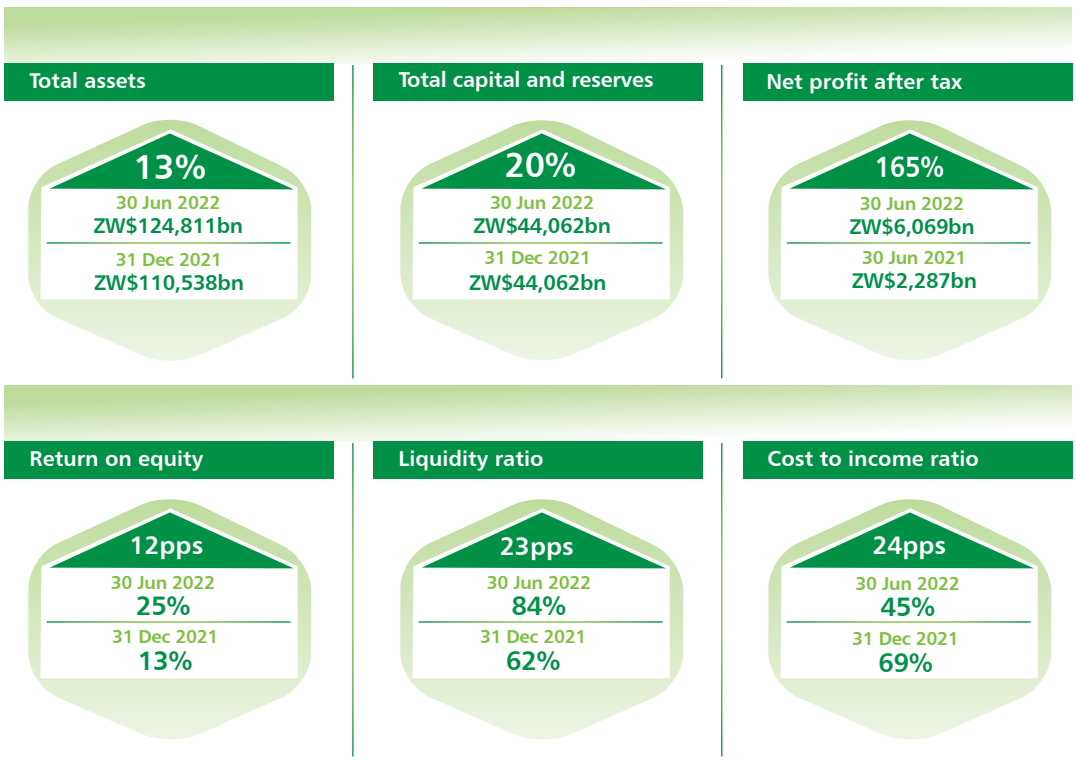




# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

## Inflation Adjusted Financial Highlights



pps - percentage points

### CHAIRMAN'S STATEMENT

#### Operating Environment:

For the half year to 30 June 2022, the major issues in the domestic operating environment continued to be instability in the exchange rate regime and worsening inflation profile. The local currency depreciated by 237.1% against the USD from US\$1: ZW\$108.67 on 1 January 2022 to US\$1: ZW\$366.27 on 30 June 2022 – the local currency depreciated the most in Q2 2022, by 157.2%, from US\$1: ZW\$142.42.

Meanwhile, year on year inflation averaged 103.2%, whilst month on month inflation averaged 14.3%, between January 2022 and June 2022. Although the annual inflation outturn for the half year to 30 June 2022 improved from the comparative period in 2021, it is worth noting that, where in the same period in prior year annual inflation was on a downward trajectory, in 2022 year on year inflation is actually on an upward trajectory, and monthly inflation is now in double digit. Aside from the currency depreciation, the worsening inflation profile was also impacted by the pass-through effects from rising global inflation occasioned by the Russia-Ukraine war, which resulted in rising international commodity prices.

A great improvement was recorded in COVID-19 cases during the period under review, with the worst of the pandemic seemingly being behind us now. Business operations were conducted at near full capacity, as the economy continues to recover from outbreak of the Corona virus.

#### Group Performance:

For the six months ending 30 June 2022 the Group posted inflation adjusted net earnings after taxation of ZW\$6.069bn, an increase of 165% over the prior year comparative period whilst in historical cost terms the net earnings after taxation increased by 2 001% to ZW\$20.370bn. This performance was underpinned by growth in inflation adjusted total assets of 13% to ZW\$124.811bn (31 December 2021: ZW\$110.538bn) and in historical cost terms total assets grew by 135% to ZW\$116.961bn (31 December 2021: ZW\$49.850bn). The financial performance is discussed in greater detail by the Group Chief Executive in his report.

#### Capital Requirements:

As at 30 June 2022, all Group companies, with the exception of ZB Building Society, were in compliance with prescribed minimum capital requirements. The Group is finalising on options available to address the capital adequacy challenges at ZB Building Society, which are expected to be completed by 31 December 2022.

#### Dividends:

The Board has declared an interim dividend of ZW77.18 cents per share for the period ending 30 June 2022. A separate dividend notice will be published to this effect.

#### Compliance & Regulatory Issues:

The Group has dealt with the majority of the 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. The Group has made its submissions to RBZ and it awaits the lifting of the order upon satisfactory review.

#### Directorate:

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

#### Outlook:

The domestic economy is projected to maintain the growth momentum in 2022 and beyond. The Government of Zimbabwe has projected 2022 GDP growth of 4.6%. Growth is expected to be underpinned by higher output in the accommodation and food services (tourism), mining, manufacturing, and construction sectors of the economy.

The Group's strategic priority for the remaining months of 2022 is to continuously seek ways to preserve its capital from inflation-induced value erosion. In addition, a significant focus will be targeted at completing the sprints of the Organizational Transformation Programme with the goal of making happy customers through the provision of service excellence; and also enhancing group performance outturn.

#### 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 the Board, Management and Staff, for their collective contributions to the notable performance despite a challenging operating environment.

P. Chiromo  
Chairman

30 August, 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 half year to June 2022, the Group recorded a 147% rise in inflation adjusted total income, from ZW\$8.446bn in 2021 to ZW\$20.877bn and a 779% increase to ZW\$25.725bn in historical cost terms. This performance outturn was mainly underpinned by a 1 039% rise in other operating income, which rose from ZW\$0.979bn (Historical cost of ZW\$0.326bn) in June 2021 to ZW\$11.148bn (Historical cost of ZW\$10.913bn) in June 2022, followed by banking commissions and fees which rose from ZW\$3.353bn (Historical cost of ZW\$1.080bn) in June 2021 to ZW\$3.885bn in 2022 (Historical cost of ZW\$2.603bn), representing a 16% improvement. Fair value adjustments also contributed significantly, rising by 99% from ZW\$1.513bn (Historical cost of ZW\$0.696bn) in June 2021 to ZW\$3.012bn (Historical cost of ZW\$10.994bn) in June 2022.

In inflation adjusted terms, net interest income registered rose by 55%, from ZW\$2.649bn in 2021 to ZW\$4.106bn in 2022 whilst it went up by 179% to ZW\$2.368bn in historical cost terms. Inflation adjusted loan impairment charges rose by 207%, from ZW\$0.747bn (Historical cost of ZW\$0.249bn) in June 2021 to ZW\$2.290bn (Historical cost of ZW\$1.761bn) in June 2022. Inflation adjusted net income from lending activities fell by 5%, from ZW\$1.902bn in June 2021 to ZW\$1.817bn in June 2022. However, historical net income from lending activities arose by 1% to ZW\$0.607bn.

Net insurance income increased by 45%, from ZW\$0.698bn (Historical cost of ZW\$0.223bn) in June 2021 to ZW\$1.016bn (Historical cost of ZW\$0.608bn) in June 2022, on the back of a 43% rise in gross premiums from ZW\$2.044bn in June 2021 to ZW\$2.933bn in June 2022 whilst it improved by 215% to ZW\$2.075bn in historical cost terms.

Meanwhile, the Group recorded a 58% increase in inflation adjusted operating costs, from ZW\$5.970bn in June 2021 to ZW\$9.413bn in June 2022, largely emanating from upward pressure on cost structures resulting from the inflationary environment. Historical operating costs increased by 241% from ZW\$1.867bn in June 2021 to ZW\$6.374bn in June 2022.

Profit from ordinary activities grew by 363%, from ZW\$2.475bn (Historical cost of ZW\$1.060bn) in June 2021 to ZW\$11.465bn (Historical cost of ZW\$19.350bn) in June 2022.

In inflation adjusted terms, net profit registered a 165% increase, from ZW\$2.287bn attained in June 2021 to ZW\$6.069bn in June 2022 and a 2 001% growth to ZW\$20.370bn in historical cost terms.

Meanwhile, the Group's total assets increased by 13% in inflation adjusted terms, from ZW\$110.538bn as at 31 December 2021 to ZW\$124.811bn as at 30 June 2022. In historical cost terms, total assets grew by 135%, from ZW\$49.850bn as at 31 December 2021 to ZW\$116.961bn as at 30 June 2022.

Deposits and other related funding account balances grew marginally from ZW\$43.060bn as at 31 December 2021 to ZW\$43.106bn as at 30 June 2022, whereas in historical cost terms, deposits and other accounts improved by 119% to ZW\$43.106bn.

The Group's inflation adjusted total equity increased by 20%, from ZW\$44.062bn (Historical cost of ZW\$19.488bn) as at 31 December 2021 to ZW\$52.776bn (Historical cost of ZW\$46.599bn) as at 30 June 2022, 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's inflation adjusted net profit after tax improved from ZW\$1.474bn in 2021 to ZW\$5.148bn for the period ending 30 June 2022 and it registered an improvement of 2 110% to ZW\$12.973bn in historical cost terms. The Bank's total assets increased from ZW\$81.062bn as at 31 December 2021 to ZW\$91.331bn as at 30 June 2022, representing a 12.7% increase. The Bank's asset base in historical terms grew by 128% to ZW\$83.827bn as at 30 June 2022.

ZB Building Society's inflation adjusted net profit after tax improved from ZW\$191.76m in June 2021 to ZW\$1.037bn for the period ending 30 June 2022 and an increase of 3 282% in historical cost terms. The Society's total assets increased from ZW\$6.427bn (Historical cost of ZW\$2.935bn) as at 31 December 2021 to ZW\$7.492bn (Historical cost of ZW\$7.444bn) as at 30 June 2022, representing a 17% increase.

##### Insurance Operations:

ZB Reinsurance's net profit after tax in inflation adjusted term, improved from ZW\$277.56m in 2021 to ZW\$990.70m for the period ending 30 June 2022 and it recorded a historical cost improvement of 2 514% to ZW\$2.442bn. The company's total assets increased from ZW\$4.073bn (Historical cost of ZW\$1.861bn) as at 31 December 2021 to ZW\$5.660bn (Historical cost of ZW\$5.634bn) as at 30 June 2022, representing a 203% increase.

The company maintained good relations with its cedants and retrocession partners during the period. Expansion into the Botswana market is now at an advanced stage, as the company opened for business on 1 June 2022.

ZB Life's inflation adjusted net profit after tax increased from ZW\$599.20m in June 2021 to ZW\$1.285bn for the period ending 30 June 2022. In historical cost terms, net profit after tax improved by 1 686% to ZW\$3.570bn. The company's total assets increased from ZW\$12.889bn (Historical cost of ZW\$5.852bn) as at 31 December 2021 to ZW\$14.189bn (Historical cost of ZW\$13.978bn) as at 30 June 2022, representing a 10% increase.

##### Other Strategic Developments:

The Group continued to progress its organisational transformation program during the review period. The program is designed to transform the organisational design into a more people-centric one, and to enhance the customer journey in order to delight the Group's customers through a combination of digitalisation and service excellence.

As part of the transformation, the Group has come up with new structures designed to remove silos in its operations, and is currently making new appointments in line with the new structure – this exercise is scheduled for completion in Q3 2022.

The Group also continued to progress the conversion of branches into one-stop customer service centres, with 14 branches having been converted to service centres as at 30 June 2022.

Furthermore, in its drive to continuously progress environmental, social and governance (ESG) tenets, the Group continues to record progress in its quest to attain certification under the Sustainability Standards & Certification Initiative (SSCI) being driven by the European Organisation for Sustainable Development (ESOD) with guidance from the Reserve Bank of Zimbabwe (RBZ) – the Group is targeting certification by end of 2022.

##### 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.

During the period under review, the Group successfully launched a new organisational design which is currently being implemented. The Group also embarked on a programme of staff training and development to facilitate transformation into a high performing organisational culture.

Industrial relations remained cordial during the period under review.

##### Appreciation:

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

I also express my appreciation to Management and Staff team for their contribution to the half year performance.

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

S. T. Fungura  
Group Chief Executive Officer

30 August, 2022



### AUDITOR'S STATEMENT

These condensed consolidated inflation adjusted interim financial results of ZB Financial Holdings Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). A qualified conclusion has been expressed because of the effect of prior year non-compliance with International Accounting Standard 28, Investments in Associates and Joint Ventures, IAS 8, Accounting policies, Changes in Accounting Estimates and Errors and IFRS 13 Fair Value Measurement affecting comparability of prior period's numbers. A copy of the auditor's conclusion is available for inspection at the ZB Financial Holdings' registered office. The engagement partner for this review is Michael de Beer (PAAB Practising Certificate Number 0369).

### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	28 954 067 340	21 261 431 494	28 954 067 340	9 712 078 202
Treasury bills	7 337 967 034	5 276 634 384	7 337 967 034	2 410 330 922
Mortgages and other advances	20 762 092 597	26 779 987 780	20 762 092 597	12 232 917 414
Financial assets at fair value through profit or loss	7 592 251 347	8 919 719 290	7 592 251 347	4 074 467 484
Financial assets held at amortised cost	1 108 526 198	1 294 168 359	1 108 526 198	591 167 359
Investments in associates	11 748 951 622	11 261 377 946	11 815 141 076	4 816 276 853
Inventories	273 551 799	173 028 345	196 020 983	72 791 173
Trade and other receivables	8 849 460 689	4 361 843 230	8 849 460 689	1 992 460 506
Investment properties	13 231 952 001	9 739 525 678	13 231 952 001	4 448 949 501
Right of use assets	821 370 447	484 583 306	310 721 443	102 568 596
Property and equipment	23 286 038 554	20 527 917 088	16 348 672 726	9 373 518 085
Intangible assets	760 122 572	443 207 530	301 142 377	22 206 622
Deferred tax assets	84 991 082	14 103 160	153 219 504	101 233
<b>Total assets</b>	<b>124 811 343 282</b>	<b>110 537 527 590</b>	<b>116 961 235 315</b>	<b>49 849 833 950</b>
<b>LIABILITIES</b>				
Deposits and other accounts	43 106 109 672	43 060 376 684	43 106 109 672	19 669 689 027
Short term borrowings	478 706 849	882 962 949	478 706 849	403 331 507
Trade and other payables	11 245 290 691	9 308 026 097	11 245 290 691	4 251 843 409
Current tax liabilities	1 055 649 001	263 451 378	1 055 649 001	120 342 809
Long term borrowings	17 596 362	37 101 405	17 596 362	16 947 671
Life assurance funds	6 985 478 501	6 922 860 044	6 985 478 501	3 162 315 677
Offshore borrowings	3 934 977 887	1 440 282 351	3 934 977 887	657 911 243
Deferred tax liabilities	4 924 238 567	4 298 828 590	3 251 553 018	1 959 555 227
Lease liabilities	287 136 187	262 016 880	287 136 187	119 687 540
<b>Total liabilities</b>	<b>72 035 183 717</b>	<b>66 475 906 386</b>	<b>70 362 498 168</b>	<b>30 361 624 110</b>
<b>EQUITY</b>				
Share capital	255 856 380	255 856 380	1 751 906	1 751 906
Share premium	3 955 133 961	3 955 133 961	27 081 696	27 081 696
Other components of equity	21 680 314 732	18 452 639 262	15 002 993 330	8 077 241 786
Retained income	19 718 418 043	15 853 636 352	24 342 082 384	8 721 358 380
Functional currency translation reserve	-	-	101 292 105	101 292 105
<b>Attributable to equity holders of parent</b>	<b>45 609 723 116</b>	<b>38 517 265 955</b>	<b>39 475 201 421</b>	<b>16 928 725 873</b>
Non-controlling interests	7 166 436 449	5 544 355 249	7 123 535 726	2 559 483 967
<b>Total equity</b>	<b>52 776 159 565</b>	<b>44 061 621 204</b>	<b>46 598 737 147</b>	<b>19 488 209 840</b>
<b>Total equity and liabilities</b>	<b>124 811 343 282</b>	<b>110 537 527 590</b>	<b>116 961 235 315</b>	<b>49 849 833 950</b>

### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
Interest income	5 417 431 044	3 213 831 806	3 208 865 054	1 033 337 017
Interest expense	(1 310 970 370)	(564 419 201)	(840 419 568)	(184 345 525)
<b>Net interest income</b>	<b>4 106 460 674</b>	<b>2 649 412 605</b>	<b>2 368 445 486</b>	<b>848 991 492</b>
Loan impairment charges, net recoveries	(2 289 940 123)	(746 962 222)	(1 761 022 549)	(248 526 662)
<b>Net income from lending activities</b>	<b>1 816 520 551</b>	<b>1 902 450 383</b>	<b>607 422 937</b>	<b>600 464 830</b>
Gross insurance premium income	2 932 838 973	2 044 363 918	2 074 850 965	657 733 728
Total insurance expenses	(1 917 165 205)	(1 346 274 840)	(1 466 627 967)	(434 342 587)
<b>Net insurance income</b>	<b>1 015 673 768</b>	<b>698 089 078</b>	<b>608 222 998</b>	<b>223 391 141</b>
Commissions and fees	3 885 084 376	3 353 480 136	2 602 603 435	1 079 790 767
Operating income	11 148 395 005	9 778 725 792	10 912 584 099	326 138 026
Fair value adjustments	3 011 800 834	1 513 097 829	10 993 811 216	696 335 798
<b>Total income</b>	<b>20 877 474 534</b>	<b>8 445 843 218</b>	<b>25 724 644 685</b>	<b>2 926 120 562</b>
Operating expenses	(9 412 510 340)	(5 970 435 835)	(6 374 190 645)	(1 866 586 034)
<b>Profit from ordinary activities</b>	<b>11 464 964 194</b>	<b>2 475 407 383</b>	<b>19 350 454 040</b>	<b>1 059 534 528</b>
Movement in life assurance funds	(62 618 457)	(658 600 083)	(3 823 162 823)	(572 156 719)
Share of associate companies profit net of tax	491 032 254	1 040 547 463	7 001 510 453	760 205 256
Effects of inflation adjustments	(3 897 309 773)	57 718 896	-	-
<b>Profit before taxation</b>	<b>7 996 068 218</b>	<b>2 915 073 659</b>	<b>22 528 801 670</b>	<b>1 247 583 065</b>
Income tax expense	(1 926 720 832)	(627 682 437)	(2 159 270 462)	(277 957 597)
<b>Net profit for the period</b>	<b>6 069 347 386</b>	<b>2 287 391 222</b>	<b>20 369 531 208</b>	<b>969 625 468</b>
Profit attributable to: Owners of parent from continuing operations	4 458 132 713	1 870 998 492	15 848 461 733	828 960 869
Non-controlling interests	1 611 214 673	416 392 730	4 521 069 475	140 664 599
<b>Profit for the period</b>	<b>6 069 347 386</b>	<b>2 287 391 222</b>	<b>20 369 531 208</b>	<b>969 625 468</b>
Other comprehensive income: Items that will not be reclassified to profit or loss				
Gains on property and equipment revaluation	3 143 252 034	-	7 212 968 889	-
Fair value gains on financial assets at FVTOCI	167 691 271	(3 967 151)	167 691 271	(1 360 652)
Income tax relating to components of other comprehensive income	(70 985 987)	980 682	(409 249 684)	336 354
<b>Other comprehensive income for the period net of tax</b>	<b>3 239 957 318</b>	<b>(2 986 469)</b>	<b>6 971 410 476</b>	<b>(1 024 298)</b>
<b>Total comprehensive income for the period</b>	<b>9 309 304 704</b>	<b>2 284 404 753</b>	<b>27 340 941 684</b>	<b>968 601 170</b>
Total comprehensive income attributable to: Owners of parent from continuing operations	7 683 725 119	1 868 012 023	22 774 213 277	827 936 571
Non-controlling interests	1 625 579 585	416 392 730	4 566 728 407	140 664 599
<b>Total comprehensive income for the period</b>	<b>9 309 304 704</b>	<b>2 284 404 753</b>	<b>27 340 941 684</b>	<b>968 601 170</b>
Earnings per share Basic and fully diluted / headline earnings per share (ZW cents)	2 830	1 188	10 061	526

### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2022

	Reviewed Inflation adjusted								
	Share capital ZWS	Share premium ZWS	General reserve ZWS	Property and equipment revaluation reserve ZWS	Financial assets at FVTOCI ZWS	Retained income ZWS	Attributable to equity holders of parent ZWS	Non controlling interests ZWS	Total ZWS
Balance at 1 January 2022	255 856 380	3 955 133 961	46 227 102	18 410 246 967	(3 834 807)	15 853 636 352	38 517 265 955	5 544 355 249	44 061 621 204
<b>Changes in equity for 2022</b>									
Profit or loss	-	-	-	-	-	4 458 132 713	4 458 132 713	1 611 214 673	6 069 347 386
Other comprehensive income, net of tax	-	-	-	3 099 354 418	-	-	3 099 354 418	14 364 912	3 113 719 330
Revaluation of property	-	-	-	3 099 354 418	-	-	3 099 354 418	14 364 912	3 113 719 330
Fair value gain on financial assets at FVTOCI	-	-	-	-	126 237 989	-	126 237 989	-	126 237 989
Transaction with owners of the parent	-	-	-	-	-	(593 351 022)	(593 351 022)	(3 498 385)	(596 849 407)
Dividends paid	-	-	-	-	-	2 083 063	2 083 063	-	2 083 063
Effects of inflation adjustments	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>255 856 380</b>	<b>3 955 133 961</b>	<b>46 227 102</b>	<b>21 509 601 385</b>	<b>124 486 245</b>	<b>19 718 418 403</b>	<b>45 609 723 116</b>	<b>7 166 436 449</b>	<b>52 776 159 565</b>
Balance at 1 January 2021	255 856 380	3 955 133 961	46 227 102	6 986 836 301	(6 310 053)	12 660 956 759	23 898 700 450	4 384 171 066	28 282 871 516
<b>Changes in equity for 2021</b>									
Profit or loss	-	-	-	-	-	1 870 998 492	1 870 998 492	416 392 730	2 287 391 222
Other comprehensive income, net of tax	-	-	-	-	-	(2 986 470)	(2 986 470)	-	(2 986 470)
Fair value gain on financial assets at FVTOCI	-	-	-	-	1 081 662	-	1 081 662	-	1 081 662
Effects of inflation adjustments	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>255 856 380</b>	<b>3 955 133 961</b>	<b>46 227 102</b>	<b>6 986 836 301</b>	<b>(8 214 861)</b>	<b>14 531 955 251</b>	<b>25 767 794 134</b>	<b>4 800 563 796</b>	<b>30 568 357 930</b>

	Unreviewed and Unaudited Historical cost									
	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	Total ZWS
Balance at 1 January 2022	1 751 906	27 081 696	101 292 105	5 817 958	8 073 175 544	(1 751 716)	8 721 358 380	16 928 725 873	2 559 483 967	19 488 209 840
<b>Changes in equity for 2022</b>										
Profit or loss	-	-	-	-	-	-	15 848 461 733	15 848 461 733	4 521 069 475	20 369 531 208
Other comprehensive income, net of tax	-	-	-	-	6 799 513 556	-	-	6 799 513 556	45 658 932	6 845 172 488
Revaluation of property	-	-	-	-	6 799 513 556	-	-	6 799 513 556	45 658 932	6 845 172 488
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	126 237 988	-	126 237 988	-	126 237 988
Transaction with owners of the parent	-	-	-	-	-	-	(227 737 729)	(227 737 729)	(2 676 648)	(230 414 377)
Dividends paid	-	-	-	-	-	-	2 083 063	2 083 063	-	2 083 063
Effects of inflation adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>1 751 906</b>	<b>27 081 696</b>	<b>101 292 105</b>	<b>5 817 958</b>	<b>14 872 689 100</b>	<b>124 486 272</b>	<b>24 342 082 384</b>	<b>39 475 201 421</b>	<b>7 123 535 726</b>	<b>46 598 737 147</b>
Balance at 1 January 2021	1 751 906	27 081 696	101 292 105	5 817 958	2 406 801 864	(1 793 231)	3 844 673 945	6 385 626 243	1 250 730 186	7 636 356 429
<b>Changes in equity for 2021</b>										
Profit or loss	-	-	-	-	-	-	828 960 869	828 960 869	100 664 599	969 625 468
Other comprehensive income, net of tax	-	-	-	-	-	(1 024 298)	-	(1 024 298)	-	(1 024 298)
Fair value gain on financial assets at FVTOCI	-	-	-	-	-	1 081 662	-	1 081 662	-	1 081 662
Effects of inflation adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>1 751 906</b>	<b>27 081 696</b>	<b>101 292 105</b>	<b>5 817 958</b>	<b>2 406 801 864</b>	<b>(2 817 529)</b>	<b>4 673 634 814</b>	<b>7 213 562 814</b>	<b>1 391 394 785</b>	<b>8 604 957 599</b>

### CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2022

**NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**
**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 financial statements at 30 June 2022 are as follows:

	Index	Conversion factors
30-Jun-22	8707.35	1.0000
31-Dec-21	3977.46	2.1892
30-Jun-21	2986.44	2.9156

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 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 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 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 Assurance 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 was done for the half year period, and only immovable assets were revalued.

**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 outturn 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 Assurance Limited and ZB Reinsurance Limited, incorporated in this reporting package.

