

ZB FINANCIAL HOLDINGS

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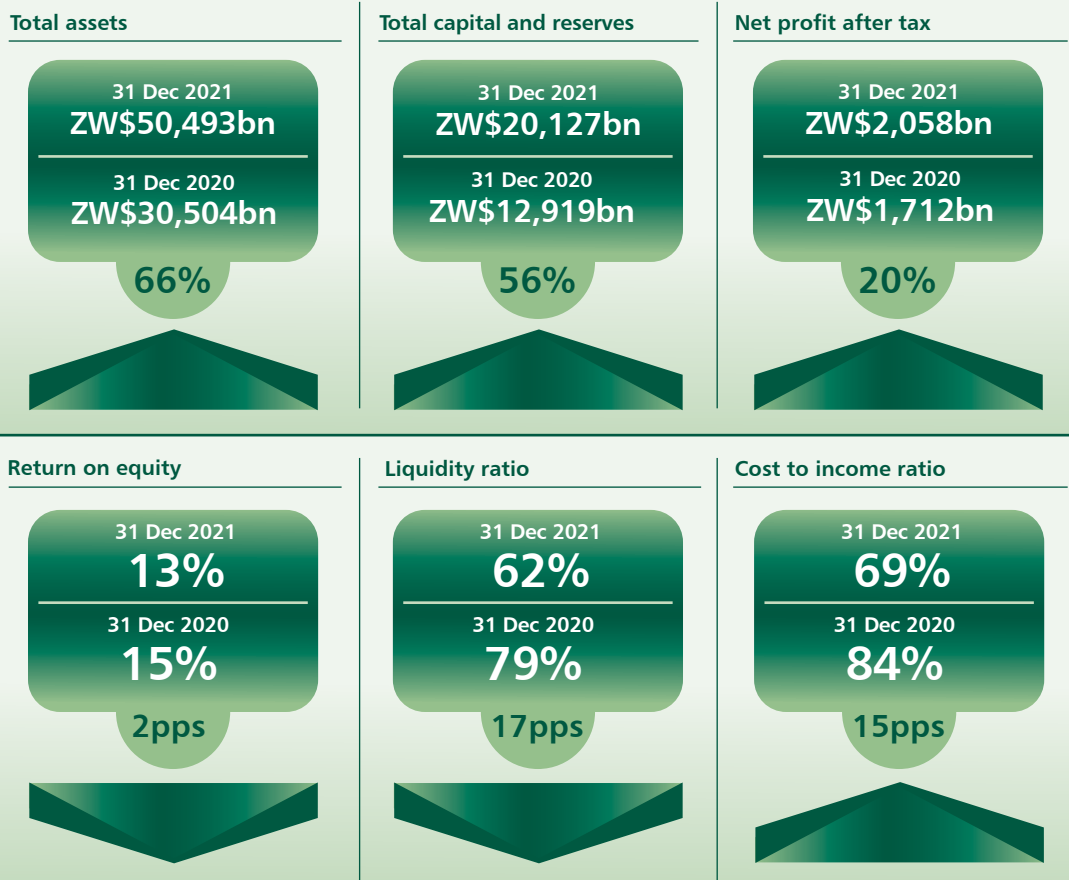
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Audited Financial Results for the year ended 31 December 2021

INFLATION ADJUSTED FINANCIAL HIGHLIGHTS



pps - percentage points

CHAIRMAN'S STATEMENT

Operating Environment:

Following a COVID-19 induced contraction in 2020, the domestic economy is estimated to have grown by 7.8% in 2021, underpinned by the good 2020/21 agriculture season, higher international mineral commodity prices, as well as reasonable success in the management of the COVID-19 pandemic.

In as much as COVID-19 continued to pose a significant operational challenge, with the second and third waves sweeping over the country, the national vaccination program gradually began to bear fruit. The number of cases and fatalities reduced progressively. Resultantly, lockdown restrictions were eased, and business could operate normally.

Although inflation remained high during the year under review, there was a significant improvement in the inflation profile, from 362.63% year on year inflation recorded in January 2021, to end the year at 60.74% by December 2021.

Group Performance:

The Group posted a profitable performance for the year. This is discussed in greater detail by the Group Chief Executive in his report.

Capital Requirements:

As at 31 December 2021, all Group companies, with the exception of ZB Building Society, were in compliance with prescribed minimum capital requirements. The target was to finalise the consolidation of the Group's banking operations, that is, ZB Bank Limited, ZB Building Society and Intermarket Banking Corporation, by 31 December 2021, but the transaction has taken longer than anticipated, and is now scheduled to be completed in 2022.

Dividends:

The Board has declared a dividend of ZW144.93 cents per share for the year ended 31 December, 2021. A separate dividend notice will be published to this effect.

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:

Mr R. Mutandagayi resigned as the Group Chief Executive Officer on 30 May 2021. I would like to extend my gratitude and appreciation to him for his distinguished service to the Group.

Mr. F. Kapanje resigned as Group Finance Director on 30 November 2021. I would like to extend my gratitude and appreciation to him for his distinguished service to the Group.

Mr S.T. Fungura was appointed as Group Chief Executive Officer with effect from 1 August 2021.

Mrs. E.N. Mungoni was appointed as Group Finance Director with effect from 1 January 2022. I wish her success in this new role.

Messrs P.M.V. Wood, S. Dimairho and L. Zembe were appointed to the ZBFH Board as Non-Executive Directors with effect from the 23rd of September 2021 for Mr P.M.V. Wood and 29 September for Mr. S Dimairho and Mr L. Zembe. I look forward to their invaluable contributions towards the Group's continued success.

Outlook:

In the outlook, the domestic economy is projected to maintain the growth momentum in 2022 and beyond, with the Government of Zimbabwe projecting 5.5% GDP growth in 2022, supported by higher output in mining, manufacturing, agriculture, construction as well as the accommodation and food services (tourism) sector.

The inflation outturn is expected to continue improving in 2022, supported by a tight monetary policy, complemented by fiscal discipline. However, the slow-down in inflation remains under threat from possible expansion in the monetary base to fund obligations such as civil service wage increases and the 2023 harmonised national elections, the widening gap between the formal and alternative market exchange rates, among other factors.

Downside risks to the attainment of projected economic growth for 2022 pertain mainly to the possibility of a sub-optimal 2021/2022 agriculture season, following prolonged dry spells during the season, which look set to negatively impact on the food security situation. Furthermore, although the COVID-19 pandemic situation appears to have improved significantly, there remains significant uncertainty as regards the path that the virus will ultimately take, including the efficacy of vaccines to combat any future variants. Risk also arises from uncertainty in international commodity prices, and higher than anticipated international oil prices especially following the Russian invasion of Ukraine and resultant disruption of supply chains.

Conclusion:

I wish to extend my appreciation to all our valued stakeholders, for the continued support to the ZBFH Group. I would also like to express my gratitude to Board colleagues, Management and Staff, for their collective contributions to the 2021 performance.

P. Chiromo
Chairman

29 April, 2022

GROUP CHIEF EXECUTIVE'S REPORT

Introduction:

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

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

Performance Outturn:

For the year 2021, the Group recorded a 122% increase in total income from ZW\$5.288bn in 2020 to ZW\$11.736bn. This performance outturn was on the back of an improved non funded-income. Banking commissions and fees contributed significantly, rising by 83%, from ZW\$1.836bn in 2020 to ZW\$3.366bn in 2021. The fair value adjustments increased by 1 526% from ZW\$0.218bn in 2020 to ZW\$3.548bn in 2021 mainly as a result of improved performance of the Zimbabwe Stock Exchange and investment property valuations.

Net interest income registered a solid performance during the year 2021, rising by 212%, from ZW\$1.060bn in 2020 to ZW\$3.304bn in 2021.

As the loans and advances book rose, loan impairment charges also rose by 37%, from ZW\$0.453bn in 2020 to ZW\$0.621bn in 2021. Resultantly, net income from lending activities rose from ZW\$0.607bn in 2020 to ZW\$2.683bn in 2021, a 342% increase.

Net insurance related earnings improved from a loss of ZW\$0.003bn in 2020, to a profit of ZW\$0.830bn in 2021, on the back of a 7% rise in gross premiums from ZW\$1.845bn in 2020 to ZW\$1.982bn in 2021, whilst a 38% decrease in insurance related expenses was recorded, from ZW\$1.847bn in 2020 to ZW\$1.152bn in 2021.

Meanwhile, operating costs rose by 83% from ZW\$4.442bn in 2020 to ZW\$8.124bn in 2021, largely as a result of the inflationary environment.

Profit from ordinary activities rose by 327%, from ZW\$0.845bn in 2020 to ZW\$3.612bn in 2021.

Transfer to the life fund declined by 51% from ZW\$0.963bn in 2020 to ZW\$0.472bn in 2021 due to a subdued performance by the underlying assets.

Net profit registered an 20% increase, from ZW\$1.712bn attained in 2020 to ZW\$2.058bn in 2021.

Meanwhile, the Group's total assets increased by 66% in real terms, from ZW\$30.504bn as at 31 December 2020 to ZW\$50.493bn as at 31 December 2021. The growth rate however remained below average inflation.

Deposits and other related funding account balances grew by 72%, from ZW\$11.425bn as at 31 December 2020 to ZW\$19.670bn as at 31 December 2021.

Earning assets increased by 80% from ZW\$16.074bn as at 31 December 2020 to ZW\$28.902bn as at 31 December 2021 whilst constituting 57% of total assets (53% at 31 December 2020).

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

The Group's total equity increased by 56%, from ZW\$12.919bn as at 31 December 2020 to ZW\$20.127bn as at 31 December 2021, underpinned by the positive performance outturn for the period, as well as gains on the revaluation of properties and equipment.

Operations Review:

Banking Operations:

ZB Bank Limited posted a profit after tax of ZW\$1.866bn in 2021, as compared to ZW\$1.018bn in 2020. Its total assets stood at ZW\$37.029bn as at 31 December 2021, from ZW\$19.986bn as at 31 December 2020.

ZB Building Society posted a profit after tax of ZW\$0.817bn in 2021, as compared to a loss of ZW\$0.089bn in 2020. The Society's total assets stood at ZW\$2.936bn as at 31 December 2021, from ZW\$1.798bn as at 31 December 2020.

Insurance Operations:

ZB Reinsurance posted a profit after tax of ZW\$0.447bn in 2021 compared to ZW\$0.139bn in 2020. Its total assets increased in real terms from ZW\$1.349bn as at 31 December 2020 to close the year 2021 at ZW\$1.861bn.

The company maintained good relations with its cedants and retrocession partners during the year. Expansion into the Botswana market is set to be finalised in FY2022, after the company managed to get an operating licence.

ZB Life Assurance posted a loss of ZW\$0.028bn in 2021, compared to ZW\$0.217bn in 2020. Its total assets increased in real terms from ZW\$5.235bn as at 31 December 2020 to ZW\$5.888bn as at 31 December 2021.

Other Strategic Operations:

The Group discontinued operations of ZB Associated Services during the year under review.

The Group's microfinance operation, which was launched in December 2020 and started trading in earnest in January 2021, continues to grow and contribute positively to the Group's performance.

Internal Processes:

The Group has embarked on a transformation programme to improve customer service through the conversion of its bank branches into service centres for the convenience of customers across the different units of the Group. Central to the transformation is the digitisation of the business.

Group Human Resources and Training:

Despite the operating environment progressively becoming less competitive relative to other countries in the region and beyond, staff attrition in the Group remained within acceptable levels. The Group continues to train and develop its staff to improve customer service.

The Group staff complement as at 31 December 2021 stood at 944.

Industrial relations remained cordial during the year under review.

Appreciation:

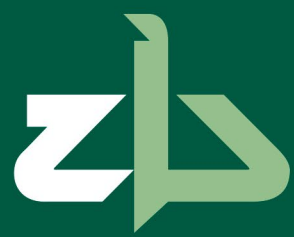
I extend my gratitude to our valued customers and other stakeholders for their continued support as well as commitment to the ZBFH Group.

I also express my appreciation to Staff and the Management team for their contribution to the 2021 financial results.

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

S. T. Fungura
Group Chief Executive

29 April, 2022



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Audited Financial Results for the year ended 31 December 2021

AUDITOR'S STATEMENT

The inflation adjusted consolidated financial results should be read in conjunction with the complete set of inflation adjusted consolidated financial statements as at and for the year ended 31 December 2021, which have been audited by KPMG Chartered Accountants (Zimbabwe) and a qualified opinion has been issued thereon indicating that except for the possible effects of the matter described in the Basis for opinions section of our report, the inflation adjusted consolidated financial statements present fairly, in all material respects the inflation adjusted consolidated statement of financial position of ZB Financial Holdings Limited and its subsidiaries as at 31 December 2021 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 and the manner required by the relevant legislation. The auditors' report carries a modified 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 prior year and residual impact in the current year.

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

The auditors' 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 Practising Certificate Number 0369)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
ASSETS				
Cash and cash equivalents	9 712 078 202	8 176 195 747	9 712 078 202	5 086 686 008
Treasury bills	2 410 330 922	832 802 107	2 410 330 922	518 114 164
Mortgages and other advances	12 232 917 414	5 058 951 189	12 232 917 414	3 147 343 462
Financial assets at fair value through profit or loss	4 074 467 484	1 483 448 893	4 074 467 484	922 903 385
Financial assets held at amortised cost	591 167 359	120 981 012	591 167 359	75 266 351
Investments in associates	5 144 121 331	5 076 504 623	4 816 276 853	2 902 113 354
Inventories	79 038 179	81 797 817	72 791 173	36 230 398
Trade and other receivables	1 992 460 506	974 328 580	1 992 460 506	606 162 537
Investment properties	4 448 949 501	3 500 852 370	4 448 949 501	2 177 997 851
Right of use assets	221 354 379	106 462 757	102 568 596	66 234 057
Property and equipment	9 377 013 779	4 743 911 252	9 373 518 085	2 951 346 535
Intangible assets	202 454 204	347 513 080	22 206 622	28 389 024
Deferred tax assets	6 442 228	-	101 233	-
Total assets	50 492 795 488	30 503 749 427	49 849 833 950	18 518 787 126
LIABILITIES				
Deposits and other accounts	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993
Short term borrowings	403 331 507	-	403 331 507	-
Trade and other payables	4 251 843 409	1 897 797 058	4 251 843 409	1 180 683 296
Current tax liabilities	120 342 809	149 137 826	120 342 809	92 783 651
Long term borrowings	16 947 671	25 944 008	16 947 671	16 140 639
Life assurance funds	3 162 315 677	2 690 348 469	3 162 315 677	1 673 756 150
Offshore borrowings	657 911 243	390 923 496	657 911 243	243 206 638
Deferred tax liabilities	1 963 675 848	893 486 940	1 959 555 227	498 499 777
Lease liabilities	119 687 540	111 836 998	119 687 540	69 577 553
Total liabilities	30 365 744 731	17 584 324 881	30 361 624 110	10 882 430 697
EQUITY				
Share capital	116 873 465	116 873 465	1 751 906	1 751 906
Share premium	1 806 678 461	1 806 678 461	27 081 696	27 081 696
Other components of equity	8 429 040 895	3 209 773 438	8 077 241 786	2 410 826 591
Retained income	7 241 833 932	5 783 439 473	8 721 358 380	3 844 673 945
Functional currency translation reserve	-	-	101 292 105	101 292 105
Attributable to equity holders of parent	17 594 426 753	10 916 764 837	16 928 725 873	6 385 626 243
Non-controlling interests	2 532 624 004	2 002 659 709	2 559 483 967	1 250 730 186
Total equity	20 127 050 757	12 919 424 546	19 488 209 840	7 636 356 429
Total equity and liabilities	50 492 795 488	30 503 749 427	49 849 833 950	18 518 787 126

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020** ZWS	31 Dec 2021 ZWS	31 Dec 2020** ZWS
Interest income	3 948 861 847	1 381 252 568	3 208 995 587	576 746 607
Interest expense	(644 451 300)	(320 916 833)	(527 138 481)	(131 366 383)
Net interest income	3 304 410 547	1 060 335 735	2 681 857 106	445 380 224
Loan impairment charges, net recoveries	(621 274 564)	(453 008 587)	(486 046 039)	(205 384 931)
Net income from lending activities	2 683 135 983	607 327 148	2 195 811 067	239 995 293
Gross insurance premium income	1 982 154 565	1 844 873 692	1 648 030 847	844 470 475
Total insurance expenses	(1 151 859 851)	(1 847 417 528)	(930 048 584)	(873 235 644)
Net insurance income	830 294 714	(2 543 836)	717 982 263	(28 765 169)
Commissions and fees	3 365 738 716	1 835 766 612	2 693 561 584	795 293 987
Operating income	1 309 152 207	2 629 088 897	1 395 228 355	1 387 110 817
Fair value adjustments	3 547 514 960	218 153 709	5 438 108 413	2 377 458 643
Total income	11 735 836 580	5 287 792 530	12 440 691 682	4 771 093 571
Operating expenses	(8 123 528 222)	(4 442 333 615)	(5 370 447 701)	(1 542 162 166)
Profit from ordinary activities	3 612 308 358	845 458 915	7 070 243 981	3 228 931 405
Movement in life assurance funds	(471 967 208)	(962 586 390)	(1 488 559 527)	(1 435 100 181)
Share of associate companies profit net of tax	78 116 446	2 258 767 473	1 922 594 906	2 673 601 949
Effects of inflation adjustments	(678 489 417)	(247 814 749)	-	-
Profit before taxation	2 539 968 179	1 893 825 249	7 504 279 360	4 467 433 173
Income tax expense	(482 446 757)	(190 414 245)	(1 282 283 022)	(293 816 850)
Net profit for the year from continuing operations	2 057 521 422	1 703 411 004	6 221 996 338	4 173 616 323
Profit from discontinued operations	454 021	8 350 343	10 802 471	12 310 710
Net profit for the year	2 057 975 443	1 711 761 347	6 232 798 809	4 185 927 033
Profit attributable to:				
Owners of parent from continuing operations	1 528 088 712	1 681 938 428	4 938 345 407	3 243 020 782
Owners of parent from discontinued operations	454 021	8 350 343	10 802 471	12 310 710
Non-controlling interests	529 432 710	21 472 576	1 283 650 931	930 595 541
Profit for the year	2 057 975 443	1 711 761 347	6 232 798 809	4 185 927 033
Other comprehensive income: Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation	6 670 685 101	1 080 592 967	6 715 244 649	2 279 135 715
Fair value gains on financial assets at FVTOCI	55 149	2 549 040	55 149	1 585 843
Income tax relating to components of other comprehensive income	(1 381 085 975)	(258 625 136)	(977 845 507)	(264 447 293)
Other comprehensive income for the year net of tax	5 289 654 275	824 516 871	5 737 454 291	2 016 274 265
Total comprehensive income for the year	7 347 629 718	2 536 278 218	11 970 253 100	6 202 201 298
Total comprehensive income attributable to:				
Owners of parent from continuing operations	6 815 043 972	2 497 133 447	10 649 027 877	5 221 388 415
Owners of parent from discontinued operations	454 021	8 350 343	10 802 471	12 310 710
Non-controlling interests	532 131 725	30 794 428	1 310 422 752	968 502 173
Total comprehensive income for the year	7 347 629 718	2 536 278 218	11 970 253 100	6 202 201 298
Earnings per share				
Basic and fully diluted earnings per share (ZW cents)	970	1 073	3 142	2 067

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

**Certain comparative amounts in the consolidated statement of profit or loss and OCI have been re-presented, as a result of a discontinued operation during the current year (see note 17).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Inflation adjusted								Total ZWS
	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	
Balance at 1 January 2020	116 873 465	1 806 678 461	21 116 228	2 397 808 815	143 119 111	4 110 637 487	8 596 233 567	1 972 905 335	10 569 138 902
Changes in equity for 2020									
Profit or loss	-	-	-	-	-	1 690 288 771	1 690 288 771	21 472 576	1 711 761 347
Other comprehensive income, net of tax	-	-	-	813 276 103	-	-	813 276 103	9 321 852	822 597 955
Revaluation of property	-	-	-	813 276 103	-	-	813 276 103	9 321 852	822 597 955
Fair value gain on financial assets at FVTOCI	-	-	-	-	1 918 916	-	1 918 916	-	1 918 916
Transaction with owners of the parent	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(37 032 105)	(37 032 105)	(1 040 054)	(38 072 159)
Other movements	-	-	-	-	-	-	-	-	-
Transfer to retained income	-	-	-	(19 545 320)	-	19 545 320	-	-	-
Effects of inflation adjustments	-	-	-	-	(147 920 415)	-	(147 920 415)	-	(147 920 415)
Balance at 31 December 2020	116 873 465	1 806 678 461	21 116 228	3 191 539 598	(2 882 388)	5 783 439 473	10 916 764 837	2 002 659 709	12 919 424 546
Changes in equity for 2021									
Profit or loss	-	-	-	-	-	1 528 542 733	1 528 542 733	529 432 710	2 057 975 443
Other comprehensive income, net of tax	-	-	-	5 286 913 743	-	-	5 286 913 743	2 699 016	5 294 827 486
Revaluation of property	-	-	-	5 286 913 743	-	-	5 286 913 743	2 699 016	5 294 827 486
Fair value gain on financial assets at FVTOCI	-	-	-	-	41 516	-	41 516	-	41 516
Transaction with owners of the parent	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(138 925 234)	(138 925 234)	(2 167 431)	(141 092 665)
Other movements	-	-	-	-	-	-	-	-	-
Transfer to retained income	-	-	-	(68 776 960)	-	68 776 960	-	-	-
Effects of inflation adjustments	-	-	-	-	1 089 158	-	1 089 158	-	1 089 158
Balance at 31 December 2021	116 873 465	1 806 678 461	21 116 228	8 409 676 381	(1 751 714)	7 241 833 932	17 594 426 753	2 532 624 004	20 127 050 757

	Unaudited Historical cost*								Total ZWS	
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve 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
Balance at 1 January 2020	1 751 906	27 081 696	105 410 850	5 870 251	432 334 433	(2 987 053)	596 855 711	1 166 317 794	282 553 625	1 448 871 419
Changes in equity for 2020:										
Profit or loss	-	-	-	-	-	-	3 255 331 492	3 255 331 492	930 595 541	4 185 927 033
Other comprehensive income, net of tax	-	-	-	-	1 977 173 811	-	1 977 173 811	37 906 632	2 015 080 443	1 993 822
Revaluation of property	-	-	-	-	1 977 173 811	-	1 977 173 811	37 906 632	2 015 080 443	1 993 822
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	1 193 822	-	1 193 822	-	1 193 822
Transaction with owners of the parent	-	-	-	-	-	-	(10 219 638)	(10 219 638)	(377 905)	(10 597 543)
Dividends paid	-	-	-	-						



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Audited Financial Results for the year ended 31 December 2021

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

1.2 Statement of compliance (continued)

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

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

The consolidated and separate financial statements were authorised for issue by the board of directors on 25 April 2022.

1.3 Effects of inflation adjustments

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

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 consolidated and separate financial statements at 31 December 2021 are as follows:

	Index	Conversion factors
31 December 2021	3 977.46	1.00
31 December 2020	2 474.51	1.61
31 December 2019	551.63	7.21

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the statement of financial position date are restated by applying a general CPI.
- 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 at the original cost.
- Non-monetary assets carried at cost (excluding PPE and investment property) and liabilities and the components of shareholding's equity are restated by applying the relevant conversion factors reflecting the increase in the CPI from the date of change in functional currency from US\$ to ZW\$ in 2018.
- All items in the consolidated and separate statement of profit or loss and other comprehensive income are restated by applying the respective monthly factors.
- The capitalisation of borrowing costs during construction of a qualifying asset is considered to be a partial recognition of inflation and is reversed to the consolidated and separate statement of profit or loss and other comprehensive income and replaced by indexed cost.
- The effect of general inflation on the net monetary position is included in the consolidated and separate statement of profit or loss and other comprehensive income as effects of inflation adjustments.
- Share capital and share premium were restated from the date of change in functional currency from US\$ to ZW\$ in 2018.

1.4 Basis of reporting

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

1.5 Basis of consolidation

Subsidiaries

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

Subsidiaries are included in the separate financial statements of the Holding company at their net asset value which is considered to be an estimate of fair value. Assets valuation are done on a yearly basis as such the NAV will be approximately the fair value at year end.

Business combinations

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests (NCI)

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

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

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

Transactions eliminated on consolidation

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

1.6 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 report as at 31 December 2021.

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

2. SEGMENT INFORMATION

	Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
31 December 2021				
External revenue				
Net earnings from lending activities	2 672 727 376	13 162 357	(2 753 750)	2 683 135 983
Net fees and commission income	3 310 148 922	832 922 401	52 962 107	4 196 033 430
Other revenue	1 377 375 199	244 971 844	(313 194 836)	1 309 152 207
Fair value adjustments	2 513 076 314	957 883 769	76 554 877	3 547 514 960
Total segment revenue	9 873 327 811	2 048 940 371	(186 431 602)	11 735 836 580
Inter segmental revenue	756 898 547	-	8 078 050 495	8 834 949 042
Total segment operating expenses	(7 110 926 578)	(768 888 304)	356 286 660	(8 123 528 222)
Material non-cash items:				
Depreciation	(2 191 467 381)	(17 373 532)	(23 743 148)	(2 232 584 061)
Amortisation of intangible assets	(40 016 011)	(10 714 279)	(151 320)	(50 881 610)
Profit from associates net of tax	-	20 455 522	57 660 924	78 116 446
Reportable segment profit before taxation	1 609 579 444	660 628 833	269 759 902	2 539 968 179
Income tax expense	221 058 335	243 439 953	17 948 469	482 446 757
Reportable segment assets as at 31 December 2021	41 044 072 922	7 779 869 410	1 668 853 156	50 492 795 488
Reportable segment liabilities as at 31 December 2021	26 384 913 131	4 350 256 630	(369 425 030)	30 365 744 731
Investment in associates	-	3 986 435 528	1 157 685 803	5 144 121 331

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted			Total ZW\$
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	
31 December 2020				
External revenue				
Net earnings from lending activities	706 501 437	(19 061 534)	(80 112 755)	607 327 148
Net fees and commission income	1 808 187 123	(1 729 081)	26 764 734	1 833 222 776
Other revenue	2 114 380 552	683 909 440	(169 201 095)	2 629 088 897
Fair value adjustments	2 11 320 839	11 696 874	(4 864 004)	218 153 709
Total segment revenue	4 840 389 951	674 815 699	(227 413 120)	5 287 792 530
Inter segmental revenue	144 544 228	-	2 361 026 866	2 505 571 094
Total segment operating expenses	(4 028 258 954)	(475 901 237)	61 826 576	(4 442 333 615)
Material non-cash items:				
Depreciation	(566 329 033)	(21 615 152)	(18 661 517)	(606 605 702)
Amortisation of intangible assets	(123 397 128)	(10 273 679)	-	(133 670 807)
Profit from associates net of tax	-	1 681 571 878	577 195 595	2 258 767 473
Reportable segment profit before taxation	764 702 652	528 055 010	601 067 587	1 893 825 249
Income tax expense	47 181 285	171 375 135	(28 142 175)	190 414 245
Reportable segment assets as at 31 December 2020	22 997 726 774	6 605 517 149	900 505 504	30 503 749 427
Reportable segment liabilities as at 31 December 2020	14 118 352 752	3 608 718 475	(142 746 346)	17 584 324 881
Investment in associates	-	3 973 318 079	1 103 186 544	5 076 504 623

	Unaudited Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
31 December 2021				
External revenue				
Net earnings from lending activities	2 188 865 002	10 851 943	(3 905 878)	2 195 811 067
Net fees and commission income	2 649 706 023	720 347 435	41 490 389	3 411 543 847
Fair value adjustments	3 745 593 043	1 540 905 654	151 609 716	5 438 108 413
Other revenue	1 259 120 986	210 517 140	(74 409 771)	1 395 228 355
Total segment revenue	9 843 285 054	2 482 622 172	114 784 456	12 440 691 682
Inter segmental revenue	584 410 965	-	12 998 279 252	13 582 690 217
Total segment operating expenses	(4 806 790 757)	(645 962 332)	82 305 388	(5 370 447 701)
Material non-cash items:				
Depreciation	(380 517 367)	(10 578 538)	(14 717 374)	(405 813 279)
Amortisation of intangible assets	(975 633)	(575 159)	(94 142)	(1 644 934)
Profit from associates net of tax	-	1 549 264 091	373 330 815	1 922 594 906
Reportable segment profit before taxation	5 036 494 297	1 897 364 406	570 420 657	7 504 279 360
Income tax expense	906 120 107	365 396 208	10 766 707	1 282 283 022
Reportable segment assets as at 31 December 2021	40 852 684 721	7 744 141 520	1 253 007 709	49 849 833 950
Reportable segment liabilities as at 31 December 2021	26 366 935 666	4 360 017 025	(365 328 581)	30 361 624 110
Investment in associates	-	3 983 413 613	832 863 240	4 816 276 853

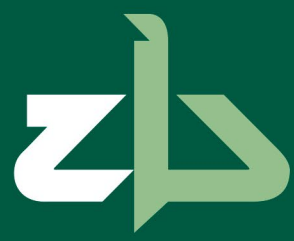
	Unaudited Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments ¹ ZW\$	Total ZW\$
31 December 2020				
External revenue				
Net earnings from lending activities	274 258 624	(9 466 638)	(24 796 693)	239 995 293
Net fees and commission income	783 542 135	(28 448 160)	11 434 843	766 528 818
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	(60 922 836)	1 387 110 817
Total segment revenue	3 954 897 255	948 818 554	(132 622 238)	4 771 093 571
Inter segmental revenue	54 646 481	-	7 178 557 225	7 233 203 706
Total segment operating expenses	(1 393 609 781)	(188 521 208)	39 968 823	(1 542 162 166)
Material non-cash items:				
Depreciation	(105 979 074)	(3 952 367)	(3 369 400)	(113 300 841)
Amortisation of intangible assets	(2 203 474)	(246 459)	-	(2 449 933)
Profit from associates net of tax	-	2 288 659 604	384 942 345	2 673 601 949
Reportable segment profit before taxation	2 561 287 475	1 613 856 770	292 288 928	4 467 433 173
Income tax expense	82 067 391	217 578 606	(5 829 147)	293 816 850
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
Investment in associates	-	2 440 255 455	461 857 899	2 902 113 354

¹ Includes consolidation journals.

