845 668	228 090 341	421 845 668	50 847 014
Total current assets	502 234 378	360 780 529	502 234 378	80 426 959
Total assets	839 238 517	678 204 414	839 238 517	151 188 643
EQUITY AND LIABILITIES				
Equity				
Share capital	204 797	204 797	5 000	5 000
Share premium	102 193 484	102 193 484	2 495 000	2 495 000
Non-distributable reserves	3 214 377	4 902 682	18 608 612	12 769 705
Retained earnings	423 675 176	336 864 654	508 179 222	83 745 866
Total shareholders' equity	529 287 834	444 165 617	529 287 834	99 015 571
Non-current liabilities				
Deferred tax liability	32 071 642	65 265 813	32 071 642	14 549 374
Lease Liabilities	6 386 415	1 318 671	6 386 415	293 965
Current liabilities				
Unearned premium reserve	5 111 326 041	69 800 161	111 326 041	15 560 193
Incurred but not reported claims reserve (IBNR)	6 90 163 636	54 340 227	90 163 636	12 113 789
Outstanding claims	7 28 571 568	-	28 571 568	-
Balances payable to insurance companies	10 817 924	25 447 847	10 817 924	5 672 958
Taxation	8 330 090	2 841 616	8 330 090	633 467
Other payables	22 283 367	15 024 462	22 283 367	3 349 326
Total liabilities	309 950 683	234 038 797	309 950 683	52 173 072
Total equity and liabilities	839 238 517	678 204 414	839 238 517	151 188 643

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

Notes	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
Gross premium	1 224 090 431	972 566 753	869 359 759	110 317 171
Retrocession premium	(242 611 563)	(99 805 239)	(139 906 985)	(7 527 313)
Net premium income	981 478 868	872 761 514	729 452 774	102 789 858
Unearned premium	(145 201 284)	(142 147 356)	(95 765 848)	(14 261 734)
Net earned premium	836 277 584	730 614 158	633 686 926	88 528 124
Net claims	9 (433 088 622)	(239 713 742)	(289 284 269)	(25 603 184)
Net commissions	10 (256 137 159)	(238 218 709)	(194 543 341)	(29 183 008)
Operating expenses	11 (111 510 171)	(181 612 415)	(78 296 107)	(19 440 928)
Underwriting result	35 541 632	71 069 292	71 563 209	14 301 004
Investment income	12 362 127 100	110 530 543	179 772 248	23 061 582
Fair value adjustment	13 (12 147 326)	64 842 487	212 704 982	52 641 302
Net operating profit	385 521 406	246 442 322	464 040 439	90 003 888
Net monetary loss	(311 478 791)	(68 840 887)	-	-
Profit before tax	74 042 615	177 601 435	464 040 439	90 003 888
Income tax expense	12 256 154	(64 273 479)	(37 841 453)	(15 127 811)
Profit for the year	86 298 769	113 327 956	426 198 986	74 876 077
Revaluation of Equipment	2 173 617	5 548 245	8 740 760	2 998 126
Income tax relating to components of other comprehensive income	(537 318)	(1 371 525)	(2 160 716)	(741 137)
Total comprehensive income	87 935 068	117 504 676	432 779 030	77 133 066
Earnings per share				
Basic earnings per share (ZW cents)	172.93	226.66	852.40	149.75

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Inflation adjusted				
	Share capital ZW\$	Share premium ZW\$	Non distributable reserves ZW\$	Retained earnings ZW\$	Total equity ZW\$
2020					
Balance at 1 January 2020	204 797	102 193 484	4 902 682	336 864 654	444 165 617
Profit for the year	-	-	-	86 298 769	86 298 769
Transfer to retained income	-	-	(3 324 604)	3 324 604	-
Other comprehensive income net of tax					
Revaluation of equipment	-	-	1 636 299	-	1 636 299
Dividend paid	-	-	-	(2 812 851)	(2 812 851)
Balance at 31 December 2020	204 797	102 193 484	3 214 377	423 675 176	529 287 834
2019					
Balance at 1 January 2019	204 797	102 193 484	725 962	239 221 252	342 345 495
Profit for the year	-	-	-	113 327 956	113 327 956
Other comprehensive income net of tax					
Revaluation of equipment	-	-	4 176 720	-	4 176 720
Dividend paid	-	-	-	(15 684 554)	(15 684 554)
Balance at 31 December 2019	204 797	102 193 484	4 902 682	336 864 654	444 165 617

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2020

	Unaudited Historical cost				
	Share capital ZW\$	Share premium ZW\$	Non distributable reserves ZW\$	Retained earnings ZW\$	Total equity ZW\$
2020					
Balance at 1 January 2019	5 000	2 495 000	12 769 705	83 745 866	99 015 571
Profit for the year	-	-	-	426 198 986	426 198 986
Transfer to retained income	-	-	(741 137)	741 137	-
Other comprehensive income net of tax					
Revaluation of equipment	-	-	6 580 044	-	6 580 044
Dividend paid	-	-	-	(2 506 767)	(2 506 767)
Balance at 31 December 2020	5 000	2 495 000	18 608 612	508 179 222	529 287 834