**2. SEGMENT INFORMATION**

	Reviewed Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>30 June 2022</b>				
External revenue				
Net earnings / (losses) from lending activities	1 859 765 380	(59 247 200)	16 002 371	1 816 520 551
Net fees and commission income	3 813 121 835	1 019 429 026	68 207 283	4 900 758 144
Other revenue / (expenses)	9 457 172 341	2 486 555 021	(795 332 357)	11 148 395 005
Fair value adjustments	37 836 735	1 126 139 028	1 847 825 071	3 011 800 834
Total segment revenue	15 167 896 291	4 572 875 875	1 136 702 368	20 877 474 534
Inter segmental revenue	857 574 328	-	12 289 812 347	13 147 386 675
Total segment operating expenses	(8 822 246 272)	(1 038 721 303)	448 457 235	(9 412 510 340)
Material non-cash items:				
Depreciation	(1 124 227 236)	(28 841 563)	(8 973 838)	(1 162 042 637)
Amortisation of intangible assets	(87 694 956)	(12 347 300)	(78 150)	(100 120 406)
Profit from associates net of tax	-	428 094 847	62 937 407	491 032 254
Reportable segment profit before taxation	5 174 994 234	2 874 213 523	(53 139 539)	7 996 068 218
Income tax expense	1 498 808 187	599 669 416	(171 756 771)	1 926 720 832
Reportable segment assets as at 30 June 2022	100 698 077 030	19 932 503 520	4 180 762 732	124 811 343 282
Reportable segment liabilities as at 30 June 2022	62 416 016 147	10 139 072 264	(519 904 694)	72 035 183 717
Investment in associates as at 30 June 2022	-	9 155 096 845	2 593 854 777	11 748 951 622

**NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

	Reviewed Inflation adjusted			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>30 June 2021</b>				
External revenue				
Net earnings / (losses) from lending activities	1 984 509 884	(19 945 211)	(62 114 290)	1 902 450 383
Net fees and commission income	3 292 416 714	700 884 727	58 267 773	4 051 569 214
Other revenue / (expenses)	2 300 440 250	640 595 985	(1 962 310 443)	978 725 792
Fair value adjustments	1 314 574 791	482 453 371	(283 930 333)	1 513 097 829
Total segment revenue	8 891 941 639	1 803 988 872	(2 250 087 293)	8 445 843 218
Inter segmental revenue	1 605 835 123	-	2 420 756 546	4 026 591 669
Total segment operating expenses	(5 400 791 509)	(705 614 819)	135 970 493	(5 970 435 835)
Material non-cash items:				
Depreciation	(497 205 930)	(14 984 258)	(27 303 788)	(539 493 976)
Amortisation of intangible assets	(58 456 368)	(252 263)	-	(58 708 631)
Profit from associates net of tax	-	995 615 962	44 931 501	1 040 547 463
Reportable segment profit before taxation	2 256 722 736	821 854 756	(163 503 833)	2 915 073 659
Income tax expense	661 201 130	(52 802 942)	19 284 249	627 682 437
Reportable segment assets as at 31 December 2021	89 852 627 473	17 031 489 765	3 653 410 352	110 537 527 590
Reportable segment liabilities as at 31 December 2021	57 761 172 362	9 523 469 786	(808 735 762)	66 475 906 386
Investment in associates as at 31 December 2021	-	8 727 001 999	2 534 375 947	11 261 377 946

	Unreviewed Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>30 June 2022</b>				
External revenue				
Net earnings / (losses) from lending activities	656 320 718	(54 551 880)	5 654 099	607 422 937
Net fees and commission income	2 553 736 250	610 644 001	46 446 182	3 210 826 433
Fair value adjustments	6 609 215 845	3 998 350 099	386 245 272	10 993 811 216
Other revenue / (expenses)	9 164 115 898	1 915 823 697	(167 355 496)	10 912 584 099
Total segment revenue	18 983 388 711	6 470 265 917	270 990 057	25 724 644 685
Inter segmental revenue	649 137 364	-	30 344 255 969	30 993 393 333
Total segment operating expenses	(5 706 475 524)	(570 191 827)	(97 523 294)	(6 374 190 645)
Material non-cash items:				
Depreciation	(738 254 007)	(14 610 309)	(22 359 373)	(775 223 689)
Amortisation of intangible assets	(319 496)	(678 671)	(47 072)	(1 045 239)
Profit from associates net of tax	-	5 133 739 138	1 867 771 315	7 001 510 453
Reportable segment profit before taxation	13 276 913 187	7 210 650 407	2 041 238 076	22 528 801 670
Income tax expense	1 147 959 495	1 198 873 594	(187 562 627)	2 159 270 462
Reportable segment assets as at 30 June 2022	93 622 609 492	19 695 171 715	3 643 454 108	116 961 235 315
Reportable segment liabilities as at 30 June 2022	60 646 251 567	10 237 917 919	(521 671 318)	70 362 498 168
Investment in associates as at 30 June 2022	-	9 117 152 752	2 697 988 324	11 815 141 076

	Unreviewed Historical cost			
	Banking operations ZW\$	Insurance operations ZW\$	Other strategic investments <sup>1</sup> ZW\$	Total ZW\$
<b>30 June 2021</b>				
External revenue				
Net earnings / (losses) from lending activities	627 069 754	(6 937 886)	(19 667 038)	600 464 830
Net fees and commission income	1 060 279 809	224 298 728	18 603 371	1 303 181 908
Fair value adjustments	877 495 243	325 028 916	(506 188 361)	696 335 798
Other revenue / (expenses)	548 852 627	274 617 968	(497 332 569)	326 138 026
Total segment revenue	3 113 697 433	817 007 726	(1 004 584 597)	2 926 120 562
Inter segmental revenue	549 257 115	-	1 246 447 037	1 795 704 152
Total segment operating expenses	(1 688 688 985)	(227 383 393)	49 486 344	(1 866 586 034)
Material non-cash items:				
Depreciation	(159 102 755)	(4 603 738)	(8 408 481)	(172 114 974)
Amortisation of intangible assets	(587 584)	(131 157)	-	(718 741)
Profit from associates net of tax	-	618 313 225	141 892 031	760 205 256
Reportable segment profit before taxation	876 155 821	361 162 870	10 264 374	1 247 583 065
Income tax expense	205 667 202	68 033 044	4 257 351	277 957 597
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 as at 31 December 2021	-	3 986 435 528	829 841 325	4 816 276 853

<sup>1</sup> Includes consolidation journals.

**3. TREASURY BILLS**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
Treasury bills include:				
Assets classified as at fair value through profit or loss <sup>1</sup> (FVTPL):				
Short term treasury bills <sup>1</sup>	6 127 728 321	4 556 347 268	6 127 728 321	2 081 308 636
Assets classified as 'at fair value through other comprehensive income (FVTOCI):				
Medium term treasury bills acquired from the market <sup>2</sup>	1 170 406 146	624 010 232	1 170 406 146	285 043 656
Assets classified as 'amortised cost' (AMCO):				
Treasury bills issued as substitution for debt instruments <sup>3</sup>	20 724 067	55 465 337	20 724 067	25 336 191
Capitalisation treasury bills <sup>4</sup>	19 108 500	40 811 547	19 108 500	18 642 439
	7 337 967 034	5 276 634 384	7 337 967 034	2 410 330 922
Maturity within 1 year	7 287 975 238	5 167 193 633	7 287 975 238	2 360 339 126
Maturity after 1 year	49 991 796	109 440 751	49 991 796	49 991 796
	7 337 967 034	5 276 634 384	7 337 967 034	2 410 330 922

- 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 2021: 21%).
- The Group purchased treasury bills from the secondary market. These treasury bills have coupon rate of 15% (December 2021: 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 2021: 5%) and maturity periods ranging from 3.5 months to 10 years (December 2021: 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 mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (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 are classified at FVOCI and were fair valued using level 2 inputs. The Group used the discounted cash flow valuation technique by applying discounting rates ranging from 65% to 75% to contractual cash flows in order to determine the present value of the treasury bills. The discounting rates were determined by using the yield curve comparable instruments in the Zimbabwe market.

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		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>4.1 Gross loan book</b>				
Mortgage advances	736 389 805	712 189 612	736 389 805	325 323 401
<b>Other advances:</b>				
Loans, overdraft and other accounts	17 791 954 795	23 290 700 370	17 791 954 795	10 639 034 509
Finance leases	1 742 227 468	2 959 095 620	1 742 227 468	1 351 694 879
Bills discounted	347 560 081	887 911 999	347 560 081	405 592 200
Insurance advances	1 146 766 717	484 474 204	1 146 766 717	221 304 542
Total other advances	21 028 509 061	27 622 182 193	21 028 509 061	12 617 626 130
Gross advances	21 764 898 866	28 334 371 805	21 764 898 866	12 942 949 531
<b>Off balance sheet exposures</b>				
In respect of Guarantees	1 863 544 018	1 814 872 363	1 863 544 018	829 021 429
In respect of Letter of credit	1 975 898 094	-	1 975 898 094	-
In respect of Loan commitments	6 593 002 500	1 595 207 944	6 593 002 500	728 680 207
Gross credit exposure	32 197 343 478	31 744 452 112	32 197 343 478	14 500 651 167
Gross advances	21 764 898 866	28 334 371 805	21 764 898 866	12 942 949 531
Less: Allowance for loan impairments	(1 002 806 269)	(1 554 384 025)	(1 002 806 269)	(710 032 117)
Net advances	20 762 092 597	26 779 987 780	20 762 092 597	12 232 917 414
<b>4.2 Maturity analysis</b>				
On demand	1 635 980 437	2 166 823 558	1 635 980 437	989 790 356
Within 1 month	674 939 376	1 299 730 177	674 939 376	593 707 960
Between 1 and 6 months	5 305 317 462	3 005 146 032	5 305 317 462	1 372 730 396
Between 6 and 12 months	11 715 445 603	5 612 439 468	11 715 445 603	2 563 724 415
After 12 months	12 865 660 600	19 660 312 877	12 865 660 600	8 980 698 040
32 197 343 478	31 744 452 112	32 197 343 478	14 500 651 167	
<b>4.3 Non-performing loans</b>				
Included in the above are the following:				
Included in the above are the following:				
Non-performing loans	119 081 081	1 093 221 014	119 081 081	499 375 970
Less: Allowance for loan impairments	(26 859 481)	(1 023 233 986)	(26 859 481)	(467 406 369)
Value to be received from security held	92 221 600	69 987 028	92 221 600	31 969 601

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.

	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2022 ZWS	As a % of Total	Audited 31 Dec 2021 ZWS	As a % of Total	Unreviewed 30 Jun 2022 ZWS	As a % of Total	Unaudited 31 Dec 2021 ZWS	As a % of Total
<b>4.4 Sectorial analysis</b>								
<b>Gross advances:</b>								
Private	7 747 245 203	24%	13 858 672 928	44%	7 747 245 203	24%	6 330 548 124	44%
Agriculture	1 225 114 772	4%	2 591 100 273	8%	1 225 114 772	4%	1 183 597 092	8%
Mining	748 541 583	2%	1 048 134 526	3%	748 541 583	2%	478 780 767	3%
Manufacturing	763 592 240	2%	495 655 239	2%	763 592 240	2%	226 411 963	2%
Distribution	1 522 690 640	5%	1 565 788 534	5%	1 522 690 640	5%	715 241 619	5%
Construction	115 571 028	0%	53 736 993	0%	115 571 028	0%	24 546 695	0%
Transport	990 745 450	3%	991 671 251	3%	990 745 450	3%	452 988 725	3%
Services	6 531 890 945	20%	6 199 429 524	20%	6 531 890 945	20%	2 831 857 506	20%
Financial	2 079 114 628	6%	1 420 219 263	4%	2 079 114 628	6%	648 746 560	4%
Communication	40 392 377	0%	109 963 274	0%	40 392 377	0%	50 230 480	0%
Total gross advances	21 764 898 866	66%	28 334 371 805	89%	21 764 898 866	66%	12 942 949 531	89%
<b>Guarantees:</b>								
Manufacturing	1 829 658 831	6%	1 721 531 580	6%	1 829 658 831	6%	786 383 990	6%
Distribution	7 652 701	0%	72 663 260	0%	7 652 701	0%	33 192 086	0%
Construction	1 590 200	0%	2 057 824	0%	1 590 200	0%	940 000	0%
Services	-	0%	-	0%	-	0%	8 505 353	0%
Communication	24 642 286	0%	18 619 699	0%	24 642 286	0%	-	0%
Financial Services	-	0%	-	0%	-	0%	-	0%
Total guarantees	1 863 544 018	6%	1 814 872 363	6%	1 863 544 018	6%	829 021 429	6%
<b>Loan commitments:</b>								
Private	298 913 475	2%	646 380 536	2%	298 913 475	2%	295 262 260	2%
Agriculture	31 360 040	0%	3 163 050	0%	31 360 040	0%	1 444 860	0%
Mining	280 313 522	1%	190 359 557	1%	280 313 522	1%	86 954 959	1%
Manufacturing	1 560 984 937	5%	249 440 015	1%	1 560 984 937	5%	113 942 513	1%
Distribution	24 558 300	0%	11 687 172	0%	24 558 300	0%	5 338 621	0%
Construction	1 554 610 621	5%	120 761 137	0%	1 554 610 621	5%	55 162 871	0%
Transport	30 804 477	0%	-	0%	30 804 477	0%	-	0%
Services	2 795 627 033	9%	299 005 061	1%	2 795 627 033	9%	-	1%
Financial Services	15 830 095	0%	74 411 416	0%	15 830 095	0%	136 583 491	0%
Total loan commitments	6 593 002 500	22%	1 595 207 944	5%	6 593 002 500	22%	728 680 207	5%
<b>Letters of credit:</b>								
Manufacturing	1 660 174 474	5%	-	0%	1 660 174 474	5%	-	0%
Transport	315 723 620	1%	-	0%	315 723 620	1%	-	0%
Total letters of credit	1 975 898 094	6%	-	0%	1 975 898 094	6%	-	0%
Total credit exposure	32 197 343 478	100%	31 744 452 112	100%	32 197 343 478	100%	14 500 651 167	100%
<b>4.5 Mortgage advances</b>								
Mortgage advances were spread as follows:								
Type of property:								
High density	26 870 253	4%	34 055 489	5%	26 870 253	4%	15 556 317	5%
Medium density	46 414 919	6%	16 619 694	2%	46 414 919	6%	7 591 764	2%
Low density	605 532 217	82%	649 357 664	91%	605 532 217	82%	296 622 192	91%
Commercial	57 572 416	8%	12 156 765	2%	57 572 416	8%	5 553 128	2%
736 389 805	100%	712 189 612	100%	736 389 805	100%	325 323 401	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		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>Gross investment in finance leases:</b>				
Maturing within 1 year	444 994 970	3 339 655 397	444 994 970	1 525 532 013
Maturing after 1 year	4 322 119 136	4 490 995 893	4 322 119 136	2 051 456 570
Gross investment in finance leases	4 767 114 106	7 830 651 290	4 767 114 106	3 576 988 583
Unearned finance charges	(3 024 886 639)	(4 871 555 672)	(3 024 886 639)	(2 225 293 704)
Net investment in finance leases	1 742 227 467	2 959 095 618	1 742 227 467	1 351 694 879
Maturing within 1 year	185 102 825	1 359 428 470	185 102 825	620 977 737
Maturing after 1 year	1 557 124 642	1 599 667 148	1 557 124 642	730 717 142
1 742 227 467	2 959 095 618	1 742 227 467	1 351 694 879	

5. INVESTMENT PROPERTIES

5.1 Made up as follows:

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

	Inflation adjusted	Historical cost
	Reviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2022 ZWS
Residential	1 066 431 030	784 958 441
Commercial	11 834 257 116	8 710 736 786
Industrial	331 263 855	331 263 855
13 231 952 001	9 739 525 678	13 231 952 001

NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>5.2 Reconciliation of carrying amount</b>				
Balance at beginning of year	9 739 525 678	7 663 975 854	4 448 949 501	2 177 997 851
Additions	-	239 044 060	-	87 984 925
Transfer from owner occupied	-	164 040 210	-	46 618 000
Fair value adjustment	3 492 426 323	1 672 465 554	8 783 002 500	2 136 348 725
Balance at end of period	13 231 952 001	9 739 525 678	13 231 952 001	4 448 949 501
<b>6. RIGHT OF USE ASSETS</b>				
Balance at the beginning of year	484 583 306	233 065 526	102 568 596	66 234 057
Depreciation	(93 504 264)	(161 126 259)	(61 416 889)	(57 037 263)
Lease modifications	410 406 977	263 768 776	269 569 736	93 371 802
Effects of inflation adjustment	19 884 428	148 875 263	-	-
Balance at end of period	821 370 447	484 583 306	310 721 443	102 568 596

7. PROPERTY AND EQUIPMENT

	Reviewed Inflation adjusted						Total ZWS
	Freehold properties ZWS	Leasehold improvements ZWS	Equipment furniture & fittings ZWS	Computer equipment ZWS	Marine assets and motor vehicles ZWS	Capital work in progress ZWS	
<b>30 June 2022</b>							
<b>GROUP</b>							
Cost or valuation							
Balance at 1 January 2022	8 926 310 668	4 173 822 997	7 538 652 183	9 302 794 376	2 094 364 908	138 129 934	32 174 075 066
Additions	-	1 581 477	147 924 919	199 844 939	159 476 936	275 326 979	784 155 250
Disposals	-	-	-	(1 833 523)	(8 672 631)	-	(10 506 154)
Surplus on revaluation	3 114 058 983	-	62 746	-	29 130 305	-	3 143 252 034
Balance at 30 June 2022	12 040 369 651	4 175 404 474	7 686 639 848	9 500 805 792	2 274 299 518	413 456 913	36 090 976 196
Accumulated depreciation and impairment							
Balance at 1 January 2022	1 414 883 783	3 920 360 393	2 229 400 940	2 672 824 058	1 290 258 503	118 430 301	11 646 157 978
Recognised in statement of profit or loss	215 980 798	11 815 594	161 452 861	701 497 007	71 296 377	-	1 162 042 637
Disposals	-	-	-				



### NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 8. INTANGIBLE ASSETS

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>Computer software</b>				
Carrying amount at beginning of year	443 207 530	760 766 686	22 206 622	28 389 024
Additions at cost	418 031 025	24 018 392	279 980 994	10 358 475
Reversal of cancelled projects	-	(22 657 054)	-	(1 385 883)
Amortisation	(100 120 406)	(111 388 710)	(1 045 239)	(1 644 934)
Reclassification to equipment	-	(207 531 784)	-	(13 510 060)
Impairment	(995 577)	-	-	-
Balance at end of period	760 122 572	443 207 530	301 142 377	22 206 622

#### 9. DEPOSITS AND OTHER ACCOUNTS

##### 9.1 Summary of deposits by type

	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
Balances of banks	1 429 366 908	1 072 061 195	1 429 366 908	489 710 308
Current accounts	9 162 009 252	11 518 275 381	9 162 009 252	5 261 470 343
Savings and call accounts	28 067 444 002	24 791 071 782	28 067 444 002	11 324 394 028
Fixed deposits	4 447 289 510	5 678 968 326	4 447 289 510	2 594 114 348
	43 106 109 672	43 060 376 684	43 106 109 672	19 669 689 027

##### 9.2 Maturity analysis

	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
On demand	20 272 137 996	30 164 786 208	20 272 137 996	13 779 070 458
Within 1 month	21 663 439 685	11 843 229 025	21 663 439 685	5 409 906 971
Between 1 and 6 months	1 061 985 168	351 087 158	1 061 985 168	160 374 241
Between 6 and 12 months	49 981 752	649 965 383	49 981 752	296 899 794
After 12 months	58 565 071	51 308 910	58 565 071	23 437 563
	43 106 109 672	43 060 376 684	43 106 109 672	19 669 689 027

	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2022 ZWS	Contribution	Audited 31 Dec 2021 ZWS	%	Unreviewed 30 Jun 2022 ZWS	Contribution	Unaudited 31 Dec 2021 ZWS	%
<b>9.3 Deposit concentration</b>								
Private individuals	7 760 988 940	18%	6 909 088 682	16%	7 760 988 940	18%	3 156 025 012	16%
Agriculture	1 096 952 793	3%	2 266 503 636	5%	1 096 952 793	3%	1 035 323 542	5%
Mining	2 582 398 303	6%	433 971 800	1%	2 582 398 303	6%	198 235 385	1%
Manufacturing	2 374 760 230	6%	1 871 047 477	4%	2 374 760 230	6%	854 681 841	4%
Distribution	1 129 004 639	3%	1 227 495 347	3%	1 129 004 639	3%	560 711 578	3%
Construction	899 573 769	2%	542 785 814	1%	899 573 769	2%	247 940 891	1%
Transport	229 180 049	1%	659 210 851	2%	229 180 049	1%	301 123 061	2%
Services	18 183 188 502	42%	18 426 135 409	43%	18 183 188 502	42%	8 416 934 114	43%
Financial	5 266 806 362	12%	5 345 253 746	12%	5 266 806 362	12%	2 441 675 783	12%
Communication	3 583 256 086	7%	5 378 883 922	13%	3 583 256 086	7%	2 457 037 820	13%
	43 106 109 673	100%	43 060 376 684	100%	43 106 109 673	100%	19 669 689 027	100%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>9.4 Secured and unsecured deposits analysis</b>				
Secured deposits	-	-	-	-
Unsecured deposits	43 106 109 673	43 060 376 684	43 106 109 673	19 669 689 027
	43 106 109 673	43 060 376 684	43 106 109 673	19 669 689 027

#### 10. LEASE LIABILITIES

	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
Balance at the beginning of year	262 016 880	244 830 676	119 687 540	69 577 553
Add finance cost posted to profit or loss	163 588 155	150 871 930	33 867 455	19 538 243
Exchange gains	(628 524 095)	(96 709 279)	185 552 788	31 108 045
Less lease liability payments during the period	(125 943 412)	(196 727 642)	(82 724 062)	(69 639 836)
Lease modifications	255 527 454	180 860 560	30 752 466	118 519 771
Effects of inflation adjustment	360 471 205	(21 109 365)	-	(49 416 236)
Balance at end of period	287 136 187	262 016 880	287 136 187	119 687 540
Maturing within 1 year	57 427 237	52 403 376	57 427 237	23 937 508
Maturing after 1 year	229 708 950	209 613 504	229 708 950	95 750 032
Total	287 136 187	262 016 880	287 136 187	119 687 540

#### 11. LONG TERM BORROWINGS

	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 30 Jun 2021 ZWS
<b>Comprising of:</b>				
Face value of loan	20 000 000	43 783 485	20 000 000	20 000 000
Valuation discount	(2 403 638)	(6 682 080)	(2 403 638)	(3 052 329)
Balance at end of period	17 596 362	37 101 405	17 596 362	16 947 671
<b>Valuation discount:</b>				
Balance at beginning of the year	6 682 080	13 580 385	3 052 329	3 859 361
Amortisation during the period	(987 601)	(2 279 808)	(648 691)	(807 032)
Effects of inflation adjustment	(3 290 841)	(4 618 497)	-	-
Balance at end of period	2 403 638	6 682 080	2 403 638	3 052 329

#### 12. INTEREST INCOME

	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>Interest income comprises interest on:</b>				
Advances	4 293 241 266	2 481 782 497	2 452 997 159	796 375 696
Mortgages	175 166 694	85 334 156	104 733 624	26 273 673
Overdraft accounts	398 291 993	340 929 031	271 221 731	110 338 426
Financial assets at amortised cost	48 569 149	43 545 298	46 395 416	14 078 400
Treasury bill at FVTPL	336 167 119	144 142 648	220 780 360	47 058 123
Treasury bills at FVTOCI	35 586 511	26 574 602	23 374 472	8 122 641
Cash and short-term funds	55 839 033	10 263 534	37 557 385	4 318 346
Loans to other banks	64 202 015	147 469	45 741 096	45 052
Other	10 367 264	81 112 571	6 063 811	26 726 660
Total interest income	5 417 431 044	3 213 831 806	3 208 865 054	1 033 337 017

#### 13. INTEREST EXPENSE

	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>Interest expenses comprise interest on:</b>				
Retail deposits	62 515 326	46 248 217	41 009 040	14 916 925
Fixed deposits	861 475 515	344 021 793	546 457 863	111 281 568
Other interest payable categories	386 979 529	174 149 191	252 952 665	58 147 032
Total interest expenses	1 310 970 370	564 419 201	840 419 568	184 345 525
Net interest income	4 106 460 674	2 649 412 605	2 368 445 486	848 991 492

### NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>14. LOAN IMPAIRMENTS</b>				
Loans and advances	(1 935 300 328)	(705 300 234)	(1 635 233 649)	(234 276 129)
Insurance debtors	(258 550 590)	(22 203 931)	(46 812 551)	(7 615 494)
Total loans and other advances	(2 193 850 918)	(727 504 165)	(1 682 046 200)	(241 891 623)
Other financial assets	(39 501 383)	(18 183 377)	(35 418 790)	(6 236 526)
Guarantees	(32 607 212)	(1 681 013)	(75 922 356)	(360 510)
Loan commitments	(34 974 098)	(4 979 355)	(34 455 077)	(1 556 855)
Net recoveries against loans previously written off	10 993 488	5 385 688	66 819 874	1 518 852
	(2 289 940 123)	(746 962 222)	(1 761 022 549)	(248 526 662)

#### 15. OPERATING EXPENSES

	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
Commission and fees	150 273 829	117 300 323	101 121 556	37 838 709
Staff expenses	4 865 847 158	2 204 564 886	3 379 009 291	709 953 080
Communication expenses	154 535 460	167 731 650	102 387 299	53 859 830
National Social Security Authority expenses	57 549 901	18 472 607	40 768 736	6 049 228
Pension fund expenses	156 323 866	81 418 374	103 600 083	26 221 894
Computers and information technology expenses	793 712 552	846 072 841	375 449 921	223 211 523
Occupation expenses	273 541 397	271 391 456	48 273 155	81 700 948
Transport expenses	111 371 282	53 019 549	68 749 422	16 750 154
Travelling expenses	136 949 306	74 174 234	98 933 745	24 483 812
Depreciation of property and equipment	1 162 042 637	539 493 976	775 223 689	172 114 974
Amortisation of intangible assets	100 120 406	58 708 631	1 045 239	718 741
Depreciation of right of use asset	93 504 264	64 053 513	61 416 889	10 744 093
Finance cost on lease liabilities	163 588 155	94 258 202	33 867 455	15 810 513
Impairment of intangible assets	995 577	-	-	-
Administration expenses	834 467 584	1 207 342 347	952 067 313	430 452 097
Directors fees	102 517 334	74 847 621	74 391 537	24 235 532
Audit fees	255 169 632	97 585 625	157 885 315	32 440 906
	9 412 510 340	5 970 435 835	6 374 190 645	1 866 586 034

#### 16. INCOME TAX EXPENSE

	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
Current income tax	1 437 073 901	1 015 193 294	1 429 640 624	349 194 025
Deferred tax expense	489 646 931	(387 510 857)	729 629 838	(71 236 428)
	1 926 720 832	627 682 437	2 159 270 462	277 957 597

#### 17. EARNINGS PER SHARE

**Basic / headline earnings per share (ZW cents)**  
The inflation adjusted calculation of basic/headline earnings per share for the period ended 30 June 2022 of ZW2 830 cents (June 2021: ZW1 188 cents) is based on the attributable profit after tax of ZW\$4 458 132 713 (June 2021: ZW\$1 870 998 492) and weighted average number of shares of 157 522 902 (June 2021: 157 522 902)

The unreviewed historical cost calculation of basic/headline earnings per share for the period ended 30 June 2022 of ZW10 061 cents (June 2021: ZW\$26 cents) is based on the attributable profit after tax of ZW\$15 848 461 733 (June 2021: ZW\$28 960 869) and weighted average number of shares of 157 522 902 (June 2021: 157 522 902).