3. TREASURY BILLS

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Treasury bills include:				
Assets classified as at fair value through profit or loss¹ (FVTPL):				
Short term treasury bills ¹	2 081 308 636	496 760 137	2 081 308 636	309 051 167
Assets classified as 'at fair value through other comprehensive income (FVTOCI):				
Medium term treasury bills acquired from the market ²	285 043 656	266 778 881	285 043 656	165 972 103
Assets classified as 'amortised cost' (AMCO):				
Treasury bills issued as substitution for debt instruments ³	25 336 191	40 724 679	25 336 191	25 336 191
Capitalisation treasury bills ⁴	18 642 439	28 538 410	18 642 439	17 754 703
	2 410 330 922	832 802 107	2 410 330 922	518 114 164
Maturity within 1 year	2 360 339 126	763 539 018	2 360 339 126	475 023 270
Maturity after 1 year	49 991 796	69 263 089	49 991 796	43 090 894
	2 410 330 922	832 802 107	2 410 330 922	518 114 164

- The Group invested in treasury bills issued by the RBZ over a period ranging from 3 days to 12 months which were at rates ranging from 5% to 21% (December 2020: 5% to 22%).
- The Group purchased treasury bills from the secondary market. These treasury bills have coupon rate of 15% (December 2020: 5% to 15%) with a maturity period of 730 days.
- The Group received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2020: 5%) and maturity periods ranging from 3.5 months to 10 years (December 2020: 2 to 13 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.



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Audited Financial Results for the year ended 31 December 2021

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

3. TREASURY BILLS (continued)

Determination of fair value of treasury bills

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

Treasury bills purchased from the secondary market value were fair valued using Capital Asset Pricing model (CAPM) rate of 20.50%.

USD denominated Treasury bills fair value was computed using a proxy discount rate of 2% by reference to US Federal Reserve TBs with same tenor and adjusted for country risk.

Valuation of treasury bills designated as at amortised cost

The treasury bills carried at amortised cost, level 3, which cost having been established at fair value at initial recognition using a Discounted Cash Flow valuation technique in which an assessed discount rate of 5% was applied as a proxy for trade on similar instruments.

Impairment assessment of treasury bills

Treasury bills were assessed for ECL in the current year in line with IFRS 9. Treasury bills, being local sovereign exposures have been assessed as "low risk" instruments and there were no defaults recorded in past on all Government Instruments. The amount of ECL was insignificant as such no adjustment for impairment was recognized.

4. MORTGAGES AND OTHER ADVANCES

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
4.1 Gross loan book				
Mortgage advances	325 323 401	167 193 040	325 323 401	104 016 406
Other advances:				
Loans, overdraft and other accounts	10 639 034 509	4 732 092 452	10 639 034 509	2 943 993 663
Finance leases	1 351 694 879	436 870 639	1 351 694 879	271 791 899
Bills discounted	405 592 200	1 846 983	405 592 200	1 149 070
Insurance advances	221 304 542	163 337 738	221 304 542	101 617 893
Total other advances	12 617 626 130	5 334 147 812	12 617 626 130	3 318 552 525
Gross advances	12 942 949 531	5 501 340 852	12 942 949 531	3 422 568 931
Off balance sheet exposures				
In respect of Guarantees	829 021 429	1 106 920 859	829 021 429	688 652 647
In respect of Loan commitment	728 680 207	353 514 983	728 680 207	219 933 545
Gross credit exposure	14 500 651 167	6 961 776 694	14 500 651 167	4 331 155 123
Gross advances	12 942 949 531	5 501 340 852	12 942 949 531	3 422 568 931
Less: Allowance for loan impairments	(710 032 117)	(442 389 663)	(710 032 117)	(275 225 469)
Net advances	12 232 917 414	5 058 951 189	12 232 917 414	3 147 343 462
4.2 Maturity analysis				
On demand	989 790 356	599 243 533	989 790 356	372 809 530
Within 1 month	593 707 960	238 413 295	593 707 960	148 324 919
Between 1 and 6 months	1 372 730 396	550 775 444	1 372 730 396	342 655 904
Between 6 and 12 months	2 563 724 415	2 420 651 554	2 563 724 415	1 505 968 640
After 12 months	8 980 698 040	3 152 692 868	8 980 698 040	1 961 396 130
	14 500 651 167	6 961 776 694	14 500 651 167	4 331 155 123
4.3 Non-performing loans				
Included in the above are the following:				
Non-performing loans	499 375 970	9 400 314	499 375 970	5 848 251
Less: Allowance for loan impairments	(467 406 369)	(2 388 008)	(467 406 369)	(1 485 660)
Value to be received from security held	31 969 601	7 012 306	31 969 601	4 362 591

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\$29 259 743 as at 31 December 2021 (2020: ZW\$18 389 830).

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	As a % of Total	31 Dec 2020 ZWS	As a % of Total
4.4 Sectorial analysis				
Gross advances:				
Private	6 330 548 124	44%	1 747 331 323	25%
Agriculture	1 183 597 092	8%	997 598 724	16%
Mining	478 780 767	3%	535 297 993	8%
Manufacturing	226 411 963	2%	164 786 925	2%
Distribution	715 241 619	5%	447 099 650	6%
Construction	24 546 695	0%	13 808 073	0%
Transport	452 988 725	3%	422 637 849	6%
Services	2 831 857 506	20%	861 545 983	12%
Financial	648 746 560	4%	306 799 437	4%
Communication	50 230 480	0%	4 434 895	0%
Total gross advances	12 942 949 531	89%	5 501 340 852	79%
Guarantees:				
Manufacturing	786 383 990	6%	1 096 972 114	16%
Distribution	33 192 086	0%	33 192 086	0%
Construction	940 000	0%	1 969 030	0%
Services	8 505 353	0%	7 312 655	0%
Communication	-	0%	-	0%
Financial Services	-	0%	667 060	0%
Total guarantees	829 021 429	6%	1 106 920 859	16%
Loan commitments:				
Private	-	0%	-	0%
Agriculture	295 262 260	2%	-	0%
Mining	1 444 860	0%	-	0%
Manufacturing	86 954 959	1%	204 678 865	3%
Distribution	113 942 513	1%	1 127 169	0%
Construction	5 338 621	0%	28 391 696	0%
Transport	55 162 871	0%	92 817 631	2%
Communication	-	0%	4 576 633	0%
Services	136 583 491	1%	21 232 787	0%
Financial Services	33 990 632	0%	690 202	0%
Total loan commitments	728 680 207	5%	353 514 983	5%
Letters of credit:				
Manufacturing	-	0%	-	0%
Total letters of credit	-	0%	-	0%
Total credit exposure	14 500 651 167	100%	6 961 776 694	100%
4.5 Mortgage advances				
Mortgage advances were spread as follows:				
Type of property:				
High density	15 556 317	5%	4 592 949	3%
Medium density	7 591 764	2%	5 488 676	3%
Low density	296 622 192	91%	147 828 249	88%
Commercial	5 553 128	2%	9 283 166	6%
	325 323 401	100%	167 193 040	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 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Gross investment in finance leases:				
Maturing within 1 year	1 525 532 013	361 008 703	1 525 532 013	224 595 640
Maturing after 1 year	2 051 456 570	737 281 379	2 051 456 570	458 687 511
Gross investment in finance leases	3 576 988 583	1 098 290 082	3 576 988 583	683 283 151
Unearned finance charges	(2 225 293 704)	(661 419 443)	(2 225 293 704)	(411 491 252)
Net investment in finance leases	1 351 694 879	436 870 639	1 351 694 879	271 791 899
Maturing within 1 year	620 977 737	158 050 458	620 977 737	98 328 499
Maturing after 1 year	730 717 142	278 820 181	730 717 142	173 463 400
	1 351 694 879	436 870 639	1 351 694 879	271 791 899

5. INVESTMENT PROPERTIES

5.1 Made up as follows:

Land stock held for capital appreciation and completed properties available for lease:

-Residential	358 563 710	282 151 688	358 563 710	175 536 043
-Commercial	3 979 005 689	3 131 056 330	3 979 005 689	1 947 935 313
-Industrial	111 380 102	87 644 352	111 380 102	54 526 495
Balance at end of year	4 448 949 501	3 500 852 370	4 448 949 501	2 177 997 851

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
5.2 Reconciliation of carrying amount				
Balance at beginning of year	3 500 852 370	3 804 349 097	2 177 997 851	527 621 601
Additions	109 193 711	-	87 984 925	-
Transfer to form owner occupied	74 932 459	-	46 618 000	-
Fair value adjustment (note 30)	763 970 961	(303 496 727)	2 136 348 725	1 650 376 250
Balance at end of year	4 448 949 501	3 500 852 370	4 448 949 501	2 177 997 851

Change in valuation inputs

In response to the change in market factors that occurred in 2021, the ZB Financial Holdings Limited Group changed its valuation inputs for investment property, by adopting ZWS valuation inputs instead of USD inputs. These inputs include but not limited to capitalization rates and market rental information. After the change in the base currency in the Zimbabwean Market in 2019, the property market had largely remained dollarised hence the use of USD valuation inputs in prior years. More recently, with the increasing use of the ZWS to settle property transactions, management takes the view that a valuation using ZWS inputs provides reliable and accurate fair values without the need for currency conversions that are subject to exchange rate distortions. The change in the application of existing valuation methodology and inputs has no effect on prior years as the change has been applied prospectively beginning with financial information for the year ended 31 December 2021.

The effect on the current year is to increase the carrying amount of investment property at the end of the year, as a result of the changes in inputs, by ZW\$1 650 801 485; increase fair value gain by ZW\$1 539 845 814; increase the deferred tax by ZW\$58 620 056; and increase net profit by ZW\$1 481 234 759.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
6. RIGHT OF USE ASSETS				
Balance at the beginning of year	106 462 757	47 918 141	66 234 057	6 645 722
Depreciation	(73 601 386)	(36 762 185)	(57 037 263)	(11 185 195)
Lease modifications	120 487 794	232 610 119	93 371 802	70 773 530
Effects of inflation adjustment	68 005 214	(137 303 318)	-	-
Balance at end of year	221 354 379	106 462 757	102 568 596	66 234 057

7. PROPERTY AND EQUIPMENT

	Inflation adjusted						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment furniture & fittings ZWS	Computer equipment ZWS	Marine assets and motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
31 December 2021							
GROUP							
Cost or valuation							
Balance at 1 January 2021	3 088 829 383	718 755 211	968 781 534	2 080 157 091	847 633 474	144 546 717	7 848 703 410
Additions	-	10 857 243	47 230 686	70 215 173	40 000 000	23 193 745	191 496 847
Disposals	-	(3 089 574)	(2 083 369)	(2 083 369)	(11 240 628)	-	(16 413 571)
Transfer between categories	-	67 891 523	23 602 319	107 948 916	-	(199 442 758)	-
Reclassification to investment properties	(92 370 874)	-	-	-	-	-	(92 370 874)
Surplus on revaluation	1 081 019 872	1 109 070 157	2 407 080 399	1 993 215 783	80 298 889	-	6 670 685 100
Reclassification to intangibles	-	-	-	-	-	94 799 116	94 799 116
Balance at 31 December 2021	4 077 478 381	1 906 574 134	3 443 605 364	4 249 453 594	956 691 735	63 096 820	14 696 900 028
Accumulated depreciation and impairment							
Balance at 1 January 2021	552 543 672	602 907 914	421 379 858	932 772 921	541 089 632	54 098 161	3 104 792 158
Recognised in statement of profit or loss	111 204 090	1 186 724 829	596 662 810	288 555 744	49 436 588	-	2 232 584 061
Disposals	-	(254 891)	(400 701)	(400 701)	(1 635 351)	-	(2 290 943)
Impairment	(17 438 413)	1 161 387	587 504	-	490 495	-	2 239 386
Reclassification to investment properties	646 309 349	1 790 749 130	1 018 375 281	1 220 927 964	589 381 364	54 098 161	5 319 886 249
Balance at 31 December 2021	646 309 349	1 790 749 130	1 018 375 281	1 220 927 964	589 381 364	54 098 161	5 319 886 249
Carrying value at 31 December 2021	3 431 169 032	115 780 004	2 425 230 083	3 028 525 630	367 310 371	9 998 659	9 377 013 779
Carrying value at 31 December 2020	2 536 285 711						



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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

8. INTANGIBLE ASSETS

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Computer software				
Carrying amount at beginning of year	347 513 080	482 505 483	28 389 024	47 551 609
Additions at cost	10 971 439	24 783 920	10 358 475	4 081 548
Reversal of cancelled projects	(10 349 589)	(26 105 516)	(1 385 883)	(16 054 420)
Amortisation	(50 881 610)	(133 670 807)	(1 644 934)	(2 449 933)
Effects of changes in functional currency translation	-	-	-	(4 739 780)
Reclassification to equipment	(94 799 116)	-	(13 510 060)	-
Balance at end of year	202 454 204	347 513 080	22 206 622	28 389 024
9. DEPOSITS AND OTHER ACCOUNTS				
9.1 Summary of deposits by type				
Balances of banks	489 710 308	49 071 933	489 710 308	30 529 298
Current accounts	5 261 470 343	2 986 239 473	5 261 470 343	1 857 839 882
Savings and call accounts	11 324 394 028	7 524 214 546	11 324 394 028	4 681 066 603
Fixed deposits	2 594 114 348	865 324 134	2 594 114 348	538 347 210
	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993
9.2 Maturity analysis				
On demand	13 779 070 458	7 535 538 017	13 779 070 458	4 688 111 315
Within 1 month	5 409 906 971	3 797 638 564	5 409 906 971	2 362 638 511
Between 1 and 6 months	160 374 241	41 840 147	160 374 241	26 030 161
Between 6 and 12 months	296 899 794	43 274 916	296 899 794	26 922 779
After 12 months	23 437 563	6 558 442	23 437 563	4 080 227
	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993

	Inflation adjusted				Unaudited Historical cost			
	31 Dec 2021 ZWS	% Contribution	31 Dec 2020 ZWS	% Contribution	31 Dec 2021 ZWS	% Contribution	31 Dec 2020 ZWS	% Contribution
9.3 Deposit concentration								
Private individuals	3 156 025 012	16%	2 049 650 988	18%	3 156 025 012	16%	1 275 156 726	18%
Agriculture	1 035 323 542	6%	842 258 499	7%	1 035 323 542	6%	523 997 303	7%
Mining	198 235 385	1%	82 623 042	1%	198 235 385	1%	51 402 570	1%
Manufacturing	854 681 841	4%	471 882 337	4%	854 681 841	4%	293 573 852	4%
Distribution	560 711 578	3%	759 921 779	7%	560 711 578	3%	472 772 864	7%
Construction	247 940 891	1%	193 100 657	2%	247 940 891	1%	120 134 405	2%
Transport	301 123 061	2%	130 939 482	1%	301 123 061	2%	81 461 850	1%
Services	8 416 934 114	43%	4 810 864 526	42%	8 416 934 114	43%	2 993 000 416	42%
Financial	2 441 675 783	12%	1 050 101 517	9%	2 441 675 783	12%	653 303 426	9%
Communication	2 457 037 820	12%	1 033 507 259	9%	2 457 037 820	12%	642 979 581	9%
	19 669 689 027	100%	11 424 850 086	100%	19 669 689 027	100%	7 107 782 993	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
9.4 Secured and unsecured deposits analysis				
Secured deposits	-	-	-	-
Unsecured deposits	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993
	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993

For secured deposits security was provided in the form of treasury bills which are included in the note 7.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
10. LEASE LIABILITIES				
Balance at the beginning of year	111 836 998	47 918 141	69 577 553	6 645 722
Add finance cost posted to profit or loss	68 917 278	54 916 086	19 538 243	16 708 668
Exchange gains	(44 176 145)	-	31 108 045	-
Less lease liability payments during the year	(89 863 857)	(76 366 695)	(69 639 836)	(23 235 191)
Lease modifications	82 615 881	110 730 663	69 103 535	69 458 354
Effects of inflation adjustment	(9 642 615)	(25 361 197)	-	-
Balance at end of year	119 687 540	111 836 998	119 687 540	69 577 553
Maturing within 1 year	23 937 508	22 367 400	23 937 508	13 915 511
Maturing after 1 year	95 750 032	89 469 598	95 750 032	55 662 042
Total	119 687 540	111 836 998	119 687 540	69 577 553

11. LONG TERM BORROWINGS

Comprising of:				
Face value of loan	20 000 000	32 147 436	20 000 000	20 000 000
Valuation discount	(3 052 329)	(6 203 428)	(3 052 329)	(3 859 361)
Balance at end of year	16 947 671	25 944 008	16 947 671	16 140 639
Valuation discount:				
Balance at beginning of the year	6 203 428	33 369 344	3 859 361	4 627 963
Amortisation during the year (note 31)	(1 041 401)	(2 526 150)	(807 032)	(768 602)
Effects of inflation adjustment	(2 109 698)	(24 639 766)	-	-
Balance at end of year	3 052 329	6 203 428	3 052 329	3 859 361

12. INTEREST AND RELATED INCOME

Interest income comprises interest on:				
Advances	3 059 497 156	1 032 658 533	2 559 285 218	439 962 484
Mortgages	172 948 474	34 153 671	73 661 917	14 002 698
Overdraft accounts	333 866 433	127 240 775	266 097 023	57 435 928
Financial assets at amortised cost	70 555 869	37 402 425	57 834 549	8 375 929
Treasury bill at FVTPL	233 552 422	73 369 213	193 316 382	26 795 739
Treasury bills at FVTOCI	43 058 475	62 054 198	33 368 088	24 636 052
Cash and short-term funds	10 771 562	4 709 315	7 058 565	2 125 270
Loans to other banks	-	3 502 900	60 274	733 643
Other	24 611 456	6 161 538	18 313 571	2 678 864
Total interest income	3 948 861 847	1 381 252 568	3 208 995 587	576 746 607

13. INTEREST AND RELATED EXPENSE

Interest expenses comprise interest on:				
Retail deposits	47 216 132	30 408 802	37 804 747	12 665 155
Fixed deposits	411 588 014	135 210 697	340 754 046	48 657 150
Other interest payable categories	185 647 154	155 297 334	148 579 688	70 044 078
Total interest expenses	644 451 300	320 916 833	527 138 481	131 366 383
Net interest income	3 304 410 547	1 060 335 735	2 681 857 106	445 380 224

14. LOAN IMPAIRMENTS

Loans and advances	(45 411 958)	(418 170 363)	(446 763 806)	(198 842 876)
Insurance debtors	8 797 972	(14 837 990)	8 797 972	(9 231 212)
Loans and other advances	(36 613 986)	(433 008 353)	(437 965 834)	(208 074 088)
Other financial assets	(547 367 482)	(2 241 128)	(11 578 240)	(1 445 655)
Guarantees	(38 167 875)	(1 113 452)	(37 445 505)	(692 716)
Loan commitments	(1 556 802)	(26 635 709)	(957 780)	114 357
Net recoveries against loans previously written off	2 431 581	9 990 055	1 901 320	4 713 171
	(621 274 564)	(453 008 587)	(486 046 039)	(205 384 931)

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
15. OPERATING EXPENSES				
Commission and fees	124 520 950	78 482 843	111 626 169	23 879 047
Staff expenses	2 823 954 447	1 467 712 841	2 352 515 911	604 572 995
Communication expenses	201 081 829	127 887 686	164 115 525	56 246 997
National Social Security Authority expenses	20 461 160	6 865 175	16 843 785	2 877 373
Pension fund expenses	84 732 634	29 259 099	68 713 153	9 567 281
Computers and information technology expenses	807 081 265	673 299 089	499 736 091	301 272 037
Occupation expenses	237 304 609	153 472 631	176 885 656	56 925 800
Transport expenses	54 737 919	53 759 202	41 540 688	20 468 687
Travelling expenses	72 381 977	38 750 669	60 272 419	15 611 293
Depreciation of property and equipment	2 232 584 061	606 605 702	405 813 279	113 300 841
Amortisation of intangible assets	50 881 610	133 670 807	1 644 934	2 449 933
Depreciation of right of use asset	73 601 386	36 762 185	57 037 263	11 185 195
Finance cost on lease liabilities	68 917 278	54 916 086	19 538 243	16 708 668
Impairment of property and equipment	2 239 386	281 342 416	39 608	69 821
Impairment of intangible assets	-	-	-	-
Administration expenses	1 178 901 985	656 758 319	1 321 314 437	288 118 455
Amortisation of valuation discount on the long term borrowings	(1 041 401)	(2 526 150)	(807 032)	(768 602)
Directors fees	91 187 127	45 315 015	73 617 572	19 676 345
	8 123 528 222	4 442 333 615	5 370 447 701	1 542 162 166

Included in administration expenses are the following:

Auditors' remuneration - for current year audit	78 837 415	46 995 752	59 321 828	14 058 430
- for half year review	12 998 790	17 756 458	-	6 451 817
- for prior year final	65 838 625	29 239 294	8 086 984	7 606 613
			51 234 844	-

16. INCOME TAX EXPENSE

Current income tax	801 251 122	297 843 737	800 027 822	144 336 267
Deferred tax expense	(317 339 204)	(107 319 030)	483 108 710	150 729 873
Discontinued operations	(1 465 161)	(110 462)	(853 510)	(1 249 290)
	482 446 757	190 414 245	1 282 283 022	293 816 850

17. DISCONTINUED OPERATIONS

The Board of Directors of ZB Financial Holdings Limited made a resolution to discontinue the operation of ZB Associated (Private) Limited (ZBAS) effective December 2021, following the cash heist incident that happened in January 2021. ZBAS was not a discontinued operation or classified as held for sale at 31 December 2020 and the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operation.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Results of discontinued operation				
Revenue	32 601 929	53 336 946	39 045 073	29 067 672
Expenses	(38 291 723)	(40 290 613)	(29 096 112)	(15 507 672)
Results from operating activities	(5 689 794)	13 046 333	9 948 961	13 560 000
Effects of inflation adjustments	4 678 654	(4 585 528)	-	-
(Loss) / profit before tax	(1 011 140)	8 460 805	9 948 961	13 560 000
Taxation credit / (expense)	1 465 161	(110 462)	853 510	(1 249 290)
Profit after tax	454 021	8 350 343	10 802 471	12 310 710

The inflation adjusted profit from discontinued operation of ZW\$454 021 (unaudited historical cost of profit of ZW\$10 802 471) compared to inflation adjusted profit of ZW\$8 350 343 (unaudited historical cost profit of ZW\$12 310 71



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Audited Financial Results for the year ended 31 December 2021

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.1 Capital risk management (continued)

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

The Group's operating target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict recourse to shareholders' equity for operational funding. Gearing was maintained at above 18%, throughout the year, the Group borrowed funds with a maturity value of ZW\$20 million in 2025.

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

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

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

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

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.

19.2.1 Classification and measurement of financial assets and liabilities

31 December 2021	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured at fair value								
Listed equity securities	1 006 800 279	-	-	1 006 800 279	1 006 800 279	-	-	1 006 800 279
Unlisted equity investments	3 042 331 014	-	-	3 042 331 014	-	-	3 042 331 014	3 042 331 014
Treasury bills	2 081 308 636	-	285 043 656	2 366 352 292	-	2 081 308 636	285 043 656	2 366 352 292
Financial assets not measured at fair value								
Trade and other receivables	-	1 992 460 506	-	1 992 460 506	-	-	-	1 992 460 506
Cash and cash equivalents	-	9 712 078 202	-	9 712 078 202	-	-	-	9 712 078 202
Treasury bills	-	43 978 630	-	43 978 630	-	-	-	43 978 630
Advances and other accounts	-	12 232 917 414	-	12 232 917 414	-	-	-	12 232 917 414
Total	6 130 439 929	23 981 434 752	285 043 656	30 396 918 337				
Financial liabilities								
Deposit and other accounts	-	(19 669 689 027)	-	(19 669 689 027)	-	-	-	(19 669 689 027)
Trade and other payables	-	(4 251 843 409)	-	(4 251 843 409)	-	-	-	(4 251 843 409)
Offshore borrowings	-	(657 911 243)	-	(657 911 243)	-	-	-	(657 911 243)
Short term borrowings	-	(403 331 507)	-	(403 331 507)	-	-	-	(403 331 507)
Long term borrowings	-	(16 947 671)	-	(16 947 671)	-	-	-	(16 947 671)
Total	-	(24 999 722 857)	-	(24 999 722 857)				

31 December 2020	Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured at fair value								
Listed equity securities	471 409 038	-	-	471 409 038	471 409 038	-	-	471 409 038
Government public utility stock	40 724 679	-	-	40 724 679	-	40 724 679	-	40 724 679
Unit trusts	16 115 513	-	-	16 115 513	-	16 115 513	-	16 115 513
Unlisted equity investments	955 199 663	-	-	955 199 663	-	-	955 199 663	955 199 663
Treasury bills	496 760 137	69 263 089	266 778 881	832 802 107	-	541 822 852	290 979 255	832 802 107
Financial assets not measured at fair value								
Trade and other receivables	-	974 328 580	-	974 328 580	-	-	-	974 328 580
Cash and cash equivalents	-	8 176 195 747	-	8 176 195 747	-	-	-	8 176 195 747
Treasury bills	-	69 263 089	-	69 263 089	-	-	-	69 263 089
Advances and other accounts	-	5 058 951 189	-	5 058 951 189	-	-	-	5 058 951 189
Total	1 980 209 030	14 348 001 694	266 778 881	16 594 989 605				
Financial liabilities								
Deposit and other accounts	-	(11 424 850 086)	-	(11 424 850 086)	-	-	-	(11 424 850 086)
Trade and other payables	-	(1 897 797 058)	-	(1 897 797 058)	-	-	-	(1 897 797 058)
Offshore borrowings	-	(390 923 496)	-	(390 923 496)	-	-	-	(390 923 496)
Long term borrowings	-	(25 944 008)	-	(25 944 008)	-	-	-	(25 944 008)
Total	-	(13 739 514 648)	-	(13 739 514 648)				

31 December 2021	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured at fair value								
Listed equity securities	1 006 800 279	-	-	1 006 800 279	1 006 800 279	-	-	1 006 800 279
Unlisted equity investments	3 042 331 014	-	-	3 042 331 014	-	-	3 042 331 014	3 042 331 014
Treasury bills	2 081 308 636	-	285 043 656	2 366 352 292	-	2 081 308 636	285 043 656	2 366 352 292
Financial assets not measured at fair value								
Trade and other receivables	-	1 992 460 506	-	1 992 460 506	-	-	-	1 992 460 506
Cash and cash equivalents	-	9 712 078 202	-	9 712 078 202	-	-	-	9 712 078 202
Treasury bills	-	43 978 630	-	43 978 630	-	-	-	43 978 630
Advances and other accounts	-	12 232 917 414	-	12 232 917 414	-	-	-	12 232 917 414
Total	6 130 439 929	23 981 434 752	285 043 656	30 396 918 337				
Financial liabilities								
Deposit and other accounts	-	(19 669 689 027)	-	(19 669 689 027)	-	-	-	(19 669 689 027)
Trade and other payables	-	(4 251 843 409)	-	(4 251 843 409)	-	-	-	(4 251 843 409)
Offshore borrowings	-	(657 911 243)	-	(657 911 243)	-	-	-	(657 911 243)
Short term borrowings	-	(403 331 507)	-	(403 331 507)	-	-	-	(403 331 507)
Long term borrowings	-	(16 947 671)	-	(16 947 671)	-	-	-	(16 947 671)
Total	-	(24 999 722 857)	-	(24 999 722 857)				

31 December 2020	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL	Classified at AMCO	Designated at FVTOCI	Total	Level 1	Level 2	Level 3	Total
	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$
Financial assets measured at fair value								
Listed equity securities	293 279 397	-	-	293 279 397	293 279 397	-	-	293 279 397
Government public utility stock	25 336 191	-	-	25 336 191	-	25 336 191	-	25 336 191
Unit trusts	10 026 002	-	-	10 026 002	-	10 026 002	-	10 026 002
Unlisted equity investments	594 261 795	-	-	594 261 795	-	-	594 261 795	594 261 795
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	-	-	-	606 162 537
Cash and cash equivalents	-	5 086 686 008	-	5 086 686 008	-	-	-	5 086 686 008
Treasury bills	-	43 090 894	-	43 090 894	-	-	-	43 090 894
Advances and other accounts	-	3 147 343 462	-	3 147 343 462	-	-	-	3 147 343 462
Total	1 231 954 552	8 883 282 901	165 972 103	10 281 209 556				
Financial liabilities								
Deposit and other accounts	-	(7 107 782 993)	-	(7 107 782 993)	-	-	-	(7 107 782 993)
Trade and other payables	-	(1 180 683 296)	-	(1 180 683 296)	-	-	-	(1 180 683 296)
Offshore borrowings	-	(243 206 638)	-	(243 206 638)	-	-	-	(243 206 638)
Long term borrowings	-	(16 140 639)	-	(16 140 639)	-	-	-	(16 140 639)
Total	-	(8 547 813 566)	-	(8 547 813 566)				

19.2.1.1 Level 1 valuation

Listed equity investments are valued in relation to prices ruling at the stock market at which the stock is listed at the close of business on 31 December 2021.