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ZB FINANCIAL HOLDINGS

Audited Financial Results for the year ended 31 December 2020

2. INVESTMENTS (continued)

	Unaudited Historical cost			
	Quoted Shares ZW\$	Bonds & Bills ZW\$	Unquoted investment ZW\$	Total ZW\$
2020				
Opening balances	19 296 864	2 102 762	519 335	21 918 961
Fair value adjustments	69 532 710	-	-	69 532 710
Additions	381 102	41 893 300	-	42 274 402
Maturities	(381 434)	(2 076 202)	-	(2 457 636)
Closing balances	88 829 242	41 919 860	519 335	131 268 437
2019				
Opening balances	5 738 186	2 918 221	61 578	8 717 985
Translation gain	419 986	-	-	419 986
Fair value adjustments	13 138 692	-	457 757	13 596 449
Additions	-	2 076 202	-	2 076 202
Maturities	-	(2 891 661)	-	(2 891 661)
Closing balances	19 296 864	2 102 762	519 335	21 918 961
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
3 BALANCES RECEIVABLE FROM INSURANCE COMPANIES				
Balances receivable	101 617 893	188 090 052	101 617 893	41 929 954
Impairment allowance	(21 662 067)	(55 762 526)	(21 662 067)	(12 430 855)
	79 955 826	132 327 526	79 955 826	29 499 099
4 CASH AND CASH EQUIVALENTS				
Local banks	154 669 372	221 746 853	154 669 372	27 795 206
Foreign banks	267 176 296	6 343 488	267 176 296	23 051 808
	421 845 668	228 090 341	421 845 668	50 847 014
5 UNEARNED PREMIUM RESERVE (UPR)				
Opening balance	69 800 161	36 180 786	15 560 193	1 298 459
Charge to profit or loss	145 201 284	142 147 356	95 765 848	14 261 734
Effects of monetary movements	(103 675 404)	(108 527 981)	-	-
Closing balance	111 326 041	69 800 161	111 326 041	15 560 193
6 INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR)				
Opening balance	54 340 227	65 566 874	12 113 789	2 353 113
Charge to profit or loss	92 080 960	49 716 051	78 049 847	9 760 676
Effects of monetary movements	(56 257 551)	(60 942 698)	-	-
Closing balance	90 163 636	54 340 227	90 163 636	12 113 789
7 OUTSTANDING CLAIMS RESERVE				
Opening balance	-	-	-	-
Charge to profit or loss	48 209 266	-	28 571 568	-
Effects of monetary movements	(19 637 698)	-	-	-
Closing balance	28 571 568	-	28 571 568	-

8. TECHNICAL RESERVES

An external independent actuarial firm, African Actuarial Consultants determined incurred but not reported claims reserve (IBNR), Unearned Premium Reserve and the Outstanding Claims Reserves. African Actuarial Consultants has the appropriate recognised professional qualifications and experience to undertake this valuation.

To estimate the IBNR Reserve, the actuary made use of the Basic Chainleader and Inflation adjusted Chainleader methods. To estimate the Unearned premium reserve the Actuary makes use of the 365th method. To estimate outstanding claims reserve, reports and individual case estimates received from ceding companies were used.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$	31 Dec 2020 ZW\$	31 Dec 2019 ZW\$
9 NET CLAIMS				
Gross claims	305 223 653	192 913 784	187 787 823	16 724 142
Retrocession recoveries	(12 425 257)	(10 169 695)	(5 124 969)	(881 634)
IBNR movement	92 080 960	49 716 050	78 049 847	9 760 676
Outstanding claims movement	48 209 266	7 253 603	28 571 568	-
	433 088 622	239 713 742	289 284 269	25 603 184
10 NET COMMISSIONS				
Gross commissions	328 103 418	257 380 358	236 910 391	31 530 408
Retrocession commissions	(71 966 259)	(19 161 649)	(42 367 050)	(2 347 400)
	256 137 159	238 218 709	194 543 341	29 183 008
11 OPERATING EXPENSES				
Staff expenses	31 082 206	26 358 393	22 799 137	2 822 431
Impairment on balances receivable from insurance companies	9 231 212	928 733 29	9 231 212	11 170 139
Depreciation- property and equipment	3 855 151	3 312 533	859 907	228 890
Depreciation-right of use asset	1 055 046	808 492	515 977	54 928
Directors' remuneration	4 129 992	655 229	3 084 320	58 938
Current year audit fees	4 234 704	2 604 227	2 144 671	261 709
Other management expenses	53 654 295	52 461 982	39 794 223	5 028 004
Impairment Right of Use Asset	485 636	3 290 202	-	-
Profit on lease reassessment	(133 340)	(825 888)	(133 340)	(184 111)
Impairment-property and equipment	3 915 269	73 916	-	-
	111 510 171	181 612 415	78 296 107	19 440 928
12 INVESTMENT INCOME				
Interest income	2 232 642	4 496 236	1 618 544	414 845
Dividend income	2 319 580	5 465 307	1 871 880	524 024
Exchange gain	354 884 448	98 386 131	174 060 517	21 932 717
Loss on disposal of assets	-	(51 466)	-	(1 367)
Rental Income	2 690 430	2 234 335	2 221 307	191 363
	362 127 100	110 530 543	179 772 248	23 061 582
13 FAIR VALUE ADJUSTMENT				
Increase in fair value of equity investments	460 566	(72 712 142)	69 532 710	13 596 449
Increase in fair value of investment property	(12 607 892)	137 554 629	143 172 272	39 044 853
	(12 147 326)	64 842 487	212 704 982	52 641 302
14 REGULATORY FRAMEWORK				

The Insurance and Pensions Commission (IPEC) requires reinsurers to maintain a minimum solvency level of 25%. The solvency ratio is calculated as shareholder's equity divided by net premium income. As at 31 December 2020 the company had a solvency margin of 54% (Inflation adjusted), 73% (Historical) (December 2019: 51%- Inflation adjusted and 96%-Historical). The company is also compliant with the IPEC prescribed minimum capital requirement of \$75,000,000.

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