There were no dilutive instruments for the period.

#### 18. RISK MANAGEMENT

##### 18.1 Capital risk management

The primary objectives in managing capital at the Group are:

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

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

The Group's operating target is to maintain operating assets at a level that is lower than the available operating funds at all times in order to restrict recourse on shareholders' equity for operational funding. Gearing was maintained at 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.

### NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18.2.1 Classification and measurement of financial assets and liabilities (continued)

31 December 2021	Audited Inflation adjusted							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
<b>Financial assets measured at fair value:</b>								
Listed equity securities	2 204 061 244	-	-	2 204 061 244	2 204 061 244	-	-	2 204 061 244
Unlisted equity investments	6 660 192 710	-	-	6 660 192 710	-	6 660 192 710	-	6 660 192 710
Treasury bills	4 556 347 268	-	624 010 231	5 180 357 499	-	4 556 347 268	624 010 231	5 180 357 499
<b>Financial assets not measured at fair value:</b>								
Trade and other receivables	-	4 361 843 230	-	4 361 843 230	-	-	-	4 361 843 230
Cash and cash equivalents	-	21 261 431 494	-	21 261 431 494	-	-	-	21 261 431 494
Treasury bills	-	96 276 884	-	96 276 884	-	-	-	96 276 884
Advances and other accounts	-	26 779 987 780	-	26 779 987 780	-	-	-	26 779 987 780
<b>Total</b>	<b>13 420 601 222</b>	<b>52 489 539 388</b>	<b>624 010 231</b>	<b>66 544 150 841</b>	<b>2 204 061 244</b>	<b>6 660 192 710</b>	<b>624 010 231</b>	<b>66 544 150 841</b>
<b>Financial liabilities</b>								
Deposit and other accounts	-	(43 060 376 684)	-	(43 060 376 684)	-	-	-	(43 060 376 684)
Trade and other payables	-	(9 308 026 097)	-	(9 308 026 097)	-	-	-	(9 308 026 097)
Offshore borrowings	-	(1 440 282 351)	-	(1 440 282 351)	-	-	-	(1 440 282 351)
Long term borrowings	-	(37 101 405)	-	(37 101 405)	-	-	-	(37 101 405)
<b>Total</b>	<b>-</b>	<b>(53 845 786 537)</b>	<b>-</b>	<b>(53 845 786 537)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53 845 786 537)</b>

30 June 2022	Unreviewed Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
<b>Financial assets measured at fair value:</b>								
Listed equity securities	1 968 140 919	-	-	1 968 140 919	1 968 140 919	-	-	1 968 140 919
Unlisted equity investments	5 603 386 360	-	-	5 603 386 360	-	5 603 386 360	-	5 603 386 360
Treasury bills	6 127 728 321	-	1 170 406 146	7 298 134 467	-	6 127 728 321	1 170 406 146	7 298 134 467
<b>Financial assets not measured at fair value:</b>								
Trade and other receivables	-	8 849 460 689	-	8 849 460 689	-	-	-	8 849 460 689
Cash and cash equivalents	-	28 954 067 340	-	28 954 067 340	-	-	-	28 954 067 340
Treasury bills	-	39 832 567	-	39 832 567	-	-	-	39 832 567
Advances and other accounts	-	20 762 092 597	-	20 762 092 597	-	-	-	20 762 092 597
<b>Total</b>	<b>13 699 255 600</b>	<b>58 605 453 193</b>	<b>1 170 406 146</b>	<b>73 475 114 939</b>	<b>1 968 140 919</b>	<b>5 603 386 360</b>	<b>1 170 406 146</b>	<b>73 475 114 939</b>
<b>Financial liabilities</b>								
Deposit and other accounts	-	(43 106 109 672)	-	(43 106 109 672)	-	-	-	(43 106 109 672)
Trade and other payables	-	(11 245 290 691)	-	(11 245 290 691)	-	-	-	(11 245 290 691)
Offshore borrowings	-	(3 934 977 887)	-	(3 934 977 887)	-	-	-	(3 934 977 887)
Short term borrowings	-	(478 706 849)	-	(478 706 849)	-	-	-	(478 706 849)
Long term borrowings	-	(17 596 362)	-	(17 596 362)	-	-	-	(17 596 362)
<b>Total</b>	<b>-</b>	<b>(58 782 681 461)</b>	<b>-</b>	<b>(58 782 681 461)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58 782 681 461)</b>

31 December 2021	Unaudited Historical cost							
	CARRYING AMOUNT				FAIR VALUE			
	Designated at FVTPL ZWS	Classified at AMCO ZWS	Designated at FVTOCI ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
<b>Financial assets measured at fair value:</b>								
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
<b>Financial assets not measured at fair value:</b>								
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
<b>Total</b>	<b>6 130 439 929</b>	<b>23 981 434 752</b>	<b>285 043 656</b>	<b>30 396 918 337</b>	<b>1 006 800 279</b>	<b>3 042 331 014</b>	<b>285 043 656</b>	<b>30 396 918 337</b>
<b>Financial liabilities</b>								
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)
<b>Total</b>	<b>-</b>	<b>(24 999 722 857)</b>	<b>-</b>	<b>(24 999 722 857)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24 999 722 857)</b>

#### 18.2.1.1 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 30 June 2022.

#### 18.2.1.2 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.

#### 18.2.1.3 Level 3 valuation

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Equity Security	Net Asset Value: The valuation model determines the fair value of investment securities (non-listed entities) with reference to the net asset value, which was determined by the directors as a proxy valuation method. NAV valuation method was used where investees are largely property holdings and investment entities.	The fair values of investment securities are based on net asset values which make use of the net movements in the assets and liabilities of investee entities. Net asset values have been verified by independent auditors, but are not observable from market data.	The estimated fair value would increase or decrease due to the following: - Increase or decrease in fair value or historical cost adjustments of underlying assets and liabilities held by investees. - Decrease as a result of economic obsolescence of underlying assets. - Financial performance of the investee.
	The market approach as prescribed by IFRS 13 – Fair valuation requires the identification of a similar or identical quoted assets with similar risk profiles.	Adjusted market price earnings multiple. - Discounting rate.	The estimated fair value would increase / decrease if the adjusted market price earnings multiple and discounting rates were higher or lower.

#### Level 3 recurring fair values

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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
Balance at beginning of year	7 284 202 941	2 817 256 214	3 327 374 670	785 570 089
Fair value adjustments	(1 045 995 872)	3 523 989 581	3 170 851 286	2 220 073 695
Additions	1 215 121 563	1 468 553 253	552 039 275	552 039 275
Disposals	(679 536 126)	(525 596 107)	(276 472 725)	(230 308 389)
Balance at the end of period	<b>6 773 792 506</b>	<b>7 284 202 941</b>	<b>6 773 792 506</b>	<b>3 327 374 670</b>

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

#### 18.2.2 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.

### NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 18.2.2 Liquidity risk (continued)

##### Liquidity gap analysis as at 30 June 2022

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

	Reviewed Inflation adjusted					Carrying amount ZWS
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	25 373 721 454	45 356 180	3 534 989 706	-	28 954 067 340	28 954 067 340
Trade and other receivables	6 637 095 517	2 212 365 172	-	-	8 849 460 689	8 849 460 689
Treasury bills	2 334 817 586	3 600 221 337	669 876 948	876 333 164	7 481 249 035	7 337 967 034
Mortgages and other advances	1 916 223 349	2 550 989 531	3 674 117 806	14 365 767 730	22 507 098 416	20 762 092 597
Financial assets held at fair value through profit or loss	-	-	-	7 592 251 347	7 592 251 347	7 592 251 347
Financial assets held at amortised cost	172 249 473	486 353 564	365 412 471	84 510 690	1 108 526 198	1 108 526 198
Loan commitments	191 384 349	1 352 429 884	1 449 812 223	3 599 376 043	6 593 002 499	6 593 002 499
<b>Total</b>	<b>36 625 491 728</b>	<b>10 247 715 668</b>	<b>9 694 209 154</b>	<b>26 518 238 974</b>	<b>83 085 655 524</b>	<b>81 197 367 704</b>
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(42 793 592 242)	(1 674 738 441)	(49 960 065)	(66 729 670)	(44 585 020 418)	(43 106 109 672)
Trade and other payables	(11 000 487 358)	(132 401 664)	(112 401 669)	-	(11 245 290 691)	(11 245 290 691)
Long term loan	-	-	-	(20 000 000)	(20 000 000)	(17 596 362)
Offshore borrowings	-	(3 956 428 608)	-	-	(3 956 428 608)	(3 934 977 887)
Short term borrowings	-	(512 438 356)	-	-	(512 438 356)	(478 706 849)
Lease liabilities	(4 785 603)	(23 928 016)	(28 713 619)	(393 297 104)	(450 724 342)	(287 136 187)
<b>Total</b>	<b>(53 798 865 203)</b>	<b>(6 299 935 085)</b>	<b>(191 075 353)</b>	<b>(480 026 774)</b>	<b>(60 769 902 415)</b>	<b>(59 069 817 648)</b>
Period gap	(17 173 373 475)	3 947 780 583	9 503 133 801	26 038 212 200	22 315 753 109	22 127 550 056
Cumulative gap	(17 173 373 475)	(13 225 592 892)	(3 722 459 091)	22 315 753 109	-	-

##### 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.

	Audited Inflation adjusted					Carrying amount ZWS
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Total ZWS	
<b>FINANCIAL ASSETS BY TYPE:</b>						
Cash and cash equivalents	17 986 212 506	99 292 583	3 175 926 405	-	21 261 431 494	21 261 431 494
Trade and other receivables	3 271 382 422	1 090 460 808	-	-	4 361 843 230	4 361 843 230
Treasury bills	2 211 310 523	3 143 683 115	1 679 045 984	453 468 119	5 497 507 741	5 276 634 384
Mortgages and other advances	2 977 910 283	4 050 047 239	22 140 431 243	33 150 979 035	62 319 367 800	26 779 987 780
Financial assets held at fair value through profit or loss	-	-	-	8 919 719 290	8 919 719 290	8 919 719 290
Financial assets held at amortised cost	-	153 016 268	-	1 141 152 091	1 294 168 359	1 294 168 359
Loan commitments	1 595 207 944	-	-	-	1 595 207 944	1 595 207 944
<b>Total</b>	<b>26 052 023 678</b>	<b>8 536 500 013</b>	<b>26 995 403 632</b>	<b>43 665 318 535</b>	<b>105 249 245 858</b>	<b>69 488 992 481</b>
<b>FINANCIAL LIABILITIES BY TYPE:</b>						
Deposits and other accounts	(2 365 683 685)	(597 971 685)	(21 000 079)	(43 447 740 535)	(46 432 395 984)	(43 060 376 684)
Trade and other payables	(8 772 108 945)					



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

18.2.2 Liquidity risk (continued)

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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
ZB Bank Limited	80%	58%	80%	58%
ZB Building Society	59%	75%	59%	75%

18.2.3 Market risk

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

18.2.3.1 Interest rate risk

Interest rate gap analysis as at 30 June 2022

	Reviewed Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
<b>FINANCIAL ASSETS BY TYPE:</b>					
Cash and cash equivalents	28 954 067 340	-	-	-	28 954 067 340
Treasury bills	2 333 880 600	3 501 107 464	636 890 646	866 088 324	7 337 967 034
Advances and other accounts	1 953 404 355	2 484 673 236	3 149 897 773	13 174 117 233	20 762 092 597
Financial assets held at fair value through profit or loss	-	-	-	7 592 251 347	7 592 251 347
Financial assets held at amortised cost	172 249 473	486 353 564	365 412 471	84 510 690	1 108 526 198
	<b>33 413 601 768</b>	<b>6 472 134 264</b>	<b>4 152 200 890</b>	<b>21 716 967 594</b>	<b>65 754 904 516</b>
<b>FINANCIAL LIABILITIES BY TYPE</b>					
Deposits and other accounts	(43 152 354 653)	(973 351 035)	(595 367 154)	1 614 963 170	(43 106 109 672)
Long term loan	-	-	-	(17 596 362)	(17 596 362)
Offshore borrowings	-	(3 934 977 887)	-	-	(3 934 977 887)
Short term borrowings	-	(478 706 849)	-	-	(478 706 849)
	<b>(43 152 354 653)</b>	<b>(5 387 035 771)</b>	<b>(595 367 154)</b>	<b>1 597 366 808</b>	<b>(47 537 390 770)</b>
Period gap	(9 738 752 885)	1 085 098 493	3 556 833 736	23 314 334 402	18 217 513 746
Cumulative gap	(9 738 752 885)	(8 653 654 392)	(5 096 820 656)	18 217 513 746	-

Interest rate gap analysis as at 31 December 2021

	Audited Inflation adjusted				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
<b>FINANCIAL ASSETS BY TYPE:</b>					
Cash and cash equivalents	21 261 431 494	-	-	-	21 261 431 494
Treasury bills	218 917 425	3 143 683 115	1 484 838 527	429 195 317	5 276 634 384
Advances and other accounts	3 244 700 115	2 726 890 635	3 677 266 728	17 131 130 302	26 779 987 780
Financial assets held at fair value through profit or loss	-	-	-	8 919 719 290	8 919 719 290
Financial assets held at amortised cost	-	-	615 837 317	678 331 042	1 294 168 359
	<b>24 725 049 034</b>	<b>5 870 573 750</b>	<b>5 777 942 572</b>	<b>27 158 375 951</b>	<b>63 531 941 307</b>
<b>FINANCIAL LIABILITIES BY TYPE</b>					
Deposits and other accounts	(43 019 488 931)	-	-	(40 887 753)	(43 060 376 684)
Long term loan	-	-	-	(37 101 405)	(37 101 405)
Offshore borrowings	-	(176 850 903)	(176 850 914)	(1 086 580 534)	(1 440 282 351)
Short term borrowings	-	-	(882 962 949)	-	(882 962 949)
	<b>(43 019 488 931)</b>	<b>(176 850 903)</b>	<b>(1 059 813 863)</b>	<b>(1 164 569 692)</b>	<b>(45 420 723 389)</b>
Period gap	(18 294 439 897)	5 693 722 847	4 718 128 709	25 993 806 259	18 111 217 918
Cumulative gap	(18 294 439 897)	(12 600 717 050)	(7 882 588 341)	18 111 217 918	-

Interest rate gap analysis as at 30 June 2022

	Unreviewed Historical cost				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
<b>FINANCIAL ASSETS BY TYPE:</b>					
Cash and cash equivalents	28 954 067 340	-	-	-	28 954 067 340
Treasury bills	2 333 880 600	3 501 107 464	636 890 646	866 088 324	7 337 967 034
Advances and other accounts	1 953 404 355	2 484 673 236	3 149 897 773	13 174 117 233	20 762 092 597
Financial assets held at fair value through profit or loss	-	-	-	7 592 251 347	7 592 251 347
Financial assets held at amortised cost	172 249 473	486 353 564	365 412 471	84 510 690	1 108 526 198
	<b>33 413 601 768</b>	<b>6 472 134 264</b>	<b>4 152 200 890</b>	<b>21 716 967 594</b>	<b>65 754 904 516</b>
<b>FINANCIAL LIABILITIES BY TYPE</b>					
Deposits and other accounts	(43 152 354 653)	(973 351 035)	(595 367 154)	1 614 963 170	(43 106 109 672)
Long term loan	-	-	-	(17 596 362)	(17 596 362)
Offshore borrowings	-	(3 934 977 887)	-	-	(3 934 977 887)
Short term borrowings	-	(478 706 849)	-	-	(478 706 849)
	<b>(43 152 354 653)</b>	<b>(5 387 035 771)</b>	<b>(595 367 154)</b>	<b>1 597 366 808</b>	<b>(47 537 390 770)</b>
Period gap	(9 738 752 885)	1 085 098 493	3 556 833 736	23 314 334 402	18 217 513 746
Cumulative gap	(9 738 752 885)	(8 653 654 392)	(5 096 820 656)	18 217 513 746	-

NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

18.2.3 18.2.3.1 Interest rate risk (continued)

Interest rate gap analysis as at 31 December 2021

	Unaudited Historical cost				
	Up to 1 month ZWS	2 to 6 months ZWS	7 to 12 months ZWS	Above 12 months ZWS	Carrying amount ZWS
<b>FINANCIAL ASSETS BY TYPE:</b>					
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	1 679 750 507	7 825 384 534	12 232 917 414
Financial assets held at fair value through profit or loss	-	-	-	4 074 467 484	4 074 467 484
Financial assets held at amortised cost	-	-	281 310 324	309 857 035	591 167 359
	<b>11 294 235 284</b>	<b>2 681 638 410</b>	<b>2 639 325 114</b>	<b>12 405 762 573</b>	<b>29 020 961 381</b>
<b>FINANCIAL LIABILITIES BY TYPE</b>					
Deposits and other accounts	(19 651 011 778)	-	-	(18 677 249)	(19 669 689 027)
Long term loan	-	-	-	(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)
	<b>(19 651 011 778)</b>	<b>(80 784 297)</b>	<b>(484 115 809)</b>	<b>(531 967 564)</b>	<b>(20 747 879 448)</b>
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	-

Sensitivity analysis

A 2% change in the rate for rate sensitive assets would result in the reported profits increasing or decreasing by ZW\$1.7 billion (December 2021: ZW\$956.45 million).

A 2% change in the rate for rate sensitive liabilities would result in the reported profits increasing or decreasing by ZW\$802.67 million (December 2021: ZW\$463.67 million).

Foreign exchange risk

Foreign currency position

The carrying amount of the Group's foreign denominated monetary assets and liabilities as at 30 June 2022 were as follows:

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
Botswana pula	409 739 058	1 194 645 798	409 739 058	409 739 058
British pound	2 056 662 034	5 996 457 036	2 056 662 034	2 056 662 034
Euro	2 408 860 234	7 023 335 220	2 408 860 234	2 408 860 234
South African rand	9 869 369 305	28 775 388 483	9 869 369 305	9 869 369 305
United States Dollar	21 625 401 021	63 051 578 703	21 625 401 021	21 625 401 021
<b>Total assets</b>	<b>36 370 031 652</b>	<b>106 041 405 240</b>	<b>36 370 031 652</b>	<b>36 370 031 652</b>
Botswana pula	(390 511 055)	(1 138 584 135)	(390 511 055)	(390 511 055)
British pound	(2 037 712 851)	(5 941 208 308)	(2 037 712 851)	(2 037 712 851)
Euro	(1 732 888 753)	(5 052 455 281)	(1 732 888 753)	(1 732 888 753)
South African rand	(7 938 580 153)	(23 145 929 679)	(7 938 580 153)	(7 938 580 153)
United States Dollar	(18 697 030 146)	(54 513 544 818)	(18 697 030 146)	(18 697 030 146)
<b>Total liabilities</b>	<b>(30 796 722 958)</b>	<b>(89 791 722 221)</b>	<b>(30 796 722 958)</b>	<b>(30 796 722 958)</b>
	<b>5 573 308 694</b>	<b>16 249 683 019</b>	<b>5 573 308 694</b>	<b>5 573 308 694</b>

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 (December 2021: ZW\$8.1 billion) and equity being reduced or increased by ZW\$2.1 billion (December 2021: ZW\$5.9 million)

A 100% change in exchange rates would result in the reported profit being reduced or increased by ZW\$5.6 billion (December 2021: ZW\$16.3 billion) and equity being reduced or increased by ZW\$3.9 billion (December 2021: ZW\$5.9 million).

18.2.4 Credit risk

	Reviewed Inflation adjusted June 2022				Audited Inflation adjusted December 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>	20 395 014 720	101 516 096	121 601 333	20 618 132 149	26 497 393 019	256 071 988	1 096 432 594	27 849 897 601
Guarantees	1 863 544 018	-	-	1 863 544 018	1 814 872 363	-	-	1 814 872 363
Loan commitments	6 593 002 500	-	-	6 593 002 500	1 595 207 944	-	-	1 595 207 944
Letters of credit	1 975 898 094	-	-	1 975 898 094	-	-	-	-
Treasury bills	7 337 967 034	-	-	7 337 967 034	5 276 634 384	-	-	5 276 634 384
Insurance debtors	1 087 090 071	-	-	1 087 090 071	456 312 459	-	-	456 312 459
Other financial assets	788 421 957	-	-	788 421 957	462 821 049	-	-	462 821 049
<b>Total financial assets</b>	<b>40 040 938 394</b>	<b>101 516 096</b>	<b>181 277 979</b>	<b>40 323 732 469</b>	<b>36 103 241 218</b>	<b>256 071 988</b>	<b>1 124 594 339</b>	<b>37 483 907 545</b>
<b>Total loans and advances</b>	20 390 996 889	1 309 418	2 141 379	20 394 447 686	26 497 393 019	10 824 356	2 887 398	26 511 104 773
Good (AAto-BBB-)	4 017 831	100 206 678	320 723	104 545 232	-	245 247 632	324 184	245 571 816
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	119 139 231	119 139 231	-	-	1 093 221 012	1 093 221 012
<b>Total loans and advances</b>	<b>20 395 014 720</b>	<b>101 516 096</b>	<b>121 601 333</b>	<b>20 618 132 149</b>	<b>26 497 393 019</b>	<b>256 071 988</b>	<b>1 096 432 594</b>	<b>27 849 897 601</b>
<b>Corporate Lending</b>	11 862 243 515	-	-	11 862 243 515	12 256 643 047	-	-	12 256 643 047
Good (AAto-BBB-)	-	55 308 064	-	55 308 064	-	78 442 076	-	78 442 076
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	38 281 041	38 281 041	-	-	1 034 687 232	1 034 687 232
<b>Total corporate lending</b>	<b>11 862 243 515</b>	<b>55 308 064</b>	<b>38 281 041</b>	<b>11 955 832 620</b>	<b>12 256 643 047</b>	<b>78 442 076</b>	<b>1 034 687 232</b>	<b>13 369 772 355</b>
<b>Small business Lending</b>	1 100 728 804	150	17 382	1 100 746	854 938 401	6 900	24 236	854 969 537
Good (AAto-BBB-)	-	10 144 931	-	10 144 931	-	77 330 809	-	77 330 809
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	38 818 682	38 818 682	-	-	8 492 245	8 492 245
<b>Total small business lending</b>	<b>1 100 728 804</b> </							



**NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

**18.2.4 Credit risk (continued)**

	Unreviewed Historical cost June 2022				Unaudited Historical cost December 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>	20 395 014 720	101 516 096	121 601 333	20 618 132 149	12 103 830 038	116 971 953	500 842 998	12 721 644 989
Guarantees	1 863 544 018	-	-	1 863 544 018	829 021 429	-	-	829 021 429
Loan commitments	6 593 002 500	-	-	6 593 002 500	728 680 207	-	-	728 680 207
Letters of credit	1 975 898 094	-	-	1 975 898 094	-	-	-	-
Treasury bills	7 337 967 034	-	-	7 337 967 034	2 410 330 922	-	-	2 410 330 922
Insurance debtors	1 087 090 071	-	59 676 646	1 146 766 717	208 440 447	-	12 864 095	221 304 542
Other financial assets	788 421 957	-	-	788 421 957	211 413 527	-	-	211 413 527
<b>Total financial assets</b>	<b>40 040 938 394</b>	<b>101 516 096</b>	<b>181 277 979</b>	<b>40 323 732 469</b>	<b>16 491 716 570</b>	<b>116 971 953</b>	<b>513 707 093</b>	<b>17 122 395 616</b>
<b>Total loans and advances</b>	<b>20 390 996 889</b>	<b>1 309 418</b>	<b>2 141 379</b>	<b>20 394 447 686</b>	<b>12 100 272 513</b>	<b>4 944 492</b>	<b>1 318 944</b>	<b>12 106 535 949</b>
Good (AAAto-BBB-)	4 017 831	100 206 678	320 723	104 545 232	3 557 525	112 027 461	148 085	115 733 071
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	119 139 231	119 139 231	-	-	499 375 969	499 375 969
<b>Total loans and advances</b>	<b>20 395 014 720</b>	<b>101 516 096</b>	<b>121 601 333</b>	<b>20 618 132 149</b>	<b>12 103 830 038</b>	<b>116 971 953</b>	<b>500 842 998</b>	<b>12 721 644 989</b>
<b>Corporate Lending</b>	<b>11 862 243 515</b>	<b>55 308 064</b>	<b>38 281 041</b>	<b>11 955 832 620</b>	<b>5 595 194 178</b>	<b>35 831 810</b>	<b>472 638 134</b>	<b>6 103 664 122</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	38 281 041	38 281 041	-	-	472 638 134	472 638 134
<b>Total corporate lending</b>	<b>11 862 243 515</b>	<b>55 308 064</b>	<b>38 281 041</b>	<b>11 955 832 620</b>	<b>5 595 194 178</b>	<b>35 831 810</b>	<b>472 638 134</b>	<b>6 103 664 122</b>
<b>Small business Lending</b>	<b>1 100 728 804</b>	<b>10 145 081</b>	<b>38 836 064</b>	<b>1 149 709 949</b>	<b>390 530 083</b>	<b>35 327 343</b>	<b>3 890 271</b>	<b>429 747 697</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	38 818 682	38 818 682	-	-	3 879 200	3 879 200
<b>Total small business lending</b>	<b>1 100 728 804</b>	<b>10 145 081</b>	<b>38 836 064</b>	<b>1 149 709 949</b>	<b>390 530 083</b>	<b>35 327 343</b>	<b>3 890 271</b>	<b>429 747 697</b>
<b>Consumer Lending</b>	<b>6 725 537 828</b>	<b>12 920 139</b>	<b>37 741 808</b>	<b>6 776 199 775</b>	<b>5 804 365 895</b>	<b>45 388 575</b>	<b>13 155 299</b>	<b>5 862 909 769</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	35 298 028	35 298 028	-	-	11 699 341	11 699 341
<b>Total consumer lending</b>	<b>6 725 537 828</b>	<b>12 920 139</b>	<b>37 741 808</b>	<b>6 776 199 775</b>	<b>5 804 365 895</b>	<b>45 388 575</b>	<b>13 155 299</b>	<b>5 862 909 769</b>
<b>Mortgage Lending</b>	<b>706 504 573</b>	<b>23 142 812</b>	<b>6 742 420</b>	<b>736 389 805</b>	<b>313 739 882</b>	<b>424 225</b>	<b>11 159 294</b>	<b>325 323 401</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	6 741 480	6 741 480	-	-	11 159 294	11 159 294
<b>Total mortgage lending</b>	<b>706 504 573</b>	<b>23 142 812</b>	<b>6 742 420</b>	<b>736 389 805</b>	<b>313 739 882</b>	<b>424 225</b>	<b>11 159 294</b>	<b>325 323 401</b>
<b>Guarantees</b>	<b>1 863 544 018</b>	<b>-</b>	<b>-</b>	<b>1 863 544 018</b>	<b>829 021 429</b>	<b>-</b>	<b>-</b>	<b>829 021 429</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total guarantees</b>	<b>1 863 544 018</b>	<b>-</b>	<b>-</b>	<b>1 863 544 018</b>	<b>829 021 429</b>	<b>-</b>	<b>-</b>	<b>829 021 429</b>
<b>Loan commitments</b>	<b>6 593 002 500</b>	<b>-</b>	<b>-</b>	<b>6 593 002 500</b>	<b>728 680 207</b>	<b>-</b>	<b>-</b>	<b>728 680 207</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total loan commitments</b>	<b>6 593 002 500</b>	<b>-</b>	<b>-</b>	<b>6 593 002 500</b>	<b>728 680 207</b>	<b>-</b>	<b>-</b>	<b>728 680 207</b>
<b>Loan of credit</b>	<b>1 975 898 094</b>	<b>-</b>	<b>-</b>	<b>1 975 898 094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Total letters of credit</b>	<b>1 975 898 094</b>	<b>-</b>	<b>-</b>	<b>1 975 898 094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financial assets</b>	<b>788 421 957</b>	<b>-</b>	<b>-</b>	<b>788 421 957</b>	<b>211 413 527</b>	<b>-</b>	<b>-</b>	<b>211 413 527</b>
Bonds	-	-	-	-	-	-	-	-
Good (AAA to BBB0)	-	-	-	-	-	-	-	-
<b>Total other financial assets</b>	<b>788 421 957</b>	<b>-</b>	<b>-</b>	<b>788 421 957</b>	<b>211 413 527</b>	<b>-</b>	<b>-</b>	<b>211 413 527</b>

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

	Reviewed Inflation adjusted June 2022				Audited Inflation adjusted December 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>	907 946 213	7 249 234	27 934 176	943 129 623	431 842 250	67 624 864	1 026 755 166	1 526 222 280
Treasury bills	-	-	-	-	-	-	-	-
Insurance debtors	-	-	59 676 646	59 676 646	-	-	28 161 745	28 161 745
Other financial assets	-	-	-	-	-	-	-	-
<b>Total impairment allowances</b>	<b>907 946 213</b>	<b>7 249 234</b>	<b>87 610 822</b>	<b>1 002 806 269</b>	<b>431 842 250</b>	<b>67 624 864</b>	<b>1 054 916 911</b>	<b>1 554 384 025</b>
In respect of guarantees	114 200 393	-	-	114 200 393	83 797 295	-	-	83 797 295
In respect of Letter of credit	-	-	-	-	-	-	-	-
In respect of Loan commitments	36 043 017	-	-	36 043 017	3 476 277	-	-	3 476 277
In respect of other financial assets	48 533 983	-	-	48 533 983	28 711 443	-	-	28 711 443
<b>Total</b>	<b>1 106 723 606</b>	<b>7 249 234</b>	<b>87 610 822</b>	<b>1 201 583 662</b>	<b>547 827 265</b>	<b>67 624 864</b>	<b>1 054 916 911</b>	<b>1 670 369 040</b>
<b>Total loans and advances</b>	<b>907 946 213</b>	<b>7 249 234</b>	<b>27 934 176</b>	<b>943 129 623</b>	<b>431 842 250</b>	<b>67 624 864</b>	<b>1 026 755 166</b>	<b>1 526 222 280</b>
Good (AAAto-BBB-)	907 769 744	338 619	680 315	908 788 678	431 461 196	2 637 326	1 993 361	436 091 883
Special Mention (BB+toCCC-)	176 469	6 910 615	96 267	7 183 351	381 054	64 987 538	132 767	65 501 359
Non performing (CCTOD)	-	-	27 157 594	27 157 594	-	-	1 024 629 038	1 024 629 038
<b>Impairment allowance for total loans and advances</b>	<b>907 946 213</b>	<b>7 249 234</b>	<b>27 934 176</b>	<b>943 129 623</b>	<b>431 842 250</b>	<b>67 624 864</b>	<b>1 026 755 166</b>	<b>1 526 222 280</b>
<b>Impairment allowance for loans and advances by lending category:</b>	<b>646 463 074</b>	<b>1 688 601</b>	<b>14 419 890</b>	<b>662 571 565</b>	<b>11 048 813</b>	<b>12 110 488</b>	<b>1 007 366 523</b>	<b>1 030 525 824</b>
<b>Corporate Lending</b>	<b>646 463 074</b>	<b>1 688 601</b>	<b>14 419 890</b>	<b>662 571 565</b>	<b>11 048 813</b>	<b>12 110 488</b>	<b>1 007 366 523</b>	<b>1 030 525 824</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	14 419 890	14 419 890	-	-	1 007 366 523	1 007 366 523
<b>Impairment allowance for corporate lending</b>	<b>646 463 074</b>	<b>1 688 601</b>	<b>14 419 890</b>	<b>662 571 565</b>	<b>11 048 813</b>	<b>12 110 488</b>	<b>1 007 366 523</b>	<b>1 030 525 824</b>
<b>Small business Lending</b>	<b>33 733 992</b>	<b>667 162</b>	<b>2 783 673</b>	<b>37 184 827</b>	<b>64 051 880</b>	<b>30 901 922</b>	<b>2 186 685</b>	<b>97 140 487</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	2 775 752	2 775 752	-	-	2 166 328	2 166 328
<b>Impairment allowance for small business lending</b>	<b>33 733 992</b>	<b>667 162</b>	<b>2 783 673</b>	<b>37 184 827</b>	<b>64 051 880</b>	<b>30 901 922</b>	<b>2 186 685</b>	<b>97 140 487</b>
<b>Consumer Lending</b>	<b>208 224 885</b>	<b>338 585</b>	<b>672 263</b>	<b>209 235 733</b>	<b>339 713 772</b>	<b>2 636 884</b>	<b>1 973 004</b>	<b>344 323 660</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	9 961 951	9 961 951	-	-	13 488 764	13 488 764
<b>Impairment allowance for consumer lending</b>	<b>208 224 885</b>	<b>338 585</b>	<b>672 263</b>	<b>209 235 733</b>	<b>339 713 772</b>	<b>2 636 884</b>	<b>1 973 004</b>	<b>344 323 660</b>
<b>Mortgage Lending</b>	<b>19 347 793</b>	<b>1 631 957</b>	<b>132</b>	<b>20 979 882</b>	<b>16 646 731</b>	<b>160 703</b>	<b>1 607 423</b>	<b>18 414 857</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	1	1	-	-	1 607 423	1 607 423
<b>Impairment allowance for mortgage lending</b>	<b>19 347 793</b>	<b>1 631 957</b>	<b>132</b>	<b>20 979 882</b>	<b>16 646 731</b>	<b>160 703</b>	<b>1 607 423</b>	<b>18 414 857</b>
<b>Impairment allowances on guarantees and loan commitments</b>	<b>114 200 393</b>	<b>-</b>	<b>-</b>	<b>114 200 393</b>	<b>83 797 295</b>	<b>-</b>	<b>-</b>	<b>83 797 295</b>
Guarantees	-	-	-	-	-	-	-	-
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Impairment allowances for guarantees</b>	<b>114 200 393</b>	<b>-</b>	<b>-</b>	<b>114 200 393</b>	<b>83 797 295</b>	<b>-</b>	<b>-</b>	<b>83 797 295</b>
<b>Loan commitments</b>	<b>36 043 017</b>	<b>-</b>	<b>-</b>	<b>36 043 017</b>	<b>3 476 277</b>	<b>-</b>	<b>-</b>	<b>3 476 277</b>
Good (AAAto-BBB-)	-	-	-	-	-	-	-	-
Special Mention (BB+toCCC-)	-	-	-	-	-	-	-	-
Non performing (CCTOD)	-	-	-	-	-	-	-	-
<b>Impairment allowances for loan commitments</b>								



**NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

**18.2.4 Credit risk (continued)**

An analysis of changes in the ECLs are as follows:

	Unreviewed Historical cost June 2022				Unaudited Historical cost December 2021			
	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	907 946 213	7 249 234	27 934 176	943 129 623	197 262 622	30 890 580	469 014 820	697 168 022
Treasury bills	-	-	-	-	-	-	-	-
Insurance debtors	-	-	59 676 646	59 676 646	-	-	12 864 096	12 864 096
Other financial assets	-	-	-	-	-	-	-	-
Total Loans and other advances	907 946 213	7 249 234	87 610 822	1 002 806 269	197 262 622	30 890 580	481 878 916	710 032 118
In respect of guarantees	114 200 393	-	-	114 200 393	38 278 038	-	-	38 278 038
In respect of Letter of credit	-	-	-	-	-	-	-	-
In respect of Loan commitments	36 043 017	-	-	36 043 017	1 587 940	-	-	1 587 940
In respect of other financial assets	48 533 983	-	-	48 533 983	13 115 193	-	-	13 115 193
Total impairment allowances	1 106 723 606	7 249 234	87 610 822	1 201 583 662	250 243 793	30 890 580	481 878 916	763 013 289
Balance at the beginning of the 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
New assets	1 227 108 446	3 948 526	4 678 061	1 235 735 033	500 150 120	39 911 795	69 197 680	609 259 595
Repayments	(362 849 599)	(26 878 563)	(6 222 376)	(395 950 538)	(101 466 384)	(12 347 831)	(10 342 818)	(124 157 033)
Stage reassignments								
Stage 1	-	1 700 668	6 078 366	7 779 034	-	(2 085 391)	275 040 007	272 954 616
Stage 2	(1 700 668)	-	2 411 977	711 309	2 085 391	-	124 736 591	126 821 982
Stage 3	(6 078 366)	(2 411 977)	-	(8 490 343)	(275 040 007)	(124 736 591)	-	(399 776 598)
Write-offs	-	-	(401 214 121)	(401 214 121)	-	-	(314 389)	(314 389)
Balance at the end of the period	1 106 723 606	7 249 234	87 610 822	1 201 583 662	250 243 793	30 890 580	481 878 915	763 013 288

An analysis of ECLs movements are as follows:

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>ECL Movement</b>				
Balance at beginning of year	1 554 384 025	968 468 058	710 032 117	275 225 469
Increase / (decrease) in respect - of impairments are:				
Loans and advances	2 193 850 918	80 154 395	1 682 046 200	437 965 834
Write offs against provision	(2 115 099 974)	(5 323 155)	(1 389 272 048)	(3 159 186)
Effects of inflation movement	(630 328 700)	511 084 727	-	-
	(1 002 806 269)	1 554 384 025	1 002 806 269	710 032 117
<b>Analysis of ECL on loans and advances</b>				
Balance at beginning of year	1 526 222 280	892 243 208	697 168 022	253 563 402
Increase in ECL for the period	1 935 300 328	99 414 689	1 635 233 649	446 763 806
Write offs against provision	(2 115 099 974)	(5 323 155)	(1 389 272 048)	(3 159 186)
Effects of inflation movement	(403 293 011)	539 887 538	-	-
Balance at end of period	943 129 623	1 526 222 280	943 129 623	697 168 022
<b>Analysis of ECL on insurance debtors</b>				
Balance at beginning of year	28 161 745	76 224 849	12 864 095	21 662 067
Increase in ECL for the period	258 550 590	(19 260 294)	46 812 551	(8 797 972)
Effects of inflation movement	(227 035 689)	(28 802 810)	-	-
Balance at end of period	59 676 646	28 161 745	59 676 646	12 864 095
<b>Analysis of ECL on guarantees and letters of credit Guarantees</b>				
Balance at beginning of year	83 797 295	2 929 531	38 278 038	832 533
Increase in ECL for the period	32 607 212	83 556 129	75 922 356	37 445 505
Effect of inflation movements	(2 204 114)	(2 688 365)	-	-
Balance at end of period	114 200 393	83 797 295	114 200 394	38 278 038
<b>Analysis of ECL on loan commitments</b>				
Balance at beginning of year	3 476 277	2 217 417	1 587 940	630 160
Increase / (decrease) in ECL for the period	34 974 098	3 408 111	34 455 077	957 780
Effects of inflation movement	(2 407 358)	(2 149 251)	-	-
Balance at end of period	36 043 017	3 476 277	36 043 017	1 587 940
<b>Analysis of ECL on other financial assets</b>				
Balance at beginning of year	28 711 443	5 408 256	13 115 193	1 536 953
Increase ECL for the period	39 501 383	1 198 282 796	35 418 790	11 578 240
Effect of Inflation movements	(19 678 843)	(1 174 979 609)	-	-
Balance at end of period	48 533 983	28 711 443	48 533 983	13 115 193

**18.3 Other business risks**

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

**18.4 Risk rating**

**18.4.1 Regulatory risk rating**

The Reserve Bank of Zimbabwe conducts regular offsite and onsite examinations of the institutions that it regulates. The last on-site examination of the 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
<b>Composite rating</b>	<b>4</b>	<b>3</b>

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

**NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

**18.4 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
<b>Direction of overall composite risk</b>	<b>Increasing</b>	<b>Stable</b> <sup>1</sup>

<sup>1</sup> "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
<b>Overall Risk</b>	<b>High</b>	<b>Acceptable</b>	<b>High</b>	<b>Increasing</b>

**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
<b>Overall Risk</b>	<b>Moderate</b>	<b>Acceptable</b>	<b>Moderate</b>	<b>Stable</b>

Entity	2022	2021	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 2023.

**19. COMPLIANCE WITH REGULATIONS**

**19.1 Regulatory capital requirements**

Commercial banks and building societies in Zimbabwe were required to maintain a minimum capital level of ZW\$ equivalent of USD30 million and USD20 million respectively, using the spot rate as at 30 June 2022. ZB Bank Limited met this requirement as at 30 June 2022, whilst ZB Building Society was not in compliance with this minimum regulatory capital requirement as at 30 June 2022.

**19.2 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.

**19.3 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 for the period ending June 2022, closing the period with ratios at 2.15% (2021: 0.93%) for the Life Company. ZB Reinsurance complied with this requirement as at 30 June 2022 with a ratio of 10% (2021: 11%). 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.

**19.4 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.

**20. SUBSEQUENT EVENTS**

On the 24th of June 2022, the Reserve Bank of Zimbabwe reviewed upwards the Bank Policy rate from 80% to 200% per annum, the Medium-Term Bank Accommodation Facility Interest Rate from 50% to 100% per annum and the minimum deposit rates for ZW\$ savings and time deposits from 12.5% and 25% per annum to 40% and 80% respectively. These changes were made with effect from 1 July 2022. At the time of reporting, the full impact of these measures was yet to be determined.

The Reserve Bank of Zimbabwe introduced gold coins into the market with effect from 25 July 2022 as an instrument to enable investors to preserve value. The gold coins are minted by Fidelity Gold Refineries (Private) Limited and will be sold to the public through normal banking channels. At the time of reporting, the full impact of these gold coins was yet to be determined.



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

### NOTES TO CONDENSED CONSOLIDATED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 21. 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.

As at 30 June 2022 ZB Building Society was not compliant with the minimum capital requirement. The Group is finalising on options available to address the non compliance and is confident that the non compliance will be remediated before 31 December 2022. 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 2022 where the overall claims ratio came down to 32% compared to 30% in 2021. 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 and the difficult operating environment. 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 30 June 2022. A market wide increase in interest rates is likely to reduce the Group's net interest earnings in the short-term.

Consequently, the condensed consolidated inflation adjusted interim results for the period ended 30 June 2022 have been prepared on a going-concern basis.

#### 22. BOARD ATTENDANCE DURING THE HALF YEAR

ENTITY	ZBFH	ZBBL	ZBBS	ZBRE	ZBLA
<b>TOTAL MEETINGS</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>
P CHIROMO	4	X	X	X	X
J MUTEVEDZI	4	X	X	X	X
T SIBANDA	4	X	X	X	X
A MAKAMURE	3	X	X	X	X
K MAUKAZUVA	4	X	X	X	X
S FUNGURA	4	3	X	2	X
E N MUNGONI	4	X	X	X	X
L ZEMBE	4	X	X	X	X
P M V WOOD	4	X	X	X	X
S DIMAIRHO	4	X	X	X	X
S A SIBANDA	X	3	X	X	X
P M MATUPIRE	X	3	X	X	X
C MANDIZVIDZA	X	3	X	X	X
G N MAHLANGU	X	2	X	X	X
G CHIKOMO	X	2	X	X	X
F NYAMBIRI	X	3	X	X	X
P MURENA	X	2	X	X	X
E MASINIRE	X	3	X	X	X
O MANDIMIKA	X	X	2	X	X
S K CHIGANZE	X	X	1	X	X
T KAPUMHA	X	X	2	X	X
J KATSIDZIRA	X	X	2	X	X
F B CHIRIMUUTA	X	X	X	2	X
B SHUMBA	X	X	X	2	X
P MURAMBINDA (MRS)	X	X	X	2	X
A NYAKONDA	X	X	X	2	X
M SHONIWA	X	X	X	2	X
C MASIMBE	X	X	X	2	X
E T Z CHIDZONGA	X	X	X	X	2
L MAWIRE (MRS)	X	X	X	X	2
C MAKONI	X	X	X	X	2
A MANGORO	X	X	X	X	2
R DZIMBA-MABVURUNGE (MRS)	X	X	X	X	2
*K LANGLEY	X	X	X	X	X
**O PAZVAKAVAMBWA	X	X	X	X	1

\*K Langley resigned from the ZBBL Board with effect from 22 February 2022.

\*\*O Pazvakavambwa was appointed to the ZBLA Board with effect from 29 May 2022.

#### 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

#### 23. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

No standards or amendments that became effective on 1 January 2022 have had a material effect or had an impact on these financial statements.



### our vision

To be a leading, globally acclaimed financial services firm of choice in Africa, that delivers happiness to its customers, employees, and other stakeholders.

### our mission

Work hard everyday to create happy people.

### our values

Empathy  
Accountability  
Integrity  
Excellence  
Innovation

Banking | Investments | Insurance

ZB Financial Holdings Limited,  
21 Natal Road, Avondale, Harare, Zimbabwe



**AUDITOR'S STATEMENT**

These condensed inflation adjusted interim financial results of ZB Bank Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe) and an unmodified conclusion has been expressed.

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION  
As at 30 June 2022**

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>ASSETS</b>				
Cash and short term funds	26 404 805 579	19 271 104 731	26 404 805 579	8 802 910 388
Treasury bills	7 337 967 034	5 276 634 384	7 337 967 034	2 410 330 922
Advances and other accounts	19 236 215 449	25 487 164 687	19 236 215 449	11 642 364 564
Inventories	227 609 440	118 994 774	174 148 656	51 396 033
Trade and other receivables	8 158 002 000	4 130 786 223	8 158 002 000	1 886 915 227
Financial assets at fair value through profit or loss	2 539 286 590	4 603 270 731	2 539 286 590	2 102 742 957
Financial assets at amortised cost	1 024 015 508	615 837 316	1 024 015 508	281 310 324
Investment in subsidiary company	11 018 965 814	7 888 968 563	11 007 334 188	3 602 074 649
Right of use asset	2 535 316 774	1 036 513 456	1 889 434 743	370 494 540
Intangible assets	704 506 592	374 248 674	298 358 574	18 697 076
Property and equipment	12 143 866 815	12 258 716 363	5 756 969 179	5 596 203 093
<b>Total assets</b>	<b>91 330 557 595</b>	<b>81 062 239 902</b>	<b>83 826 537 500</b>	<b>36 765 439 773</b>
<b>LIABILITIES</b>				
Deposits from customers	42 952 749 022	43 282 209 996	42 952 749 022	19 771 020 986
Offshore borrowings	3 934 977 887	1 440 282 352	3 934 977 887	657 911 243
Trade and other payables	9 333 681 842	7 768 844 556	9 333 681 842	3 548 755 685
Lease liabilities	1 952 309 979	854 430 880	1 952 309 979	390 298 251
Current tax liabilities	785 406 555	92 226 621	785 406 555	42 128 498
Deferred tax liabilities	2 547 298 211	2 438 675 087	784 633 223	1 096 543 548
<b>Total liabilities</b>	<b>61 506 423 496</b>	<b>55 876 669 492</b>	<b>59 743 758 508</b>	<b>25 506 658 211</b>
<b>EQUITY AND RESERVES</b>				
Share capital	264 399 288	264 399 288	1 810 402	1 810 402
Share premium	4 813 340 829	4 813 340 829	32 958 032	32 958 032
Functional currency translation reserve	-	-	45 437 973	45 437 973
Revaluation reserves	12 006 755 372	11 938 795 734	4 815 939 861	4 551 678 847
General reserves	124 486 274	(3 834 810)	124 486 274	(1 751 715)
Retained income	12 615 152 336	8 172 869 369	19 062 146 450	6 628 648 023
<b>Total equity</b>	<b>29 824 134 099</b>	<b>25 185 570 410</b>	<b>24 082 778 992</b>	<b>11 258 781 562</b>
<b>Total equity and liabilities</b>	<b>91 330 557 595</b>	<b>81 062 239 902</b>	<b>83 826 537 500</b>	<b>36 765 439 773</b>

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the half year ended 30 June 2022**

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2021 ZW\$
Interest and related income	5 096 164 694	2 905 166 999	3 007 544 422	933 042 135
Interest and related expenses	(1 311 761 028)	(511 384 329)	(848 684 396)	(167 312 173)
<b>Net interest income</b>	<b>3 784 403 666</b>	<b>2 393 782 670</b>	<b>2 158 860 026</b>	<b>765 729 962</b>
Allowance for loan impairment	(2 223 761 193)	(637 730 751)	(1 696 160 653)	(211 180 386)
<b>Net income from lending activities</b>	<b>1 560 642 473</b>	<b>1 756 051 919</b>	<b>462 699 373</b>	<b>554 549 576</b>
Commission and fee income	3 640 086 388	3 100 642 114	2 443 725 091	998 566 980
Other income	7 834 263 345	796 082 556	7 626 015 310	266 789 465
Fair value adjustment	900 052 558	1 640 976 740	7 328 819 334	520 459 036
<b>Total income</b>	<b>13 935 044 764</b>	<b>7 293 753 329</b>	<b>17 861 259 108</b>	<b>2 340 365 057</b>
Operating expenses	(6 870 355 868)	(4 917 057 830)	(4 122 537 642)	(1 562 421 342)
<b>Profit before tax</b>	<b>7 064 688 896</b>	<b>2 376 695 499</b>	<b>13 738 721 466</b>	<b>777 943 715</b>
Income tax expense	(1 173 196 484)	(590 973 322)	(765 320 232)	(190 943 578)
Net monetary loss	(743 565 317)	(311 772 289)	-	-
<b>Net profit after taxation</b>	<b>5 147 927 095</b>	<b>1 473 949 888</b>	<b>12 973 401 234</b>	<b>587 000 137</b>
<b>Other Comprehensive income:</b>				
<b>Items that will never be reclassified to profit or loss</b>				
Gains on property revaluation	90 275 820	-	273 920 000	-
<b>Items that may be reclassified to profit or loss</b>				
Gains on treasury bills classified as available for sale	167 691 271	(3 967 151)	167 691 271	(1 360 652)
Related tax	(63 769 465)	980 680	(51 112 268)	336 353
<b>Other comprehensive income for the period, net of tax</b>	<b>194 197 626</b>	<b>(2 986 471)</b>	<b>390 499 003</b>	<b>(1 024 299)</b>
<b>Total comprehensive income for the period</b>	<b>5 342 124 721</b>	<b>1 470 963 417</b>	<b>13 363 900 237</b>	<b>585 975 838</b>
Earnings per share (Zw cents)	28.44	8.14	71.66	3.24

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY  
For the half year ended 30 June 2022**