19.2.1.2 Level 2 valuation

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

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.2.1.3 Level 3 valuation

Unlisted investments were valued at net asset value, dividend growth model and price earnings multiple techniques. In applying this method, judgement was used.

Level 3 recurring fair values

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

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Balance at beginning of year	1 286 903 597	291 001 341	785 570 089	68 871 441
Fair value adjustments	1 609 734 622	923 424 336	2 220 073 695	662 205 898
Additions	670 825 200	108 491 636	552 039 275	71 314 829
Disposals	(240 088 749)	(36 013 716)	(230 308 389)	(12 822 079)
Balance at the end of year	3 327 374 670	1 286 903 597	3 327 374 670	785 570 089

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

19.2.2 Liquidity risk

Definition

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

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

Identification techniques

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

Measurement methods

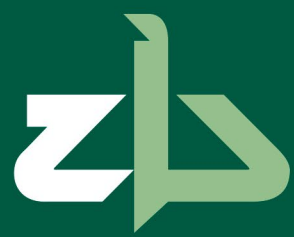
Liquidity risk is measured using the gap analysis techniques and the term structure of assets and liabilities.

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

Liquidity gap analysis as at 31 December 2021

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

	Inflation adjusted				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	8 215 980 305	45 356 181	1 450 741 716	-	9 712 078 202
Trade and other receivables	1 494 345 380	498 115 127	-	-	1 992 460 506
Treasury bills	101 093 151	1 436 013 199	766 976 857	207 141 172	2 511 224 379
Mortgages and other advances	1 360 289 290	1 850 034 205	10 113 599 346	15 143 143 158	28 467 065 999
Financial assets held at fair value through profit or loss	-	-	-	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	69 896 797	-	521 270 562	591 167 359
Loan commitments	728 680 207	-	-	-	728 680 207
Total	11 900 388 333	3 899 415 509	12 331 317 919	19 946 022 376	48 077 144 136
FINANCIAL LIABILITIES BY TYPE:					
Deposits and other accounts	(1 080 628 318)	(273 149 42			



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NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.2.2 Liquidity risk (continued)

Liquidity gap analysis as at 31 December 2020

	Unaudited Historical cost					Carrying amount ZW\$
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Total ZW\$	
FINANCIAL ASSETS BY TYPE:						
Cash and cash equivalents	4 327 713 487	122 342 924	636 629 597	-	5 086 686 008	5 086 686 008
Trade and other receivables	454 621 903	151 540 634	-	-	606 162 537	606 162 537
Treasury bills	50 164 384	241 801 001	85 255 644	188 726 778	565 947 807	518 114 164
Mortgages and other advances	254 409 169	338 103 418	963 966 628	1 997 449 666	3 553 928 881	3 147 343 462
Financial assets held at fair value through profit or loss	-	-	-	922 903 385	922 903 385	922 903 385
Financial assets held at amortised cost	-	-	-	75 266 351	75 266 351	75 266 351
Loan commitments	219 933 545	-	-	-	219 933 545	-
	5 306 842 488	853 787 977	1 685 851 869	3 184 346 180	11 030 828 514	10 356 475 907
FINANCIAL LIABILITIES BY TYPE:						
Deposits and other accounts	(7 119 911 925)	(44 462 314)	(27 867 461)	(4 318 241)	(7 196 559 941)	(7 107 782 993)
Trade and other payables	(887 514 885)	(263 084 687)	(30 083 724)	-	(1 180 683 296)	(1 180 683 296)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(16 140 639)
Offshore borrowings	-	(66 857 475)	(66 857 475)	(133 714 953)	(267 429 903)	(243 206 638)
Lease liabilities	(1 159 626)	(5 798 129)	(6 957 755)	(55 662 042)	(69 577 553)	(69 577 553)
	(8 008 586 436)	(380 202 605)	(131 766 415)	(213 695 236)	8 734 250 693	(8 617 391 119)
Period gap	(2 701 743 948)	473 585 372	1 554 085 454	2 970 650 944	2 296 577 821	1 739 084 788
Cumulative gap	(2 701 743 948)	(2 228 158 576)	(674 073 123)	2 296 577 821	-	-

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Liquidity ratios				
Total liquid assets	12 122 409 124	9 008 997 854	12 122 409 124	5 604 800 172
Total liabilities to the public	19 669 689 027	11 424 850 086	19 669 689 027	7 107 782 993
Liquidity ratio	61.63%	78.85%	61.63%	78.85%
Average for the year	76%	87%	76%	74%
Maximum for the year	77%	89%	77%	94%
Minimum for the year	60%	71%	60%	60%
Minimum statutory liquidity ratio	30%	30%	30%	30%

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

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
ZB Bank Limited	58%	78%	58%	74%
ZB Building Society	70%	89%	70%	63%

19.2.3 Market risk

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

19.2.3.1 Interest rate risk

Interest rate gap analysis as at 31 December 2021

	Inflation adjusted				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	9 712 078 202	-	-	-	9 712 078 202
Treasury bills	100 000 000	1 436 013 199	678 264 203	196 053 520	2 410 330 922
Advances and other accounts	1 482 157 082	1 245 625 211	1 679 750 587	7 825 384 534	12 232 917 414
Financial assets held at fair value through profit loss	-	-	-	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	-	281 310 324	309 857 035	591 167 359
	11 294 235 284	2 681 638 410	2 639 325 114	12 405 762 573	29 020 961 381
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(19 651 011 778)	-	-	(18 677 249)	(19 669 689 027)
Long term borrowings	-	-	-	(16 947 671)	(16 947 671)
Offshore borrowings	-	(80 784 297)	(80 784 302)	(496 342 644)	(657 911 243)
Short term borrowings	-	-	(403 331 507)	-	(403 331 507)
	(19 651 011 778)	(80 784 297)	(484 115 809)	(531 967 564)	(20 747 879 448)
Period gap	(8 356 776 494)	2 600 854 113	2 155 209 305	11 873 795 009	8 273 081 933
Cumulative gap	(8 356 776 494)	(5 755 922 381)	(3 600 713 076)	8 273 081 933	-

Interest rate gap analysis as at 31 December 2020

	Inflation adjusted				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	8 176 195 747	-	-	-	8 176 195 747
Treasury bills	80 368 591	366 740 788	125 383 066	260 309 662	832 802 107
Advances and other accounts	760 537 232	480 854 082	1 414 288 789	2 403 271 086	5 058 951 189
	9 017 101 570	847 594 870	1 539 671 855	2 663 580 748	14 067 949 043
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(11 315 473 886)	(70 904 505)	(43 274 916)	4 803 221	(11 424 850 086)
Long term borrowings	-	-	-	(25 944 008)	(25 944 008)
Offshore borrowings	-	(97 730 872)	(97 730 872)	(195 461 752)	(390 923 496)
	(11 315 473 886)	(168 635 377)	(141 005 788)	(216 602 539)	(11 841 717 590)
Period gap	(2 298 372 316)	678 959 493	1 398 666 067	2 446 978 209	2 226 231 453
Cumulative gap	(2 298 372 316)	(1 619 412 823)	(220 746 756)	2 226 231 453	-

Interest rate gap analysis as at 31 December 2021

	Unaudited Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
FINANCIAL ASSETS BY TYPE:					
Cash and cash equivalents	9 712 078 202	-	-	-	9 712 078 202
Treasury bills	100 000 000	1 436 013 199	678 264 203	196 053 520	2 410 330 922
Advances and other accounts	1 482 157 082	1 245 625 211	1 679 750 587	7 825 384 534	12 232 917 414
Financial assets held at fair value through profit loss	-	-	-	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	-	281 310 324	309 857 035	591 167 359
	11 294 235 284	2 681 638 410	2 639 325 114	12 405 762 573	29 020 961 381
FINANCIAL LIABILITIES BY TYPE					
Deposits and other accounts	(19 651 011 778)	-	-	(18 677 249)	(19 669 689 027)
Long term borrowings	-	-	-	(16 947 671)	(16 947 671)
Offshore borrowings	-	(80 784 297)	(80 784 302)	(496 342 644)	(657 911 243)
Short term borrowings	-	-	(403 331 507)	-	(403 331 507)
	(19 651 011 778)	(80 784 297)	(484 115 809)	(531 967 564)	(20 747 879 448)
Period gap	(8 356 776 494)	2 600 854 113	2 155 209 305	11 873 795 009	8 273 081 933
Cumulative gap	(8 356 776 494)	(5 755 922 381)	(3 600 713 076)	8 273 081 933	-

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.2.3 Market risk (continued)

Interest rate gap analysis as at 31 December 2020

	Unaudited Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
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 borrowings	-	-	-	(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	-

Sensitivity analysis

A 2% change in the rate for rate sensitive assets would result in the reported profits increasing or decreasing by ZW\$436.9 million (2020: ZW\$178.3 million).

A 2% change in the rate for rate sensitive liabilities would result in the reported profits increasing or decreasing by ZW\$312 million (2020: ZW\$211.8 million).

Foreign exchange risk

Foreign currency position

The carrying amount of the Group's foreign denominated monetary assets and liabilities as at 31 December 2021 were as follows:

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Botswana pula	409 739 058	519 410 089	409 739 058	323 142 463
British pound	2 056 662 034	2 458 044 923	2 056 662 034	1 529 232 311
Malawian kwacha	-	-	-	-
Euro	2 408 860 234	2 543 946 110	2 408 860 234	1 582 674 325
South African rand	9 869 369 305	12 098 149 651	9 869 369 305	7 526 665 268
Zambian kwacha	-	-	-	-
USD	21 625 401 021	27 391 052 396	21 625 401 021	17 040 893 746
Total assets	36 370 031 652	45 010 603 169	36 370 031 652	28 002 608 113
Botswana pula	(390 511 055)	(294 117 897)	(390 511 055)	(182 980 623)
British pound	(2 037 712 851)	(1 340 527 760)	(2 037 712 851)	(833 987 347)
Euro	(1 732 888 753)	(1 449 834 505)	(1 732 888 753)	(901 990 745)
South African rand	(7 938 580 153)	(5 931 497 070)	(7 938 580 153)	(3 690 183 563)
USD	(18 697 030 146)	(12 004 802 823)	(18 697 030 146)	(7 468 591 071)
Total liabilities	(30 796 722 958)	(21 020 780 055)	(30 796 722 958)	(13 077 733 349)
	5 573 308 694	23 989 823 114	5 573 308 694	14 924 874 764

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

Sensitivity analysis

A 50% change in exchange rates would result in the reported profit being reduced or increased by ZW\$2.8 billion (2020: ZW\$3.6 billion) and equity being reduced or increased by ZW\$2.1 billion (2020: ZW\$2.7 million).

A 100% change in exchange rates would result in the reported profit being reduced or increased by ZW\$5.6 billion (2020: ZW\$3.6 billion) and equity being reduced or increased by ZW\$4.2 billion (2020: ZW\$2.7 million).

19.2.4 Credit risk

	Inflation adjusted 2021				Inflation adjusted 2020			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Total loans and advances	12 103 830 038	116 971 953	500 842 998	12 721 644 989	4 497 088 105	831 279 641	9 635 368	5 338 003 114
Guarantees	829 021 429	-	-	829 021 429	1 106 920 859	-	-	1 106 920 859
Loan commitments	728 680 207	-	-	728 680 207	353 514 983	-	-	353 514 983
Letters of credit	-	-	-	-	-	-	-	-
Treasury bills	2 410 330 922	-	-	2 410 330 922	832 802 107	-	-	832 802 107
Insurance debtors								



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19.2.4 Credit risk (continued)

	Unaudited Historical cost 2021				Unaudited Historical cost 2020			
	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	12 103 830 038	116 971 953	500 842 998	12 721 644 989	2 797 789 565	517 166 987	5 994 486	3 320 951 038
Guarantees	829 021 429	-	-	829 021 429	688 652 647	-	-	688 652 647
Loan commitments	728 680 207	-	-	728 680 207	219 933 545	-	-	219 933 545
Letters of credit	-	-	-	-	-	-	-	-
Treasury bills	2 410 330 922	-	-	2 410 330 922	518 114 164	-	-	518 114 164
Insurance debtors	208 440 447	-	12 864 095	221 304 542	79 955 826	-	21 662 067	101 617 893
Other financial assets	211 413 527	-	-	211 413 527	21 944 608	-	-	21 944 608
Total financial assets	16 491 716 570	116 971 953	513 707 093	17 122 395 616	4 326 390 355	517 166 987	27 656 553	4 871 213 895
Total loans and advances								
Performing								
Good (AAA to BBB-)	12 100 272 513	4 944 492	1 318 944	12 106 535 949	2 797 789 565	751 842	145 435	2 798 686 842
Special Mention (BB+ to CCC-)	3 557 525	112 027 461	148 085	115 733 071	-	516 415 145	837	516 415 982
Non performing (CC TO D)	-	-	499 375 969	499 375 969	-	-	5 848 214	5 848 214
Total loans and advances	12 103 830 038	116 971 953	500 842 998	12 721 644 989	2 797 789 565	517 166 987	5 994 486	3 320 951 038
Corporate Lending								
Good (AAA to BBB-)	5 595 194 178	-	-	5 595 194 178	1 643 822 049	-	-	1 643 822 049
Special Mention (BB+ to CCC-)	-	35 831 810	-	35 831 810	-	491 236 304	-	491 236 304
Non performing (CC TO D)	-	-	472 638 134	472 638 134	-	-	3 104 017	3 104 017
Total corporate lending	5 595 194 178	35 831 810	472 638 134	6 103 664 122	1 643 822 049	491 236 304	3 104 017	2 138 162 370
Small business lending								
Good (AAA to BBB-)	390 530 083	3 152	11 071	390 544 306	108 763 132	42	1 043	108 764 217
Special Mention (BB+ to CCC-)	-	35 324 191	-	35 324 191	-	9 751 747	-	9 751 747
Non performing (CC TO D)	-	-	3 879 200	3 879 200	-	-	202 628	202 628
Total small business lending	390 530 083	35 327 343	3 890 271	429 747 697	108 763 132	9 751 789	203 671	118 718 592
Consumer Lending								
Good (AAA to BBB-)	5 800 808 370	4 813 523	1 307 873	5 806 929 766	951 751 652	751 800	144 392	952 647 844
Special Mention (BB+ to CCC-)	3 557 525	40 575 052	148 085	44 280 662	479 066	5 193 729	837	5 673 632
Non performing (CC TO D)	-	-	11 699 341	11 699 341	-	-	2 248 905	2 248 905
Total consumer lending	5 804 365 895	45 388 575	13 155 299	5 862 909 769	952 230 718	5 945 529	2 394 134	960 570 381
Mortgage Lending								
Good (AAA to BBB-)	313 739 882	127 817	-	313 867 699	93 452 732	-	-	93 452 732
Special Mention (BB+ to CCC-)	-	296 408	-	296 408	37 645	10 233 365	-	10 271 010
Non performing (CC TO D)	-	-	11 159 294	11 159 294	-	-	292 664	292 664
Total mortgage lending	313 739 882	424 225	11 159 294	325 323 401	93 490 377	10 233 365	292 664	104 016 406
Guarantees								
Good (AAA to BBB-)	829 021 429	-	-	829 021 429	688 652 647	-	-	688 652 647
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Total guarantees	829 021 429	-	-	829 021 429	688 652 647	-	-	688 652 647
Loan commitments								
Good (AAA to BBB-)	728 680 207	-	-	728 680 207	219 933 545	-	-	219 933 545
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Total loan commitments	728 680 207	-	-	728 680 207	219 933 545	-	-	219 933 545
Letters of credit								
Good (AAA to BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Total loan commitments	-	-	-	-	-	-	-	-
Other financial assets								
Debtentures	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Bonds								
Good (AAA to BBB-)	211 413 527	-	-	211 413 527	21 944 608	-	-	21 944 608
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Total other financial assets	211 413 527	-	-	211 413 527	21 944 608	-	-	21 944 608

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

	Inflation adjusted 2021				Inflation adjusted 2020			
	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	197 262 622	30 890 580	469 014 820	697 168 022	195 319 829	209 197 190	3 053 648	407 570 667
Insurance debtors	-	-	12 864 095	12 864 095	-	-	34 818 996	34 818 996
Total impairment allowances	197 262 622	30 890 580	481 878 915	710 032 117	195 319 829	209 197 190	37 872 644	442 389 663
In respect of guarantees	38 278 038	-	-	38 278 038	1 338 190	-	-	1 338 190
In respect of loan commitments	1 587 940	-	-	1 587 940	1 012 901	-	-	1 012 901
In respect of other financial assets	13 115 193	-	-	13 115 193	2 470 455	-	-	2 470 455
Total impairment allowances	250 243 793	30 890 580	481 878 915	763 013 288	200 141 375	209 197 190	37 872 644	447 211 209
Treasury bills were assessed for impairment at 31 December 2021 and, having been considered to carry low credit risk, no IFRS 9 impairment charge was raised.								
Total loans and advances								
Good (AAA to BBB-)	197 088 559	1 204 713	910 554	199 203 826	195 290 258	293 937	135 460	195 719 655
Special Mention (BB+ to CCC-)	174 063	29 685 867	60 647	29 920 577	29 571	208 903 253	1 345	208 934 169
Non performing (CC TO D)	-	-	468 043 619	468 043 619	-	-	2 916 843	2 916 843
Total loans and advances	197 262 622	30 890 580	469 014 820	697 168 022	195 319 829	209 197 190	3 053 648	407 570 667
Impairment allowance for loans and advances by lending category:								
Corporate Lending								
Good (AAA to BBB-)	321 454 976	-	-	321 454 976	148 415 121	-	-	148 415 121
Special Mention (BB+ to CCC-)	-	5 531 988	-	5 531 988	-	206 557 663	-	206 557 663
Non performing (CC TO D)	-	-	460 158 219	460 158 219	-	-	826 056	826 056
Impairment allowance for corporate lending	321 454 976	5 531 988	460 158 219	787 145 183	148 415 121	206 557 663	826 056	355 798 840
Small business Lending								
Good (AAA to BBB-)	29 528 466	202	9 299	29 267 967	6 564 857	21	918	6 565 796
Special Mention (BB+ to CCC-)	-	14 115 587	-	14 115 587	-	368 257	-	368 257
Non performing (CC TO D)	-	-	989 564	989 564	-	-	170 383	170 383
Impairment allowance for small business lending	29 528 466	14 115 789	998 863	44 373 118	6 564 857	368 278	171 301	7 104 436
Consumer lending								
Good (AAA to BBB-)	155 178 955	1 204 511	901 255	157 284 721	38 149 016	293 916	134 542	38 577 474
Special Mention (BB+ to CCC-)	174 063	9 964 884	60 647	10 199 594	29 571	1 520 720	1 345	1 551 636
Non performing (CC TO D)	-	-	6 161 576	6 161 576	-	-	1 920 404	1 920 404
Impairment allowance for consumer lending	155 353 018	11 169 395	7 123 478	173 645 891	38 178 587	1 814 636	2 056 291	42 049 514
Mortgage Lending								
Good (AAA to BBB-)	7 604 114	-	-	7 604 114	2 161 264	-	-	2 161 264
Special Mention (BB+ to CCC-)	-	73 408	-	73 408	-	456 613	-	456 613
Non performing (CC TO D)	-	-	734 260	734 260	-	-	-	-
Impairment allowance for mortgage lending	7 604 114	73 408	734 260	8 411 782	2 161 264	456 613	-	2 617 877
Impairment allowances on guarantees and loan commitments included in provisions under other liabilities								
Guarantees								
Good (AAA to BBB-)	38 278 038	-	-	38 278 038	1 338 190	-	-	1 338 190
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Impairment allowances for guarantees	38 278 038	-	-	38 278 038	1 338 190	-	-	1 338 190
Loan commitments								
Good (AAA to BBB-)	1 587 940	-	-	1 587 940	1 012 901	-	-	1 012 901
Special Mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Impairment allowances for loan commitments	1 587 940	-	-	1 587 940	1 012 901	-	-	1 012 901
Other financial assets								
Debtentures	-	-	-	-	-	-	-	-
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Bonds								
Good (AAA to BBB-)	13 115 193	-	-	13 115 193	2 470 455	-	-	2 470 455
Non performing (CC TO D)	-	-	-	-	-	-	-	-
Impairment allowances for other financial assets	13 115 193	-	-	13 115 193	2 470 455	-	-	2 470 455

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.2.4 Credit risk (continued)

An analysis of changes



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19.2.4 Credit risk (continued)

An analysis of changes in the ECLs are as follows:

	Unaudited Historical cost 2021				Unaudited Historical cost 2020			
	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	197 262 622	30 890 580	469 014 820	697 168 022	121 515 027	130 148 598	1 899 777	253 563 402
Insurance debtors	-	-	12 864 095	12 864 095	-	-	21 662 068	21 662 068
Total impairment allowances	197 262 622	30 890 580	481 878 915	710 032 117	121 515 027	130 148 598	23 561 844	275 225 470
In respect of guarantees	38 278 038	-	-	38 278 038	832 533	-	-	832 533
In respect of loan commitments	1 587 940	-	-	1 587 940	630 160	-	-	630 160
In respect of other financial assets	13 115 193	-	-	13 115 193	1 536 953	-	-	1 536 953
	250 243 793	30 890 580	481 878 915	763 013 288	124 514 673	130 148 598	23 561 844	278 225 115
Balance at beginning of the year	124 514 673	130 148 598	23 561 844	278 225 115	50 433 455	2 291 516	15 213 493	67 938 464
Initial adoption of IFRS 9	-	-	-	-	-	-	-	-
New assets	500 150 120	39 911 795	69 197 680	609 259 595	156 095 584	94 716 608	9 390 331	260 202 523
Repayments	(101 466 384)	(12 347 831)	(10 342 818)	(124 157 033)	(34 681 118)	(13 416 719)	(1 818 035)	(49 915 872)
Transfers to Stage 1	-	(2 085 391)	275 040 007	272 954 616	-	46 650 780	682 468	47 333 248
Transfers to Stage 2	2 085 391	-	124 736 591	126 821 982	(46 650 780)	-	93 587	(46 557 193)
Transfers to stage 3	(275 040 007)	(124 736 591)	-	(399 776 598)	(682 468)	(93 587)	-	(776 055)
Amounts written off	-	-	(314 389)	(314 389)	-	-	-	-
Effects of changes in functional currency	-	-	-	-	-	-	-	-
Balance at end of year	250 243 793	30 890 580	481 878 915	763 013 288	124 514 673	130 148 598	23 561 844	278 225 115

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS

ECL Movement				
Balance at beginning of year	442 389 663	482 827 065	275 225 469	66 962 832
Increase / (decrease) in respect of impairments are:				
Loans and advances	36 613 986	433 008 353	437 965 834	208 074 088
Write offs against provision	(2 431 581)	303 068	(3 159 186)	188 549
Effects of inflation movement	233 460 049	(473 748 823)	-	-
	710 032 117	442 389 663	710 032 117	275 225 469

Analysis of ECL on loans and advances				
Balance at beginning of year	407 570 667	393 195 949	253 563 402	54 531 977
Increase in ECL for the year	45 411 958	418 170 363	446 763 806	198 842 876
Write offs against provision	(2 431 581)	303 068	(3 159 186)	188 549
Effects of inflation movement	246 616 978	(404 098 713)	-	-
Balance at end of year	697 168 022	407 570 667	697 168 022	253 563 402

Analysis of ECL on insurance debtors				
Balance at beginning of year	34 818 996	89 631 116	21 662 067	12 430 855
Increase ECL for the year	(8 797 972)	14 837 990	(8 797 972)	9 231 212
Effects on inflation movement	(13 156 929)	(65 650 110)	-	-
Balance at end of year	12 864 095	34 818 996	12 864 095	21 662 067

Analysis of ECL on guarantees and letters of credit Guarantees				
Balance at beginning of year	1 338 190	1 008 132	832 533	139 817
Increase ECL for the year	38 167 875	1 113 452	37 445 505	692 716
Effect of inflation movements	(1 228 027)	(783 394)	-	-
Balance at end of year	38 278 038	1 338 190	38 278 038	832 533

Analysis of ECL on loan commitments				
Balance at beginning of year	-	-	630 160	744 517
Impact of IFRS 9 adoption at 1 January 2018	1 012 901	5 368 246	-	-
Increase / (decrease) in ECL for the year	1 556 802	26 635 709	957 780	(114 357)
Effects of inflation movement	(981 763)	(30 991 054)	-	-
Balance at end of year	1 587 940	1 012 901	1 587 940	630 160

Analysis of ECL on other financial assets				
Balance at beginning of year	2 470 455	658 293	1 536 953	91 298
Increase ECL for the year	547 367 482	2 241 128	11 578 240	1 445 655
Effect of Inflation movements	(536 722 744)	(428 966)	-	-
Balance at end of year	13 115 193	2 470 455	13 115 193	1 536 953

19.4 Other business risks

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

19.5 Risk rating

19.5.1 Regulatory risk rating

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

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

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

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

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

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

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

19.5 Risk rating (continued)

Summary of Risk Assessment

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

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

Overall Risk Matrix – ZB Bank Limited

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

Overall Risk Matrix – ZB Building Society

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

Entity	2021	2020	2020
ZB Bank Limited	BBB+	BB	BB
ZB Building Society	B-	B-	B-
ZB Reinsurance Company	BBB	BBB	BBB

The ratings for ZB Bank Limited and ZB Building Society expires in September 2022, whilst the rating for ZB Reinsurance Company expires in May 2022.

20. COMPLIANCE WITH REGULATIONS

20.1 Regulatory capital requirements

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZWS equivalent of USD30 million and USD20 million respectively, using the spot rate as at 31 December 2021. ZB Bank Limited met this requirement as at 31 December 2021, whilst ZB Building Society was not in compliance with this minimum regulatory capital requirement as at 31 December 2021.

20.2 Corrective orders and regulatory penalties

The Company was issued with a corrective order on 7 March, 2017 following a targeted corporate governance inspection by the Reserve Bank of Zimbabwe (RBZ) in terms of Section 48(4) of the Banking Act (Chapter 24:20).

A compliance review was carried out in March, 2018 and noted progress made as well as residual matters that still require further action by the company.

The company has made significant progress in addressing outstanding matters and has kept the RBZ abreast with progress being made.

20.3 Insurance operations

In terms of paragraph 3 of Statutory Instrument 206 of 2020, Amendment Regulations of 2020 (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 did not comply with these ratios throughout 2020, closing the year with ratios at 0.93% (2020: 0.7%) for the Life Company. ZB Reinsurance Company complied with this requirement as at 31 December 2021 with a ratio of 11% (2020: 5%). 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 ZB Life Assurance Limited for the non-compliance.

20.4 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

As at 31 December 2021, ZB Building Society was not in compliance with the new Reserve Bank of Zimbabwe's minimum capital requirements. The target was to finalise the consolidation of the banking and building society operations, by merging ZB Building Society and Intermarket Banking Corporation (property owning company) into ZB Bank Limited by 31 December 2021, but the transaction has taken longer than anticipated, and is now scheduled to be completed in 2022. The Group is confident that the non-compliance by the Society will be remedied by consolidating ZB Building Society and Intermarket Banking Corporation Limited net assets and operations into the Bank before 31 December 2022.



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Audited Financial Results for the year ended 31 December 2021

NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Continued)

22. GOING CONCERN

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

The Monetary Policy Committee of the Reserve Bank of Zimbabwe, revised minimum capital requirements for banking institutions which became effective 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 restructuring of the Group's banking operations 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 Group will ensure that it continues to support the ZB Building Society operations to meet the minimum capital requirements.

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 reflect 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. For 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 2021 where the overall claims ratio came down to 30% compared to 32% in 2020. 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 2021. 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 2021 have been prepared on a going-concern basis.

23. BOARD ATTENDANCE DURING THE YEAR

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
TOTAL MEETINGS	7	5	5	4	5
P CHIROMO	7	X	X	X	X
J MUTEVEDZI	7	X	X	X	X
T SIBANDA	6	X	X	X	X
A MAKAMURE	6	X	X	X	X
K MAUKAZUVA	7	X	X	X	X
*****S FUNGURA	2	1	X	1	X
*****L ZEMBE	1	X	X	X	X
*****P M V WOOD	1	X	X	X	X
*****S DIMAIRHO	1	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	4	X	X	X
E MASINIRE	X	5	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 CHIRIMUUTA	X	X	X	4	X
B SHUMBA	X	X	X	4	X
P MURAMBINDA (MRS)	X	X	X	4	X
A NYAKONDA	X	X	X	4	X
M SHONIWA	X	X	X	4	X
C MASIMBE	X	X	X	4	X
E T Z CHIDZONGA	X	X	X	X	4
L MAWIRE (MRS)	X	X	X	X	4
C MAKONI	X	X	X	X	4
A MANGORO	X	X	X	X	4
R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	4
T SANDURA	X	X	X	X	3
*R MUTANDAGAYI	1	X	1	1	1
**O AKERELE	4	X	X	X	X
***T S BVURERE	4	X	X	X	X
****F KAPANJE	6	X	X	X	X
*****A Z MANGWIRO	5	X	X	X	X
*****B P NYONI	5	X	X	X	X

*R Mutandagayi resigned from the ZBFH, ZBBL ZBBS, ZBRE and ZBLA Boards on the 31st of May 2021.

**O Akerele resigned from ZBFH Board on the 3rd of May 2021

***T S Bvurere resigned from ZBFH Board on the 3rd of May 2021

****F Kapanje resigned from ZBFH Board on the 30th of November 2021

*****A Z Mangwiro resigned from ZBFH Board on the 28th of July 2021

*****P B Nyoni resigned from ZBFH Board on the 16th of July 2021

*****L Zembe was appointed to the ZBFH Board with effect from 29 September 2021

*****S Dimairho was appointed to the ZBFH Board with effect from 29 September 2021

***** P M V Wood was appointed to the ZBFH Board with effect from 23 September 2021

*****S Fungura was appointed to the ZBFH Board with effect from 1 August 2021

KEY

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





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Audited Financial Results for the year ended 31 December 2021



AUDITED FINANCIAL RESULTS for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION As at 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
ASSETS				
Cash and cash equivalents	8 802 910 388	7 433 858 407	8 802 910 388	4 624 853 014
Treasury bills	2 410 330 922	832 802 108	2 410 330 922	518 114 164
Advances and other accounts	11 642 364 564	4 810 006 562	11 642 364 564	2 992 466 648
Inventories	54 356 011	51 341 598	51 396 033	29 710 244
Trade and other receivables	1 886 915 227	830 277 136	1 886 915 227	516 543 296
Financial assets at fair value through profit or loss	2 102 742 957	651 919 814	2 102 742 957	405 581 214
Financial assets held at amortised cost	281 310 324	109 476 401	281 310 324	68 108 946
Investment in subsidiary company	3 603 627 519	2 536 708 281	3 602 074 649	1 560 019 251
Right of use assets	473 472 341	311 915 750	370 494 540	194 053 264
Intangible assets	170 954 265	309 069 829	18 697 076	27 441 348
Property and equipment	5 599 698 779	2 108 812 482	5 596 203 093	1 311 963 081
Total assets	37 028 683 297	19 986 188 368	36 765 439 773	12 248 854 470
LIABILITIES				
Deposits from customers	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Offshore borrowings	657 911 243	390 923 496	657 911 243	243 206 638
Trade and other payables	3 548 755 685	1 395 649 691	3 548 755 685	868 280 553
Lease liabilities	390 298 251	333 893 214	390 298 251	207 726 184
Current tax liabilities	42 128 498	72 611 323	42 128 498	45 173 943
Deferred tax liabilities	1 113 970 297	331 081 291	1 096 543 548	137 274 209
Total liabilities	25 524 084 960	13 681 243 960	25 506 658 211	8 442 858 832
EQUITY AND RESERVES				
Share capital	120 775 808	120 775 808	1 810 402	1 810 402
Share premium	2 198 701 558	2 198 701 558	32 958 032	32 958 032
Functional currency translation Reserve	-	-	45 437 973	45 437 973
Property revaluation reserves	5 453 561 199	1 441 640 633	4 551 678 847	919 239 238
Investment reserves	(1 751 715)	(2 882 389)	(1 751 715)	(1 793 231)
Retained income	3 733 311 487	2 546 708 798	6 628 648 023	2 808 343 224
Total equity	11 504 598 337	6 304 944 408	11 258 781 562	3 805 995 638
Total equity and liabilities	37 028 683 297	19 986 188 368	36 765 439 773	12 248 854 470

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Interest received	3 616 046 350	1 263 975 280	2 942 292 044	536 440 838
Interest paid	(602 282 354)	(236 164 301)	(489 495 270)	(113 088 832)
Net interest and related received	3 013 763 996	1 027 810 979	2 452 796 774	423 352 006
Loan impairment charges, net of recoveries	(599 255 504)	(435 587 166)	(474 789 188)	(194 546 480)
Net income from lending activities	2 414 508 492	592 223 813	1 978 007 586	228 805 526
Commission and fee income	3 139 114 059	1 701 945 193	2 514 743 868	735 540 602
Other income	1 102 954 793	1 993 190 337	1 023 081 741	1 179 632 920
Fair value adjustments	2 882 897 019	419 742 847	3 976 150 490	1 527 992 806
Total income	9 539 474 363	4 707 102 190	9 491 983 685	3 671 971 854
Operating expenses	(7 092 093 755)	(3 671 291 267)	(4 352 066 849)	(1 243 703 230)
Operating profit before taxation	2 447 380 608	1 035 810 923	5 139 916 836	2 428 268 624
Income tax expense	(111 705 662)	(49 694 934)	(795 832 014)	(8 947 440)
Net monetary (loss) / gain	(470 160 664)	31 998 226	-	-
Profit for the year	1 865 514 282	1 018 114 215	4 344 084 822	2 419 321 184
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gain on revaluation-property, plant and equipment	5 338 026 026	988 767 570	4 448 325 753	973 453 259
Items that may be reclassified to profit or loss				
Fair value gains on FVTOCI financial assets	55 149	2 549 040	55 149	1 585 843
Related tax	(1 319 573 667)	(247 155 755)	(811 827 648)	(187 045 874)
Other comprehensive income net of tax	4 018 507 508	744 160 855	3 636 553 254	787 993 228
Total comprehensive income for the year	5 884 021 790	1 762 275 070	7 980 638 076	3 207 314 412
Earnings per share (ZW cents)	10.30	5.62	24.00	13.36

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

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Inflation adjusted					
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVOCI reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2020	120 775 808	2 198 701 558	713 568 841	143 119 113	1 612 051 638	4 788 216 958
Changes in equity for 2020						
Profit or loss						
Profit for the year	-	-	-	-	1 018 114 215	1 018 114 215
Other comprehensive income, net of tax						
Revaluation of property	-	-	742 241 939	-	742 241 939	742 241 939
Fair value gain on financial assets at FVTOCI	-	-	-	1 918 916	1 918 916	1 918 916
Distributions						
Dividend to shareholders	-	-	-	-	(97 627 202)	(97 627 202)
Other movements						
Transfer to retained income	-	-	(14 170 147)	-	14 170 147	-
Effects of inflation adjustment	-	-	-	(147 920 418)	-	(147 920 418)
Balance at 1 January 2021	120 775 808	2 198 701 558	1 441 640 633	(2 882 389)	2 546 708 798	6 304 944 408
Changes in equity for 2021						
Profit or loss						
Profit for the year	-	-	-	-	1 865 514 282	1 865 514 282
Other comprehensive income, net of tax						
Revaluation of property	-	-	4 018 465 992	-	4 018 465 992	4 018 465 992
Fair value gains on financial assets at FVTOCI	-	-	-	41 516	41 516	41 516
Distributions						
Dividend to shareholders	-	-	-	-	(685 457 019)	(685 457 019)
Other movements						
Transfer to retained income	-	-	(6 545 426)	-	6 545 426	-
Effect of inflation adjustment	-	-	-	1 089 158	-	1 089 158
Balance as at 31 December 2021	120 775 808	2 198 701 558	5 453 561 199	(1 751 715)	3 733 311 487	11 504 598 337

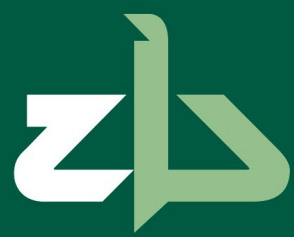
STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Unaudited Historical cost*						
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2020	1 810 402	32 958 032	49 556 719	134 405 076	(2 987 053)	422 529 684	638 272 860
Changes in equity for 2020							
Profit or loss							
Profit for the year	-	-	-	-	-	2 419 321 184	2 419 321 184
Other comprehensive income, net of tax							
Revaluation of property	-	-	-	786 799 406	-	786 799 406	786 799 406
Available for sale financial assets	-	-	-	-	1 193 822	1 193 822	1 193 822
Distributions							
Dividend to shareholders	-	-	-	-	-	(35 472 888)	(35 472 888)
Other movements							
Transfer to retained income	-	-	-	(1 965 244)	-	1 965 244	-
Base currency change reversal on intangible assets	-	-	(4 118 746)	-	-	-	(4 118 746)
Balance at 1 January 2021	1 810 402	32 958 032	45 437 973	919 239 238	(1 793 231)	2 808 343 224	3 805 995 638
Changes in equity for 2021							
Profit or loss							
Profit for the year	-	-	-	-	-	4 344 084 822	4 344 084 822
Other comprehensive income, net of tax							
Revaluation of property	-	-	-	3 636 511 738	-	3 636 511 738	3 636 511 738
Fair value gains on financial assets at FVTOCI	-	-	-	-	41 516	41 516	41 516
Distributions							
Dividend to shareholders	-	-	-	-	-	(527 852 152)	(527 852 152)
Other movements							
Transfer to retained income	-	-	-	(4 072 129)	-	4 072 129	-
Balance as at 31 December 2021	1 810 402	32 958 032	45 437 973	4 551 678 847	(1 751 715)	6 628 648 023	11 258 781 562

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

STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Cash (used in) / generated from operating activities				
Interest received	(919 355 373)	(961 861 791)	2 156 648 495	2 699 052 779
Interest paid	3 616 046 350	1 263 975 280	2 942 292 044	536 440 838
Interest paid lease liability	(602 282 354)	(236 164 301)	(489 495 270)	(113 088 832)
Interest paid offshore borrowings	(72 205 648)	(111 917 879)	(48 284 297)	(44 432 365)
Income taxes paid	(32 103 150)	(37 295 677)	(25 305 278)	(23 202 893)
	(678 873 148)	(69 602 074)	(651 435 768)	(30 775 092)
Net cash generated from operating activities	1 311 226 677	(152 866 442)	3 884 419 926	3 023 994 435
Investing activities				
Dividends received	241 513 374	74 768 682	204 763 159	24 858 225
Proceeds on disposal of financial assets at FVTP	399 027 271	-	299 606 419	-
Proceeds on disposal of property and equipment	4 588 973	417 629	4 588 973	259 821
Purchase of financial assets at fair value through profit or loss	(26 890 407)	-	(26 890 407)	-
Purchase of financial assets at amortised cost	(481 612 217)	-	(358 028 370)	-
Purchase of property and equipment	(143 739 603)	(388 254 148)	(122 154 414)	(205 986 986)
Purchase of intangible assets	(7 127 304)	(22 449 562)	(7 127 304)	(3 605 927)
Net cash used in investing activities	(14 239 913)	(335 517 399)	(5 241 944)	(184 474 867)
Cash flows from financing activities				
Offshore loan received	496 342 643	-	496 342 643	-
Lease liability payments	(182 457 190)	(139 297 940)	(143 821 705)	(55 302 486)
Dividend paid	(685 457 019)	(97 627 202)	(527 852 152)	(35 472 888)
Offshore repayments	(166 676 920)	(211 416 721)	(136 103 097)	(92 033 778)
Net cash used in financing activities	(538 248 486)	(448 341 863)	(311 434 311)	(182 809 152)
Net increase/(decrease) in cash and cash equivalents	758 738 278	(936 72		



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. TREASURY BILLS (continued)

- The Bank invested in treasury bills issued by the RBZ over a period ranging from 3 days to 12 months which were at rates ranging from 5% to 21% (December 2020: 5% to 22%).
- The Bank purchased treasury bills from the secondary market. These treasury bills have coupon rate of 15% (December 2020: 5% to 15%) with a maturity period of 730 days.
- The Bank received treasury bills as substitution for debt instruments from the Zimbabwe Asset Management Company (ZAMCO). The treasury bills have a coupon rate of 5% (December 2020: 5%) and maturity periods ranging from 3.5 months to 10 years (December 2020: 2 to 13 years).
- Capitalisation Treasury Bills (CTBs) with a face value of \$20 000 000 were acquired on 26/05/2015 from the Government of Zimbabwe by the holding company, ZB Financial Holdings Limited (ZBFH). The CTBs were then used to recapitalise ZB Bank Limited, a 100% owned subsidiary of ZBFH. The CTBs mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to \$1 714 million and US\$4.114 million (2020: \$292.6 million) were used as security for the Bank to access fixed deposits.

2.2 Determination of fair value of treasury bills

The fair value of treasury bills was determined using level 3 inputs due to lack of active market for treasury bills which are classified as "FVOCI". The Group used the discounted cash flow valuation technique by applying a risk discounted rate for comparable risk profiles on the contractual cash flows in order to determine the present value of the treasury bills.

The CTBs are carried at amortised cost, which cost having been established at fair value at initial recognition using a Discounted Cash Flow valuation technique in which an assessed discount rate of 5% was applied as a proxy for trade on similar instruments.

The fair value of treasury bills classified as FVTPL was determined by discounting the future cash flows at the prevailing Reserve Bank coupon rates which are floated at the time of bidding in order to determine the present value of the treasury bills.

2.3 Impairment assessment

The treasury bills carried at amortized cost are assessed for impairment annually using the requirements of IFRS9. No impairment adjustment arose from the assessment.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
3. ADVANCES AND OTHER ACCOUNTS				
3.1. Loans, overdrafts and other accounts at amortised cost	10 255 650 666	4 620 138 151	10 255 650 666	2 874 343 132
Mortgage loans	305 756 575	152 889 523	305 756 575	95 117 708
Finance leases	1 351 694 879	436 870 640	1 351 694 879	271 791 899
Bills discounted	405 592 200	1 846 983	405 592 200	1 149 070
Gross advances	12 318 694 320	5 211 745 297	12 318 694 320	3 242 401 809
Off balance sheet exposures				
In respect of guarantees	829 021 429	1 106 920 859	829 021 429	688 652 647
In respect of loan commitments	775 283 414	447 870 869	775 283 414	278 635 511
Gross credit exposure	13 922 999 163	6 766 537 025	13 922 999 163	4 209 689 967
Gross advances	12 318 694 320	5 211 745 297	12 318 694 320	3 242 401 809
Less: Allowance for loan impairment	(676 329 756)	(401 738 735)	(676 329 756)	(249 935 161)
Net advances	11 642 364 564	4 810 006 562	11 642 364 564	2 992 466 648
3.2 Maturity analysis				
- On demand	938 830 782	551 342 733	938 830 782	343 008 834
- Within 1 month	516 740 724	207 776 562	516 740 724	129 264 778
- Between 1 and 6 months	1 233 028 338	478 947 557	1 233 028 338	297 969 363
- Between 6 and 12 months	1 657 605 261	1 278 941 108	1 657 605 261	1 762 960 380
- After 12 months	9 576 794 058	4 249 529 065	9 576 794 058	1 676 486 612
	13 922 999 163	6 766 537 025	13 922 999 163	4 209 689 967
3.3 Loans and advances by business line:				
Corporate lending	7 687 994 923	4 991 613 670	7 687 994 923	3 105 450 529
Small business lending	427 293 263	202 875 641	427 293 263	126 215 751
Consumer lending	5 501 954 402	1 419 158 191	5 501 954 402	882 905 979
Mortgage lending	305 756 575	152 889 523	305 756 575	95 117 708
	13 922 999 163	6 766 537 025	13 922 999 163	4 209 689 967
3.4 Mortgage loans				
Mortgage advances were spread as follows:				
Type of property:				
High density	5 661 540	1 058 137	5 661 540	658 303
Medium density	6 377 606	3 976 381	6 377 606	2 473 840
Low density	288 164 302	138 571 841	288 164 302	86 210 197
Commercial	5 553 127	9 283 164	5 553 127	5 775 368
	305 756 575	152 889 523	305 756 575	95 117 708
3.5 Finance lease receivables				
Gross investment in finance leases:				
Maturing within 1 year	1 525 532 013	361 008 703	1 525 532 013	224 595 640
Maturing after 1 year	2 051 456 570	737 281 377	2 051 456 570	458 687 510
Gross investment in finance leases	3 576 988 583	1 098 290 080	3 576 988 583	683 283 150
Unearned finance charges	(2 225 293 704)	(661 419 440)	(2 225 293 704)	(411 491 251)
Net investment in finance leases	1 351 694 879	436 870 640	1 351 694 879	271 791 899
Maturing within 1 year	620 977 737	158 050 457	620 977 737	98 328 499
Maturing after 1 year	730 717 142	278 820 183	730 717 142	173 463 400
	1 351 694 879	436 870 640	1 351 694 879	271 791 899

	Inflation adjusted				Unaudited Historical cost			
	31 Dec 2021 ZW\$	Contribution %	31 Dec 2020 ZW\$	Contribution %	31 Dec 2021 ZW\$	Contribution %	31 Dec 2020 ZW\$	Contribution %
3.6 Sectoral analysis of advances								
Private	5 897 015 531	47.87%	1 608 192 235	30.86%	5 897 015 531	47.87%	1 000 510 407	30.87%
Agriculture	1 183 597 092	9.61%	997 598 724	19.14%	1 183 597 092	9.61%	620 639 675	19.15%
Mining	478 732 788	3.89%	535 297 994	10.27%	478 732 788	3.89%	333 026 862	10.27%
Manufacturing	224 565 542	1.82%	164 786 925	3.16%	224 565 542	1.82%	102 519 481	3.16%
Distribution	714 259 277	5.80%	446 724 013	8.57%	714 259 277	5.79%	277 922 014	8.57%
Construction	24 369 932	0.20%	13 808 072	0.26%	24 369 932	0.20%	8 590 466	0.27%
Transport	452 059 959	3.67%	422 637 849	8.11%	452 059 959	3.67%	262 937 202	8.11%
Services	2 830 226 328	22.98%	859 510 952	16.49%	2 830 226 328	22.95%	534 730 634	16.50%
Financial	463 659 107	3.76%	158 753 640	3.05%	463 659 107	3.86%	98 765 970	3.05%
Communication	50 208 764	0.40%	4 434 893	0.09%	50 208 764	0.41%	2 759 098	0.09%
	12 318 694 320	100%	5 211 745 297	100%	12 318 694 320	100%	3 242 401 809	100%
3.7 Sectoral analysis of guarantees								
Manufacturing	786 383 990	94.86%	1 096 972 114	99.10%	786 383 990	94.86%	682 463 199	99.10%
Distribution	33 192 086	4.00%	-	-	33 192 086	4%	-	-
Construction	940 000	0.11%	1 969 030	0.18%	940 000	0.11%	1 225 000	0.18%
Services	8 505 353	1.03%	7 312 655	0.66%	8 505 353	1.03%	4 549 448	0.66%
Financial	-	-	667 060	0.06%	-	-	415 000	0.06%
	829 021 429	100%	1 106 920 859	100%	829 021 429	100%	688 652 647	100%
3.8 Sectoral analysis of loan commitments								
Private	19 272 491	2.49%	-	-	19 272 491	2.49%	-	-
Agriculture	5 792 421	0.75%	204 678 866	45.70%	5 792 421	0.75%	127 337 597	45.70%
Mining	-	-	1 127 169	0.25%	-	-	701 250	0.25%
Manufacturing	35 264 570	4.55%	28 391 697	6.34%	35 264 570	4.55%	17 663 428	6.34%
Distribution	146 610 070	18.91%	92 817 631	20.72%	146 610 070	18.91%	57 744 966	20.73%
Construction	115 680 117	14.92%	4 576 633	1.02%	115 680 117	14.92%	2 847 277	1.02%
Transport	23 202 194	2.99%	21 232 788	4.74%	23 202 194	2.99%	13 209 630	4.74%
Communication	-	-	690 199	0.15%	-	-	429 396	0.16%
Services	406 016 678	52.37%	93 446 521	20.86%	406 016 678	52.37%	58 136 220	20.86%
Financial Services	23 444 873	3.02%	909 365	0.20%	23 444 873	3.02%	565 747	0.20%
	775 283 414	100%	447 870 869	100%	775 283 414	100%	278 635 511	100%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
3.9 Non-performing debt				
Non-performing loans and advances	496 738 717	7 611 464	496 738 717	4 735 348
Less: Allowance for loan impairment	(467 406 369)	(2 388 008)	(467 406 369)	(1 485 660)
Value to be received from security held	29 332 348	5 223 456	29 332 348	3 249 688

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 security held in respect of the non-performing book amounted to ZW\$16 635 882 as at 31 December 2021(2020: ZW\$18 389 830).