	Reviewed Inflation adjusted					
	Share capital ZW\$	Share premium ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVOCI reserve ZW\$	Retained income ZW\$	Total ZW\$
<b>Balance at 1 January 2022</b>	264 399 288	4 813 340 829	11 938 795 734	(3 834 808)	8 172 869 369	25 185 570 412
<b>Changes in equity for 2022</b>						
Profit or loss	-	-	-	-	5 147 927 095	5 147 927 095
Other comprehensive income, net of tax	-	-	67 959 638	-	-	67 959 638
Revaluation of property	-	-	-	-	126 237 989	126 237 989
Fair value gains on available for sale financial assets	-	-	-	-	-	-
Distributions	-	-	-	-	(705 644 128)	(705 644 128)
Dividend to equity holders	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Effect of changes in general price index	-	-	-	2 083 093	-	2 083 093
<b>Balance at 30 June 2022</b>	<b>264 399 288</b>	<b>4 813 340 829</b>	<b>12 006 755 372</b>	<b>124 486 274</b>	<b>12 615 152 336</b>	<b>29 824 134 099</b>
<b>Balance at 1 January 2021</b>	<b>264 399 288</b>	<b>4 813 340 829</b>	<b>3 156 002 544</b>	<b>(6 310 050)</b>	<b>5 575 189 319</b>	<b>13 802 621 930</b>
<b>Changes in equity for 2021</b>						
Profit or loss	-	-	-	-	1 473 949 888	1 473 949 888
Other comprehensive income, net of tax	-	-	-	-	(2 986 471)	(2 986 471)
Fair value gains on available for sale financial assets	-	-	-	-	-	-
Transactions with owners of the Bank	-	-	-	-	-	-
Distributions	-	-	-	-	(1 539 019 391)	(1 539 019 391)
Dividend to equity holders	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Effect of changes in general price index	-	-	-	1 081 661	-	1 081 661
<b>Balance at 30 June 2021</b>	<b>264 399 288</b>	<b>4 813 340 829</b>	<b>3 156 002 544</b>	<b>(8 214 860)</b>	<b>5 510 119 816</b>	<b>13 735 647 617</b>

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY  
For the half year ended 30 June 2022**

	Unreviewed and Unaudited historical cost						
	Share capital ZW\$	Share premium ZW\$	Functional currency translation reserve ZW\$	Property and equipment revaluation reserve ZW\$	Financial assets at FVOCI reserve ZW\$	Retained income ZW\$	Total ZW\$
<b>Balance at 1 January 2022</b>	1 810 402	32 958 032	45 437 973	4 551 678 847	(1 751 715)	6 628 648 023	11 258 781 562
<b>Profit or loss</b>							
Profit for the period	-	-	-	-	-	12 973 401 234	12 973 401 234
<b>Other comprehensive income, net of tax</b>							
Revaluation of property	-	-	-	264 261 014	-	-	264 261 014
Available for sale financial assets	-	-	-	-	126 237 989	-	126 237 989
<b>Distributions</b>							
Dividend to shareholders	-	-	-	-	-	(539 902 807)	(539 902 807)
<b>Balance at 30 June 2022</b>	<b>1 810 402</b>	<b>32 958 032</b>	<b>45 437 973</b>	<b>4 815 939 861</b>	<b>124 486 274</b>	<b>19 062 146 450</b>	<b>24 082 778 992</b>
<b>Balance at 1 January 2021</b>	<b>1 810 402</b>	<b>32 958 032</b>	<b>45 437 973</b>	<b>919 239 238</b>	<b>(1 793 231)</b>	<b>2 808 343 224</b>	<b>3 805 995 638</b>
<b>Changes in equity for 2021</b>							
<b>Profit or loss</b>							
Profit for the period	-	-	-	-	-	587 000 137	587 000 137
<b>Other comprehensive income, net of tax</b>							
Fair value gains on available for sale financial assets	-	-	-	-	(1 024 299)	-	(1 024 299)
<b>Distributions</b>							
Dividend to equity holders	-	-	-	-	-	(527 852 152)	(527 852 152)
<b>Balance at 30 June 2021</b>	<b>1 810 402</b>	<b>32 958 032</b>	<b>45 437 973</b>	<b>919 239 238</b>	<b>(2 817 530)</b>	<b>2 867 491 209</b>	<b>3 864 119 324</b>

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS  
For the half year ended 30 June 2022**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2021 ZW\$
<b>Cash generated from operating activities</b>	<b>2 059 441 262</b>	<b>1 453 896 832</b>	<b>12 167 065 683</b>	<b>1 468 542 095</b>
- Interest received	5 096 164 694	2 905 166 999	3 007 544 422	933 042 135
- Interest paid	(1 311 761 028)	(511 384 329)	(848 684 396)	(167 312 173)
- Interest paid lease liability	(109 666 267)	(140 031 239)	(80 231 865)	(47 214 672)
- Interest paid offshore borrowings	(94 222 991)	(27 783 305)	(61 888 974)	(9 529 105)
- Income taxes paid	(435 162 891)	(269 659 745)	(385 064 767)	(83 142 088)
<b>Net cash generated from operating activities</b>	<b>5 204 792 779</b>	<b>3 410 205 213</b>	<b>13 798 740 103</b>	<b>2 094 386 192</b>
<b>Cash flows from investing activities</b>				
Dividends received	82 169 799	111 578 782	48 564 935	36 424 493
Proceeds on disposal of financial assets at fair value through profit or loss	-	873 540 227	-	299 606 419
Proceeds on disposal of property & equip	2 437 191	-	2 437 191	-
Purchase of financial assets at amortised cost	(725 127 239)	(436 097 888)	(772 249 473)	(149 572 650)
Purchase of property and equipment	(700 429 266)	(109 705 113)	(481 666 874)	(35 790 121)
Purchase of intangible assets	(418 031 025)	-	(279 980 994)	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(1 758 980 540)</b>	<b>439 316 008</b>	<b>(1 482 895 215)</b>	<b>150 668 141</b>
<b>Cash flows from financing activities</b>				
Offshore loan received	7 219 912 501	-	5 716 634 848	-
Lease liability payments	(428 081 047)	(277 940 573)	(281 178 687)	(63 275 459)
Offshore loan repayments	(8 126 694 275)	(184 048 744)	(5 337 898 604)	(63 124 952)
Dividend paid	(705 644 123)	(1 539 019 391)	(539 902 807)	(527 852 152)
<b>Net cash used in financing activities</b>	<b>(2 040 506 944)</b>	<b>(2 001 008 708)</b>	<b>(442 345 250)</b>	<b>(654 252 563)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>1 405 305 295</b>	<b>1 848 512 513</b>	<b>11 873 499 638</b>	<b>1 590 801 770</b>
Cash and cash equivalents at 31 December 2021	19 271 104 731	16 274 011 387	8 802 910 388	4 624 853 014
Effect of exchange rate fluctuations on cash and cash equivalents held	5 728 395 553	489 728 382	5 728 395 553	167 966 812
<b>Cash and cash equivalents at 30 June 2022</b>	<b>26 404 805 579</b>	<b>18 612 252 282</b>	<b>26 404 805 579</b>	<b>6 383 621 596</b>
Cash and cash equivalents comprise:				
- Cash on hand	7 922 439 622	8 123 818 392	7 922 439 622	2 786 303 438
- Local bank accounts	8 076 501 795	6 184 024 805	8 076 501 795	2 120 993 940
- Foreign bank accounts	10 405 864 162	4 304 409 085	10 405 864 162	1 476 324 218
	<b>26 404 805 579</b>	<b>18 612 252 282</b>	<b>26 404 805 579</b>	<b>6 383 621</b>

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

**2. TREASURY BILLS (continued)**

- The Bank invested in treasury bills issued by the RBZ over a period ranging from 5 days to 7 months which were at rates ranging from 0% to 28% (December 2021: 5% to 21%).
- The Bank purchased treasury bills from the secondary market. These treasury bills have coupon rate of 0-15% (December 2020: 0% to 15%) with a maturity period of 2 months-11 years.
- 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 2021: 5%) and maturity periods ranging from 5 years to 10 years (December 2021: 5 to 10 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 mature on 26/05/2025 and carry a coupon of 1% which is payable on maturity.

Treasury bills amounting to ZWL1 288 billion (2021: \$1 714 million) and US\$5,6 million (2021: US\$4,114 million) were used as security for the Bank to access fixed deposits.

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>3. ADVANCES AND OTHER ACCOUNTS</b>				
<b>3.1. Loans, overdrafts and other accounts at amortised cost</b>				
Mortgage loans	17 341 299 109	22 451 406 333	17 341 299 109	10 255 650 666
Finance leases	711 893 242	669 354 420	711 893 242	305 756 575
Bills Discounted	1 742 227 468	2 959 095 620	1 742 227 468	1 351 694 879
	347 560 081	887 912 000	347 560 081	405 592 200
<b>Gross advances</b>	<b>20 142 979 900</b>	<b>26 967 768 373</b>	<b>20 142 979 900</b>	<b>12 318 694 320</b>
<b>Off balance sheet exposures</b>				
In respect of guarantees	1 863 544 018	1 814 872 363	1 863 544 018	829 021 429
In respect of letters of credit	1 975 898 094	-	1 975 898 094	-
In respect of loan commitments	6 593 002 499	1 697 230 485	6 593 002 499	775 283 414
	<b>10 432 444 611</b>	<b>3 512 102 848</b>	<b>10 432 444 611</b>	<b>1 604 304 843</b>
<b>Gross credit exposure</b>	<b>30 575 424 511</b>	<b>30 479 871 221</b>	<b>30 575 424 511</b>	<b>13 922 999 163</b>
<b>Gross advances</b>	<b>20 142 979 900</b>	<b>26 967 768 373</b>	<b>20 142 979 900</b>	<b>12 318 694 320</b>
Less: Allowance for loan impairment	(906 764 451)	(1 480 603 686)	(906 764 451)	(676 329 756)
<b>Net advances</b>	<b>19 236 215 449</b>	<b>25 487 164 687</b>	<b>19 236 215 449</b>	<b>11 642 364 564</b>

**3.2 Maturity analysis**

- On demand	1 536 501 470	2 055 264 172	1 536 501 470	938 830 782
- Within 1 month	379 022 059	1 131 235 485	379 022 059	516 740 724
- Between 1 and 6 months	4 447 974 457	2 699 313 885	4 447 974 457	1 233 028 338
- Between 6 and 12 months	9 713 443 713	3 628 786 750	9 713 443 713	1 657 605 261
- After 12 months	14 498 482 812	20 965 270 929	14 498 482 812	9 576 794 058
	<b>30 575 424 511</b>	<b>30 479 871 221</b>	<b>30 575 424 511</b>	<b>13 922 999 163</b>

**3.3 Loans and advances to customers by business line**

Corporate lending	22 305 454 989	16 830 360 505	22 305 454 989	7 687 994 923
Small business lending	1 144 754 000	935 419 407	1 144 754 000	427 293 263
Consumer lending	6 413 322 280	12 044 736 889	6 413 322 280	5 501 954 402
Mortgage lending	711 893 242	669 354 420	711 893 242	305 756 575
	<b>30 575 424 511</b>	<b>30 479 871 221</b>	<b>30 575 424 511</b>	<b>13 922 999 163</b>

**3.4 Mortgage loans**

Mortgage advances were spread as follows:

Type of property:	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
High density	12 927 995	12 394 097	12 927 995	5 661 540
Medium density	43 002 767	13 961 690	43 002 767	6 377 606
Low density	598 390 066	630 841 869	598 390 066	288 164 302
Commercial	57 572 414	12 156 764	57 572 414	5 553 127
	<b>711 893 242</b>	<b>669 354 420</b>	<b>711 893 242</b>	<b>305 756 575</b>

**3.5 Finance lease receivables**

<b>Gross investment in finance leases:</b>				
Less than 1 year	444 994 970	3 339 655 399	444 994 970	1 525 532 013
Between 1 and 5 years	4 322 119 136	4 490 995 893	4 322 119 136	2 051 456 570
<b>Gross investment in finance leases</b>	<b>4 767 114 106</b>	<b>7 830 651 292</b>	<b>4 767 114 106</b>	<b>3 576 988 583</b>
Unearned finance charges	(3 024 886 638)	(4 871 555 672)	(3 024 886 638)	(2 225 293 704)
<b>Net investment in finance leases</b>	<b>1 742 227 468</b>	<b>2 959 095 620</b>	<b>1 742 227 468</b>	<b>1 351 694 879</b>
<b>Less than 1 year</b>	<b>185 102 825</b>	<b>1 359 428 170</b>	<b>185 102 825</b>	<b>620 977 737</b>
<b>Between 1 and 5 years</b>	<b>1 557 124 643</b>	<b>1 599 667 450</b>	<b>1 557 124 643</b>	<b>730 717 142</b>
	<b>1 742 227 468</b>	<b>2 959 095 620</b>	<b>1 742 227 468</b>	<b>1 351 694 879</b>

	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2022 ZW\$	Contribution %	Audited 31 Dec 2021 ZW\$	Contribution %	Unreviewed 30 Jun 2022 ZW\$	Contribution %	Unaudited 31 Dec 2021 ZW\$	Contribution %
<b>3.6 Sectoral analysis of advances</b>								
Private	7 230 721 985	35.90%	12 909 594 540	47.87%	7 230 721 985	35.90%	5 897 015 531	47.87%
Agriculture	1 224 931 904	6.08%	2 591 100 273	9.61%	1 224 931 904	6.08%	1 183 597 092	9.61%
Mining	748 540 935	3.72%	1 048 029 492	3.89%	748 540 935	3.72%	478 732 788	3.89%
Manufacturing	763 476 363	3.79%	491 613 101	1.82%	763 476 363	3.79%	224 565 542	1.82%
Distribution	1 521 873 366	7.56%	1 563 638 017	5.80%	1 521 873 366	7.56%	714 259 277	5.80%
Construction	113 656 417	0.56%	53 350 027	0.20%	113 656 417	0.56%	24 369 932	0.20%
Transport	990 610 294	4.92%	989 638 020	3.67%	990 610 294	4.92%	452 059 959	3.67%
Services	6 524 952 125	32.39%	6 195 858 593	22.98%	6 524 952 125	32.39%	2 830 226 328	22.98%
Financial	983 867 763	4.88%	1 015 030 578	3.76%	983 867 763	4.88%	463 659 107	3.76%
Communication	40 348 748	0.20%	109 915 732	0.41%	40 348 748	0.20%	50 208 764	0.41%
	<b>20 142 979 900</b>	<b>100%</b>	<b>26 967 768 373</b>	<b>100%</b>	<b>20 142 979 900</b>	<b>100%</b>	<b>12 318 694 320</b>	<b>100%</b>
<b>3.7 Sectoral analysis of guarantees</b>								
Manufacturing	1 829 658 831	98.18%	1 721 531 580	94.86%	1 829 658 831	98.18%	786 383 990	94.86%
Distribution	7 652 701	0.41%	72 663 260	4.00%	7 652 701	0.41%	33 192 086	4.00%
Construction	1 590 200	0.09%	2 057 824	0.11%	1 590 200	0.09%	940 000	0.11%
Services	24 642 286	1.32%	18 619 699	1.03%	24 642 286	1.32%	8 505 353	1.03%
	<b>1 863 544 018</b>	<b>100%</b>	<b>1 814 872 363</b>	<b>100%</b>	<b>1 863 544 018</b>	<b>100%</b>	<b>829 021 429</b>	<b>100%</b>
<b>3.8 Sectoral analysis of letters of credit</b>								
Manufacturing	1 660 174 474	84.02%	-	0%	1 660 174 474	84.02%	-	0%
Transport	315 723 620	15.98%	-	0%	315 723 620	15.98%	-	0%
	<b>1 975 898 094</b>	<b>100%</b>	<b>-</b>	<b>0%</b>	<b>1 975 898 094</b>	<b>100%</b>	<b>-</b>	<b>0%</b>
<b>3.9 Sectoral analysis of loan commitments</b>								
Private	-	0.00%	42 190 840	2.49%	-	0.00%	19 272 491	2.49%
Agriculture	298 913 475	4.53%	12 680 619	0.75%	298 913 475	4.53%	5 792 421	0.75%
Mining	31 360 040	0.48%	-	0.00%	31 360 040	0.48%	-	0.00%
Manufacturing	280 313 522	4.25%	77 200 288	4.55%	280 313 522	4.25%	35 264 570	4.55%
Distribution	1 560 984 937	23.68%	320 954 990	18.91%	1 560 984 937	23.68%	146 610 070	18.91%
Construction	24 558 300	0.37%	253 243 933	14.92%	24 558 300	0.37%	115 680 117	14.92%
Transport	1 554 610 621	23.58%	50 793 645	2.99%	1 554 610 621	23.58%	23 202 194	2.99%
Communications	30 804 476	0.47%	-	0.00%	30 804 476	0.47%	-	0.00%
Services	2 795 627 033	42.40%	888 841 256	3.02%	2 795 627 033	42.40%	406 016 678	52.37%
Financial	15 830 095	0.24%	51 324 914	0.00%	15 830 095	0.24%	23 444 873	3.02%
	<b>6 593 002 499</b>	<b>100%</b>	<b>1 697 230 485</b>	<b>100%</b>	<b>6 593 002 499</b>	<b>100%</b>	<b>775 283 414</b>	<b>100%</b>

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>3.10 Non-performing debt</b>				
Non-performing loans and advances	116 503 975	1 087 447 606	116 503 975	496 738 717
Less: Allowance for loan impairment	(26 859 481)	(1 023 233 986)	(26 859 481)	(467 406 369)
Value to be received from security held	89 644 494	64 213 620	89 644 494	29 332 348

For the secured non performing loans, security exists in the form of liens registered over funded accounts, bonds registered over landed property and guarantees in various forms. The company discounts the value of the security at hand using internal thresholds for prudential purposes. Generally no security value is placed on ordinary guarantees.

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>3.11 Loan impairment movement</b>				
Balance at beginning of the period	1 480 603 686	879 476 093	676 329 756	249 935 161
Effects of monetary gain or loss	(1 314 761 614)	(596 466 954)	-	-
Charge to profit or loss	2 127 671 988	1 198 282 796	1 617 184 304	426 708 983
Write offs charged to provision	(1 386 749 609)	(688 249)	(1 386 749 609)	(314 388)
Balance at 30 June 2022	<b>906 764 451</b>	<b>1 480 603 686</b>	<b>906 764 451</b>	<b>676 329 756</b>

**3.12 Internal rating grade:**

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

**3.12.1 Total loans and advances**

	Inflation adjusted							
	Reviewed 30 June 2022				Audited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>Total loans and advances</b>								
Good (AAA to A-)	19 926 386 971	-	-	19 926 386 971	25 635 213 071	-	-	25 635 213 071
Special mention (BBB+ to B-)	-	100 088 954	-	100 088 954	-	245 107 695	-	245 107 695
Non performing (CC to D)	-	-	116 503 975	116 503 975	-	-	1 087 447 607	1 087 447 607
Total	<b>19 926 386 971</b>	<b>100 088 954</b>	<b>116 503 975</b>	<b>20 142 979 900</b>	<b>25 635 213 071</b>	<b>245 107 695</b>	<b>1 087 447 607</b>	<b>26 967 768 373</b>
<b>Corporate lending</b>								
Good (AAA to A-)	11 779 421 271	-	-	11 779 421 271	12 205 128 347	-	-	12 205 128 347
Special mention (BBB+ to B-)	-	55 308 064	-	55 308 064	-	78 442 075	-	78 442 075
Non performing (CC to D)	-	-	38 281 041	38 281 041	-	-	1 034 687 231	1 034 687 231
Total	<b>11 779 421 271</b>	<b>55 308 064</b>	<b>38 281 041</b>	<b>11 873 010 376</b>	<b>12 205 128 347</b>	<b>78 442 075</b>	<b>1 034 687 231</b>	<b>13 318 257 653</b>
<b>Small business lending</b>								
Good (AAA to A-)	1 096 258 521	-	-	1 096 258 521	850 890 975	-	-	850 89



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Historical cost							
	ECL STAGE CLASSIFICATION				Unaudited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
Bonds								
Good (AAA to A-)	788 421 957	-	-	788 421 957	211 413 527	-	-	211 413 527
Total other financial assets	788 421 957	-	-	788 421 957	211 413 527	-	-	211 413 527

3.13 Impairment allowance for loans and advances

3.13.1 Total loans and advances

	Inflation adjusted							
	ECL STAGE CLASSIFICATION				Audited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>Total loans and advances</b>								
Good (AAA to A-)	873 034 060	-	-	873 034 060	392 423 327	-	-	392 423 327
Special mention (BBB+ to B-)	-	6 870 910	-	6 870 910	-	64 946 371	-	64 946 371
Non performing (CC to D)	-	-	26 859 481	26 859 481	-	-	1 023 233 986	1 023 233 986
Total	873 034 060	6 870 910	26 859 481	906 764 451	392 423 327	64 946 371	1 023 233 986	1 480 603 684
<b>Corporate lending</b>								
Good (AAA to A-)	626 410 982	-	-	626 410 982	18 377 591	-	-	18 377 591
Special mention (BBB+ to B-)	-	1 688 601	-	1 688 601	-	12 110 486	-	12 110 486
Non performing (CC to D)	-	-	14 419 890	14 419 890	-	-	1 007 366 523	1 007 366 523
Total	626 410 982	1 688 601	14 419 890	642 519 473	18 377 591	12 110 486	1 007 366 523	1 037 854 600
<b>Small business lending</b>								
Good (AAA to A-)	33 356 420	-	-	33 356 420	48 825 580	-	-	48 825 580
Special mention (BBB+ to B-)	-	662 995	-	662 995	-	30 877 337	-	30 877 337
Non performing (CC to D)	-	-	2 705 415	2 705 415	-	-	1 857 669	1 857 669
Total	33 356 420	662 995	2 705 415	36 724 830	48 825 580	30 877 337	1 857 669	81 560 586
<b>Consumer lending</b>								
Good (AAA to A-)	193 918 865	-	-	193 918 865	308 681 683	-	-	308 681 683
Special mention (BBB+ to B-)	-	2 887 357	-	2 887 357	-	21 797 845	-	21 797 845
Non performing (CC to D)	-	-	9 734 175	9 734 175	-	-	12 402 370	12 402 370
Total	193 918 865	2 887 357	9 734 175	206 540 397	308 681 683	21 797 845	12 402 370	342 881 898
<b>Mortgage lending</b>								
Good (AAA to A-)	19 347 793	-	-	19 347 793	16 538 473	-	-	16 538 473
Special mention (BBB+ to CCC-)	-	1 631 957	-	1 631 957	-	160 703	-	160 703
Non performing (CC to D)	-	-	1	1	-	-	1 607 424	1 607 424
Total	19 347 793	1 631 957	1	20 979 751	16 538 473	160 703	1 607 424	18 306 600

	Historical cost							
	ECL STAGE CLASSIFICATION				Unaudited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>Total loans and advances</b>								
Good (AAA to A-)	873 034 060	-	-	873 034 060	179 256 324	-	-	179 256 324
Special mention (BBB+ to B-)	-	6 870 910	-	6 870 910	-	29 667 063	-	29 667 063
Non performing (CC to D)	-	-	26 859 481	26 859 481	-	-	467 406 369	467 406 369
Total	873 034 060	6 870 910	26 859 481	906 764 451	179 256 324	29 667 063	467 406 369	676 329 756
<b>Corporate lending</b>								
Good (AAA to A-)	626 410 982	-	-	626 410 982	8 394 760	-	-	8 394 760
Special mention (BBB+ to B-)	-	1 688 601	-	1 688 601	-	5 531 988	-	5 531 988
Non performing (CC to D)	-	-	14 419 890	14 419 890	-	-	460 158 219	460 158 219
Total	626 410 982	1 688 601	14 419 890	642 519 473	8 394 760	5 531 988	460 158 219	474 084 967
<b>Small business lending</b>								
Good (AAA to A-)	33 356 420	-	-	33 356 420	22 303 195	-	-	22 303 195
Special mention (BBB+ to B-)	-	662 995	-	662 995	-	14 104 559	-	14 104 559
Non performing (CC to D)	-	-	2 705 415	2 705 415	-	-	848 571	848 571
Total	33 356 420	662 995	2 705 415	36 724 830	22 303 195	14 104 559	848 571	37 256 325
<b>Consumer lending</b>								
Good (AAA to A-)	193 918 865	-	-	193 918 865	141 003 706	-	-	141 003 706
Special mention (BBB+ to B-)	-	2 887 357	-	2 887 357	-	9 957 108	-	9 957 108
Non performing (CC to D)	-	-	9 734 175	9 734 175	-	-	5 665 319	5 665 319
Total	193 918 865	2 887 357	9 734 175	206 540 397	141 003 706	9 957 108	5 665 319	156 626 133
<b>Mortgage lending</b>								
Good (AAA to A-)	19 347 793	-	-	19 347 793	7 554 663	-	-	7 554 663
Special mention (BBB+ to CCC-)	-	1 631 957	-	1 631 957	-	73 408	-	73 408
Non performing (CC to D)	-	-	1	1	-	-	734 260	734 260
Total	19 347 793	1 631 957	1	20 979 751	7 554 663	73 408	734 260	8 362 331

	Inflation adjusted							
	ECL STAGE CLASSIFICATION				Audited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>3.13.2 Financial guarantees, loan commitments and letters of credit</b>								
Good (AAA to A-)	114 200 393	-	-	114 200 393	83 797 295	-	-	83 797 295
Special mention (BBB+ to CCC-)	-	-	-	-	-	-	-	-
Total	114 200 393	-	-	114 200 393	83 797 295	-	-	83 797 295
<b>Loan commitments</b>								
Good (AAA to A-)	-	-	-	-	3 476 275	-	-	3 476 275
Total	-	-	-	-	3 476 275	-	-	3 476 275

	Historical cost							
	ECL STAGE CLASSIFICATION				Unaudited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>Guarantees</b>								
Good (AAA to A-)	114 200 393	-	-	114 200 393	38 278 038	-	-	38 278 038
Special mention (BBB+ to CCC-)	-	-	-	-	-	-	-	-
Total guarantees	114 200 393	-	-	114 200 393	38 278 038	-	-	38 278 038
<b>Loan commitments</b>								
Good (AAA to A-)	-	-	-	-	1 587 939	-	-	1 587 939
Total	-	-	-	-	1 587 939	-	-	1 587 939