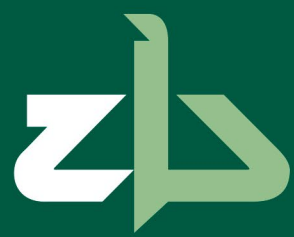
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
3.10 Loan impairment movement				
Balance at beginning of the year (Write offs) / recoveries charged to provision	401 738 735	378 623 762	249 935 161	52 510 974
Charge to statement of profit or loss (note 18)	(314 388)	303 069	(314 388)	188 550
Effects of inflation adjustment	547 367 482	415 586 933	426 708 983	197 235 637
Balance at end of the year	676 329 756	401 738 735	676 329 756	249 935 161

3.11 Internal rating grade:

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

3.11.1 Total loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION				ECL STAGE CLASSIFICATION			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2021 TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	2020 TOTAL ZW\$
Total loans and advances								
Good (AAA - A)	11 709 992 065	-	-	11 709 992 065	4 374 160 685	-	-	4 374 160 685
Special mention (BBB+ - CCC-)	-	111 963 538	-	111 963 538	-	829 973 148	-	829 973 148
Non performing (CC - D)	-	-	496 738 717	496 738 717	-	-	7 611 464	7 611 464
Total	11 709 992 065	111 963 538	496 738 717	12 318 694 320	4 374 160 685	829 973 148	7 611 464	5 211 745 297
Corporate lending								
Good (AAA - A)	5 575 220 136	-	-	5 575 220 136	2 642 233 241	-	-	2 642 233 241
Special mention (BBB+ - CCC-)	-	35 831 810	-	35 831 810	-	789 599 392	-	789 599 392
Non performing (CC - D)	-	-	472 638 134	472 638 134	-	-	4 989 309	4 989 309
Total	5 575 220 136	35 831 810	472 638 134	6 083 690 080	2 642 233 241	789 599 392	4 989 309	3 436 821 942
Small business lending								
Good (AAA - A)	388 681 246	-	-	388 681 246	186 875 260	-	-	186 875 260
Special mention (BBB+ - CCC-)	-	35 292 107	-	35 292 107	-	15 674 683	-	15 674 683
Non performing (CC - D)	-	-	3 319 910	3 319 910	-	-	325 698	325 698
Total	388 681 246	35 292 107	3 319 910	427 293 263	186 875 260	15 674 683	325 698	202 875 641
Consumer lending								
Good (AAA - A)	5 451 778 949</							



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3.12 Impairment allowance for loans and advances

3.12.1 Total loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
Total loans and advances								
Good (AAA to A-)	495 664 275	-	-	495 664 275	190 468 299	-	-	190 468 299
Special Mention (BBB+ to B-)	-	29 667 063	-	29 667 063	-	208 882 428	-	208 882 428
Non performing (CC TO D)	-	-	467 406 369	467 406 369	-	-	2 388 008	2 388 008
TOTAL	495 664 275	29 667 063	467 406 369	992 737 707	190 468 299	208 882 428	2 388 008	401 738 734
Corporate Lending								
Good (AAA to A-)	324 802 711	-	-	324 802 711	148 415 124	-	-	148 415 124
Special Mention (BBB+ to B-)	-	5 531 988	-	5 531 988	-	206 557 664	-	206 557 664
Non performing (CC TO D)	-	-	460 158 219	460 158 219	-	-	826 055	826 055
TOTAL	324 802 711	5 531 988	460 158 219	790 492 918	148 415 124	206 557 664	826 055	355 798 843
Small business Lending								
Good (AAA to A-)	22 303 195	-	-	22 303 195	6 552 458	-	-	6 552 458
Special Mention (BBB+ to B-)	-	14 104 559	-	14 104 559	-	368 257	-	368 257
Non performing (CC TO D)	-	-	848 571	848 571	-	-	170 383	170 383
TOTAL	22 303 195	14 104 559	848 571	37 256 325	6 552 458	368 257	170 383	7 091 098
Consumer Lending								
Good (AAA to A-)	141 003 706	-	-	141 003 706	33 502 520	-	-	33 502 520
Special Mention (BBB+ to B-)	-	9 957 108	-	9 957 108	-	1 499 895	-	1 499 895
Non performing (CC TO D)	-	-	5 665 319	5 665 319	-	-	1 391 570	1 391 570
TOTAL	141 003 706	9 957 108	5 665 319	156 626 133	33 502 520	1 499 895	1 391 570	36 393 985
Mortgage Lending								
Good (AAA to A-)	7 554 663	-	-	7 554 663	1 998 197	-	-	1 998 197
Special Mention (BBB+ to CCC-)	-	73 408	-	73 408	-	456 612	-	456 612
Non performing (CC TO D)	-	-	734 260	734 260	-	-	-	-
TOTAL	7 554 663	73 408	734 260	8 362 331	1 998 197	456 612	-	2 454 809

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
Total loans and advances								
Good (AAA to A-)	179 256 324	-	-	179 256 324	118 496 727	-	-	118 496 727
Special Mention (BBB+ to CCC-)	-	29 667 063	-	29 667 063	-	129 952 774	-	129 952 774
Non performing (CC TO D)	-	-	467 406 369	467 406 369	-	-	1 485 660	1 485 660
TOTAL	179 256 324	29 667 063	467 406 369	676 329 756	118 496 727	129 952 774	1 485 660	249 935 161
Corporate Lending								
Good (AAA to A-)	8 394 760	-	-	8 394 760	92 334 034	-	-	92 334 034
Special Mention (BBB+ to CCC-)	-	5 531 988	-	5 531 988	-	128 506 460	-	128 506 460
Non performing (CC TO D)	-	-	460 158 219	460 158 219	-	-	513 917	513 917
TOTAL	8 394 760	5 531 988	460 158 219	474 084 967	92 334 034	128 506 460	513 917	221 354 411
Small business Lending								
Good (AAA to A-)	22 303 195	-	-	22 303 195	4 076 504	-	-	4 076 504
Special Mention (BBB+ to CCC-)	-	14 104 559	-	14 104 559	-	229 105	-	229 105
Non performing (CC TO D)	-	-	848 571	848 571	-	-	106 001	106 001
TOTAL	22 303 195	14 104 559	848 571	37 256 325	4 076 504	229 105	106 001	4 411 610
Consumer Lending								
Good (AAA to A-)	141 003 706	-	-	141 003 706	20 843 043	-	-	20 843 043
Special Mention (BBB+ to CCC-)	-	9 957 108	-	9 957 108	-	933 135	-	933 135
Non performing (CC TO D)	-	-	5 665 319	5 665 319	-	-	865 742	865 742
TOTAL	141 003 706	9 957 108	5 665 319	156 626 133	20 843 043	933 135	865 742	22 641 920
Mortgage Lending								
Good (AAA to A-)	7 554 663	-	-	7 554 663	1 243 146	-	-	1 243 146
Special Mention (BBB+ to CCC-)	-	73 408	-	73 408	-	284 074	-	284 074
Non performing (CC TO D)	-	-	734 260	734 260	-	-	-	-
TOTAL	7 554 663	73 408	734 260	8 362 331	1 243 146	284 074	-	1 527 220

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
3.12.2 Financial guarantees and loan commitments								
Guarantees								
Good (AAA to A-)	38 278 038	-	-	38 278 038	1 338 189	-	-	1 338 189
TOTAL	38 278 038	-	-	38 278 038	1 338 189	-	-	1 338 189
Loan commitments								
Good (AAA to A-)	1 587 939	-	-	1 587 939	1 012 899	-	-	1 012 899
TOTAL	1 587 939	-	-	1 587 939	1 012 899	-	-	1 012 899

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
Guarantees								
Good (AAA to A-)	38 278 038	-	-	38 278 038	832 532	-	-	832 532
TOTAL	38 278 038	-	-	38 278 038	832 532	-	-	832 532
Loan commitments								
Good (AAA to A-)	1 587 939	-	-	1 587 939	630 159	-	-	630 159
TOTAL	1 587 939	-	-	1 587 939	630 159	-	-	630 159

	Inflation adjusted							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
3.12.3 Other financial assets								
Bonds								
Good (AAA+ - A-)	13 115 194	-	-	13 115 194	2 470 456	-	-	2 470 456
TOTAL	13 115 194	-	-	13 115 194	2 470 456	-	-	2 470 456

	Unaudited Historical cost							
	ECL STAGE CLASSIFICATION							
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2021 TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	2020 TOTAL ZWS
Other financial assets								
Bonds								
Good (AAA+ - A-)	13 115 194	-	-	13 115 194	1 536 953	-	-	1 536 953
TOTAL	13 115 194	-	-	13 115 194	1 536 953	-	-	1 536 953

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
4. INVENTORIES				
Point of sale machines	7 689	2 216 920	7 270	1 282 882
Stationery	48 652 127	46 370 642	46 002 757	26 833 663
Fuel	3 515 724	1 120 147	3 324 274	648 204
PPE materials	2 095 977	1 482 800	1 981 840	858 063
ATM spares	78 118	138 924	73 864	80 392
Computer consumables	6 376	12 165	6 028	7 040
	54 356 011	51 341 598	51 396 033	29 710 244
Current	54 356 011	51 341 598	51 396 033	29 710 244
5. TRADE AND OTHER RECEIVABLES				
Remittances in transit	603	12 221	603	7 603
Advance payments and sundry assets	1 810 944 316	781 347 932	1 810 944 316	486 102 794
Amounts clearing from other Banks	75 970 308	48 916 983	75 970 308	30 432 899
	1 886 915 227	830 277 136	1 886 915 227	516 543 296
6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
6.1 Carrying amounts				
Unlisted equities	1 989 330 930	384 742 927	1 989 330 930	239 361 498
Listed equity investments	113 412 027	267 176 887	113 412 027	166 219 716
	2 102 742 957	651 919 814	2 102 742 957	405 581 214

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
6.2 Movement of financial assets at fair value through profit or loss				
Balance at beginning of the year	651 919 814	203 271 851	405 581 214	28 191 582
Movement during the year				
- On listed equity investments	(399 027 272)	-	(299 606 419)	-
- On unlisted equity investments	26 890 407	-	26 890 407	-
	279 782 949	203 271 851	132 865 202	28 191 582
Fair value adjustments				
- On listed equity investments	245 262 412	108 173 601	218 930 703	84 174 537
- On unlisted equity investments	1 577 697 596	340 474 362	1 723 034 352	233 058 474
	2 102 742 957	651 919 814	2 074 830 257	345 424 593
Exchange gains				
- On listed equity investments	-	-	27 868 027	59 993 163
- On unlisted equity investments	-	-	44 673	163 458
Balance at end of year	2 102 742 957	651 919 814	2 102 742 957	405 581 214
7. FINANCIAL ASSETS HELD AT AMORTISED COST				
7.1 Carrying amounts				
Bank balances	-	74 203 257	-	46 164 338
Bonds	211 413 527	35 273 144	211 413 527	21 944 608
Cash balances	69 896 797	-	69 896 797	-
	281 310 324	109 476 401	281 310 324	68 108 946
Maturing within 1 year	281 310 324	74 203 257	281 310 3	



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Unaudited Historical cost		
	Computer software ZWS	Capital work in progress ZWS	Total ZWS
10. INTANGIBLE ASSETS (Continued)			
2021			
Cost or valuation			
Balance at 1 January 2021	23 077 903	24 971 484	48 049 387
Additions	-	7 127 304	7 127 304
Other movements	-	(1 385 883)	(1 385 883)
Transfer to PPE	-	(13 510 060)	(13 510 060)
Balance at 31 December 2021	23 077 903	17 202 845	40 280 748
Accumulated amortisation			
Balance at 1 January 2021	20 608 039	-	20 608 039
Charge to income statement (Note 22)	975 633	-	975 633
Balance at 31 December 2021	21 583 672	-	21 583 672
Carrying value at 31 December 2021	1 494 231	17 202 845	18 697 076
2020			
Cost			
Balance at 1 January 2020	22 954 866	42 241 174	65 196 040
Additions	123 037	3 482 890	3 605 927
Reversal of cancelled projects	-	(16 054 420)	(16 054 420)
Reversal of effects of currency charges	-	(4 698 160)	(4 698 160)
Balance at 31 December 2020	23 077 903	24 971 484	48 049 387
Accumulated amortisation			
Balance at 1 January 2020	18 404 565	-	18 404 565
Charge to income statement (Note 22)	2 203 474	-	2 203 474
Balance at 31 December 2020	20 608 039	-	20 608 039
Carrying value at 31 December 2020	2 469 864	24 971 484	27 441 348

	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

11. PROPERTY, PLANT AND EQUIPMENT							
2021							
Cost or valuation							
Balance at 1 January 2021	134 959 077	693 774 431	719 864 515	1 835 223 109	635 441 174	144 546 881	4 163 809 187
Additions	-	8 758 977	32 492 862	39 294 019	40 000 000	23 193 745	143 739 603
Gains on revaluation	35 983 210	1 109 070 157	2 179 669 980	1 970 438 297	42 864 382	-	5 338 026 026
Disposals	-	-	(2 862 121)	(844 038)	(2 160 312)	-	(5 866 471)
Transfer from intangible assets	-	-	-	-	-	94 799 116	94 799 116
Inter-group transfers	-	-	-	-	(4 991 909)	(4 991 909)	-
Transfer between categories	-	67 891 523	23 602 319	107 948 916	(199 442 758)	-	-
Other movements	-	-	-	-	(32 722)	(32 722)	-
Balance at 31 December 2021	170 942 287	1 879 495 088	2 952 767 555	3 952 060 303	716 145 244	58 072 353	9 729 482 830
Accumulated depreciation							
Balance at 1 January 2021	16 512 287	579 601 734	271 118 225	722 505 390	411 160 924	54 098 145	2 054 996 705
Charge to statement of profit or loss (Note 22)	-	1 185 899 343	584 481 367	273 954 732	31 354 692	-	2 075 690 134
Disposals	-	-	(236 126)	(221 098)	(445 564)	-	(902 788)
Balance at 31 December 2021	16 512 287	1 765 501 077	855 363 466	996 239 024	442 070 052	54 098 145	4 129 784 051
Net book value at 31 December 2021	154 430 000	1 113 994 011	2 097 404 089	2 955 821 279	274 075 192	3 974 208	5 599 698 779
2020							
Cost or valuation							
Balance at 1 January 2020	30 579 196	614 795 196	429 313 245	1 003 954 333	639 693 273	72 960 548	2 791 295 791
Additions	104 379 881	3 961 540	19 730 041	72 326 995	-	187 855 691	388 254 148
Gains on revaluation	-	-	237 299 072	751 468 498	-	-	988 767 570
Disposals	-	-	(194 527)	(61 696)	(4 252 099)	-	(4 508 322)
Transfer between categories	-	75 017 695	33 716 684	7 534 979	(116 269 358)	-	-
Balance at 31 December 2020	134 959 077	693 774 431	719 864 515	1 835 223 109	635 441 174	144 546 881	4 163 809 187
Accumulated depreciation							
Balance at 1 January 2020	-	331 298 285	221 108 980	502 323 170	253 271 051	27 152 696	1 335 154 182
Charge to statement of profit or loss (Note 22)	-	73 223 313	50 084 462	220 182 220	113 969 480	-	457 459 475
Disposals	-	-	(75 217)	(1 039 553)	(1 114 770)	-	(2 939 750)
Impairment	16 512 287	175 080 136	-	-	44 959 946	26 945 449	263 497 818
Balance at 31 December 2020	16 512 287	579 601 734	271 118 225	722 505 390	411 160 924	54 098 145	2 054 996 705
Net book value at 31 December 2020	118 446 790	114 172 697	448 746 290	1 112 717 719	224 280 250	90 448 736	2 108 812 482

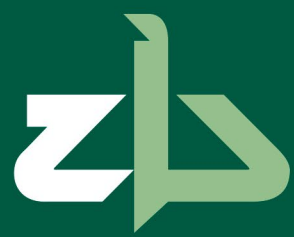
	Unaudited Historical cost						
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment, furniture & fittings ZWS	Computer equipment ZWS	Motor vehicles ZWS	Capital work in progress ZWS	Total ZWS
2021							
Cost or valuation							
Balance at 1 January 2021	73 689 726	87 440 441	290 425 362	737 281 010	160 492 884	56 271 197	1 405 600 620
Additions	-	7 366 853	26 886 004	30 856 236	40 000 000	17 045 321	122 154 414
Gain on revaluation	80 740 274	-	1 804 559 677	2 434 663 884	128 361 918	-	4 448 325 753
Inter-group transfers	-	-	-	-	-	(4 991 909)	(4 991 909)
Disposals	-	-	(2 862 121)	(844 038)	(2 160 312)	-	(5 866 471)
Transfer from intangible assets	-	-	-	-	-	13 510 060	13 510 060
Transfer between categories	-	48 946 755	16 959 710	15 416 960	(81 323 425)	-	-
Other movements	-	-	-	-	-	(32 722)	(32 722)
Balance at 31 December 2021	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522	5 978 699 745
Accumulated depreciation							
Balance at 1 January 2021	-	16 409 771	11 245 221	45 021 941	20 960 606	-	93 637 539
Charge to statement of profit or loss (Note 22)	-	13 350 267	27 555 448	216 751 930	32 104 256	-	289 761 901
Disposals	-	-	(236 126)	(221 098)	(445 564)	-	(902 788)
Balance at 31 December 2021	-	29 760 038	38 564 543	261 552 773	52 619 298	-	382 496 652
Net book value at 31 December 2021	154 430 000	113 994 011	2 097 404 089	2 955 821 279	274 075 192	478 522	5 596 203 093
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
Gain on revaluation	23 938 275	-	230 322 831	614 800 713	104 391 440	-	973 453 259
Currency conversion reversal	-	-	-	-	-	(773 075)	(773 075)
Disposals	-	-	(121 022)	(38 383)	(2 645 374)	-	(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 statement of profit or loss (Note 22)	-	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

No freehold properties were encumbered for any liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
12. DEPOSITS FROM CUSTOMERS				
Current accounts	4 723 059 655	2 986 239 472	4 723 059 655	1 857 839 882
Savings and call accounts	11 698 748 674	7 245 965 847	11 698 748 674	4 507 958 741
Term deposits	2 859 502 349	875 807 693	2 859 502 349	544 869 384
Bank deposits	489 710 308	49 071 933	489 710 308	30 529 298
	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Current	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Non-current	-	-	-	-
	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Maturity analysis of deposits				
On demand	13 656 501 258	7 228 272 574	13 656 501 258	4 496 951 163
Within 1 month	5 385 266 981	3 855 511 222	5 385 266 981	2 398 643 036
Between 1 and 6 months	448 145 292	70 287 327	448 145 292	43 728 106
Between 6 and 12 months	271 848 025	3 013 822	271 848 025	1 875 000
After 12 months	9 259 430	-	9 259 430	-
	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Secured and unsecured deposits analysis				
Secured deposits	2 442 820 822	108 144 847	2 442 820 822	67 280 542
Unsecured deposits	17 328 200 164	11 048 940 098	17 328 200 164	6 873 916 763
	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305

	Inflation adjusted			Unaudited Historical cost				
	31 Dec 2021 ZWS	Contribution %	31 Dec 2020 ZWS	Contribution %	31 Dec 2021 ZWS	Contribution %	31 Dec 2020 ZWS	Contribution %
Sectoral analysis of deposits								
Private	2 572 213 962	13%	1 629 091 969	15%	2 572 213 962	13.01%	1 013 512 834	15%
Agriculture	1 020 428 305	5%	831 416 263	7%	1 020 428 305	5.16%	517 251 984	7%
Mining	198 235 385	1%	82 623 042	1%	198 235 385	1.00%	51 402 570	1%
Manufacturing	854 467 329	4%	471 791 772	4%	854 467 329	4.32%	293 517 509	4%
Distribution	538 563 666	3%	745 899 998	7%	538 563 666	2.72%	464 049 443	7%
Construction	244 281 427	1%	192 737 274	2%	244 281 427	1.24%	119 908 332	2%
Transport	301 123 061	2%	130 939 481	1%	301 123 061	1.52%	81 461 850	1%
Services	8 397 110 553	42%	4 799 807 549	43%	8 397 110 553	42.47%	2 986 121 499	43%
Financial	3 188 461 615	16%	1 239 946 213	11%	3 188 461 615	16.3%	771 412 188	11%
Communication	2 456 135 683	13%	1 032 831 384	9%	2 456 135 683	12.43%	642 559 096	9%
	19 771 020 986	100%	11 157 08					



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. DEFERRED TAX ASSETS / (LIABILITIES) (Continued)

	Unaudited Historical cost				
	Balance at 1 January 2021 ZW\$	Recognised in profit or loss ZW\$	Recognised in OCI affecting equity ZW\$	Other movements affecting equity ZW\$	Balance at 31 December ZW\$
2021					
Property and equipment	(210 757 846)	(229 070 371)	(811 814 015)	-	(1 251 642 232)
Provisions and deferred income	89 358 125	170 594 738	-	-	259 952 863
Fair value adjustments on investment securities	(12 768 729)	(88 966 058)	-	-	(101 734 787)
Fair value adjustments on FVTOCI financial assets	588 850	-	(13 633)	-	575 217
Arising from changes in functional currency	(3 694 609)	-	-	-	(3 694 609)
	(137 274 209)	(147 441 691)	(811 827 648)	-	(1 096 543 548)
2020					
Property and equipment	(26 520 925)	2 416 932	(186 653 853)	-	(210 757 846)
Provisions and deferred income	16 043 475	73 314 650	-	-	89 358 125
Fair value adjustments on investment securities	(375 712)	(12 393 017)	-	-	(12 768 729)
Fair value adjustments on FVTOCI financial assets	980 871	-	(392 021)	-	588 850
Arising from changes in functional currency	(5 047 098)	-	-	1 352 489	(3 694 609)
Effect of change in tax rate	(69 413)	69 413	-	-	-
	(14 988 802)	63 407 978	(187 045 874)	1 352 489	(137 274 209)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$

17. NET INTEREST AND RELATED INCOME

17.1 Interest received

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Interest received comprises interest on:				
-Advances	2 660 009 941	608 670 072	2 174 977 816	332 848 314
-Overdrafts	330 265 620	125 902 676	263 149 215	56 866 617
Establishment fees	278 085 310	352 336 675	219 200 480	85 883 132
Placements with other banks	77 778	3 502 901	60 274	733 643
Financial assets at amortised cost	70 555 869	37 402 425	57 834 549	8 375 929
Treasury bills at FVTPL	233 552 422	73 369 213	193 316 382	26 795 739
Treasury bills at FVOCI	43 058 475	62 054 198	33 368 088	24 636 052
Other interest receivable categories	440 935	737 120	385 240	301 412
Total interest received	3 616 046 350	1 263 975 280	2 942 292 044	536 440 838

17.2 Interest paid

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Interest paid comprise interest on:				
Customer deposits	457 466 040	101 581 896	378 117 728	42 661 139
Placements from other banks	29 178 357	5 722 796	26 336 071	2 736 754
Other interest expense categories	115 637 957	128 859 609	85 041 471	67 690 939
Total interest paid	602 282 354	236 164 301	489 495 270	113 088 832
Net interest received	3 013 763 996	1 027 810 979	2 452 796 774	423 352 006

18. ANALYSIS OF LOAN IMPAIRMENT CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Impairment charges on loans and overdrafts (Note 3.10)	547 367 482	415 586 933	426 708 983	197 235 637
Impairment charges on other financial assets (Note 7.3)	14 594 926	2 241 128	11 578 240	1 445 655
Impairment charges on guarantees (Note 24.2)	38 167 875	20 478 290	37 445 505	692 715
Impairment charges on undrawn facilities (Note 24.3)	1 556 802	7 270 871	957 780	(114 356)
Recoveries during the year	(2 431 581)	(9 990 056)	(1 901 320)	(4 713 171)
	599 255 504	435 587 166	474 789 188	194 546 480

19. COMMISSION AND FEE INCOME COMPRISES INCOME FROM:

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Digital channels	1 208 653 776	664 881 930	952 720 186	263 963 871
Management and service fees	1 556 090 176	997 389 647	1 226 586 597	395 972 308
Other commissions	374 370 107	39 673 616	335 437 085	75 604 423
	3 139 114 059	1 701 945 193	2 514 743 868	735 540 602

20. OTHER INCOME

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Exchange income	758 616 585	1 864 338 297	733 077 682	1 132 887 979
Dividends from other investments	241 513 374	74 768 682	204 763 159	24 858 225
Dealing income	-	-	-	440 264
Rentals and recoveries	75 695 012	48 635 606	65 109 893	20 525 042
Loss on sale of equipment	(374 709)	(2 975 924)	(374 709)	(1 851 422)
Sundry	27 504 531	8 423 676	20 505 716	2 772 832
	1 102 954 793	1 993 190 337	1 023 081 741	1 179 632 920

21. FAIR VALUE ADJUSTMENTS

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Arising from fair value through profit or loss instruments				
Investment securities at fair value through profit or loss (Note 6.2)	1 822 960 008	448 647 963	1 941 965 055	317 233 011
Investment in subsidiary company (Note 8)	1 066 919 238	(26 499 447)	2 042 055 398	1 212 256 443
Treasury bills at fair value through profit or loss	(6 982 227)	(2 405 669)	(7 869 963)	(1 496 648)
	2 882 897 019	419 742 847	3 976 150 490	1 527 992 806

22. OPERATING EXPENSES

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Staff expenses	1 928 521 444	1 008 998 329	1 607 079 372	399 100 138
Communication expenses	186 601 789	116 804 735	152 276 224	51 301 464
Computer and information technology	669 006 068	581 938 547	530 522 490	271 311 381
Occupation expenses	197 844 659	115 010 158	155 154 284	43 993 844
Transport expenses	24 543 455	18 647 906	20 181 015	7 767 574
Travelling expenses	33 502 977	17 127 075	28 443 822	7 026 327
Administration expenses	4 052 073 363	1 812 764 517	1 858 409 642	463 202 502
	7 092 093 755	3 671 291 267	4 352 066 849	1 243 703 230

Included in administration expenses are the following:

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Depreciation charges on property and equipment (Note 11)	2 075 690 134	457 459 475	289 761 901	66 524 295
Amortisation of intangible assets (Note 10)	40 094 162	123 397 127	975 633	2 203 474
Depreciation charges on right of use Asset (Note 9)	128 311 107	46 992 278	113 426 422	26 115 239
Auditor's remuneration	21 013 680	16 435 976	15 638 950	5 102 113

23. INCOME TAX EXPENSE

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Current income tax expense	648 390 323	116 302 058	648 390 323	72 355 418
Deferred taxation charge / (credit)	(536 684 661)	(66 607 124)	147 441 691	(63 407 978)
	111 705 662	49 694 934	795 832 014	8 947 440

24. CONTINGENT LIABILITIES AND COMMITMENTS

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
24.1 In respect of guarantees	829 021 429	1 106 920 859	829 021 429	688 652 647
In respect of undrawn loan commitments	775 283 414	447 870 869	775 283 414	278 635 511
	1 604 304 843	1 554 791 728	1 604 304 843	967 288 158

24.2 Impairment movement on guarantees

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Opening balance	1 338 189	3 403 431	832 532	139 817
Charge to profit or loss (note 18)	38 167 875	20 478 290	37 445 505	692 715
Effects of inflation adjustment	(1 228 027)	(22 543 532)	-	-
	38 278 037	1 338 189	38 278 037	832 532

24.3 Impairment movement on loan commitments

	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
Opening balance	1 012 899	2 972 958	630 160	744 516
Charge / (credit) to profit or loss (note 18)	1 556 802	7 270 871	957 780	(114 356)
Effects of inflation adjustment	(981 762)	(9 230 930)	-	-
	1 587 939	1 012 899	1 587 940	630 160

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
25. CAPITAL ADEQUACY				
Ordinary share capital	120 775 808	120 775 808	1 810 402	1 810 402
Share premium	2 198 701 558	2 198 701 558	32 958 032	32 958 032
Reserves	9 185 120 971	3 985 467 041	11 224 013 128	3 771 227 204
IFRS capital	11 504 598 337	6 304 944 407	11 258 781 562	3 805 995 638
Add / (less) Regulatory adjustments:				
Fair value adjustment on capitalization treasury bills	1 357 562	3 609 027	1 357 562	2 245 297
Interest in reserve	(31 793 098)	(6 614 151)	(31 793 098)	(4 114 885)
Loans to group equities	(7 175 264)	(5 583 077)	(7 175 264)	(3 473 420)
Revaluation reserve	(5 453 561 199)	(1 441 640 633)	(4 597 116 820)	(964 677 211)
Tier 1 capital	6 013 426 338	4 854 715 573	6 624 053 942	2 835 975 419
Revaluation reserve	5 453 561 199	1 441 640 633	4 551 678 847	919 239 238
General provision	181 028 464	-	181 028 464	-
Effect of change in functional currency	-	-	45 437 973	45 437 973
Tier 2 capital	5 634 589 663	1 441 640 633	4 778 145 284	964 677 211
Total capital base	11 648 016 001	6 296 356 206	11 402 199 226	3 800 652 630
Credit risk weighted assets	25 006 398 226	11 599 539 355	24 745 495 135	7 031 238 414
Operational risk equivalent assets	18 801 024 856	9 885 648 569	9 404 625 654	3 012 044 211
Market risk equivalent assets	3 763 560 406	2 590 464 871	3 763 560 406	1 611 615 208
Total risk weighted assets	47 570 983 488	24 075 652 795	37 913 681 195	11 654 897 833
Tier 1 capital ratio	12.64%	20.16%	17.47%	23.98%
Tier 2 capital ratio	11.84%	5.99%	12.60%	8.63%
Capital adequacy ratio	24.48%	26.15%	30.07%	32.61%

26. RISK MANAGEMENT

26.1 Financial assets and financial liabilities classification and fair values

	Inflation adjusted								
	CARRYING AMOUNT				FAIR VALUE				
	Classified as "FVTPL" ZW\$	Classified as "AMCO" ZW\$	Classified as "FVTOCI" ZW\$	Other financial liabilities ZW\$	Total ZW\$	Level 1 ZW\$	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
31 December 2021									
Financial assets measured at fair value									
Equity securities	2 102 742 957	-	-	-	2 102 742 957	113 412 027	-	1 989 330 930	2 102 742 957
Treasury bills	2 081 308 636	-	285 043 656	-	2 366 352 292	-	2 081 308 636	285 043 656	2 366 352 292
Investment in subsidiary	3 603 627 519	-	-	-	3 603 627 519	-	-	3 603 627 519	3 603 627 519
Total									



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

26.2 Liquidity risk (continued)

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

Liquidity gap analysis	Unaudited Historical cost					Carrying amount ZWS
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	
As at 31 December 2021						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	8 215 980 305	45 356 181	541 573 902	-	8 802 910 388	8 802 910 388
Treasury bills	101 093 151	1 436 013 199	766 976 857	207 141 172	2 511 224 379	2 410 330 922
Advances and other accounts	1 460 275 828	1 331 045 156	1 842 103 222	10 075 570 928	14 708 995 134	11 642 364 564
Financial assets at fair value through profit or loss	-	-	-	2 102 742 957	2 102 742 957	2 102 742 957
Financial assets held at amortised cost	-	-	281 310 324	-	281 310 324	281 310 324
Gross loan commitments	129 071 900	247 561 768	289 916 895	108 732 851	775 283 414	775 283 414
	9 906 421 184	3 059 976 304	3 721 881 200	12 494 187 908	29 182 466 596	26 014 942 569
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	19 112 304 999	451 503 589	272 797 222	9 339 160	19 845 944 970	19 771 020 986
Offshore borrowings	-	82 401 664	82 401 669	506 279 827	671 083 160	657 911 243
Trade and other payables	1 552 479 840	812 235 499	14 072 868	1 081 871 576	3 460 659 783	3 548 755 685
Lease liabilities	-	-	162 624 271	227 673 980	390 298 251	390 298 251
	20 664 784 839	1 346 140 752	531 896 030	1 825 164 543	24 367 986 164	24 367 986 165
Period gap	(10 758 363 655)	1 713 835 552	3 189 985 170	10 669 023 365	4 814 480 432	1 646 956 404
Cumulative gap	(10 758 363 655)	(9 044 528 103)	(5 854 542 933)	4 814 480 432	-	-
As at 31 December 2020						
FINANCIAL ASSETS BY TYPE						
Cash and cash equivalents	3 865 880 493	122 342 924	636 629 597	-	4 624 853 014	4 624 853 014
Treasury bills	50 164 384	241 801 001	85 255 644	188 726 778	565 947 807	518 114 164
Advances and other accounts	474 071 064	332 305 245	944 373 286	1 835 046 241	3 585 795 836	2 992 466 648
Financial assets at fair value through profit or loss	-	-	-	405 581 214	405 581 214	405 581 214
Financial assets held at amortised cost	-	-	-	68 108 946	68 108 946	68 108 946
Gross loan commitments	1 110 280	122 728 666	88 795 744	66 000 821	278 635 511	278 635 511
	4 391 226 221	819 177 836	1 755 054 271	2 563 464 000	9 528 922 328	8 887 759 497
FINANCIAL LIABILITIES BY TYPE						
Deposits and other accounts	6 908 212 343	44 073 614	1 889 827	-	6 954 175 784	6 941 197 305
Offshore borrowings	-	66 857 474	66 857 474	133 714 953	267 429 901	243 206 638
Trade and other payables	512 933 142	181 981 951	136 163 718	-	831 078 811	868 280 553
Lease liabilities	-	-	86 552 577	121 173 607	207 726 184	207 726 184
	7 421 145 485	292 913 039	291 463 596	254 888 560	8 260 410 680	8 260 410 680
Period gap	(3 029 919 264)	526 264 797	1 463 590 675	2 308 575 440	1 268 511 648	627 348 817
Cumulative gap	(3 029 919 264)	(2 503 654 467)	(1 040 063 792)	1 268 511 648	-	-

Liquidity ratios	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Cash and short term funds	8 802 910 388	7 433 858 407	8 802 910 388	4 624 853 014
Treasury bills	2 410 330 922	832 802 108	2 410 330 922	518 114 164
Parastatal bond	187 813 934	3 829 201	187 813 934	3 172 804
Corporate bond	7 764 153	22 489 076	7 764 153	18 634 027
Total liquid assets	11 408 819 397	8 292 978 792	11 408 819 397	5 164 774 009
Total liabilities to the public	19 771 020 986	11 157 084 945	19 771 020 986	6 941 197 305
Liquidity ratio	58%	74%	58%	74%
Average for the year	58%	74%	58%	74%
Maximum for the year	71%	77%	71%	77%
Minimum for the year	44%	59%	44%	59%
Minimum statutory liquidity ratio	30%	30%	30%	30%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

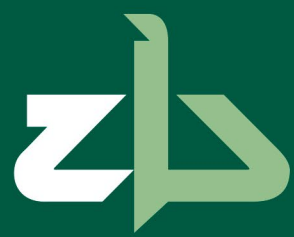
26.3 Interest gap

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 2021					
ASSETS					
Cash and short term funds	1 374 893 208	-	-	-	1 374 893 208
Treasury bills	100 000 000	1 436 013 199	678 264 203	196 053 520	2 410 330 922
Advances and other accounts	1 455 571 506	1 233 028 338	1 657 605 261	7 296 159 459	11 642 364 564
Financial assets at fair value through profit or loss	-	-	-	2 102 742 957	2 102 742 957
Financial assets held at amortised cost	-	-	281 310 324	-	281 310 324
	2 930 464 714	2 669 041 537	2 617 179 788	9 594 955 936	17 811 641 975
LIABILITIES					
Deposits and other accounts	19 045 452 281	444 461 249	271 848 025	9 259 431	19 771 020 986
Offshore borrowings	-	80 784 297	80 784 302	496 342 644	657 911 243
Lease liability	-	-	162 624 271	227 673 980	390 298 251
	19 045 452 281	525 245 546	515 256 598	733 276 055	20 819 230 480
Period gap	(16 114 987 567)	2 143 795 991	2 101 923 190	8 861 679 881	(3 007 588 505)
Cumulative gap	(16 114 987 567)	(13 971 191 576)	(11 869 268 386)	(3 007 588 505)	-
As at 31 December 2020					
ASSETS					
Cash and short term funds	1 173 730 137	-	-	-	1 173 730 137
Treasury bills	80 368 591	366 740 788	125 383 066	260 309 663	832 802 108
Advances and other accounts	759 119 295	478 947 557	1 278 941 108	2 292 998 602	4 810 006 562
Financial assets at fair value through profit or loss	-	-	-	651 919 814	651 919 814
Financial assets held at amortised cost	-	-	-	109 476 401	109 476 401
	2 013 218 023	845 688 345	1 404 324 174	3 314 704 480	7 577 935 022
LIABILITIES					
Deposits and other accounts	11 083 783 795	70 287 329	3 013 821	-	11 157 084 945
Offshore borrowings	-	97 730 872	97 730 872	195 461 752	390 923 496
Lease liabilities	-	-	139 122 173	194 771 041	333 893 214
	11 083 783 795	168 018 201	239 866 866	390 232 793	11 881 901 655
Period gap	(9 070 565 772)	677 670 144	1 164 457 308	2 924 471 687	(4 303 966 633)
Cumulative gap	(9 070 565 772)	(8 392 895 628)	(7 228 438 320)	(4 303 966 633)	-
As at 31 December 2021					
ASSETS					
Cash and short term funds	1 374 893 208	-	-	-	1 374 893 208
Treasury bills	100 000 000	1 436 013 199	678 264 203	196 053 522	2 410 330 924
Advances and other accounts	1 455 571 506	1 233 028 338	1 657 605 261	7 296 159 459	11 642 364 564
Financial assets at fair value through profit or loss	-	-	-	2 102 742 957	2 102 742 957
Financial assets held at amortised cost	-	-	281 310 324	-	281 310 324
	2 930 464 714	2 669 041 537	2 617 179 788	9 594 955 936	17 811 641 975
LIABILITIES					
Deposits and other accounts	19 045 452 281	444 461 249	271 848 025	9 259 431	19 771 020 986
Offshore borrowings	-	80 784 297	80 784 302	496 342 644	657 911 243
Lease liability	-	-	162 624 271	227 673 980	390 298 251
	19 045 452 281	525 245 546	515 256 598	733 276 055	20 819 230 480
Period gap	(16 114 987 567)	2 143 795 991	2 101 923 190	8 861 679 881	(3 007 588 505)
Cumulative gap	(16 114 987 567)	(13 971 191 576)	(11 869 268 386)	(3 007 588 505)	-
As at 31 December 2020					
ASSETS					
Cash and short term funds	730 216 943	-	-	-	730 216 943
Money market investments	-	-	-	-	-
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
Financial assets at fair value through profit or loss	-	-	-	405 581 214	405 581 214
Financial assets held at amortised cost	-	-	-	68 108 946	68 108 946
	1 252 490 555	526 131 126	873 677 239	2 062 188 995	4 714 487 915
LIABILITIES					
Deposits and other accounts	6 895 594 197	43 728 108	1 875 000	-	6 941 197 305
Offshore borrowings	-	60 801 658	60 801 658	121 603 322	243 206 638
Lease liability	-	-	86 552 577	121 173 607	207 726 184
	6 895 594 197	104 529 766	149 229 235	242 776 929	7 392 130 127
Period gap	(5 643 103 642)	421 601 360	724 448 004	1 819 412 066	(2 677 642 212)
Cumulative gap	(5 643 103 642)	(5 221 502 282)	(4 497 054 278)	(2 677 642 212)	-

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Audited Financial Results for the year ended 31 December 2021



AUDITED FINANCIAL RESULTS for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION As at 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
ASSETS				
Cash and cash equivalents	443 083 435	68 041 155	443 083 435	42 330 688
Money market investments	-	80 356 408	-	49 992 421
Loans and other advances	364 721 675	135 717 828	364 721 675	84 434 619
Trade and other receivables	98 101 748	218 898 913	98 101 748	136 184 367
Inventories	18 133 640	4 100 412	17 146 166	2 372 817
Financial assets at fair value through profit or loss	243 395 307	47 913 121	243 395 307	29 808 362
Right of use assets	689 310	1 062 297	689 310	660 890
Property and equipment	20 855 521	91 044 346	20 855 521	56 641 745
Investment properties	1 120 560 000	722 579 535	1 120 560 000	449 541 000
Investments in subsidiaries	626 438 855	428 195 453	626 434 675	266 388 063
Total assets	2 935 979 491	1 797 909 468	2 934 987 837	1 118 354 972
LIABILITIES				
Deposits from customers	652 371 367	458 647 816	652 371 367	285 340 212
Trade and other payables	153 434 062	49 120 747	153 434 062	30 559 666
Lease liabilities	730 347	1 172 068	730 347	729 183
Deferred tax liabilities	56 028 000	39 875 600	56 028 000	24 807 950
Total liabilities	862 563 776	548 816 231	862 563 776	341 437 011
EQUITY				
Share capital	63 697 706	63 697 706	954 814	954 814
Share premium	593 534 961	593 534 961	8 896 953	8 896 953
Reserves	1 416 183 048	591 860 570	2 062 572 294	767 066 194
Total equity	2 073 415 715	1 249 093 237	2 072 424 061	776 917 961
Total equity and liabilities	2 935 979 491	1 797 909 468	2 934 987 837	1 118 354 972

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Interest income	257 934 812	33 704 246	208 670 028	13 851 994
Interest expense	(19 320 988)	(2 491 498)	(18 690 175)	(874 158)
Net interest income	238 613 824	31 212 748	189 979 853	12 977 836
Allowance for loan impairment	(25 388 919)	(2 583 432)	(14 626 710)	(1 607 239)
Net income from lending activities	213 224 905	28 629 316	175 353 143	11 370 597
Commissions, fees and operating income	253 489 140	184 260 210	204 131 924	88 077 961
Fair value adjustments	716 773 593	(29 118 721)	1 198 034 557	575 453 772
Total income	1 183 487 638	183 770 805	1 577 519 624	674 902 330
Total operating expenses	(320 111 452)	(262 798 616)	(263 357 851)	(105 777 749)
Operating profit / (loss)	863 376 186	(79 027 811)	1 314 161 773	569 124 581
Net monetary loss	(30 704 876)	(11 193 291)	-	-
Profit / (loss) before taxation	832 671 310	(90 221 102)	1 314 161 773	569 124 581
Income tax (expense) / credit	(16 152 400)	1 683 811	(31 220 050)	(17 232 830)
Profit / (loss) for the year	816 518 910	(88 537 291)	1 282 941 723	551 891 751
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation	7 803 568	4 499 599	12 564 377	42 075 200
Related tax	-	(31 651)	-	(1 815 674)
Other comprehensive income for the year, net of tax	7 803 568	4 467 948	12 564 377	40 259 526
Total comprehensive income / (loss) for the year	824 322 478	(84 069 343)	1 295 506 100	592 151 277
Earnings per share				
Basic and fully diluted earnings per share (ZWS cents)	855.16	(92.73)	1 434.66	578.01

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STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Inflation adjusted				
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2020	63 697 706	593 534 961	85 006 925	590 922 988	1 333 162 580
Changes in equity for 2020					
Profit or loss					
Loss for the period	-	-	-	(88 537 291)	(88 537 291)
Other comprehensive income, net of tax					
Revaluation of property and equipment	-	-	4 467 948	-	4 467 948
Other movements					
Transfer to retained income	-	-	(31 231)	31 231	-
Balance at 1 January 2021	63 697 706	593 534 961	89 443 642	502 416 928	1 249 093 237
Changes in equity for 2021					
Profit or loss					
Profit for the period	-	-	-	873 518 910	873 518 910
Other comprehensive income, net of tax					
Revaluation of equipment	-	-	7 803 568	-	7 803 568
Other movements					
Transfer to retained income	-	-	(58 369 264)	58 369 264	-
Balance at 31 December 2021	63 697 706	593 534 961	38 877 946	1 377 305 102	2 073 415 715

STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2021

	Unaudited Historical cost*					
	Share capital ZWS	Share premium ZWS	Functional translation reserve ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
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 period	-	-	-	-	551 891 751	551 891 751
Other comprehensive income, net of tax						
Revaluation of property and equipment	-	-	-	40 259 526	-	40 259 526
Other movements						
Transfer to retained income	-	-	-	(19 430)	19 430	-
Balance at 1 January 2021	954 814	8 896 953	18 061 563	54 107 802	694 896 829	776 917 961
Changes in equity for 2021						
Profit or loss						
Profit for the period	-	-	-	-	1 282 941 723	1 282 941 723
Other comprehensive income, net of tax						
Revaluation of equipment	-	-	-	12 564 377	-	12 564 377
Other movements						
Transfer to retained income	-	-	-	(36 313 480)	36 313 480	-
Balance at 31 December 2021	954 814	8 896 953	18 061 563	30 358 699	2 014 152 032	2 072 424 061

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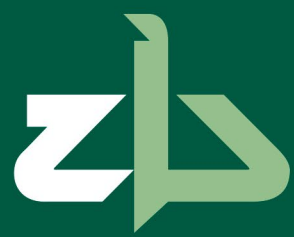
STATEMENT OF CASH FLOWS For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Cash flows generated from/ (used in) operating activities	107 582 207	8 624 413	185 519 479	14 580 425
Interest received	257 934 812	33 704 246	208 670 028	13 851 994
Interest paid	(19 320 988)	(2 491 498)	(18 690 175)	(874 158)
Net cash generated from/(used in) operating activities	346 196 031	39 837 161	375 499 332	27 558 261
Cash flows from investing activities				
Proceeds from disposal of equipment	828 406	56 277	828 406	35 012
Purchase of property and equipment	(1 017 872)	-	(823 257)	-
Dividends received	29 795 645	9 843 837	25 847 280	3 048 232
Net cash used in investing activities	29 606 179	9 900 114	25 852 429	3 083 244
Cash flows from financing activities				
Lease commitments paid during the year	(759 930)	(949 191)	(599 014)	(288 799)
Net cash used in financing activities	(759 930)	(949 191)	(599 014)	(288 799)
Net (decrease)/increase in cash and cash equivalents	375 042 280	48 788 084	400 752 747	30 352 706
Cash and cash equivalents at beginning of year	68 041 155	19 253 071	42 330 688	11 977 982
Cash and cash equivalents at end of year	443 083 435	68 041 155	443 083 435	42 330 688

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
1. CASH AND CASH EQUIVALENTS				
Cash on hand	22 390 577	11 514 312	22 390 577	7 163 441
Local bank accounts	360 007 382	46 342 413	360 007 382	28 831 171
Balances at the RBZ	60 685 476	10 184 430	60 685 476	6 336 076
443 083 435	68 041 155	443 083 435	42 330 688	
2. MONEY MARKET INVESTMENTS				
Fixed deposits	-	80 356 408	-	49 992 421
Fixed deposits are investments in money market instruments on an unsecured basis. Fixed deposits on average run for 30 days on an average interest rate of 20.0% per annum (2020: 8.0%).				
These money market investments are short term in nature and the carrying amount approximates the fair value, thus these have been classified as level 2 financial instruments in the fair value hierarchy.				
3. LOANS AND ADVANCES				
3.1 Categories of loans and advances				
Mortgage loans				
Residential properties	19 566 826	14 303 516	19 566 826	8 898 698
Other loans and overdrafts				
Consumer loans	363 409 801	127 246 245	363 409 801	79 164 163
Gross loans and advances	382 976 627	141 549 761	382 976 627	88 062 861
Less: Allowance for loan impairment	(18 254 952)	(5 831 933)	(18 254 952)	(3 628 242)
Loans and advances	364 721 675	135 717 828	364 721 675	84 434 619
3.2 Maturity analysis				
Within 1 month	19 840 528	7 249 871	19 840 528	4 510 388
Between 2 – 6 months	12 596 873	1 906 525	12 596 873	1 186 113
Between 7 – 12 months	34 456 559	22 120 882	34 456 559	13 762 144
After 12 months	316 082 667	110 272 483	316 082 667	68 604 216
382 976 627	141 549 761	382 976 627	88 062 861	
3.3 Loans and advances to customers by business line				
Mortgage lending	19 566 826	14 303 516	19 566 826	8 898 698
Consumer lending	360 955 367	124 835 570	360 955 367	77 664 401
Small business lending	2 454 434	2 410 675	2 454 434	1 499 762
382 976 627	141 549 761	382 976 627	88 062 861	
3.4 Mortgage loans spread				
Residential high density	9 894 777	3 534 812	9 894 777	2 199 125
Residential medium density	1 214 158	1 512 296	1 214 158	940 850
Residential low density	8 457 891	9 256 408	8 457 891	5 758 723
19 566 826	14 303 516	19 566 826	8 898 698	
3.5 Non-performing debt				
Non-performing loans and advances	2 637 253	1 788 849	2 637 253	1 112 903
Less: Allowance for loan impairment	(1 482 153)	(528 835)	(1 482 153)	(329 006)
Value to be received from security held	1 155 100	1 260 014	1 155 100	783 897



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3.5 Non-performing debt

For the secured non-performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The Society discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees. The internally discounted value of security held in respect of the non-performing book amounted to ZW\$1 815 689 as at 31 Dec 2021 (2020: ZW\$1 753 947).

	Inflation adjusted			
	31 Dec 2021 ZWS	Percentage Contribution	31 Dec 2020 ZWS	Percentage Contribution
3.6 Sectoral analysis				
Private	380 522 192	99%	139 139 086	98%
Distribution	823 255	0%	375 637	0%
Services	1 631 180	0%	2 035 038	1%
Total	382 976 627	100%	141 549 761	100%

	Unaudited Historical cost			
	31 Dec 2021 ZWS	Percentage Contribution	31 Dec 2020 ZWS	Percentage Contribution
Private	380 522 192	99%	86 563 099	98%
Distribution	823 255	0%	233 697	0%
Services	1 631 180	0%	1 266 065	1%
Total	382 976 627	100%	88 062 861	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 2021				Inflation adjusted 31 Dec 2020			
	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 BBB-)	370 306 406	4 944 492	1 318 944	376 569 842	137 388 818	1 208 490	233 768	138 831 076
Special mention (BB+ to CCC-)	3 557 525	63 923	148 085	3 769 533	830 547	98 003	1 345	929 895
Non-performing (CC+ to D)	-	-	2 637 252	2 637 252	-	-	1 788 790	1 788 790
Total	373 863 931	5 008 415	4 104 281	382 976 627	138 219 365	1 306 493	2 023 903	141 549 761
Mortgage lending								
Good (AAA to BBB-)	19 428 148	127 817	-	19 555 965	13 772 586	-	-	13 772 586
Special mention (BB+ to CCC-)	-	-	-	60 510	-	-	-	60 510
Non-performing (CC+ to D)	-	-	10 861	10 861	-	-	470 420	470 420
Total	19 428 148	127 817	10 861	19 566 826	13 833 096	-	470 420	14 303 516
Consumer lending								
Good (AAA to BBB-)	349 029 421	4 813 523	1 307 873	355 150 817	121 207 301	1 208 422	232 092	122 647 815
Special mention (BB+ to CCC-)	3 557 525	31 839	148 085	3 737 449	770 037	98 003	1 345	869 385
Non-performing (CC+ to D)	-	-	2 067 101	2 067 101	-	-	1 318 370	1 318 370
Total	352 586 946	4 845 362	3 523 059	360 955 367	121 977 338	1 306 425	1 551 807	124 835 570
Small business lending								
Good (AAA to BBB-)	1 848 837	3 152	11 071	1 863 060	2 408 931	68	1 676	2 410 675
Special mention (BB+ to CCC-)	-	32 084	-	32 084	-	-	-	-
Non-performing (CC+ to D)	-	-	559 290	559 290	-	-	-	-
Total	1 848 837	35 236	570 361	2 454 434	2 408 931	68	1 676	2 410 675

	Unaudited Historical cost 31 Dec 2021				Unaudited Historical cost 31 Dec 2020			
	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 BBB-)	370 306 406	4 944 492	1 318 944	376 569 842	85 474 199	751 842	145 435	86 371 476
Special mention (BB+ to CCC-)	3 557 525	63 923	148 085	3 769 533	516 711	60 971	1 345	578 519
Non-performing (CC+ to D)	-	-	2 637 252	2 637 252	-	-	1 112 866	1 112 866
Total	373 863 931	5 008 415	4 104 281	382 976 627	85 990 910	812 813	1 259 138	88 062 861
Mortgage lending								
Good (AAA to BBB-)	19 428 148	127 817	-	19 555 965	8 568 389	-	-	8 568 389
Special mention (BB+ to CCC-)	-	-	-	60 510	37 645	-	-	37 645
Non-performing (CC+ to D)	-	-	10 861	10 861	-	-	292 664	292 664
Total	19 428 148	127 817	10 861	19 566 826	8 606 034	-	292 664	8 898 698
Consumer lending								
Good (AAA to BBB-)	349 029 421	4 813 523	1 307 873	355 150 817	75 407 133	751 800	144 392	76 303 325
Special mention (BB+ to CCC-)	3 557 525	31 839	148 085	3 737 449	479 066	60 971	1 345	540 874
Non-performing (CC+ to D)	-	-	2 067 101	2 067 101	-	-	820 202	820 202
Total	352 586 946	4 845 362	3 523 059	360 955 367	75 886 199	812 771	965 431	77 664 401
Small business lending								
Good (AAA to BBB-)	1 848 837	3 152	11 071	1 863 060	1 498 677	42	1 043	1 499 762
Special mention (BB+ to CCC-)	-	32 084	-	32 084	-	-	-	-
Non-performing (CC+ to D)	-	-	559 290	559 290	-	-	-	-
Total	1 848 837	35 236	570 361	2 454 434	1 498 677	42	1 043	1 499 762

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

	Inflation adjusted 31 Dec 2021				Inflation adjusted 31 Dec 2020			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total ECL for loans and advances								
Good (AAA to BBB-)	15 248 921	1 204 713	910 554	17 364 188	4 821 960	293 937	135 460	5 251 357
Special mention (BB+ to CCC-)	174 063	18 804	60 647	253 514	29 571	20 825	1 345	51 741
Non-performing (CC+ to D)	-	-	637 250	637 250	-	-	528 835	528 835
Total	15 422 984	1 223 517	1 608 451	18 254 952	4 851 531	314 762	665 640	5 831 933
ECL for mortgage lending								
Good (AAA to BBB-)	49 451	-	-	49 451	163 066	-	-	163 066
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	10 861	10 861	-	-	470 420	470 420
Total	49 451	-	10 861	60 312	163 066	-	470 420	633 546
ECL for consumer lending								
Good (AAA to BBB-)	14 175 249	1 204 511	901 255	16 281 015	4 646 495	293 916	134 542	5 074 953
Special mention (BB+ to CCC-)	174 063	7 776	60 647	242 486	29 571	20 825	1 345	51 741
Non-performing (CC+ to D)	-	-	496 257	496 257	-	-	528 835	528 835
Total	14 349 312	1 212 287	1 458 159	17 019 758	4 676 066	314 741	664 722	5 655 529
ECL for small business lending								
Good (AAA to BBB-)	1 024 221	202	9 299	1 033 722	12 399	21	918	13 338
Special mention (BB+ to CCC-)	-	11 028	-	11 028	-	-	-	-
Non-performing (CC+ to D)	-	-	140 993	140 993	-	-	-	-
Total	1 024 221	11 230	150 292	1 185 743	12 399	21	918	13 338

	Unaudited Historical cost 31 Dec 2021				Unaudited Historical cost 31 Dec 2020			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
Total ECL for loans and advances								
Good (AAA to BBB-)	15 248 921	1 204 713	910 554	17 364 188	2 999 904	182 868	84 274	3 267 046
Special mention (BB+ to CCC-)	174 063	18 804	60 647	253 514	18 397	12 956	837	32 190
Non-performing (CC+ to D)	-	-	637 250	637 250	-	-	329 006	329 006
Total	15 422 984	1 223 517	1 608 451	18 254 952	3 018 301	195 824	413 117	3 628 242
ECL for mortgage lending								
Good (AAA to BBB-)	49 451	-	-	49 451	101 449	-	-	101 449
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	10 861	10 861	-	-	470 420	470 420
Total	49 451	-	10 861	60 312	101 449	-	470 420	633 546
ECL for consumer lending								
Good (AAA to BBB-)	14 175 249	1 204 511	901 255	16 281 015	2 890 741	182 855	83 703	3 157 299
Special mention (BB+ to CCC-)	174 063	7 776	60 647	242 486	18 397	12 956	837	32 190
Non-performing (CC+ to D)	-	-	496 257	496 257	-	-	329 006	329 006
Total	14 349 312	1 212 287	1 458 159	17 019 758	2 909 138	195 811	413 546	3 518 495
ECL for small business lending								
Good (AAA to BBB-)	1 024 221	202	9 299	1 033 722	7 714	13	571	8 298
Special mention (BB+ to CCC-)	-	11 028	-	11 028	-	-	-	-
Non-performing (CC+ to D)	-	-	140 993	140 993	-	-	-	-
Total	1 024 221	11 230	150 292	1 185 743	7 714	13	571	8 298

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
4. TRADE AND OTHER RECEIVABLES				
Sundry debtors and other accounts	97 937 158	194 840 908	97 937 158	121 217 074
Intercompany balances	6 126	751	6 126	467
Prepayments	158 464	24 057 254	158 464	14 966 826
Total	98 101 748	218 898 913	98 101 748	136 184 367
Non-current	98 101 748	218 898 913	98 101 748	136 184 367
5. INVENTORIES				
Housing stands	18 133 640	4 100 412	17 146 166	2 372 817
Non-current	18 133 640	4 100 412	17 146 166	2 372 817

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
6 INVESTMENT SECURITIES				
6.1 Assets at fair value through profit or loss				
Unlisted share investments				
Balance at beginning of year	47 913 121	4		



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
10. INVESTMENT IN SUBSIDIARIES				
10.1 Assets at fair value through profit or loss				
Balance at beginning of year	428 195 453	469 932 321	266 388 063	65 174 750
Fair value gain / (loss)	198 243 402	(41 736 868)	360 046 612	201 213 313
Balance at end of year	626 438 855	428 195 453	626 434 675	266 388 063
Non-current	626 438 855	428 195 453	626 434 675	266 388 063

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 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
11. DEPOSITS FROM CUSTOMERS				
11.1 Deposit by type				
Demand accounts	628 559 219	92 390 943	628 559 219	280 738 280
Savings accounts	1 022 474	359 698 429	1 022 474	521 704
Fixed deposits	22 789 674	6 558 444	22 789 674	4 080 228
	652 371 367	458 647 816	652 371 367	285 340 212
11.2 Maturity analysis				
On demand	564 665 025	317 695 485	564 665 025	197 649 032
Within 1 month	48 069 815	93 515 618	48 069 815	58 179 207
1 month to 6 months	406 624	617 176	406 624	383 966
6 months to 12 months	25 051 769	40 261 093	25 051 769	25 047 779
More than 1 year	14 178 134	6 558 444	14 178 134	4 080 228
	652 371 367	458 647 816	652 371 367	285 340 212

	Inflation adjusted				Unaudited Historical cost			
	31 Dec 2021 ZWS	% Contribution	31 Dec 2020 ZWS	% Contribution	31 Dec 2021 ZWS	% Contribution	31 Dec 2020 ZWS	% Contribution
11.3 Sectorial analysis								
Private individuals	583 811 049	89%	420 559 018	92%	583 811 049	89%	261 643 892	92%
Financial institutions	6 784 511	1%	1 029 618	0%	6 784 511	1%	640 560	0%
Communication	902 134	0%	675 874	0%	902 134	0%	420 484	0%
Manufacturing	214 512	0%	90 564	0%	214 512	0%	56 343	0%
Distribution	22 147 912	3%	14 021 781	3%	22 147 912	3%	8 723 421	3%
Construction	3 792 451	1%	371 747	0%	3 792 451	1%	231 276	0%
Agriculture	14 895 237	2%	10 842 236	2%	14 895 237	2%	6 745 319	2%
Services	19 823 561	3%	11 056 978	2%	19 823 561	3%	6 878 917	2%
	652 371 367	100%	458 647 816	100%	652 371 367	100%	285 340 212	100%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
12. TRADE AND OTHER PAYABLES				
Leave pay accrual	1 285 914	235 795	1 285 914	146 696
Creditors and other accounts	27 676 580	18 520 104	27 676 580	11 521 979
Deferred income	8 477 631	3 690 793	8 477 631	2 296 166
Intercompany balances	115 993 937	26 674 055	115 993 937	16 594 825
	153 434 062	49 120 747	153 434 062	30 559 666
Current	153 434 062	36 881 918	153 434 062	30 559 666