	Inflation adjusted							
	ECL STAGE CLASSIFICATION				Audited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>3.12.3 Other financial assets</b>								
Bonds								
Good (AAA to A-)	48 533 983	-	-	48 533 983	28 711 443	-	-	28 711 443
Total	48 533 983	-	-	48 533 983	28 711 443	-	-	28 711 443

	Historical cost							
	ECL STAGE CLASSIFICATION				Unaudited December 2021			
	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$	STAGE 1 ZW\$	STAGE 2 ZW\$	STAGE 3 ZW\$	TOTAL ZW\$
<b>Other financial assets</b>								
Bonds								
Good (AAA to A-)	48 533 983	-	-	48 533 983	13 115 193	-	-	13 115 193
Total	48 533 983	-	-	48 533 983	13 115 193	-	-	13 115 193

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>4. INVENTORIES</b>				
Point of sale machines	11 393 704	16 834	8 717 557	7 270
Stationery	203 463 255	106 507 974	155 673 914	46 002 757
Fuel	9 116 472	7 696 533	6 975 200	3 324 274
PPE materials	3 531 591	4 588 459	2 702 093	1 981 840
ATM spares	96 539	171 015	73 864	73 864
Computer consumables	7 879	13 959	6 028	6 028
	227 609 440	118 994 774	174 148 656	51 396 033
<b>5. TRADE AND OTHER RECEIVABLES</b>				
Accrued interest	3 432 823	-	3 432 823	-
Remittances in transit	603	1 321	603	603
Advance payments and sundry assets	8 003 623 710	3 964 472 659	8 003 623 710	1 810 944 316
Amounts clearing from other banks	150 944 864	166 312 243	150 944 864	75 970 308
	8 158 002 000	4 130 786 223	8 158 002 000	1 886 915 227

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<b>6.1 Carrying amounts</b>				
Unlisted equities	2 191 982 463	4 354 992 043	2 191 982 463	1 989 330 930
Listed Equities	347 304 127	248 278 688	347 304 127	113 412 027
	2 539 286 590	4 603 270 731	2 539 286 590	2 102 742 957
<b>6.2 Movement of financial assets at fair value through profit or loss</b>				
Balance at beginning of the period	4 603 270 731	1 427 166 068	2 102 742 957	405 581 214
<b>Movement during the period</b>				
- on listed equity investments	-	(873 540 230)	-	(299 606 419)
- on unlisted equity investments	-	58 867 788	-	26 890 407
	4 603 270 731	612 493 626	2 102 742 957	132 865 202
<b>Fair value adjustments</b>				
- On listed equity investments	99 025 439	536 922 156	(31 797 194)	218 930 703
- On unlisted equity investments	(2 163 009 590)	3 453 854 949	121 317 541	1 723 034 352
	2 539 286 590	4 603 270 731	2 192 263 304	2 074 830 257
<b>Exchange gains/(losses)</b>				
- On listed equity investments	-	-	265 689 295	27 868 027
- On unlisted equity investments	-	-	81 333 991	44 673
Balance at end of period	2 539 286 590	4 603 270 731	2 539 286 590	2 102 742 957
<b>7. FINANCIAL ASSETS HELD AT AMORTISED COST</b>				
<b>7.1 Carrying amounts</b>				
Bonds	788 421 957	462 821 049	788 421 957	211 413 527
Cash balances	235 593 551	153 016 267	235 593 551	69 896 797
	1 024 015 508	615 837 316	1 024 015 508	281 310 324
<b>7.2 Movement of financial assets held at amortised cost</b>				
Carrying amounts				
Balance at beginning of the period	615 837 316	239 662 912	281 310 324	68 108 945
<b>Movements during the period:</b>				
- On bank balances	-	(134 985 443)	-	(61 660 438)
- On bonds	567 016 273	637 940 444	572 249 473	



### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Historical cost		
	Computer software ZWS	Capital work in progress ZWS	Total ZWS
<b>10. INTANGIBLE ASSETS (Continued)</b>			
<b>Unreviewed June 2022</b>			
<b>Cost or valuation</b>			
Balance at 1 January 2022	23 077 903	17 202 845	40 280 748
Additions	-	279 980 994	279 980 994
Balance at 30 June 2022	23 077 903	297 183 839	320 261 742
<b>Accumulated depreciation and impairment</b>			
Balance at 1 January 2022	21 583 672	-	21 583 672
Charge to income statement	319 496	-	319 496
Balance at 30 June 2022	21 903 168	-	21 903 168
<b>Net book value at 30 June 2022</b>	<b>1 174 735</b>	<b>297 183 839</b>	<b>298 358 574</b>
<b>Unaudited December 2021</b>			
<b>Cost or valuation</b>			
Balance at 1 January 2021	23 077 903	24 971 484	48 049 387
Additions at cost	-	7 127 304	7 127 304
Transfer to PPE	-	(13 510 060)	(13 510 060)
Other movements	-	(1 385 883)	(1 385 883)
Balance at 31 December 2021	23 077 903	17 202 845	40 280 748
<b>Accumulated depreciation and impairment</b>			
Balance at 1 January 2021	20 608 039	-	20 608 039
Charge to income statement	975 633	-	975 633
Balance at 31 December 2021	21 583 672	-	21 583 672
<b>Net book value at 31 December 2021</b>	<b>1 494 231</b>	<b>17 202 845</b>	<b>18 697 076</b>

	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
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>							
<b>Reviewed June 2022</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2022	374 222 454	4 114 542 254	6 464 122 687	8 651 748 637	1 567 766 722	127 130 502	21 299 533 256
Additions	-	1 581 477	127 772 147	157 435 134	138 313 529	275 326 979	700 429 266
Gains on revaluation	90 275 820	-	-	-	-	-	90 275 820
Disposals	-	-	-	(793 447)	-	-	(793 447)
Balance at 30 June 2022	464 498 274	4 116 123 731	6 591 894 834	8 808 390 324	1 706 080 251	402 457 481	22 089 444 895
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2022	36 148 274	3 864 989 493	1 872 539 672	2 180 940 816	967 768 373	118 430 265	9 040 816 893
Charge to income statement	-	11 525 158	146 307 990	690 567 824	56 419 724	-	904 820 696
Disposals	-	-	-	(59 509)	-	-	(59 509)
Balance at 30 June 2022	36 148 274	3 876 514 651	2 018 847 662	2 871 449 131	1 024 188 097	118 430 265	9 945 578 080
<b>Net book value at 30 June 2022</b>	<b>428 350 000</b>	<b>239 609 080</b>	<b>4 573 047 172</b>	<b>5 936 941 193</b>	<b>681 892 154</b>	<b>284 027 216</b>	<b>12 143 866 815</b>
<b>Audited December 2021</b>							
<b>Balance at 1 January 2021</b>	295 448 937	1 518 793 127	1 575 908 854	4 017 623 164	1 391 091 450	316 438 311	9 115 303 843
Additions	-	19 174 926	71 132 537	86 021 455	87 566 970	50 775 150	314 671 038
Gain on revaluation	78 773 517	2 427 947 828	4 771 677 389	4 313 632 778	93 837 601	-	11 685 869 113
Inter-group transfers	-	-	-	-	(10 928 158)	-	(10 928 158)
Disposals	-	-	(6 265 682)	(1 847 747)	(4 729 299)	-	(12 842 728)
Transfer from Intangible assets	-	-	-	-	207 531 783	-	207 531 783
Transfer between categories	-	148 626 373	51 669 589	236 318 987	-	(436 614 949)	(71 635)
Other movements	-	-	-	-	-	(71 635)	(71 635)
Balance at 31 December 2021	374 222 454	4 114 542 254	6 464 122 687	8 651 748 637	1 567 766 722	127 130 502	21 299 533 256
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2021	36 148 274	1 268 849 190	593 525 035	1 581 690 193	900 102 907	118 430 265	4 498 745 864
Charge to income statement	-	2 596 140 303	1 279 531 557	599 734 645	68 640 884	-	4 544 047 389
Disposals	-	-	(516 920)	(484 022)	(975 418)	-	(1 976 360)
Balance at 31 December 2021	36 148 274	3 864 989 493	1 872 539 672	2 180 940 816	967 768 373	118 430 265	9 040 816 893
<b>Net book value at 31 December 2021</b>	<b>338 074 180</b>	<b>249 552 761</b>	<b>4 591 583 015</b>	<b>6 470 807 821</b>	<b>599 998 349</b>	<b>8 700 237</b>	<b>12 258 716 363</b>

	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
<b>Unreviewed June 2022</b>							
<b>Cost or valuation</b>							
Balance at 1 January 2022	154 430 000	143 754 049	2 135 968 632	3 217 374 052	326 694 490	478 522	5 978 699 745
Additions	-	814 237	89 160 949	82 218 076	77 000 000	232 473 612	481 666 874
Gains on revaluation	273 920 000	-	-	-	-	-	273 920 000
Disposals	-	-	-	(501 829)	-	-	(501 829)
Transfer between categories	-	-	-	-	-	-	-
Balance at 30 June 2022	428 350 000	144 568 286	2 225 129 581	3 299 090 299	403 694 490	232 952 134	6 733 784 790
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2022	-	29 760 038	38 564 543	261 552 773	52 619 298	-	382 496 652
Charge to income statement	-	7 570 129	96 100 234	453 627 774	37 058 459	-	594 356 596
Disposals	-	-	-	(37 637)	-	-	(37 637)
Balance at 30 June 2022	-	37 330 167	134 664 777	715 142 910	89 677 757	-	976 815 611
<b>Net book value at 30 June 2022</b>	<b>428 350 000</b>	<b>107 238 119</b>	<b>2 090 464 804</b>	<b>2 583 947 389</b>	<b>314 016 733</b>	<b>232 952 134</b>	<b>5 756 969 179</b>
<b>Unaudited December 2021</b>							
<b>Cost or valuation</b>							
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
<b>Accumulated depreciation and impairment</b>							
Balance at 1 January 2021	-	16 409 771	11 245 221	45 021 941	20 960 606	-	93 637 539
Charge to income statement	-	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
<b>Net book value at 31 December 2021</b>	<b>154 430 000</b>	<b>113 994 011</b>	<b>2 097 404 089</b>	<b>2 955 821 279</b>	<b>274 075 192</b>	<b>478 522</b>	<b>5 596 203 093</b>

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>12. DEPOSITS FROM CUSTOMERS</b>				
<b>Deposits by type</b>				
Current accounts	8 427 060 291	1 072 061 194	8 427 060 291	4 723 059 655
Savings and call accounts	28 095 283 812	10 339 600 568	28 095 283 812	11 698 748 674
Term deposits	5 001 038 011	25 610 599 330	5 001 038 011	2 859 502 349
Bank deposits	1 429 366 908	6 259 948 904	1 429 366 908	489 710 308
	42 952 749 022	43 282 209 996	42 952 749 022	19 771 020 986
<b>Maturity Analysis of deposits from customers</b>				
On Demand	18 949 520 876	29 896 460 871	18 949 520 876	13 656 501 258
Within 1 Month	22 279 441 715	11 789 287 794	22 279 441 715	5 385 266 981
Between 1 and 6 Months	1 632 491 400	981 068 132	1 632 491 400	448 145 292
Between 6 and 12 months	49 700 000	595 122 696	49 700 000	271 848 025
After 12 Months	41 595 031	20 270 503	41 595 031	9 259 430
	42 952 749 022	43 282 209 996	42 952 749 022	19 771 020 986
<b>Secured and unsecured deposits analysis</b>				
Secured deposits	2 901 650 786	5 347 760 437	2 901 650 786	67 280 542
Unsecured deposits	40 051 098 236	37 934 449 559	40 051 098 236	19 703 740 444
	42 952 749 022	43 282 209 996	42 952 749 022	19 771 020 986

	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2022 ZWS	Contribution %	Audited 31 Dec 2021 ZWS	Contribution %	Unreviewed 30 Jun 2022 ZWS	Contribution %	Unaudited 31 Dec 2021 ZWS	Contribution %
<b>Deposit Concentration</b>								
Private	6 686 008 316	15.57%	5 631 024 567	13.02%	6 686 008 316	15.57%	2 572 213 962	13.02%
Agriculture	1 086 102 548	2.53%	2 233 895 367	5.16%	1 086 102 548	2.53%	1 020 428 305	5.16%
Mining	2 582 398 303	6.01%	4 333 971 799	10.00%	2 582 398 303	6.01%	1 998 235 385	10.00%
Manufacturing	2 371 145 021	5.52%	1 870 577 872	4.32%	2 371 145 021	5.52%	854 467 329	4.32%
Distribution	1 117 826 677	2.60%	1 179 009 708	2.72%	1 117 826 677	2.60%	538 563 666	2.72%
Construction	821 644 630	1.91%	534 774 609	1.24%	821 644 630	1.91%	244 281 427	1.24%
Transport	229 180 049	0.53%	659 210 851	1.52%	229 180 049	0.53%	301 123 061	1.52%
Services	17 880 368 922	41.63%	18 382 738 179	42.47%	17 880 368 922	41.63%	8 397 110 553	42.47%
Financial	6 191 711 464	14.42%	6 980 098 057	16.13%	6 191 711 464	14.42%	3 188 461 615	16.13%
Communications	3 986 363 092	9.28%	5 376 908 987	12.42%	3 986 363 092	9.28%	2 456 135 683	12.42%
	42 952 749 022	100%	43 282 209 996	100%	42 952 749 022	100%	19 771 020 986	100%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>13. OFFSHORE BORROWINGS</b>				
Balance at beginning of the period	1 440 282 352	855 799 649	657 911 243	243 206 638
New loans	7 219 912 501	1 086 580 533	5 716 634 848	496 342 643
Interest accrued	94 222 991	70 279 390	61 888 974	25 305 278
Repayments	(8 126 694 275)	(435 164 210)	(5 337 898 604)	(161 408 375)
Exchange rate movement	2 836 441 426	119 233 505	2 836 441 426	54 465 059
Effects of monetary adjustments	470 812 892	(256 446 515)	-	-
Balance at 30 June 2022	3 934 977 887	1 440 282 352	3 934 977 887	657 911 243

The offshore borrowing is in respect of loans advanced to Z

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>17. NET INTEREST AND RELATED INCOME</b>				
<b>17.1 Interest and related income by product</b>				
Advances	3 897 428 624	2 096 640 834	2 191 292 695	649 909 589
Overdrafts	415 747 382	337 110 862	268 892 764	109 099 759
Establishment fees	275 526 604	208 086 966	180 975 564	88 759 863
Placements with other banks	64 202 015	-	45 741 096	-
Financial assets at amortised cost	48 569 149	45 669 356	46 395 416	15 871 165
Treasury bills at FVTPL	336 167 119	175 616 602	220 780 360	55 877 175
Treasury bills at FVTOCI	35 586 511	38 710 555	23 374 472	13 276 928
Other interest receivable categories	22 937 290	3 331 824	30 092 055	301 656
Total interest income	5 096 164 694	2 905 166 999	3 007 544 422	933 042 135
<b>17.2 Interest expense by product</b>				
Customer deposits	942 277 798	336 713 662	603 832 557	109 090 093
Placements with other banks	82 718 678	6 855 344	49 072 425	2 290 613
Other interest payable categories	286 764 552	167 815 323	195 779 414	55 931 467
Total interest expense	1 311 761 028	511 384 329	848 684 396	167 312 173
Net interest income	3 784 403 666	2 393 782 670	2 158 860 026	765 729 962
<b>18. ANALYSIS OF LOAN IMPAIRMENT CHARGES / (RECOVERIES) TO STATEMENT OF PROFIT OR LOSS</b>				
Impairment charges on loans and overdrafts (note 3.11)	2 127 671 988	618 272 694	1 617 184 304	204 859 030
Impairment charge on other financial assets (note 7.3)	39 501 383	18 183 378	35 418 790	6 236 526
Impairment charge on guarantees (note 24.2)	32 607 212	1 681 012	75 922 356	360 510
Impairment charge on undrawn facilities (note 24.3)	34 974 098	4 979 356	34 455 077	1 556 855
Recoveries during the period	(10 993 488)	(5 385 689)	(66 819 874)	(1 832 535)
	2 223 761 193	637 730 751	1 696 160 653	211 180 386
<b>19. COMMISSION AND FEE INCOME COMPRISES INCOME FROM:</b>				
Digital channels	1 119 531 743	1 205 329 955	735 347 821	386 034 600
Service fees	2 102 191 042	1 491 296 881	1 380 793 007	477 622 076
Other commissions	418 363 603	404 015 278	327 584 263	134 910 304
	3 640 086 388	3 100 642 114	2 443 725 091	998 566 980
<b>20. OTHER INCOME</b>				
Exchange income	7 585 418 157	602 988 371	7 461 568 037	204 256 401
Dividends from other investments	82 169 799	111 578 782	48 564 935	36 424 493
Rentals and recoveries	140 886 607	70 165 885	106 070 686	24 240 605
Profit/(loss) on sale of property, plant and equipment	1 703 253	-	1 972 999	-
Sundry income	24 085 529	11 349 518	7 838 653	1 867 966
	7 834 263 345	796 082 556	7 626 015 310	266 789 465
<b>21. FAIR VALUE ADJUSTMENTS</b>				
<b>Arising from FVTPL investments</b>				
Financial assets at fair value through profit or loss (FVTPL) (note 6.2)	(2 063 984 141)	1 228 465 664	89 520 347	505 246 118
Investment in subsidiary company (note 8)	3 129 997 251	497 973 503	7 405 259 539	44 524 781
Treasury bills at fair value through profit or loss (FVTPL)	(165 960 552)	(85 462 427)	(165 960 552)	(29 311 863)
	900 052 558	1 640 976 740	7 328 819 334	520 459 036
<b>22. OPERATING EXPENSES</b>				
Staff expenses	3 070 112 662	1 452 684 388	2 101 472 643	466 681 353
Communication expenses	140 147 033	154 358 626	93 391 766	49 566 810
Computer and information technology	686 801 672	700 608 396	458 287 233	226 295 391
Occupation expenses	232 935 741	194 613 265	99 252 864	59 399 761
Transport expenses	70 310 737	21 414 887	46 664 904	6 978 208
Travelling expenses	53 923 422	27 835 920	39 270 675	9 224 703
Administration expenses	2 616 124 601	2 365 542 348	1 284 197 557	744 275 116
	6 870 355 868	4 917 057 830	4 122 537 642	1 562 421 342
<b>Included in operating expenses are the following:</b>				
Depreciation charge on property and equipment	904 820 696	4 544 047 389	594 356 596	138 018 511
Amortisation of intangible assets	87 773 107	58 456 368	319 496	587 584
Depreciation charge on right of use asset	250 123 054	280 895 371	229 986 169	29 415 293
Auditors/remuneration	120 038 538	33 713 911	71 759 071	11 275 327
<b>23. INCOME TAX EXPENSE</b>				
Current income tax	1 128 342 825	916 763 730	1 128 342 825	314 431 196
Deferred taxation	44 853 659	(325 790 408)	(363 022 593)	(123 487 618)
	1 173 196 484	590 973 322	765 320 232	190 943 578
<b>24. CONTINGENT LIABILITIES AND COMMITMENTS</b>				
<b>24.1 The nominal values of such commitments are listed below:</b>				
In respect of guarantees	1 863 544 018	1 814 872 363	1 863 544 018	829 021 429
In respect of undrawn commitments	6 593 002 499	1 697 230 485	6 593 002 499	775 283 414
In respect of letters of credit	1 975 898 094	-	1 975 898 094	-
	10 432 444 611	3 512 102 848	10 432 444 611	1 604 304 843
<b>24.2 Impairment movement on guarantees</b>				
Balance at beginning of the year	83 797 293	2 929 529	38 278 037	832 532
Charge to statement of profit or loss in respect of guarantees (Note 18)	32 607 212	83 556 129	75 922 356	37 445 505
Effect of monetary adjustment	(2 204 112)	(2 688 365)	-	-
Balance at end of the period	114 200 393	83 797 293	114 200 393	38 278 037
<b>24.3 Impairment movement on undrawn commitments</b>				
Balance at beginning of the year	3 476 275	2 217 412	1 587 939	630 159
Charge to statement of profit or loss in respect of loan commitments (Note 18)	34 974 098	3 408 111	34 455 077	957 780
Effect of monetary adjustment	(2 407 357)	(2 149 248)	-	-
Balance at end of the period	36 043 016	3 476 275	36 043 016	1 587 939

### 25. RISK MANAGEMENT

#### 25.1 Financial assets and financial liabilities classification and fair values

	Inflation adjusted								
	CARRYING AMOUNT				FAIR VALUE				
	Designated at fair value ZWS	Designated at AMCO ZWS	FVTOCI ZWS	Other financial liabilities ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
<b>Reviewed 30 June 2022</b>									
Equity Securities	2 539 286 590	-	-	-	2 539 286 590	347 304 127	-	-	2 191 982 463
Treasury Bills	6 127 728 321	-	-	-	6 127 728 321	1 170 406 146	-	-	7 298 134 467
Investment in Subsidiary company	11 007 334 188	-	-	-	11 007 334 188	-	-	-	11 007 334 188
	19 674 349 099	-	-	-	19 674 349 099	1 170 406 146	-	-	20 844 755 245
Cash and short term funds	-	26 404 805 579	-	-	26 404 805 579	-	-	-	26 404 805 579
Treasury Bills	-	39 832 567	-	-	39 832 567	-	-	-	39 832 567
Advances and other accounts	-	19 236 215 449	-	-	19 236 215 449	-	-	-	19 236 215 449
Trade and other receivables	-	8 007 057 135	-	-	8 007 057 135	-	-	-	8 007 057 135
Investment securities	-	1 024 015 508	-	-	1 024 015 508	-	-	-	1 024 015 508
Amounts clearing from other banks	-	150 944 864	-	-	150 944 864	-	-	-	150 944 864
	-	54 862 871 101	-	-	54 862 871 101	-	-	-	54 862 871 101
Financial liabilities									
Deposits from customers	-	(42 952 749 022)	-	-	(42 952 749 022)	-	-	-	(42 952 749 022)
Offshore borrowings	-	(3 934 977 887)	-	-	(3 934 977 887)	-	-	-	(3 934 977 887)
Trade and other payables	-	(8 865 809 033)	-	-	(8 865 809 033)	-	-	-	(8 865 809 033)
Amounts clearing to other banks	-	(467 872 809)	-	-	(467 872 809)	-	-	-	(467 872 809)
	-	(56 221 408 751)	-	-	(56 221 408 751)	-	-	-	(56 221 408 751)
<b>Audited 31 December 2021</b>									
Equity Securities	4 603 270 731	-	-	-	4 603 270 731	248 278 688	-	-	4 354 992 043
Treasury Bills	4 556 347 268	-	-	-	4 556 347 268	624 010 232	-	-	5 180 357 500
Investment in subsidiary	7 888 968 563	-	-	-	7 888 968 563	-	-	-	7 888 968 563
	17 048 586 562	-	-	-	17 048 586 562	872 288 920	-	-	17 920 875 482
Cash and short term funds	-	19 271 104 731	-	-	19 271 104 731	-	-	-	19 271 104 731
Treasury Bills	-	96 276 884	-	-	96 276 884	-	-	-	96 276 884
Advances and other accounts	-	25 487 164 687	-	-	25 487 164 687	-	-	-	25 487 164 687
Inventories, trade and other receivables	-	3 964 473 980	-	-	3 964 473 980	-	-	-	3 964 473 980
Investment securities	-	615 837 316	-	-	615 837 316	-	-	-	615 837 316
Amounts clearing from other banks	-	166 312 243	-	-	166 312 243	-	-	-	166 312 243
	-	49 501 169 841	-	-	49 501 169 841	-	-	-	49 501 169 841
Financial liabilities									
Deposits from customers	-	(43 282 209 996)	-	-	(43 282 209 996)	-	-	-	(43 282 209 996)
Offshore borrowings	-	(1 440 282 352)	-	-	(1 440 282 352)	-	-	-	(1 440 282 352)
Trade and other payables	-	(7 592 336 050)	-	-	(7 592 336 050)	-	-	-	(7 592 336 050)
Amounts clearing to other banks	-	(176 508 506)	-	-	(176 508 506)	-	-	-	(176 508 506)
	-	(52 491 336 904)	-	-	(52 491 336 904)	-	-	-	(52 491 336 904)

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 25.1 Financial assets and financial liabilities classification and fair values (continued)

	Historical cost								
	CARRYING AMOUNT				FAIR VALUE				
	Designated at fair value ZWS	Designated at AMCO ZWS	FVTOCI ZWS	Other financial liabilities ZWS	Total ZWS	Level 1 ZWS	Level 2 ZWS	Level 3 ZWS	Total ZWS
<b>Unreviewed 30 June 2022</b>									
Equity Securities	2 539 286 590	-	-	-	2 539 286 590	347 304 127	-	-	2 191 982 463
Treasury Bills	6 127 728 321	-	-	-	6 127 728 321	1 170 406 146	-	-	7 298 134 467
Investment in Subsidiary company	11 007 334 188	-	-	-	11 007 334 188	-	-	-	11 007 334 188
	19 674 349 099	-	-	-	19 674 349 099	1 170 406 146	-	-	20 844 755 245
Cash and short term funds	-	26 404 805 579	-	-	26 404 805 579	-	-	-	26 404 805 579
Treasury Bills	-	39 832 567	-	-	39 832 567	-	-	-	39 832 567
Advances and other accounts	-	19 236 215 449	-	-	19 236 215 449	-	-	-	19 236 215 449
Trade and other receivables	-	8 007 057 135	-	-	8 007 057 135	-	-	-	8 007 057 135
Investment securities	-	1 024 015 508	-	-	1 024 015 508	-	-	-	1 024 015 508
Amounts clearing from other banks	-	150 944 864	-	-	150 944 864	-	-	-	150 944 864
	-	54 862 871 101	-	-	54 862 871 101	-	-	-	54 862 871 101
Deposits from customers	-	(42 952 749 022)	-	-	(42 952 749 022)	-	-	-	(42 952 749 022)
Offshore borrowings	-	(3 934 977 887)	-	-	(3 934 977 887)	-	-	-	(3 934 977 887)
Trade and other payables	-	(8 865 809 033)	-	-	(8 865 809 033)	-	-	-	(8 865 809 033)
Amounts clearing to other banks									



## Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

25.3 Interest gap

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\$
<b>Reviewed as at 30 June 2022</b>					
<b>Assets</b>					
Cash and short term funds	10 405 864 164	-	-	-	10 405 864 164
Treasury bills	2 333 880 600	3 501 107 464	636 890 646	866 088 324	7 337 967 034
Advances and other accounts	1 915 523 528	2 472 076 363	3 120 441 214	11 728 174 344	19 236 215 449
Financial assets at fair value through profit or loss	-	-	-	2 539 286 590	2 539 286 590
Financial assets held at amortised cost	172 249 473	486 353 564	365 412 471	-	1 024 015 508
	14 827 517 765	6 459 537 391	4 122 744 331	15 133 549 258	40 543 348 745
<b>Liabilities</b>					
Deposits from customers	41 228 962 591	1 632 491 400	49 700 000	41 595 031	42 952 749 022
Offshore borrowings	-	3 934 977 887	-	-	3 934 977 887
Lease liability	-	-	813 462 491	1 138 847 488	1 952 309 979
	41 228 962 591	5 567 469 287	863 162 491	1 180 442 519	48 840 036 888
<b>Period gap</b>	(26 401 444 826)	892 068 104	3 259 581 840	13 953 106 739	(8 296 688 143)
<b>Cumulative gap</b>	(26 401 444 826)	(25 509 376 722)	(22 249 794 882)	(8 296 688 143)	-
<b>Audited as at 31 December 2021</b>					
<b>Financial asset by type</b>					
Cash and short term funds	3 009 880 804	-	-	-	3 009 880 804
Treasury bills	218 917 425	3 143 683 115	1 484 838 527	429 195 317	5 276 634 384
Advances and other accounts	3 186 499 657	2 699 313 885	3 628 786 750	15 972 564 397	25 487 164 689
Financial assets at fair value through profit or loss	-	-	-	4 603 270 731	4 603 270 731
Financial assets held at amortised cost	-	-	615 837 316	-	615 837 316
	6 415 297 886	5 842 997 000	5 729 462 593	21 005 030 445	38 992 787 924
<b>Financial liability by type</b>					
Deposits from customers	41 693 813 675	973 003 122	595 122 695	20 270 504	43 282 209 996
Offshore borrowings	-	1 768 850 903	176 850 914	1 086 580 535	1 440 282 352
Lease liability	-	-	356 012 866	498 418 013	854 430 879
	41 693 813 675	1 149 854 025	1 127 986 475	1 605 269 052	45 576 923 227
<b>Period gap</b>	(35 278 515 789)	4 693 142 975	4 601 476 118	19 399 761 393	(6 584 135 303)
<b>Cumulative gap</b>	(35 278 515 789)	(30 585 372 814)	(25 983 896 696)	(6 584 135 303)	-

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

25.3 Interest gap (continued)

Interest rate gap analysis	Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
<b>Unreviewed as at 30 June 2022</b>					
<b>Assets</b>					
Cash and cash equivalents	10 405 864 164	-	-	-	10 405 864 164
Treasury bills	2 333 880 600	3 501 107 464	636 890 646	866 088 324	7 337 967 034
Advances and other accounts	1 915 523 528	2 472 076 363	3 120 441 214	11 728 174 344	19 236 215 449
Financial assets at fair value through profit or loss	-	-	-	2 539 286 590	2 539 286 590
Financial assets held at amortised cost	172 249 473	486 353 564	365 412 471	-	1 024 015 508
	14 827 517 765	6 459 537 391	4 122 744 331	15 133 549 258	40 543 348 745
<b>Liabilities</b>					
Deposits from customers	41 228 962 591	1 632 491 400	49 700 000	41 595 031	42 952 749 022
Offshore borrowings	-	3 934 977 887	-	-	3 934 977 887
Lease liability	-	-	813 462 491	1 138 847 488	1 952 309 979
	41 228 962 591	5 567 469 287	863 162 491	1 180 442 519	48 840 036 888
<b>Period gap</b>	(26 401 444 826)	892 068 104	3 259 581 840	13 953 106 739	(8 296 688 143)
<b>Cumulative gap</b>	(26 401 444 826)	(25 509 376 722)	(22 249 794 882)	(8 296 688 143)	-
<b>Unaudited as at 31 December 2021</b>					
<b>Financial asset by type</b>					
Cash and cash equivalents	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
<b>Financial liability by type</b>					
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
<b>Period gap</b>	(16 114 987 567)	2 143 795 991	2 101 923 190	8 861 679 881	(3 007 588 505)
<b>Cumulative gap</b>	(16 114 987 567)	(13 971 191 576)	(11 869 268 386)	(3 007 588 505)	-

26. BASIS OF PREPARATION

The accounting policies, methods of computation, significant assumptions and estimates adopted for the preparation of ZB Bank Limited financial results as at the reporting date, are consistent with those applied by ZB Financial Holdings Limited as disclosed in note 1 of the ZB Financial Holdings Limited financial results.

# Pay school fees & get Proof of Payment instantly on the ZB Portal

This is how you pay fees online:

- ✓ Click "Make Payments"
- ✓ Select "Payment Method"  
(Proceed as a guest or register)
- ✓ Proceed with fees payment

You too can have it easy.  
Register or log on to:

[zbnet.zb.co.zw/client-portal/](http://zbnet.zb.co.zw/client-portal/)



Scan To Pay  
School Fees Now



**ANY** school bank time ✓

Toll free: 08080555

08677 002 005

WhatsApp 0772 442685

(04) 304 038/44/45 | 304 044/45/46/49

[www.zb.co.zw](http://www.zb.co.zw)







**AUDITOR'S STATEMENT**

These condensed inflation adjusted interim financial results of ZB Building Society for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe) and an unmodified conclusion has been expressed.

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION  
As at 30 June 2022**

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	910 903 211	969 986 846	910 903 211	443 083 435
Loans and other advances	376 016 926	798 439 299	376 016 926	364 721 675
Trade and other receivables	708 468 925	214 761 820	708 468 925	98 101 748
Inventories	39 697 698	39 697 698	17 146 167	17 146 167
Financial assets at FVTPL	258 560 000	532 834 738	258 560 000	243 395 307
Right of use assets	1 758 256	1 509 020	1 245 601	689 310
Property and equipment	44 610 262	45 656 370	20 168 400	20 855 521
Investment properties	3 329 900 000	2 453 101 095	3 329 900 000	1 120 560 000
Investments in subsidiaries	1 822 087 217	1 371 383 808	1 821 102 662	626 434 674
<b>Total assets</b>	<b>7 492 002 495</b>	<b>6 427 370 694</b>	<b>7 443 511 892</b>	<b>2 934 987 837</b>
<b>LIABILITIES</b>				
Deposits from customers	1 481 923 024	1 428 154 597	1 481 923 024	652 371 367
Trade and other payables	265 727 426	335 893 897	265 727 426	153 434 062
Lease liabilities	1 359 077	1 598 857	1 359 077	730 347
Deferred tax liabilities	166 495 000	122 655 055	166 495 000	56 028 000
<b>Total liabilities</b>	<b>1 915 504 527</b>	<b>1 888 302 406</b>	<b>1 915 504 527</b>	<b>862 563 776</b>
<b>EQUITY</b>				
Share capital	139 445 377	139 445 377	954 814	954 814
Share premium	1 299 351 451	1 299 351 451	8 896 953	8 896 953
Reserves	4 137 701 140	3 100 271 460	5 518 155 598	2 062 572 294
<b>Total equity</b>	<b>5 576 497 968</b>	<b>4 539 068 288</b>	<b>5 528 007 365</b>	<b>2 072 424 061</b>
<b>Total equity and liabilities</b>	<b>7 492 002 495</b>	<b>6 427 370 694</b>	<b>7 443 511 892</b>	<b>2 934 987 837</b>

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the half year ended 30 June 2022**

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
Interest income	204 524 280	201 068 024	130 479 248	65 607 204
Interest expense	(3 609 467)	(3 168 532)	(2 390 949)	(1 031 209)
Net interest income	200 914 813	197 899 492	128 088 299	64 575 995
Allowance for loan impairment	1 941 871	(86 112 963)	1 941 871	(1 607 239)
Net income from lending activities	202 856 684	111 786 529	130 030 170	62 968 756
Commissions, fees and operating income	370 024 659	263 615 037	274 118 745	85 249 874
Fair value adjustments	1 053 227 576	113 774 236	3 419 172 681	48 147 835
Total income	1 626 108 919	489 175 802	3 823 321 596	196 366 465
Total operating expenses	(246 564 965)	(289 407 857)	(257 271 292)	(94 198 720)
Operating profit	1 379 543 954	199 767 945	3 566 050 304	102 167 745
Net monetary loss	(298 274 329)	(8 009 673)	-	-
Profit before taxation	1 081 269 625	191 758 272	3 566 050 304	102 167 745
Income tax expense	(43 839 945)	-	(110 467 000)	-
Profit for the period	1 037 429 680	191 758 272	3 455 583 304	102 167 745
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1 037 429 680	191 758 272	3 455 583 304	102 167 745
Earnings per share				
Basic and fully diluted earnings per share (ZW cents)	1 087	201	3 619	107

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY  
For the half year ended 30 June 2022**

	Reviewed Inflation adjusted				
	Share capital ZWS	Share premium ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2022	139 445 377	1 299 351 451	85 110 599	3 015 160 861	4 539 068 288
Changes in equity for 2022					
Profit or loss	-	-	-	1 037 429 680	1 037 429 680
Profit for the period	-	-	-	1 037 429 680	1 037 429 680
Balance at 30 June 2022	139 445 377	1 299 351 451	85 110 599	4 052 590 541	5 576 497 968
Balance at 1 January 2021	139 445 377	1 299 351 451	113 353 547	4 015 706 388	5 567 856 763
Changes in equity for 2021					
Profit or loss	-	-	-	191 758 272	191 758 272
Profit for the period	-	-	-	191 758 272	191 758 272
Balance at 30 June 2021	139 445 377	1 299 351 451	113 353 547	4 207 464 660	5 759 615 035

	Unreviewed Historical cost					
	Share capital ZWS	Share premium ZWS	Functional currency translation reserve ZWS	Property and equipment revaluation reserve ZWS	Retained income ZWS	Total ZWS
Balance at 1 January 2022	954 814	8 896 953	18 061 563	30 358 699	2 014 152 032	2 072 424 061
Changes in equity for 2022						
Profit or loss	-	-	-	-	3 455 583 304	3 455 583 304
Profit for the period	-	-	-	-	3 455 583 304	3 455 583 304
Balance at 30 June 2022	954 814	8 896 953	18 061 563	30 358 699	5 469 735 336	5 528 007 365
Balance at 1 January 2021	954 814	8 896 953	18 061 563	13 867 705	142 985 649	184 766 684
Changes in equity for 2021						
Profit or loss	-	-	-	-	102 167 745	102 167 745
Profit for the period	-	-	-	-	102 167 745	102 167 745
Balance at 30 June 2021	954 814	8 896 953	18 061 563	13 867 705	245 153 394	286 934 429

**CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS  
For the half year ended 30 June 2022**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>Cash flows generated from operating activities</b>				
Interest received	261 616 741	86 405 613	626 923 966	41 473 027
Interest paid	(3 670 717)	(3 168 532)	(2 390 949)	(1 031 209)
<b>Net cash generated from operating activities</b>	<b>462 470 304</b>	<b>284 305 105</b>	<b>755 012 265</b>	<b>106 049 022</b>
<b>Cash flows from investing activities</b>				
Dividends received	10 059 837	7 793 044	5 856 645	2 602 943
Net cash generated from investing activities	10 059 837	7 793 044	5 856 645	2 602 943
<b>Cash flows from financing activities</b>				
Lease commitments paid during the period	(1 015 403)	(1 663 620)	(666 952)	(281 400)
Net cash used in financing activities	(1 015 403)	(1 663 620)	(666 952)	(281 400)
Net increase in cash and cash equivalents	471 514 738	290 434 529	760 201 958	108 370 565
Cash and cash equivalents at beginning of period	439 388 473	148 953 944	150 701 253	42 330 688
Cash and cash equivalents at end of period	910 903 211	439 388 473	910 903 211	150 701 253
Cash and cash equivalents comprise:				
Cash on hand	74 960 263	40 900 771	74 960 263	14 028 127
Local bank accounts	796 670 969	335 973 593	796 670 969	115 232 066
Balances at the RBZ	39 271 979	62 514 109	39 271 979	21 441 060
	910 903 211	439 388 473	910 903 211	150 701 253

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS  
For the half year ended 30 June 2022**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>1. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	74 960 263	49 016 875	74 960 263	22 390 576
Local bank accounts	796 670 969	788 118 891	796 670 969	360 007 383
Balances at the RBZ	39 271 979	132 851 080	39 271 979	60 685 476
	910 903 211	969 986 846	910 903 211	443 083 435
Current	910 903 211	969 986 846	910 903 211	443 083 435
<b>2. LOANS AND ADVANCES</b>				
<b>2.1 Categories of loans and advances</b>				
<b>Mortgage loans</b>				
Residential properties	24 496 563	42 835 192	24 496 563	19 566 826
<b>Other loans and overdrafts</b>				
Consumer loans	367 833 443	795 567 376	367 833 443	363 409 801
Gross loans and advances	392 330 006	838 402 568	392 330 006	382 976 627
Less: Allowance for loan impairment	(16 313 080)	(39 963 269)	(16 313 080)	(18 254 952)
Loans and advances	376 016 926	798 439 299	376 016 926	364 721 675
<b>2.2 Maturity analysis</b>				
Within 1 month	23 489 241	43 434 371	23 489 241	19 840 528
Between 2 – 6 months	12 463 669	27 576 749	12 463 669	12 596 873
Between 7 – 12 months	96 511 435	75 431 412	96 511 435	34 456 559
After 12 months	259 865 661	691 960 036	259 865 661	316 082 667
	392 330 006	838 402 568	392 330 006	382 976 627
<b>2.3 Loans and advances to customers by business line</b>				
Mortgage lending	24 496 563	42 835 192	24 496 563	19 566 827
Consumer lending	362 877 495	790 194 192	362 877 495	360 955 366
Small business lending	4 955 948	5 373 184	4 955 948	2 454 434
	392 330 006	838 402 568	392 330 006	382 976 627
<b>2.4 Mortgage loans spread</b>				
Residential high density	13 942 259	21 661 391	13 942 259	9 894 777
Residential medium density	3 412 153	2 658 004	3 412 153	1 214 158
Residential low density	7 142 151	18 515 797	7 142 151	8 457 891
	24 496 563	42 835 192	24 496 563	19 566 826
<b>2.5 Non-performing debt</b>				
Non-performing loans and advances	2 577 106	5 641 735	2 577 106	2 637 253
Less: Allowance for loan impairment	(1 761 241)	(3 244 691)	(1 761 241)	(1 482 153)
Value to be received from security held	815 865	2 397 044	815 865	1 155 100

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 ZWS\$ 050 428 as at 30 June 2022 (2021: ZWS\$ 815 689).

	Inflation adjusted			
	Reviewed 30 Jun 2022 ZWS	Percentage Contribution	Audited 31 Dec 2021 ZWS	Percentage Contribution
<b>2.6 Sectoral analysis</b>				
Private	387 374 057	99%	833 029 383	99%
Distribution	404 333	0%	1 802 248	0%
Services	4 551 616	1%	3 570 937	0%
	392 330 006	100%	838 402 568	100%

	Historical cost			
	Unreviewed 30 Jun 2022 ZWS	Percentage Contribution	Unaudited 31 Dec 2021 ZWS	Percentage Contribution
Private	387 374 057	99%	380 522 192	99%
Distribution	404 333	0%	823 255	0%
Services	4 551 616	1%	1 631 180	0%
	392 330 006	100%	382 976 627	100%

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

#### 2.7 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.

	Reviewed Inflation adjusted 30 Jun 2022				Audited Inflation adjusted 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>								
Good (AAA to BBB-)	381 787 674	1 309 418	2 141 379	385 238 471	810 665 247	10 824 355	2 887 398	824 377 000
Special mention (BB+ to CCC-)	4 017 831	117 724	320 723	4 456 278	7 788 042	139 938	324 184	8 252 164
Non-performing (CC+ to D)	-	-	2 635 257	2 635 257	-	-	5 773 404	5 773 404
<b>Total</b>	<b>385 805 505</b>	<b>1 427 142</b>	<b>5 097 359</b>	<b>392 330 006</b>	<b>818 453 289</b>	<b>10 964 293</b>	<b>8 984 986</b>	<b>838 402 568</b>
<b>Mortgage lending</b>								
Good (AAA to BBB-)	24 495 473	-	940	24 496 413	42 531 601	279 814	-	42 811 415
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	23 777	23 777
<b>Total</b>	<b>24 495 473</b>	<b>-</b>	<b>1 090</b>	<b>24 496 563</b>	<b>42 531 601</b>	<b>279 814</b>	<b>23 777</b>	<b>42 835 192</b>
<b>Consumer lending</b>								
Good (AAA to BBB-)	352 821 918	1 309 268	2 123 057	356 254 243	764 086 218	10 537 641	2 863 162	777 487 021
Special mention (BB+ to CCC-)	4 017 831	103 145	320 723	4 441 699	7 788 042	69 701	324 184	8 181 927
Non-performing (CC+ to D)	-	-	2 181 553	2 181 553	-	-	4 525 244	4 525 244
<b>Total</b>	<b>356 839 749</b>	<b>1 412 413</b>	<b>4 625 333</b>	<b>362 877 495</b>	<b>771 874 260</b>	<b>10 607 342</b>	<b>7 712 590</b>	<b>790 194 192</b>
<b>Small business lending</b>								
Good (AAA to BBB-)	4 470 283	150	17 382	4 487 815	4 047 428	6 900	24 236	4 078 564
Special mention (BB+ to CCC-)	-	14 579	-	14 579	-	70 237	-	70 237
Non-performing (CC+ to D)	-	-	453 554	453 554	-	-	1 224 383	1 224 383
<b>Total</b>	<b>4 470 283</b>	<b>14 729</b>	<b>470 936</b>	<b>4 955 948</b>	<b>4 047 428</b>	<b>77 137</b>	<b>1 248 619</b>	<b>5 373 184</b>

	Unreviewed Historical cost 30 Jun 2022				Unaudited Historical cost 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total loans and advances</b>								
Good (AAA to BBB-)	381 787 674	1 309 418	2 141 379	385 238 471	370 306 406	4 944 492	1 318 944	376 569 842
Special mention (BB+ to CCC-)	4 017 831	117 724	320 723	4 456 278	3 557 525	63 923	148 085	3 769 533
Non-performing (CC+ to D)	-	-	2 635 257	2 635 257	-	-	2 637 252	2 637 252
<b>Total</b>	<b>385 805 505</b>	<b>1 427 142</b>	<b>5 097 359</b>	<b>392 330 006</b>	<b>373 863 931</b>	<b>5 008 415</b>	<b>4 104 281</b>	<b>382 976 627</b>
<b>Mortgage lending</b>								
Good (AAA to BBB-)	24 495 473	-	940	24 496 413	19 428 149	127 817	-	19 555 966
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	150	150	-	-	10 861	10 861
<b>Total</b>	<b>24 495 473</b>	<b>-</b>	<b>1 090</b>	<b>24 496 563</b>	<b>19 428 149</b>	<b>127 817</b>	<b>10 861</b>	<b>19 566 827</b>
<b>Consumer lending</b>								
Good (AAA to BBB-)	352 821 918	1 309 268	2 123 057	356 254 243	349 029 420	4 813 523	1 307 873	355 150 816
Special mention (BB+ to CCC-)	4 017 831	103 145	320 723	4 441 699	3 557 525	31 839	148 085	3 737 449
Non-performing (CC+ to D)	-	-	2 181 553	2 181 553	-	-	2 067 101	2 067 101
<b>Total</b>	<b>356 839 749</b>	<b>1 412 413</b>	<b>4 625 333</b>	<b>362 877 495</b>	<b>352 586 945</b>	<b>4 845 362</b>	<b>3 523 059</b>	<b>360 955 366</b>
<b>Small business lending</b>								
Good (AAA to BBB-)	4 470 283	150	17 382	4 487 815	1 848 837	3 152	11 071	1 863 060
Special mention (BB+ to CCC-)	-	14 579	-	14 579	-	32 084	-	32 084
Non-performing (CC+ to D)	-	-	453 554	453 554	-	-	559 290	559 290
<b>Total</b>	<b>4 470 283</b>	<b>14 729</b>	<b>470 936</b>	<b>4 955 948</b>	<b>1 848 837</b>	<b>35 236</b>	<b>570 361</b>	<b>2 454 434</b>

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

	Reviewed Inflation adjusted 30 Jun 2022				Audited Inflation adjusted 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	14 683 592	338 619	680 315	15 702 526	33 382 545	2 637 326	1 993 361	38 013 232
Special mention (BB+ to CCC-)	176 469	39 705	96 267	312 441	381 054	41 165	132 767	554 986
Non-performing (CC+ to D)	-	-	298 113	298 113	-	-	1 395 051	1 395 051
<b>Total</b>	<b>14 860 061</b>	<b>378 324</b>	<b>1 074 695</b>	<b>16 313 080</b>	<b>33 763 599</b>	<b>2 678 491</b>	<b>3 521 179</b>	<b>39 963 269</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	-	-	131	131	108 257	-	-	108 257
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>131</b>	<b>108 257</b>	<b>-</b>	<b>-</b>	<b>108 257</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	14 306 020	338 585	672 263	15 316 868	31 032 090	2 636 884	1 973 004	35 641 978
Special mention (BB+ to CCC-)	176 469	35 572	96 267	308 308	381 054	17 023	132 767	530 844
Non-performing (CC+ to D)	-	-	227 776	227 776	-	-	1 086 393	1 086 393
<b>Total</b>	<b>14 482 489</b>	<b>374 157</b>	<b>996 306</b>	<b>15 852 952</b>	<b>31 413 144</b>	<b>2 653 907</b>	<b>3 192 164</b>	<b>37 259 215</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	377 572	34	7 921	385 527	2 242 198	442	20 357	2 262 997
Special mention (BB+ to CCC-)	-	4 133	-	4 133	-	24 142	-	24 142
Non-performing (CC+ to D)	-	-	70 337	70 337	-	-	308 658	308 658
<b>Total</b>	<b>377 572</b>	<b>4 167</b>	<b>78 258</b>	<b>459 997</b>	<b>2 242 198</b>	<b>24 584</b>	<b>329 015</b>	<b>2 595 797</b>

	Unreviewed Historical cost 30 Jun 2022				Unaudited Historical cost 31 Dec 2021			
	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS	STAGE 1 ZWS	STAGE 2 ZWS	STAGE 3 ZWS	TOTAL ZWS
<b>Total ECL for loans and advances</b>								
Good (AAA to BBB-)	14 683 592	338 619	680 315	15 702 526	15 248 921	1 204 713	910 554	17 364 188
Special mention (BB+ to CCC-)	176 469	39 705	96 267	312 441	174 063	18 804	60 647	253 514
Non-performing (CC+ to D)	-	-	298 113	298 113	-	-	637 250	637 250
<b>Total</b>	<b>14 860 061</b>	<b>378 324</b>	<b>1 074 695</b>	<b>16 313 080</b>	<b>15 422 984</b>	<b>1 223 517</b>	<b>1 608 451</b>	<b>18 254 952</b>
<b>ECL for mortgage lending</b>								
Good (AAA to BBB-)	-	-	131	131	49 451	-	-	49 451
Special mention (BB+ to CCC-)	-	-	-	-	-	-	-	-
Non-performing (CC+ to D)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>131</b>	<b>49 451</b>	<b>-</b>	<b>-</b>	<b>49 451</b>
<b>ECL for consumer lending</b>								
Good (AAA to BBB-)	14 306 020	338 585	672 263	15 316 868	14 175 249	1 204 511	901 255	16 281 015
Special mention (BB+ to CCC-)	176 469	35 572	96 267	308 308	174 063	7 776	60 647	242 486
Non-performing (CC+ to D)	-	-	227 776	227 776	-	-	496 257	496 257
<b>Total</b>	<b>14 482 489</b>	<b>374 157</b>	<b>996 306</b>	<b>15 852 952</b>	<b>14 349 312</b>	<b>1 212 287</b>	<b>1 458 159</b>	<b>17 019 758</b>
<b>ECL for small business lending</b>								
Good (AAA to BBB-)	377 572	34	7 921	385 527	1 024 221	202	9 299	1 033 722
Special mention (BB+ to CCC-)	-	4 133	-	4 133	-	11 028	-	11 028
Non-performing (CC+ to D)	-	-	70 337	70 337	-	-	140 993	140 993
<b>Total</b>	<b>377 572</b>	<b>4 167</b>	<b>78 258</b>	<b>459 997</b>	<b>1 024 221</b>	<b>11 230</b>	<b>150 292</b>	<b>1 185 743</b>

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>3. TRADE AND OTHER RECEIVABLES</b>				
Sundry debtors and other accounts	708 297 864	214 401 504	708 297 864	97 937 158
Intercompany balances	12 597	13 411	12 597	6 126
Prepayments	158 464	346 905	158 464	158 464
<b>Total</b>	<b>708 468 925</b>	<b>214 761 820</b>	<b>708 468 925</b>	<b>98 101 748</b>
<b>Current</b>	<b>708 468 925</b>	<b>214 761 820</b>	<b>708 468 925</b>	<b>98 101 748</b>
Sundry debtors and other accounts comprises of:				
VAT claimable	82 919	130 678	82 919	59 693
Trade debtors	694 859 651	169 283 091	694 859 651	88 799 245
Lease receivables	15 753 355	49 052 698	15 753 355	10 935 067
ECL on lease receivables	(2 398 061)	(4 064 963)	(2 398 061)	(1 856 847)
<b>Total</b>	<b>708 297 864</b>	<b>214 401 504</b>	<b>708 297 864</b>	<b>97 937 158</b>