13. LEASE LIABILITIES

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Balance at beginning of year	1 172 068	1 034 479	729 183	143 471
Lease reassessments	556 273	1 110 512	556 273	690 887
Accrued interest expense posted to profit or loss	133 780	615 358	103 672	187 228
Payments for lease liabilities	(759 930)	(949 191)	(599 014)	(288 799)
Gain on lease modification	(274 451)	(5 792)	(274 451)	(3 604)
Exchange loss on lease modification	214 683	-	214 684	-
Effects of inflation adjustment	(312 076)	(633 298)	-	-
Balance at end of year	730 347	1 172 068	730 347	729 183

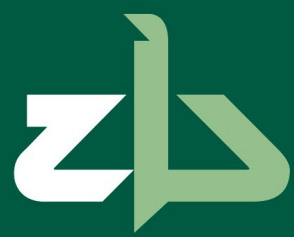
14. DEFERRED TAX LIABILITIES

	Inflation adjusted				Balance at 31 December ZWS
	Balance at 1 January ZWS	Recognised in profit or loss ZWS	Recognised in other comprehensive income ZWS	Transfers between categories ZWS	
2021					
Property and equipment	3 746 623	-	-	(3 746 623)	-
Investment property	36 128 977	16 152 400	-	3 746 623	56 028 000
	39 875 600	16 152 400	-	-	56 028 000
2020					
Property and equipment	538 360	3 176 612	31 651	-	3 746 623
Investment property	40 989 400	(4 860 423)	-	-	36 128 977
	41 527 760	(1 683 811)	31 651	-	39 875 600
	Unaudited Historical cost				Balance at 31 December ZWS
	Balance at 1 January ZWS	Recognised in profit or loss ZWS	Recognised in other comprehensive income ZWS	Transfers between categories ZWS	
2021					
Property and equipment	2 330 900	-	-	(2 330 900)	-
Investment property	22 477 050	31 220 050	-	2 330 900	56 028 000
	24 807 950	31 220 050	-	-	56 028 000
2020					
Property and equipment	538 360	(23 134)	1 815 674	-	2 330 900
Investment property	5 221 086	17 255 964	-	-	22 477 050
	5 759 446	17 232 830	1 815 674	-	24 807 950

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
15. EQUITY AND RESERVES				
15.1 Share capital				
Authorised				
100 000 000 ordinary shares of ZWS0.01 each	1 000 000	1 000 000	1 000 000	1 000 000
Issued and fully paid 95 481 425 ordinary shares of ZWS0.01 each	63 697 706	63 697 706	954 814	954 814
Share premium	593 534 961	593 534 961	8 896 953	8 896 953
15.2 Reserves				
Functional currency translation reserve	-	-	18 061 563	18 061 563
Revaluation reserves	38 877 946	89 443 642	30 358 699	54 107 802
Retained income	1 377 305 102	502 416 928	2 014 152 032	694 896 829
Total reserves	1 416 183 048	591 860 570	2 062 572 294	767 066 194
15.3 Capital adequacy				
Share capital	63 697 706	63 697 706	954 814	954 814
Share premium	593 534 961	593 534 961	8 896 953	8 896 953
Retained income	1 377 305 102	502 416 928	2 014 152 032	694 896 829
Tier 1 Capital	2 034 537 769	1 159 649 595	2 024 003 800	704 748 596
Functional currency translation reserve	-	-	18 061 563	18 061 563
Revaluation reserves	38 877 946	89 443 642	30 358 699	54 107 802
Tier 2 Capital	38 877 946	89 443 642	48 420 262	72 169 365
Total capital base	2 073 415 715	1 249 093 237	2 072 424 062	776 917 961
Credit risk weighted assets	2 238 527 890	1 648 838 321	2 238 527 890	1 025 797 703
Operational risk equivalent assets	757 989 855	537 765 537	757 989 855	334 562 004
Total risk weighted assets	2 996 517 745	2 186 603 858	2 996 517 745	1 360 359 707
Tier 1 ratio	67.9%	53.0%	67.6%	51.8%
Tier 2 ratio	1.3%	4.1%	1.6%	5.3%
Capital adequacy ratio	69.2%	57.1%	69.2%	57.1%

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
16. NET INTEREST AND RELATED INCOME				
16.1 Interest and related income				
Mortgage advances	4 831 918	4 971 316	3 780 403	1 910 590
Consumer loans	248 513 490	26 557 244	201 453 143	10 978 424
Short term funds and securities	2 697 424	678 505	1 916 198	379 850
Other	1 891 980	1 497 181	1 520 284	583 130
	257 934 812	33 704 246	208 670 028	13 851 994
16.2 Interest and related expense				
Fixed deposits	695 982	709 046	578 703	219 373
Savings accounts	2 355 488	1 167 094	1 872 061	467 557
Other	16 269 518	615 358	16 239 411	187 228
	19 320 988	2 491 498	18 690 175	874 158
Net interest and related income	238 613 824	31 212 748	189 979 853	12 977 836
17. LOAN IMPAIRMENT MOVEMENT				
Balance at beginning of year	5 831 934	14 572 170	3 628 242	2 021 003
Effect of inflation adjustments	(12 965 901)	(11 323 668)	-	-
Charge to statement of profit or loss	25 388 919	2 583 432	14 626 710	1 607 239
Balance at end of year	18 254 952	5 831 934	18 254 952	3 628 242
18. COMMISSIONS, FEES AND OPERATING INCOME				
Account service fees	73 070 830	55 654 604	55 800 300	22 542 438
Transaction fees	14 869 286	4 138 995	11 354 881	1 676 466
Other commissions and fees	86 397 989	48 712 964	70 414 388	24 861 838
Operating lease rental income	37 094 730	26 889 949	28 548 900	11 976 927
Exchange gains	5 966 797	37 895 237	5 966 797	23 575 900
Profit on disposal of equipment	374 885	31 325	374 885	19 488
Dividend income	29 795 645	9 843 837	25 847 280	3 048 232
Other operating income	5 918 978	1 093 299	5 824 493	376 672
	253 489 140	184 260 210	204 131 924	88 077 961
19. FAIR VALUE ADJUSTMENT				
Arising from fair value through profit or loss instruments:				
- Investment securities (note 9)	195 482 186	42 958 243	213 586 945	29 121 175
- Investment properties (note 12)	323 048 005	(30 340 096)	624 401 000	345 119 284
- Investments in subsidiaries (note 13)	198 243 402	(41 736 868)	360 046 612	201 213 313
	716 773 593	(29 118 721)	1 198 034 557	575 453 772
20. OPERATING EXPENSES				
Operating expenses comprise the following:				
Staff cost	31 921 057	35 070 458	26 594 593	16 012 041
Communication expenses	821 555	754 759	651 088	324 930
Computer and information technology expenses	76 531 076	50 964 240	61 504 778	27 483 314
Occupation expenses	11 689 957	9 107 564	9 550 631	4 094 289
Transport costs	791 327	718 875	717 792	298 052
Security	10 831 064	8 273 930	9 132 729	4 177 082
Administration expenses	187 525 416	157 908 790	155 206 240	53 388 041
	320 111 452	262 798 616	263 357 851	105 777 749
Included in administration expenses are the following:				
Audit fees	12 763 491	9 951 813	9 485 751	74 414
Directors fees	3 313 240	2 061 480	2 755 303	744 068
Depreciation of property and equipment	3 315 573	14 127 010	2 062 730	1 959 263
Depreciation of right of use assets	681 147	436 936	527 853	173 468
Impairment of assets	556 824	645 759	39 608	-
Lease liabilities finance cost	133 780	615 358	103 672	187 228
21. INCOME TAX CREDIT / (EXPENSE)				
Deferred tax credit / (expense)	16 152 400	(1		



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 ZW\$	Amortised cost ZW\$	Designated at FVOCI ZW\$	Total ZW\$	Level 1 ZW\$	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
As at 31 December 2021								
Financial assets measured at fair value								
Financial assets at FVTPL	243 395 307	-	-	243 395 307	-	-	243 395 307	243 395 307
Investments in subsidiaries	626 438 854	-	-	626 438 854	-	-	626 438 854	626 438 854
	869 834 161			869 834 161			869 834 161	869 834 161
Financial assets not measured at fair value								
Trade and other receivables	-	97 943 284	-	97 943 284				
Loans and advances	-	364 721 675	-	364 721 675				
Money market investments	-	-	-	-				
Cash and cash equivalents	-	443 083 435	-	443 083 435				
	-	905 748 394	-	905 748 394				
Financial liabilities not measured at fair value								
Trade and other payables	-	(153 434 062)	-	(153 434 062)				
Deposits from customers	-	(652 371 367)	-	(652 371 367)				
	-	(805 805 429)	-	(805 805 429)				
As at 31 December 2020								
Financial assets measured at fair value								
Financial assets at FVTPL	47 913 121	-	-	47 913 121	-	-	47 913 121	47 913 121
Investments in subsidiaries	428 195 453	-	-	428 195 453	-	-	428 195 453	428 195 453
	476 108 574			476 108 574			476 108 574	476 108 574
Financial assets not measured at fair value								
Trade and other receivables	-	194 841 659	-	194 841 659				
Loans and advances	-	135 717 828	-	135 717 828				
Money market investments	-	80 356 408	-	80 356 408				
Cash and cash equivalents	-	68 041 155	-	68 041 155				
	-	478 957 050	-	478 957 050				
Financial liabilities not measured at fair value								
Trade and other payables	-	(49 120 747)	-	(49 120 747)				
Deposits from customers	-	(458 647 816)	-	(458 647 816)				
	-	(507 768 563)	-	(507 768 563)				

	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZW\$	Amortised cost ZW\$	Designated at FVOCI ZW\$	Total ZW\$	Level 1 ZW\$	Level 2 ZW\$	Level 3 ZW\$	Total ZW\$
As at 31 December 2021								
Financial assets measured at fair value								
Financial assets at FVTPL	243 395 307	-	-	243 395 307	-	-	243 395 307	243 395 307
Investments in subsidiaries	626 434 674	-	-	626 434 674	-	-	626 434 674	626 434 674
	869 829 981			869 829 981			869 829 981	869 829 981
Financial assets not measured at fair value								
Trade and other receivables	-	97 943 284	-	97 943 284				
Loans and advances	-	364 721 675	-	364 721 675				
Money market investments	-	-	-	-				
Cash and cash equivalents	-	443 083 435	-	443 083 435				
	-	905 748 394	-	905 748 394				
Financial liabilities not measured at fair value								
Trade and other payables	-	(153 434 062)	-	(153 434 062)				
Deposits from customers	-	(652 371 367)	-	(652 371 367)				
	-	(805 805 429)	-	(805 805 429)				
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)				

22.2 Interest rate risk

22.2.1 Interest rate gap analysis

	Inflation adjusted				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
As at 31 December 2021					
Financial assets by type					
Local bank accounts	360 007 382	-	-	-	360 007 382
Loans and other advances	26 585 576	12 596 873	29 456 559	296 082 667	364 721 675
	386 592 958	12 596 873	29 456 559	296 082 667	724 729 057
Financial liability by type					
Deposits from customers	628 989 321	347 913	244 459	22 789 674	652 371 367
Sensitivity gap	(242 396 363)	12 248 960	29 212 100	273 292 993	72 357 690
Cumulative gap	(242 396 363)	(230 147 403)	(200 935 303)	72 357 690	-
As at 31 December 2020					
Financial assets by type					
Local bank accounts	46 342 413	-	-	-	46 342 413
Money market investments	80 356 408	-	-	-	80 356 408
Loans and other advances	1 417 938	1 906 525	22 120 882	110 272 483	135 717 828
	128 116 759	1 906 525	22 120 882	110 272 483	262 416 649
Financial liability by type					
Deposits from customers	411 211 103	617 176	40 261 093	6 558 444	458 647 816
Sensitivity gap	(283 094 344)	1 289 349	(18 140 211)	103 714 039	(196 231 167)
Cumulative gap	(283 094 344)	(281 804 995)	(299 945 206)	(196 231 167)	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RISK MANAGEMENT (Continued)

22.2.1 Interest rate gap analysis (continued)

	Unaudited Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
As at 31 December 2021					
Financial assets by type					
Local bank accounts	360 007 382	-	-	-	360 007 382
Money market investments	-	-	-	-	-
Loans and other advances	26 585 576	12 596 873	29 456 559	296 082 667	364 721 675
	386 592 958	12 596 873	29 456 559	296 082 667	724 729 057
Financial liability by type					
Deposits from customers	628 989 321	347 913	244 459	22 789 674	652 371 367
Sensitivity gap	(242 396 363)	12 248 960	29 212 100	273 292 993	72 357 690
Cumulative gap	(242 396 363)	(230 147 403)	(200 935 303)	72 357 690	-
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)	-

22.3 Liquidity risk

22.3.1 Liquidity gap analysis

	Inflation adjusted					
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Gross nominal inflow/(outflow) ZW\$	Carrying amount ZW\$
As at 31 December 2021						
Financial assets by type						
Cash and cash equivalents	443 083 435	-	-	-	443 083 435	443 083 435
Loans and other advances	29 244 134	15 242 216	38 028 418	441 459 257	523 974 025	364 721 675
Financial assets at FVTPL	-	-	-	243 395 307	243 395 307	243 395 307
	472 327 569	15 242 216	38 028 418	684 854 564	1 210 452 767	1 051 200 417
Financial liabilities by type						
Deposits from customers	629 124 729	352 202	253 534	24 119 071	653 849 536	652 371 367
Trade and other payables	-	144 956 430	-	-	144 956 430	153 434 061
Lease liabilities	-	-	-	730 347	730 347	730 347
	629 124 729	145 308 632	253 534	24 849 418	799 536 313	806 535 775
Sensitivity gap	(156 797 160)	(130 066 416)	37 774 884	660 005 146	410 916 453	244 664 641
Cumulative gap	(156 797 160)	(286 863 577)	(249 088 693)	410 916 453	-	-
As at 31 December 2020						
Financial assets by type						
Cash and cash equivalents	46 348 760	-	-	-	46 348 760	68 041 155
Money market investments	80 439 051	-	-	-	80 439 051	80 356 408
Loans and other advances	436 643	9 319 820	46 785 729	261 042 688	317 584 880	135 717 828
Financial assets at FVTPL	-	-	-	47 913 121	47 913 121	47 913 121
	127 224 454	9 319 820	46 785 729	308 955 809	492 285 812	332 028 512
Financial liabilities by type						
Deposits from customers	411 299 628	624 785	41 755 718	6 941 020	460 621 151	458 647 816
Trade and other payables	-	45 429 954	-	-	45 429 954	49 120 747
Lease liabilities	-	-	-	1 172 068	1 172 068	1 172 068
	411 299 628	46 054 739	41 755 718	8 113 088	507 223 173	508 940 631
Sensitivity gap	(284 075 174)	(36 734 919)	5 030 011	300 842 721	(14 937 361)	(176 912 119)
Cumulative gap	(284 075 174)	(320 810 093)	(315 780 082)	(14 937 361)	-	-

	Unaudited Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months		



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Audited Financial Results for the year ended 31 December 2021



AUDITED FINANCIAL RESULTS for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION As at 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
ASSETS				
Cash and cash equivalents	5 662 247	6 751 605	5 662 247	4 200 400
Funds on deposit	66 944 099	9 551 243	66 944 099	5 942 149
Reinsurance claim receivable	10 000	27 759	10 000	17 270
Trade and other receivables	25 734 545	21 713 582	25 712 671	13 508 749
Investment securities	1 148 293 036	757 086 142	1 148 293 036	471 008 719
Treasury bills and bonds	43 196 199	19 642 905	43 196 199	12 220 511
Investment properties	453 311 500	334 733 941	453 311 500	208 249 228
Right of use asset	36 584 866	11 839 715	31 613 823	5 099 666
Equity accounted investments	4 011 249 357	3 990 681 937	4 007 920 648	2 450 748 623
Intangible assets	30 894 655	38 521 408	3 181 597	996 295
Equipment	65 814 070	43 995 614	65 814 070	27 371 149
TOTAL ASSETS	5 887 694 574	5 234 545 851	5 851 659 890	3 199 362 759
LIABILITIES				
Life assurance funds	3 162 315 677	2 690 348 469	3 162 315 677	1 673 756 150
Operating Lease Liability	31 345 413	8 793 250	31 345 413	5 470 576
Deferred tax liability	334 269 313	250 299 175	343 518 379	155 719 526
Trade and other payables	160 583 617	81 500 684	160 583 617	50 704 313
Provisions	8 947 586	10 245 159	8 947 586	6 373 856
Reinsurance premium payable	937 672	3 305 587	937 672	2 056 516
Taxation	53 489 925	55 593 110	53 489 925	34 586 340
Total Liabilities	3 751 889 203	3 100 085 434	3 761 138 269	1 928 667 277
EQUITY				
Share capital	15 486 854	15 486 854	231 908	231 908
Share premium	295 921 829	295 921 829	4 431 623	4 431 623
Investment reserve	1 236 516 791	1 236 516 791	827 451 668	827 451 668
Revaluation reserve	120 619 699	84 156 947	95 392 205	38 701 969
Foreign currency translation reserve	-	-	28 051 287	28 051 287
Retained earnings	467 260 198	502 377 996	1 134 962 930	371 827 027
Total equity	2 135 805 371	2 134 460 417	2 090 521 621	1 270 695 482
TOTAL EQUITY AND LIABILITIES	5 887 694 574	5 234 545 851	5 851 659 890	3 199 362 759

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
INCOME				
Gross premium income	528 779 608	267 272 218	482 400 765	115 020 301
Premiums ceded to reinsurers	(48 766 560)	(20 129 192)	(43 138 687)	(10 341 566)
Net premiums	480 013 048	247 143 026	439 262 078	104 678 735
Fair value gains on fair value Through profit or loss financial instruments	515 477 055	30 049 548	791 094 067	416 152 998
Fair value gain on investment properties	118 577 560	872 596	245 062 273	161 946 312
Investment income	34 706 594	17 664 824	29 346 475	7 991 380
Profit on disposal of listed equity investments	3 217 347	85 338 543	(528 283)	8 261 210
Other income	12 173 120	4 728 660	10 784 121	2 175 847
Total income	1 164 164 724	386 097 197	1 515 020 731	701 206 482
Expenses and Policyholder Benefits				
Policyholders' benefits	(149 636 042)	(486 053 788)	(136 968 124)	(283 300 620)
Changes to policyholder liabilities	(471 967 208)	(962 586 390)	(1 488 559 527)	(1 435 100 181)
Operating expenses	(326 397 701)	(222 989 906)	(280 269 888)	(89 838 463)
Commissions	(124 520 950)	(78 482 844)	(111 626 169)	(23 879 047)
Profit share under bancassurance agreements	(17 508 557)	(9 161 104)	(15 812 268)	(4 316 407)
Total expenses and policyholder benefits	(1 090 030 458)	(1 759 274 032)	(2 033 235 976)	(1 836 434 718)
Operating profit before taxation	74 134 266	(1 373 176 835)	(518 215 245)	(1 135 228 236)
Share of profit/ (loss) of equity accounted investee net of tax	17 509 918	1 683 634 974	1 547 432 944	2 287 728 194
Lease liability finance charge	(5 446 763)	(6 779 391)	(4 351 818)	(2 062 685)
Net monetary gain/loss	38 168 507	107 445 183	-	-
Profit before taxation	124 365 928	411 123 930	1 024 865 881	1 150 437 273
Income tax expense	(152 601 264)	(194 533 661)	(256 429 980)	(179 737 153)
Profit for the year	(28 235 336)	216 590 269	768 435 901	970 700 120
Other comprehensive income				
Revaluation of Property and equipment	26 067 175	15 127 604	40 845 221	22 594 136
Share of other comprehensive income of equity accounted investee net of tax	10 395 577	(3 416)	15 845 015	9 094 132
Other comprehensive income for the year	36 462 752	15 124 188	56 690 236	31 688 268
Total comprehensive income for the year	8 227 416	231 714 457	825 126 137	1 002 388 388

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STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Inflation adjusted						
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	FCTR equity ZWS	Total ZWS
Balance at 31 December 2019	15 486 854	295 921 829	69 032 759	526 416 451	999 190 664	-	1 906 048 557
Profit for the year	-	-	-	-	216 590 269	-	216 590 269
Transfer to investment reserve	-	-	-	710 100 340	-	-	710 100 340
Revaluation of property	-	-	15 124 188	-	-	-	15 124 188
Dividend paid	-	-	-	-	(3 302 597)	-	(3 302 597)
Balance at 31 December 2020	15 486 854	295 921 829	84 156 947	1 236 516 791	502 377 996	-	2 134 460 417
Profit for the year	-	-	-	-	(28 235 336)	-	(28 235 336)
Revaluation of Property	-	-	36 462 752	-	-	-	36 462 752
Dividend paid	-	-	-	-	(6 882 462)	-	(6 882 462)
Transfer to investment reserve	-	-	-	-	-	-	-
Balance at 31 December 2021	15 486 854	295 921 829	120 619 699	1 236 516 791	467 260 198	-	2 136 032 702

CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2021

	Unaudited Historical cost*						
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	FCTR equity ZWS	Total ZWS
Balance at 31 December 2019	231 908	4 431 623	7 103 701	117 351 328	112 427 249	28 051 287	269 507 096
Total comprehensive income for the year	-	-	-	-	970 700 120	-	970 700 120
Revaluation of Property	-	-	31 688 268	-	-	-	31 688 268
Arising from change in functional currency	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(1 200 000)	-	(1 200 000)
Transfer to investment reserve	-	-	-	710 100 340	(710 100 340)	-	-
Balance at 31 December 2020 (Reported)	231 908	4 431 623	38 701 969	827 451 668	371 827 029	28 051 287	1 270 695 484
Total comprehensive income for the year	-	-	-	-	768 435 901	-	768 435 901
Revaluation of property	-	-	56 690 236	-	-	-	56 690 236
Arising from change in functional currency	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(5 300 000)	-	(5 300 000)
Transfer to investment reserve	-	-	-	-	-	-	-
Balance at 31 December 2021	231 908	4 431 623	95 392 205	827 451 668	1 134 962 930	28 051 287	2 090 521 621

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STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Cash generated from operations	(42 610 722)	(71 548 810)	(79 333 439)	(85 872 618)
Cash generated / (used) to increase working capital	71 414 293	7 630 930	112 822 545	38 296 787
Cash generated from operating activities	28 803 571	(63 917 880)	33 489 106	(47 575 831)
Interest received	8 310 857	4 702 859	5 799 193	1 953 812
Dividends received from equity accounted investment	13 285 217	16 279 054	6 105 934	9 437 765
Other Dividends received	7 338 074	3 320 469	11 731 185	1 958 466
Dividend paid	(6 882 462)	(3 302 597)	(5 300 000)	(1 200 000)
Taxation paid	(70 734 309)	(67 164 279)	(49 727 541)	(1 946 691)
Operating lease liability interest paid	(5 446 763)	-	(4 351 818)	-
Cash generated from operating activities	(25 325 815)	(110 082 374)	(2 253 941)	(37 372 481)
Cash flows from investing activities				
Purchase of property and equipment	(3 913 457)	(2 765 176)	(2 950 764)	(982 825)
Purchase of intangible assets	(3 087 530)	(2 334 357)	(2 760 462)	(475 621)
Proceeds on disposal of equipment	604 637	-	604 637	-
Purchase of financial assets at amortised cost	(23 553 296)	12 841 378	(30 975 689)	(7 715 296)
Purchase of equity investments (Purchase) /maturity of funds on deposit	(16 068 734)	(14 354 227)	(11 744 998)	(4 175 364)
Proceeds on disposal of listed equity investments	(57 392 856)	8 247 949	(61 001 950)	(3 473 596)
Cash used in investing activities	40 144 962	121 792 405	16 197 240	44 386 692
Cash flows from financing activities				
Payment of lease liabilities	(15 908 504)	(6 203 213)	(12 481 451)	(2 986 448)
Cash used in financing activities	(15 908 504)	(6 203 213)	(12 481 451)	(2 986 448)
(Decrease)/Increase in cash and cash equivalents	(1 089 357)	5 506 816	1 461 847	4 027 763
Cash and cash equivalents at the beginning of the year	6 751 604	1 244 786	4 200 400	172 637
Cash and cash equivalents at the end of year	5 662 247	6 751 604	5 662 247	4 200 400

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
1. FUNDS ON DEPOSIT				
Fixed deposits	66 944 099	9 551 243	66 944 099	5 942 149

These are money market placements with terms of not more than a year.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
2. INVENTORIES TRADE AND OTHER RECEIVABLES				
Printing and stationery stock	401 680	420 131	379 806	261 377
Prepayments	2 832 590	4 614 606	2 832 590	2 870 901
Related party balances	1 423 597	860 350	1 423 597	535 256
Rent debtors	3 502 722	134 910	3 502 722	83 932
Sundry debtors	10 517 840	12 171 644	10 517 8	



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3.1 Reconciliation of carrying amount

	Inflation adjusted			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
2021				
Opening Balance	222 586 128	478 875 468	55 624 502	757 086 098
Additions	16 068 734	-	-	16 068 734
Disposals	(102 229 044)	-	(38 109 807)	(140 338 851)
Fair value gains	251 675 640	281 316 110	(17 514 695)	515 477 055
Closing balance	388 101 458	760 191 578	-	1 148 293 036
2020				
Opening Balance	207 202 558	499 533 062	40 464 943	747 200 563
Additions	14 354 227	-	-	14 354 227
Disposals	(34 818 239)	-	-	(34 818 239)
Fair value gains	35 847 582	(20 657 594)	15 159 560	30 349 548
Closing balance	222 586 128	478 875 468	55 624 503	757 086 098

	Unaudited Historical cost			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
2021				
Opening balance	138 478 307	297 924 541	34 605 871	471 008 719
Additions	11 744 998	-	-	11 744 998
Disposals	(87 444 943)	-	(38 109 805)	(125 554 748)
Fair value gains	325 323 096	462 267 037	3 503 934	791 094 067
Closing balance	388 101 458	760 191 578	-	1 148 293 036
2020				
Opening Balance	28 736 727	69 279 772	5 612 050	103 628 549
Additions	4 175 363	-	-	4 175 363
Disposals	(52 948 191)	-	-	(52 948 191)
Fair value gains	158 514 408	228 644 769	28 993 821	416 152 998
Foreign currency translation	-	-	-	-
Closing balance	138 478 307	297 924 541	34 605 871	471 008 719

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
4. INVESTMENT PROPERTIES				
Reconciliation of carrying amount				
Opening balance as at 1 January	334 733 940	333 861 344	208 249 228	46 302 916
Fair value adjustment	118 577 560	872 596	245 062 272	161 946 312
Foreign currency translation	-	-	-	-
Closing balance as at 31 December	453 311 500	334 733 940	453 311 500	208 249 228

Investment properties comprise an undeveloped stand, an office block, an industrial property, a cinema building and a hospital that are leased out to third parties to earn rental income. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

None of the properties are mortgaged as security for liabilities.

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
5. RIGHT OF USE ASSET				
Cost				
Balance at 1 January	47 821 186	34 278 753	7 010 210	1 674 396
Remeasurement of lease asset	42 253 708	13 542 433	42 253 708	5 335 814
Monetary adjustment	-	-	-	-
Balance at 31 December	90 074 894	47 821 186	49 263 918	7 010 210
Depreciation and impairment losses				
Balance as at 1 January	35 981 471	26 466 602	1 910 544	590 936
Depreciation	17 508 557	9 514 869	15 739 551	1 319 608
Balance as at 31 December	53 490 028	35 981 471	17 650 095	1 910 544
Net book value as at 31 December	36 584 866	11 839 715	31 613 823	5 099 666

6. EQUITY ACCOUNTED INVESTMENTS

	Inflation adjusted		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
2021			
Balance at 1 January 2021	3 973 318 079	17 363 857	3 990 681 936
Share of profit / (loss) for the year	20 455 522	(2 945 604)	17 509 918
Dividend received	(7 338 074)	-	(7 338 074)
Share of other comprehensive income	-	10 395 577	10 395 577
Balance at 31 December 2021	3 986 435 527	24 813 830	4 011 249 357
2020			
Balance at 1 January 2020	2 630 274 801	16 814 769	2 647 089 570
Share of profit/ (loss) for the year	1 683 082 470	552 504	1 683 634 974
Dividend Received	(16 279 054)	-	(16 279 054)
Share of other comprehensive income	-	(3 416)	(3 416)
Termination Transfer	(323 760 138)	-	(323 760 138)
Foreign currency translation reserve	-	-	-
Balance at 31 December 2020	3 973 318 079	17 363 857	3 990 681 936

	Unaudited Historical cost		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
2021			
Balance at 1 January 2021	2 440 255 455	10 493 168	2 450 748 623
Share of profit / (loss) for the year	1 549 264 092	(1 831 148)	1 547 432 944
Dividend received	(6 105 934)	-	(6 105 934)
Share of other comprehensive income	-	15 845 015	15 845 015
Balance at 31 December 2021	3 983 413 613	24 507 035	4 007 920 648
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
Dividend 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
7. INTANGIBLE ASSETS				
Cost				
Balance at 1 January	53 314 101	50 979 743	1 311 569	835 948
Additions	3 087 530	2 334 357	2 760 462	475 621
Revaluation (loss) /gain	-	-	-	-
Derecognition of e-life software	-	-	-	-
Balance at 31 December	56 401 630	53 314 100	4 072 031	1 311 569
Depreciation and impairment losses				
Balance as at 1 January	14 792 696	4 246 594	315 274	68 814
Depreciation	10 714 279	10 546 102	575 160	246 460
Derecognition of e-life software	-	-	-	-
Revaluation	-	-	-	-
Balance as at 31 December	25 506 975	14 792 696	890 434	315 274
Net book value as at 31 December	30 894 655	38 521 404	3 181 597	996 295

8. EQUIPMENT

	Inflation adjusted			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
2021				
Cost or valuation				
At 1 January 2021	7 531 166	27 126 347	9 338 100	43 995 613
Additions	-	-	3 913 457	3 913 457
Disposals	-	(17 421)	(612 689)	(630 110)
Revaluation	728 654	14 135 328	3 671 128	18 535 110
At 31 December 2021	8 259 820	41 244 254	16 309 996	65 814 070
Accumulated depreciation and impairment				
Balance at 1 January 2021	-	-	-	-
Charge for the year	1 694 512	2 451 581	3 434 339	7 580 432
Disposal	-	(1 437)	(46 391)	(47 828)
Revaluation	(1 694 512)	(2 450 144)	(3 387 948)	(7 532 604)
Balance at 31 December 2021	-	-	-	-
Carrying amount				
Balance at 31 December 2021	8 259 820	41 244 254	16 309 996	65 814 070
Balance at 31 December 2020	7 531 166	27 126 347	9 338 100	43 995 613
2020				
Cost or valuation				
At 1 January 2020	21 368 493	7 964 329	9 129 461	38 462 283
Additions	-	1 230 287	1 534 889	2 765 176
Revaluation	(13 837 327)	17 931 731	(1 326 250)	2 768 154
Disposals	-	-	-	-
At 31 December 2020	7 531 166	27 126 347	9 338 100	43 995 613
Accumulated depreciation and impairment				
Balance at 1 January 2020	-	-	-	-
Charge for the year	7 263 019	1 821 985	1 348 676	10 433 680
Disposal	-	(1 821 985)	(1 348 676)	-
Revaluation	(7 263 019)	-	-	(10 433 680)
Balance at 31 December 2020	-	-	-	-
Carrying amount				
Balance at 31 December 2020	7 531 166	27 126 347	9 338 100	43 995 613
Balance at 31 December 2019	21 368 493	7 964 329	9 129 461	38 462 283

	Unaudited Historical cost			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
2021				
Cost or valuation				
At 1 January 2021	4 685 391	16 876 213	5 809 545	27 371 149
Additions	-	-	2 950 764	2 950 764
Disposals	-	(17 421)	(271 216)	(288 637)
Currency conversion	-	-	-	-
Revaluation	3 574 429	24 385 464	7 820 901	35 780 794
At 31 December 2021	8 259 820	41 244 256	16 309 994	65 814 070
Accumulated depreciation and impairment				
Balance at 1 January 2021	-	-	-	-
Charge for the year	1 054 213	1 526 779	287 997	2 868 989
Disposal	-	(1 437)	-	(1 437)
Revaluation	(1 054 213)	(1 525 342)	(287 997)	(2 867 552)
Balance at 31 December 2021	-	-	-	-
Carrying amount				
Balance at 31 December 2021	8 259 820	41 244 256	16 309 994	65 814 070
Balance at 31 December 2020	4 685 391	16 876 213	5 809 545	27 371 149
2020				
Cost or valuation				
At 1 January 2020	2 963 576	1 104 566	1 266 155	5 334 297
Additions	-	209 855	772 970	982 825
Revaluation	1 721 815	15 561 792	3 770 420	21 054 027
Currency conversion	-	-	-	-
Disposals	-	-	-	-
At 31 December 2020	4 685 391	16 876 213	5 809 545	27 371 149
Accumulated depreciation and impairment				
Balance at 1 January 2020	-	-	-	-
Charge for the year	1 007 301	244 812	287 997	1 540 110
Disposal	-	-	-	-
Revaluation	(1 007 301)	(244 812)	(287 997)	(1 540 110)
Balance at 31 December 2020	-	-	-	-
Carrying amount				
Balance at 31 December 2020	4 685 391	16 876 213	5 809 545	27 371 149
Balance at 31 December 2019	2 963 576	1 104 566	1 266 155	5 334 297

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$	31 Dec 2021 ZW\$	31 Dec 2020 ZW\$
9. LIFE ASSURANCE FUNDS				
At 1 January	2 690 348 469	1 727 762 079	1 673 756 150	238 655 969
Changes to policyholder liabilities	471 967 208	826 222 218	1 488 559 527	1 298 736 009
Foreign currency translation reserve	-</			



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
11. TRADE AND OTHER PAYABLES				
Policyholders' claims intimated but not paid	14 516 385	33 143 013	14 516 385	20 619 382
Other liabilities	18 292 255	16 712 316	18 292 255	10 397 292
Related parties	49 741 258	8 925 185	49 741 258	5 552 658
Unearned Premium	78 033 719	22 720 170	78 033 719	14 134 981
	160 583 617	81 500 684	160 583 617	50 704 313
12. GROSS PREMIUM INCOME				
Individual life	67 009 466	28 561 587	61 132 119	11 417 240
Group business	461 770 142	238 710 631	421 268 646	103 603 061
	528 779 608	267 272 218	482 400 765	115 020 301
13. PREMIUMS CEDED TO REINSURERS				
Individual life	(697 943)	462 398	(617 397)	(56 660)
Group business	(48 068 617)	(20 591 590)	(42 521 290)	(10 284 906)
	(48 766 560)	(20 129 192)	(43 138 687)	(10 341 566)
14. INVESTMENT INCOME				
Interest income on held to maturity financial instruments	8 310 857	4 702 859	5 799 193	1 953 812
Rentals from investment properties	13 110 520	9 641 496	11 731 185	4 079 102
Dividends from financial assets designated at fair value through profit or loss	13 285 217	3 320 469	11 816 097	1 958 466
	34 706 594	17 664 824	29 346 475	7 991 380
15. OTHER INCOME				
Loss on disposal of property and equipment	22 893	-	22 893	-
Sundry income	265 276	323 969	228 477	117 577
Reinsurance commission	9 257 264	3 589 935	8 167 579	1 741 261
Asset Management income	2 627 687	814 756	2 365 172	317 009
	12 173 120	4 728 660	10 784 121	2 175 847
16. POLICYHOLDERS' BENEFITS				
Claims during the year were as follows: -				
Death and disability benefits	80 975 213	41 599 654	71 739 158	17 950 720
Maturities	5 611 058	7 596 487	5 126 378	3 543 733
Annuities	16 238 039	6 685 571	14 413 756	2 794 657
Surrenders and pensions withdrawals	46 811 732	430 172 076	45 688 832	259 011 510
	149 636 042	486 053 788	136 968 124	283 300 620

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
17. OPERATING EXPENSES				
Staff expenses	176 240 170	98 659 459	160 411 728	45 683 570
Administration expenses	78 485 494	72 882 107	66 733 125	34 679 615
Depreciation of equipment	7 580 432	12 648 777	4 771 321	1 540 110
Depreciation of software	10 714 279	10 546 102	575 160	246 460
Depreciation of Right of Use Asset	17 508 557	9 514 870	15 739 551	1 319 608
Foreign exchange loss	13 514 574	7 898 232	12 149 106	1 773 130
Directors Fees	12 130 722	6 009 631	9 149 128	2 755 333
Audit Fees	10 223 473	4 830 728	10 740 769	1 840 637
	326 397 701	222 989 906	280 269 888	89 838 463
18. INCOME TAX CHARGE				
Current taxation	68 631 127	117 823 460	68 631 127	35 848 751
Deferred taxation	83 970 137	76 710 201	187 798 853	143 888 402
	152 601 264	194 533 661	256 429 980	179 737 153
19. RISK MANAGEMENT				

Liquidity risk gap analyses as at 31 December 2021

	Up to 1 Month ZWS	2 to 12 Months ZWS	Above 12 Months ZWS	Total ZWS
Assets				
Bank and cash	5 662 247	-	-	5 662 247
Funds on deposit	20 589 356	46 354 743	-	66 944 099
Financial assets at Amortised cost	-	43 196 199	-	43 196 199
Investments-At Fair Value	-	450 472 932	697 820 104	1 148 293 036
Trade and other receivables	-	25 712 671	-	25 712 671
Reinsurance receivable	10 000	-	-	10 000
Total	26 261 603	565 736 545	697 820 104	1 289 818 252
Liabilities				
Trade and other payables	-	160 583 617	-	160 583 617
Reinsurance payable	937 672	-	-	937 672
Total	937 672	160 583 617	-	161 521 289
Period Gap	25 323 931	405 152 928	697 820 104	1 128 296 963
Cumulative Gap	25 323 931	430 476 859	1 128 296 963	-

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Audited Financial Results for the year ended 31 December 2021

AUDITED FINANCIAL RESULTS for the year ended 31 December 2021

STATEMENT OF POSITION As at 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
ASSETS				
Non-current assets				
Equipment	24 762 885	18 884 822	24 762 885	11 748 882
Right of use assets	35 393 709	9 844 863	35 393 709	6 124 820
Investment properties	521 351 000	301 964 084	521 351 000	187 862 000
Investments	469 641 600	210 997 187	469 641 600	131 268 437
Deferred tax asset	-	-	-	-
Total non-current assets	1 051 149 194	541 690 956	1 051 149 194	337 004 139
Current assets				
Other assets	18 114 824	695 806	18 114 824	432 884
Balances receivable from insurance companies	208 440 447	128 518 741	208 440 447	79 955 826
Cash and cash equivalent	582 803 398	678 062 839	582 803 398	421 845 668
Total current assets	809 358 669	807 277 386	809 358 669	502 234 378
Total assets	1 860 507 863	1 348 968 342	1 860 507 863	839 238 517
EQUITY AND LIABILITIES				
Equity				
Share capital	329 184	329 184	5 000	5 000
Share premium	164 262 926	164 262 926	2 495 000	2 495 000
Revaluation reserve	12 210 198	5166 699	20 112 341	8 959 434
Foreign currency translation reserve	-	-	9 649 178	9 649 178
Retained earnings	1 100 462 547	681 003 540	1 245 003 336	508 179 222
Total shareholders' equity	1 277 264 855	850 762 349	1 277 264 855	529 287 834
Non-current liabilities				
Deferred tax liability	94 322 584	51 551 054	94 322 584	32 071 642
Lease Liabilities	36 017 839	10 265 344	36 017 839	6 386 415
Current liabilities				
Unearned premium reserve	101 677 244	178 942 341	101 677 244	111 326 041
Incurring but not reported claims reserve (IBNR)	113 042 318	144 926 488	113 042 318	90 163 636
Outstanding claims	64 248 772	45 925 133	64 248 772	28 571 568
Balances payable to insurance companies	29 189 323	17 388 426	29 189 323	10 817 924
Taxation	12 261 049	13 389 552	12 261 049	8 330 090
Other payables	132 483 879	35 817 655	132 483 879	22 283 368
Total liabilities	583 243 008	498 205 993	583 243 008	309 950 683
Total equity and liabilities	1 860 507 863	1 348 968 342	1 860 507 863	839 238 517

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2021

Notes	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Gross premium	1 966 111 991	1 967 568 465	1 569 584 679	869 359 759
Retrocession premium	(512 737 034)	(389 966 992)	(403 954 596)	(139 906 985)
Net premium income	1 453 374 957	1 577 601 473	1 165 630 083	729 452 775
Unearned premium	(24 371 387)	(233 392 452)	(9 648 797)	(95 765 848)
Net earned premium	1 429 003 570	1 344 209 021	1 175 278 880	633 686 926
Net claims	(520 907 344)	(696 134 447)	(433 202 372)	(289 284 269)
Net commission	(408 178 518)	(411 707 651)	(326 388 197)	(194 543 341)
Operating expenses	(284 136 969)	(179 238 306)	(223 634 557)	(78 296 107)
Underwriting result	215 780 739	57 128 617	192 053 754	71 563 209
Investment income	204 122 231	582 072 896	176 916 222	179 772 248
Fair value adjustment	323 829 199	(19 525 269)	504 749 315	212 704 982
Net operating profit	743 732 169	619 676 244	873 719 291	464 040 439
Effects of inflation adjustments	206 633 217	500 662 231	-	-
Profit before tax	542 323 348	119 014 013	877 359 701	464 040 439
Income tax expense	(90 836 240)	(19 700 197)	(108 966 229)	(37 841 453)
Profit for the year	447 387 955	138 714 210	764 753 062	426 198 986
Revaluation of Equipment	9 356 401	3 493 811	14 815 232	8 740 760
Income tax relating to components of other comprehensive income	(2 312 902)	(863 670)	(3 662 325)	(2 160 716)
Total comprehensive income	454 431 454	141 344 351	775 905 969	432 779 030

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STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

	Inflation adjusted					
	Share capital ZWS	Share premium ZWS	Foreign currency translation reserve ZWS	Revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
2021						
Balance as at 1 January 2021	329 184	164 262 926	-	5 166 699	681 003 540	850 762 349
Profit for the year	-	-	-	-	447 387 955	447 387 955
Revaluation of equipment	-	-	-	7 043 499	-	7 043 499
Dividend declared	-	-	-	-	(27 928 948)	(27 928 948)
Balance as at 31 December 2021	329 184	164 262 926	-	12 210 198	1 100 462 547	1 277 264 855
2020						
Balance as at 1 January 2020	329 184	164 262 926	-	7 880 432	541 466 753	713 939 295
Profit for the year	-	-	-	-	138 714 210	138 714 210
Transfer to retained income	-	-	-	(5 343 874)	5 343 874	-
Revaluation of equipment	-	-	-	2 630 141	-	2 630 141
Dividend paid	-	-	-	-	(4 521 297)	(4 521 297)
Balance as at 31 December 2020	329 184	164 262 926	-	5 166 699	681 003 540	850 762 349

STATEMENT OF CHANGES IN EQUITY (continued) For the year ended 31 December 2021

	Unaudited Historical cost*					
	Share capital ZWS	Share premium ZWS	Foreign currency translation reserve ZWS	Revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
2021						
Balance as at 1 January 2021	5 000	2 495 000	9 649 178	8 959 434	508 179 222	529 287 834
Profit for the year	-	-	-	-	764 198 986	764 198 986
Revaluation of equipment	-	-	-	11 152 907	-	11 152 907
Dividend declared	-	-	-	-	(27 928 948)	(27 928 948)
Balance as at 31 December 2021	5 000	2 495 000	9 649 178	20 112 341	1 245 003 336	1 277 264 855
2020						
Balance as at 1 January 2020	5 000	2 495 000	9 649 178	3 120 527	83 745 866	99 015 571
Profit for the year	-	-	-	-	426 198 986	426 198 986
Transfer to retained income	-	-	-	(741 137)	741 137	-
Revaluation of equipment	-	-	-	6 580 044	-	6 580 044
Dividend paid	-	-	-	-	(2 506 767)	(2 506 767)
Balance as at 31 December 2020	5 000	2 495 000	9 649 178	8 959 434	508 179 222	529 287 834

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

STATEMENT OF CASH FLOWS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost*	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
Cash generated from operating activities	(75 644 021)	(177 020 008)	207 071 813	252 429 744
Income taxes paid	(51 506 115)	(25 696 830)	(46 446 653)	(14 783 277)
Interest received	4 043 646	3 588 686	3 167 026	1 618 544
Net cash generated from operating activities	(123 106 490)	(199 128 152)	163 792 186	239 265 011
Cash flows from investing activities				
Additions to equipment	(1 528 468)	(55 912)	(1 066 650)	(8 999)
Purchase of prescribed assets	(168 742 621)	(67 534 375)	(166 722 937)	(41 893 300)
Purchase of listed securities	-	(1 043 493)	-	(381 102)
Maturity of prescribed assets	62 390 140	14 644 454	40 919 860	2 076 202
Proceeds on disposal of listed securities	-	1 049 619	-	381 434
Proceeds on disposal of equipment	643 915	-	643 915	-
Dividend Received	8 588 128	3 728 428	4 000 655	1 871 880
Purchase of Investment Property	(53 643 947)	-	(41 309 771)	-
Net cash generated from investing activities	(152 292 853)	(49 211 279)	(159 810 991)	(37 953 885)
Cash flows from financing activities				
Dividend Paid	-	(4 521 297)	-	(2 506 767)
Lease liability paid	(6 064 594)	(6 133 679)	(4 780 410)	(1 866 222)
Net cash utilised in financing activities	(6 064 594)	(10 654 977)	(4 780 410)	(4 372 989)
Net decrease in cash and cash equivalents	(281 463 936)	(258 994 409)	(799 215)	196 938 137
Cash and cash equivalents at the beginning of the year	678 062 839	366 625 987	421 845 668	50 847 014
Effect of movement in exchange rates	186 204 495	570 431 261	161 756 945	174 060 517
Cash and cash equivalents at the end of the year	582 803 398	678 062 839	582 803 398	421 845 668

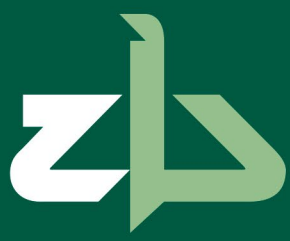
*The historical cost financial information is shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary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

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
1. INVESTMENT PROPERTY				
Opening balance	301 964 084	322 229 654	187 862 000	44 689 728
Fair value adjustment	165 742 969	(20 265 570)	292 179 229	143 172 272
Additions	53 643 947	-	41 309 771	-
Closing balance	521 351 000	301 964 084	521 351 000	187 862 000

	Inflation adjusted			
	Quoted Shares ZWS	Bonds & Bills ZWS	Unquoted Investment ZWS	Total ZWS
2021				
Balance as at 1 January 2021	142 781 620	67 380 802	834 765	210 997 187
Fair value adjustment	156 187 984	-	1 898 246	158 086 230
Effects of inflation adjustments	-	(5 794 299)	-	(5 794 299)
Additions	3 939 985	164 802 637	-	168 742 622
Maturities	-	(62 390 140)	-	(62 390 140)
Balance as at 31 December 2021	302 909 589	163 999 000	2 733 011	469 641 600
2020				
Balance as at 1 January 2020	139 137 607	15 161 697	3 744 603	158 043 908
Fair value adjustment	3 650 139	-	(2 909 838)	740 301
Effects of inflation adjustments	-	(670 816)	-	(670 816)
Additions	1 043 493	67 534 375	-	68 577 868
Maturities	-	(14 644 454)	-	(14 644 454)
Disposal	(1 049 619)	-	-	(1 049 619)
Balance as at 31 December 2020	142 781 620	67 380 802	834 765	210 997 187

	Unaudited Historical cost			
	Quoted Shares ZWS	Bonds & Bills ZWS	Unquoted Investment ZWS	Total ZWS
2021				
Balance as at 1 January 2021	88 829 242	41 919 860	519 335	131 268 437
Fair value adjustment	210 356 410	-	2	



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Audited Financial Results for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

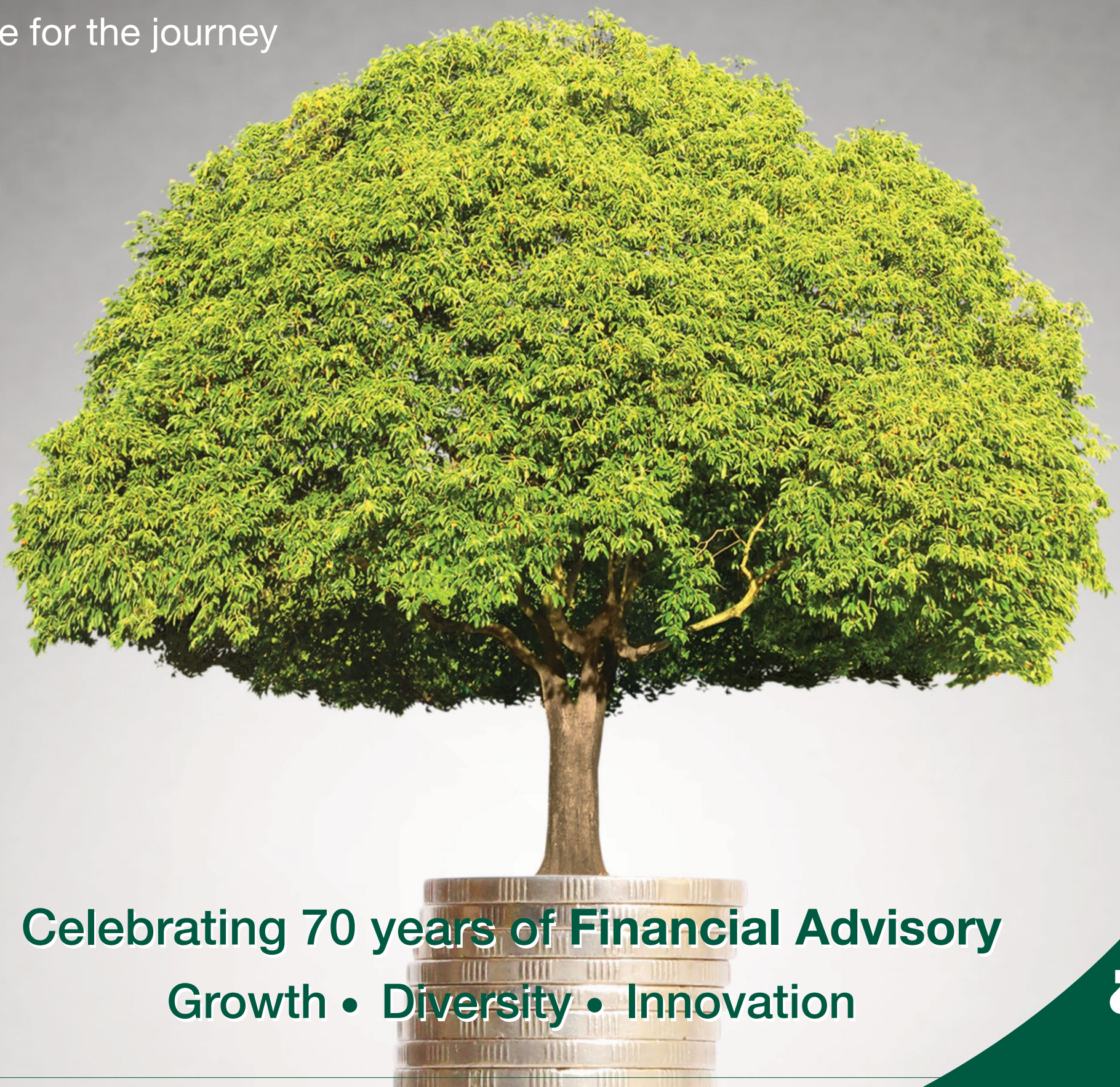
	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
3. BALANCES RECEIVABLE FROM INSURANCE COMPANIES				
Balances receivable	221 304 542	163 337 737	221 304 542	101 617 893
Impairment allowance	(12 864 095)	(34 818 996)	(12 864 095)	(21 662 067)
	208 440 447	128 518 741	208 440 447	79 955 826
4. CASH AND CASH EQUIVALENTS				
Local banks	187 691 188	248 611 190	187 691 188	154 669 372
Foreign banks	395 112 210	429 451 649	395 112 210	267 176 296
	582 803 398	678 062 839	582 803 398	421 845 668
5. UNEARNED PREMIUM RESERVE (UPR)				
Opening balance	178 942 341	112 194 812	111 326 041	15 560 193
Charge/(credit) to profit or loss	24 371 387	233 392 452	(9 648 797)	95 765 848
Effects of inflation adjustments	(101 636 484)	(166 644 923)	-	-
Closing balance	101 677 244	178 942 341	101 677 244	111 326 041
6. INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR)				
Opening balance	144 926 488	87 344 949	90 163 636	12 113 789
Charge/(credit) to profit or loss	27 044 724	148 008 341	22 878 682	78 049 847
Effects of inflation adjustments	(58 928 894)	(90 426 802)	-	-
Closing balance	113 042 318	144 926 488	113 042 318	90 163 636
7. OUTSTANDING CLAIMS RESERVE				
Opening balance	45 925 133	-	28 571 568	-
Charge/(credit) to profit or loss	38 998 380	77 490 215	35 677 204	28 571 568
Effects of inflation adjustments	(20 674 741)	(31 565 082)	-	-
Closing balance	64 248 772	45 925 133	64 248 772	28 571 568

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Inflation adjusted		Unaudited Historical cost	
	31 Dec 2021 ZWS	31 Dec 2020 ZWS	31 Dec 2021 ZWS	31 Dec 2020 ZWS
8. NET CLAIMS				
Gross claims	507 071 991	490 607 899	417 647 120	187 787 823
Retrocession recoveries	(52 207 751)	(19 972 008)	(43 000 634)	(5 124 969)
IBNR movement	27 044 724	148 008 341	22 878 682	78 049 847
Outstanding claims movement	38 998 380	77 490 215	35 677 204	28 571 568
	520 907 344	696 134 447	433 202 372	289 284 269
9. NET COMMISSIONS				
Gross commissions	556 707 132	527 384 188	445 154 826	236 910 391
Retrocession commissions	(148 528 614)	(115 676 537)	(118 766 629)	(42 367 050)
	408 178 518	411 707 651	326 388 197	194 543 341
10. OPERATING EXPENSES				
Staff expenses	111 260 251	49 960 662	93 334 408	22 799 137
Impairment on balances receivable from insurance companies	(8 797 972)	14 837 990	(8 797 972)	9 231 212
Administration expenses	153 808 454	94 797 816	117 337 860	40 176 862
Depreciation of PPE	4 428 799	6 196 661	2 755 304	859 907
Directors' remuneration	14 026 378	6 638 433	11 623 987	3 084 320
Current year audit fees	9 411 059	6 806 744	7 380 970	2 144 671
	284 136 969	179 238 306	223 634 557	78 296 109
11. INVESTMENT INCOME				
Interest income	4 043 646	3 588 686	3 167 026	1 618 544
Dividend income	8 588 128	3 728 428	7 724 593	1 871 880
Exchange gain/loss	186 204 495	570 431 261	161 756 945	174 060 517
Rental Income	4 761 312	4 324 521	3 736 318	2 221 307
Profit on disposal	524 650	-	531 340	-
	204 122 231	582 072 896	176 916 222	179 772 248
12. FAIR VALUE ADJUSTMENT				
Increase in fair value of equity investments	156 187 984	740 301	210 356 410	69 532 710
Increase in fair value unquoted investments	1 898 246	-	2 213 676	-
Increase in fair value of investment property	165 742 969	(20 265 570)	292 179 229	143 172 272
	323 829 199	(19 525 269)	504 749 315	212 704 982

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