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>4. INVENTORIES</b>				
Housing stands	39 697 698	39 697 698	17 146 167	17 146 167
Non-current	39 697 698	39 697 698	17 146 167	17 146 167
<b>5. FINANCIAL ASSETS MEASURED AT FVTPL</b>				
<b>5.1 Unlisted share investments</b>				
Balance at beginning of year	532 834 738	47 913 121	243 395 307	29 808 362
Fair value (loss) / gain	(274 274 738)	484 921 617	15 164 693	213 586 945
Balance at end of year	258 560 000	532 834 738	258 560 000	243 395 307
Non-current	258 560 000	532 834 738	258 560 000	243 395 307
<b>5.2 Measurement of fair value</b>				

The fair value of investment securities has been categorised into Level 3 of the fair value hierarchy

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>6. RIGHT OF USE ASSETS</b>				
Balance at beginning of year	1 509 020	2 325 553	689 310	660 890
Lease reassessments	1 144 011	1 217 778	1 144 011	



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>9 INVESTMENT IN SUBSIDIARIES</b>				
<b>9.1 Assets at fair value through profit or loss</b>				
Balance at beginning of period	1 371 383 808	6 151 775 269	626 434 674	266 388 062
Fair value gain	450 703 409	(4 780 391 461)	1 194 667 988	360 046 612
Balance at end of period	1 822 087 217	1 371 383 808	1 821 102 662	626 434 674
Non-current	1 822 087 217	1 371 383 808	1 821 102 662	626 434 674

**9.2 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		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>10. DEPOSITS FROM CUSTOMERS</b>				
<b>10.1 Deposit by type</b>				
Savings accounts	1 464 952 984	1 378 264 030	1 464 952 984	629 581 693
Fixed deposits	16 970 040	49 890 567	16 970 040	22 789 674
	1 481 923 024	1 428 154 597	1 481 923 024	652 371 367
<b>10.2 Maturity analysis</b>				
On demand	1 464 296 636	1 236 150 135	1 464 296 636	564 665 025
Within 1 month	162 288	105 233 200	162 288	48 069 815
1 month to 6 months	212 308	890 170	212 308	406 624
6 months to 12 months	281 752	54 842 687	281 752	25 051 769
More than 1 year	16 970 040	31 038 405	16 970 040	14 178 134
	1 481 923 024	1 428 154 597	1 481 923 024	652 371 367

	Inflation adjusted				Historical cost			
	Reviewed 30 Jun 2022 ZW\$	% Contribution	Audited 31 Dec 2021 ZW\$	% Contribution	Unreviewed 30 Jun 2022 ZW\$	% Contribution	Unaudited 31 Dec 2021 ZW\$	% Contribution
<b>10.3 Sectorial analysis</b>								
Private individuals	1 074 980 624	73%	1 278 064 114	89%	1 074 980 624	73%	583 811 049	89%
Financial institutions	80 996	0%	14 852 477	1%	80 996	0%	6 784 511	1%
Communication	246 414	0%	1 974 929	0%	246 414	0%	902 134	0%
Manufacturing	3 615 209	0%	469 604	0%	3 615 209	0%	214 512	0%
Distribution	11 177 962	1%	48 485 639	3%	11 177 962	1%	22 147 912	3%
Construction	78 151 994	5%	8 302 336	1%	78 151 994	5%	3 792 451	1%
Agriculture	10 850 245	1%	32 608 269	2%	10 850 245	1%	14 895 237	2%
Services	302 819 580	20%	43 397 229	3%	302 819 580	20%	19 823 561	3%
	1 481 923 024	100%	1 428 154 597	100%	1 481 923 024	100%	652 371 367	100%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>11. TRADE AND OTHER PAYABLES</b>				
Leave pay accrual	2 771 373	2 815 090	2 771 373	1 285 914
Creditors and other accounts	56 186 274	60 588 855	56 186 274	27 676 580
Deferred income	8 477 631	18 559 012	8 477 631	8 477 631
Intercompany balances	198 292 148	253 930 940	198 292 148	115 993 937
	265 727 426	335 893 897	265 727 426	153 434 062
Current	265 727 426	335 893 897	265 727 426	153 434 062

**12. LEASE LIABILITIES**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
Balance at beginning of period	1 598 857	2 565 862	730 347	729 183
Lease reassessments	1 144 011	1 217 778	1 144 011	556 273
Accrued interest expense posted to profit or loss	61 250	292 867	61 250	103 672
Lease commitments paid during the period	(1 015 403)	(1 663 620)	(666 952)	(599 015)
Gain on lease modification	(1 098 602)	(600 820)	(1 098 602)	(274 450)
Exchange loss on lease modification	1 189 023	469 980	1 189 023	214 684
Effects of inflation adjustments	(520 059)	(683 190)	-	-
Balance at end of period	1 359 077	1 598 857	1 359 077	730 347

**13. DEFERRED TAX LIABILITIES**

	Inflation adjusted			
	Balance at 1 January ZW\$	Recognised in profit or loss ZW\$	Transfers between categories ZW\$	Balance at 31 December ZW\$
<b>Reviewed June 2022</b>				
Investment properties	122 655 055	43 839 945	-	166 495 000
<b>Audited December 2021</b>				
Property and equipment	8 202 011	-	(8 202 011)	-
Investment property	79 092 626	35 360 418	8 202 011	122 655 055
	87 294 637	35 360 418	-	122 655 055
<b>Historical cost</b>				
<b>Unreviewed June 2022</b>				
Investment property	56 028 000	110 467 000	-	166 495 000
<b>Unaudited December 2021</b>				
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

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>14. EQUITY AND RESERVES</b>				
<b>14.1 Share capital</b>				
Authorised 100 000 000 ordinary shares of ZW\$0.01 each	1 000 000	1 000 000	1 000 000	1 000 000
Issued and fully paid 95 481 425 ordinary shares of ZW\$0.01 each	139 445 377	139 445 377	95 481 425	95 481 425
Share premium	1 299 351 451	1 299 351 451	8 896 953	8 896 953
<b>14.2 Reserves</b>				
Functional currency translation reserve	-	-	18 061 563	18 061 563
Revaluation reserves	85 110 599	85 110 599	30 358 699	30 358 699
Retained income	4 052 590 541	3 015 160 861	5 469 735 336	2 014 152 032
Total reserves	4 137 701 140	3 100 271 460	5 518 155 598	2 062 572 294
<b>14.3 Capital adequacy</b>				
Share capital	139 445 377	139 445 377	95 481 425	95 481 425
Share premium	1 299 351 451	1 299 351 451	8 896 953	8 896 953
Retained income	4 052 590 541	3 015 160 861	5 469 735 336	2 014 152 032
Tier 1 Capital	5 491 387 369	4 453 957 689	5 479 587 103	2 024 003 799
Functional currency translation reserve	-	-	18 061 563	18 061 563
Revaluation reserves	85 110 599	85 110 599	30 358 699	30 358 699
Tier 2 Capital	85 110 599	85 110 599	48 420 262	48 420 262
Total capital base	5 576 497 968	4 539 068 288	5 528 007 365	2 072 424 061
Credit risk weighted assets	6 720 441 893	4 900 527 609	6 720 441 893	2 238 527 890
Operational risk equivalent assets	3 058 690 857	1 659 371 870	3 058 690 857	757 989 855
Total risk weighted assets	9 779 132 750	6 559 899 479	9 779 132 750	2 996 517 745
Tier 1 ratio	56.2%	67.9%	56.0%	67.6%
Tier 2 ratio	0.9%	1.3%	0.5%	1.6%
Capital adequacy ratio	57.0%	69.2%	56.5%	69.2%

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 31 Dec 2021 ZW\$
<b>15. NET INTEREST INCOME</b>				
<b>15.1 Interest income</b>				
Mortgage advances	5 111 066	5 489 549	3 294 989	1 759 072
Consumer loans	156 503 469	189 186 295	97 770 997	61 821 856
Short term funds and securities	41 691 591	4 843 104	28 640 588	1 522 352
Other	1 218 154	1 549 076	772 674	503 924
	204 524 280	201 068 024	130 479 248	65 607 204

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>15.2 Interest expense</b>				
Fixed deposits	902 906	499 055	561 712	162 558
Savings accounts	2 706 561	2 191 846	1 767 988	715 966
Other	61 250	477 631	61 249	152 685
	3 670 717	3 168 532	2 390 949	1 031 209
Net interest income	200 853 563	197 899 492	128 088 299	64 575 995

**16. LOAN IMPAIRMENT MOVEMENT**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 31 Dec 2021 ZW\$
Balance at beginning of period	39 963 270	12 767 119	18 254 951	3 628 242
Effect of inflation adjustments (Credit) / charge to statement of profit or loss	(21 708 319)	(28 384 617)	-	-
	(1 941 871)	55 580 768	(1 941 871)	14 626 710
Balance at end of period	16 313 080	39 963 270	16 313 080	18 254 952

**17. COMMISSIONS, FEES AND OPERATING INCOME**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 31 Dec 2021 ZW\$
Account service fees	43 635 400	88 126 176	27 104 519	27 993 509
Transaction fees	36 454 767	5 277 671	22 644 205	1 676 466
Other commissions and fees	97 389 805	101 990 161	63 125 834	33 204 887
Operating lease rental income	79 296 000	43 203 871	52 377 077	13 883 430
Exchange gains	102 643 002	16 714 635	102 643 002	5 732 778
Dividend income	10 059 837	7 793 044	5 856 645	2 602 943
Other operating income	545 848	509 479	367 463	155 861
	370 024 659	263 615 037	274 118 745	85 249 874

**18. FAIR VALUE ADJUSTMENT**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 31 Dec 2021 ZW\$
Arising from fair value through profit or loss instruments:				
• Financial assets at FVTPL (note 5)	(274 274 738)	83 838 622	15 164 693	34 921 751
• Investment properties (note 8)	876 798 905	-	2 209 340 000	-
• Investments in subsidiaries (note 9)	450 703 409	29 935 614	1 194 667 988	13 226 084
	1 053 227 576	113 774 236	3 419 172 681	48 147 835

**19. OPERATING EXPENSES**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 31 Dec 2021 ZW\$
Staff cost	34 172 993	19 329 612	25 591 746	6 202 965
Communication expenses	555 622	886 816	328 150	284 579
Computer and information technology expenses	42 975 784	80 520 909	27 981 197	26 496 683
Occupation expenses	10 101 386	13 907 091	6 231 495	4 462 009
Transport costs	498 621	249 410	314 063	81 353
Security	4 386 815	10 390 889	3 014 350	3 304 750
Administration expenses	153 873 744	164 123 130	193 810 291	53 366 381
	246 564 965	289 407 857	257 271 292	94 198 720
Included in administration expenses are the following:				
Audit fees	20 429 006	17 501 493	13 299 055	74 414
Directors fees	6 479 619	2 640 141	4 183 622	855 684
Depreciation of property and equipment	1 046 106	3 806 891	687 119	1 081 868


**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**
**21. RISK MANAGEMENT**
**21.1 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	Amortised cost	Designated at FVOCI	Total	Level 1	Level 2	Level 3	Total	
ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	
<b>Reviewed as at 30 June 2022</b>									
Financial assets measured at fair value									
Financial assets at FVTPL	64 730 113	-	-	64 730 113	-	-	64 730 113	64 730 113	
Investments in subsidiaries	331 774 416	-	-	331 774 416	-	-	331 774 416	331 774 416	
	<b>396 504 529</b>	<b>-</b>	<b>-</b>	<b>396 504 529</b>	<b>-</b>	<b>-</b>	<b>396 504 529</b>	<b>396 504 529</b>	
Financial assets not measured at fair value									
Trade and other receivables	-	40 287 868	-	40 287 868					
Loans and advances	-	402 794 242	-	402 794 242					
Money market investments	-	20 013 635	-	20 013 635					
Cash and cash equivalents	-	150 701 253	-	150 701 253					
	<b>-</b>	<b>613 796 998</b>	<b>-</b>	<b>613 796 998</b>					
Financial liabilities not measured at fair value									
Trade and other payables	-	(185 214 730)	-	(185 214 730)					
Deposits from customers	-	(419 435 882)	-	(419 435 882)					
	<b>-</b>	<b>(604 650 612)</b>	<b>-</b>	<b>(604 650 612)</b>					
<b>Audited as at 31 December 2021</b>									
Financial assets measured at fair value									
Financial assets at FVTPL	35 975 182	-	-	35 975 182	-	-	35 975 182	35 975 182	
Investments in subsidiaries	321 507 113	-	-	321 507 113	-	-	321 507 113	321 507 113	
	<b>357 482 295</b>	<b>-</b>	<b>-</b>	<b>357 482 295</b>	<b>-</b>	<b>-</b>	<b>357 482 295</b>	<b>357 482 295</b>	
Financial assets not measured at fair value									
Trade and other receivables	-	146 295 294	-	146 295 294					
Loans and advances	-	101 902 640	-	101 902 640					
Money market investments	-	60 334 963	-	60 334 963					
Cash and cash equivalents	-	51 088 154	-	51 088 154					
	<b>-</b>	<b>359 621 051</b>	<b>-</b>	<b>359 621 051</b>					
Financial liabilities not measured at fair value									
Trade and other payables	-	(36 881 918)	-	(36 881 918)					
Deposits from customers	-	(344 372 026)	-	(344 372 026)					
	<b>-</b>	<b>(381 253 944)</b>	<b>-</b>	<b>(381 253 944)</b>					

	Historical cost								
	CARRYING AMOUNT				FAIR VALUE				
	Designated at FVTPL	Amortised cost	Designated at FVOCI	Total	Level 1	Level 2	Level 3	Total	
ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	ZW\$	
<b>Unreviewed as at 30 June 2022</b>									
Financial assets measured at fair value									
Financial assets at FVTPL	64 730 113	-	-	64 730 113	-	-	64 730 113	64 730 113	
Investments in subsidiaries	279 614 147	-	-	279 614 147	-	-	279 614 147	279 614 147	
	<b>344 344 260</b>	<b>-</b>	<b>-</b>	<b>344 344 260</b>	<b>-</b>	<b>-</b>	<b>344 344 260</b>	<b>344 344 260</b>	
Financial assets not measured at fair value									
Trade and other receivables	-	40 287 868	-	40 287 868					
Loans and advances	-	402 794 242	-	402 794 242					
Money market investments	-	20 013 635	-	20 013 635					
Cash and cash equivalents	-	150 701 253	-	150 701 253					
	<b>-</b>	<b>613 796 998</b>	<b>-</b>	<b>613 796 998</b>					
Financial liabilities not measured at fair value									
Trade and other payables	-	(185 214 730)	-	(185 214 730)					
Deposits from customers	-	(419 435 882)	-	(419 435 882)					
	<b>-</b>	<b>(604 650 612)</b>	<b>-</b>	<b>(604 650 612)</b>					
<b>Unaudited as at 31 December 2021</b>									
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	
	<b>296 196 425</b>	<b>-</b>	<b>-</b>	<b>296 196 425</b>	<b>-</b>	<b>-</b>	<b>296 196 425</b>	<b>296 196 425</b>	
Financial assets not measured at fair value									
Trade and other receivables	-	121 217 540	-	121 217 540					
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					
	<b>-</b>	<b>297 975 268</b>	<b>-</b>	<b>297 975 268</b>					
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)					
	<b>-</b>	<b>(315 899 878)</b>	<b>-</b>	<b>(315 899 878)</b>					

**21.2 Interest rate risk**
**21.2.1 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\$
<b>Reviewed as at 30 June 2022</b>					
Financial assets by type					
Local bank accounts	115 232 066	-	-	-	115 232 066
Money market investments	20 013 635	-	-	-	20 013 635
Loans and other advances	11 312 189	5 886 188	46 236 746	339 359 119	402 794 242
	<b>146 557 890</b>	<b>5 886 188</b>	<b>46 236 746</b>	<b>339 359 119</b>	<b>538 039 943</b>
Financial liability by type					
Deposits from customers	379 799 355	406 624	25 051 769	14 178 134	419 435 882
Sensitivity gap	(233 241 465)	5 479 564	21 184 977	325 180 985	118 604 061
Cumulative gap	(233 241 465)	(227 761 901)	(206 576 924)	118 604 061	-
<b>Audited as at 31 December 2021</b>					
Financial assets by type					
Local bank accounts	34 795 827	-	-	-	34 795 827
Money market investments	60 334 963	-	-	-	60 334 963
Loans and other advances	1 064 646	1 431 499	16 609 287	82 797 208	101 902 640
	<b>96 195 436</b>	<b>1 431 499</b>	<b>16 609 287</b>	<b>82 797 208</b>	<b>197 033 430</b>
Financial liability by type					
Deposits from customers	333 634 128	56 419	5 633 064	5 048 415	344 372 026
Sensitivity gap	(237 438 692)	1 375 080	10 976 223	77 748 793	(147 338 596)
Cumulative gap	(237 438 692)	(236 063 612)	(225 087 389)	(147 338 596)	-

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**
**21. RISK MANAGEMENT (Continued)**
**21.2.1 Interest rate gap analysis (continued)**

	Historical cost				
	Up to 1 month ZW\$	2 to 6 months ZW\$	7 to 12 months ZW\$	Above 12 months ZW\$	Carrying amount ZW\$
<b>Unreviewed as at 30 June 2022</b>					
Financial assets by type					
Local bank accounts	115 232 066	-	-	-	115 232 066
Money market investments	20 013 635	-	-	-	20 013 635
Loans and other advances	11 312 189	5 886 188	46 236 746	339 359 119	402 794 242
	<b>146 557 890</b>	<b>5 886 188</b>	<b>46 236 746</b>	<b>339 359 119</b>	<b>538 039 943</b>
Financial liability by type					
Deposits from customers	379 799 355	406 624	25 051 769	14 178 134	419 435 882
Sensitivity gap	(233 241 465)	5 479 564	21 184 977	325 180 985	118 604 061
Cumulative gap	(233 241 465)	(227 761 901)	(206 576 924)	118 604 061	-
<b>Unaudited as at 31 December 2021</b>					
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
	<b>79 705 738</b>	<b>1 186 113</b>	<b>13 762 144</b>	<b>68 604 216</b>	<b>163 258 211</b>
Financial liability by type					
Deposits from customers	276 442 991	46 748	4 667 451	4 183 022	285 340 212
Sensitivity gap	(196 737 253)	1 139 365	9 094 693	64 421 194	(122 082 001)
Cumulative gap	(196 737 253)	(195 597 888)	(186 503 195)	(122 082 001)	-

**21.3 Liquidity risk**
**21.3.1 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\$
<b>Reviewed as at 30 June 2022</b>						
Financial assets by type						
Cash and cash equivalents	150 701 253	-	-	-	150 701 253	150 701 253
Money market investments	50 043 836	-	-	-	50 043 836	20 013 635
Loans and other advances	333 660	8 299 374	33 231 485	774 544 636	816 409 155	402 794 242
Financial assets at FVTPL	-	-	-	64 730 113	64 730 113	64 730 113
	<b>201 078 749</b>	<b>8 299 374</b>	<b>33 231 485</b>	<b>839 274 749</b>	<b>1 081 884 357</b>	<b>638 239 243</b>
Financial liabilities by type						
Deposits from customers	-	-	-	-	-	419 435 882
Trade and other payables	-	182 918 564	-	-	182 918 564	185 214 730
Lease liabilities	-	-	-	600 468	600 468	600 468
	<b>-</b>	<b>182 918 564</b>	<b>-</b>	<b>600 468</b>	<b>183 519 032</b>	<b>605 251 080</b>
Sensitivity gap	201 078 749	(174 619 190)	33 231 485	838 674 281	898 365 325	32 988 163
Cumulative gap	201 078 749	26 459 559	59 691 044	898 365 325	-	-
<b>Audited as at 31 December 2021</b>						
Financial assets by type						
Cash and cash equivalents	51 088 154	-	-	-	51 088 154	51 088 154
Money market investments	60 397 015	-	-	-	60 397 015	60 334 963
Loans and other advances	327 850	6 997 712	35 128 688	196 001 804	238 456 054	101 902 640
Financial assets at FVTPL	-	-	-	35 975 182	35 975 182	35 975 182
	<b>111 813 019</b>	<b>6 997 712</b>	<b>35 128 688</b>	<b>231 976 986</b>	<b>385 916 405</b>	<b>249 300 939</b>
Financial liabilities by type						
Deposits from customers	308 821 019	469 115	31 351 944	5 211 608	345 853 686	344 372 026
Trade and other payables	-	34 110 715	-	-	34 110 715	36 881 918
Lease liabilities	-	-	-	880 038	880 038	880 038
	<b>308 821 019</b>	<b>34 579 830</b>	<b>31 351 944</b>	<b>6 091 646</b>	<b>380 844 439</b>	<b>382 133 982</b>

	Historical cost					
	Up to 1 month ZW\$	2 to 6 months Z				

### AUDITOR'S STATEMENT

These condensed inflation adjusted interim financial results of ZB Life Assurance Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). A qualified conclusion has been expressed because of the effect of the prior year non-compliance with International Accounting Standard 28, Investments in Associates and Joint Ventures, IAS 8, Accounting policies, Changes in Accounting Estimates and Errors and IFRS 13 Fair Value Measurement affecting comparability of prior period's numbers.

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>ASSETS</b>				
Cash and cash equivalents	119 622 576	12 395 645	119 622 576	5 662 247
Funds on deposit	146 135 260	146 552 298	146 135 260	66 944 099
Inventories, Trade and other receivables	26 941 109	56 359 028	26 678 027	25 722 671
Investment securities	2 849 567 454	2 513 813 812	2 849 567 454	1 148 293 036
Treasury bills and bonds	183 854 823	94 564 007	183 854 823	43 196 199
Investment properties	1 349 999 000	992 377 862	1 349 999 000	453 311 500
Right of use asset	100 120 191	80 090 646	51 643 368	31 613 823
Equity accounted investments	9 221 147 984	8 781 323 798	9 182 688 388	4 007 920 648
Intangible assets	55 286 483	67 633 783	2 502 925	3 181 597
Equipment	136 217 945	144 078 467	65 073 358	65 814 070
<b>TOTAL ASSETS</b>	<b>14 188 892 825</b>	<b>12 889 189 346</b>	<b>13 977 765 179</b>	<b>5 851 659 890</b>
<b>LIABILITIES</b>				
Life assurance funds	6 985 478 500	6 922 860 044	6 985 478 500	3 162 315 677
Operating Lease Liability	55 111 329	68 620 571	55 111 329	31 345 413
Deferred tax liability	741 336 886	731 773 772	798 287 782	343 518 379
Trade and other payables	371 423 219	351 545 519	371 423 219	160 583 617
Provisions	39 660 425	19 587 825	39 660 425	8 947 586
Reinsurance premium payable	1 225 582	2 052 727	1 225 582	937 672
Taxation	32 112 232	117 098 767	32 112 232	53 489 925
<b>Total Liabilities</b>	<b>8 226 348 173</b>	<b>8 213 539 225</b>	<b>8 283 299 069</b>	<b>3 761 138 269</b>
<b>EQUITY</b>				
Share capital	33 903 423	33 903 423	231 908	231 908
Share premium	647 824 449	68 620 571	4 431 623	4 431 623
Investment reserve	2 706 950 716	2 706 950 716	827 451 668	827 451 668
Revaluation reserve	277 243 456	264 057 539	137 303 699	95 392 205
Foreign currency translation reserve	-	-	28 051 287	28 051 287
Retained earnings	2 296 622 608	1 022 913 994	4 696 995 925	1 134 962 930
<b>Total equity</b>	<b>5 962 544 652</b>	<b>4 675 650 121</b>	<b>5 694 466 110</b>	<b>2 090 521 621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14 188 892 825</b>	<b>12 889 189 346</b>	<b>13 977 765 179</b>	<b>5 851 659 890</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>INCOME</b>				
Gross premium income	846 008 574	570 433 957	569 514 340	184 300 567
Premiums ceded to reinsurers	(26 876 957)	(67 862 140)	(15 914 099)	(21 966 115)
<b>Net premiums</b>	<b>819 131 617</b>	<b>502 571 817</b>	<b>553 600 241</b>	<b>162 334 452</b>
Fair value gains on fair value through profit or loss financial instruments	375 031 266	326 875 355	1 724 736 481	202 773 260
Fair value gain on investment properties	357 621 138	-	896 687 500	-
Investment income	60 761 295	31 782 300	43 288 733	10 154 555
(Loss) /profit on disposal of listed equity investments	(18 789 967)	34 315 320	(11 645 309)	10 721 262
Other income	189 876 182	15 865 239	185 839 121	5 144 747
<b>Total income</b>	<b>1 783 631 531</b>	<b>911 410 031</b>	<b>3 392 506 407</b>	<b>391 128 276</b>
<b>Expenses and Policyholder benefits</b>				
Policyholders' benefits	(180 540 525)	(140 275 685)	(121 625 687)	(45 129 202)
Changes to policyholder liabilities	(62 618 457)	(658 600 083)	(3 823 162 823)	(572 156 720)
Operating expenses	(605 491 199)	(312 430 737)	(383 783 000)	(108 220 572)
Commissions	(150 273 829)	(117 300 323)	(101 121 556)	(10 698 814)
Profit share under bancassurance agreements	(31 642 456)	(22 717 076)	(23 202 906)	(27 167 922)
<b>Total expenses and policyholder benefits</b>	<b>(1 030 566 466)</b>	<b>(1 251 323 904)</b>	<b>(4 452 895 972)</b>	<b>(763 373 230)</b>
<b>Operating profit before taxation</b>	<b>753 065 067</b>	<b>(339 913 873)</b>	<b>(1 060 389 206)</b>	<b>(372 244 954)</b>
Share of profit of equity accounted investee net of tax	426 638 269	992 459 627	5 132 856 247	617 416 462
Operating lease finance charge	(24 645 204)	(5 556 542)	(15 188 949)	(1 776 271)
Net monetary gain/loss	171 298 650	52 335 977	-	-
<b>Profit before taxation</b>	<b>1 326 356 782</b>	<b>699 325 189</b>	<b>4 057 278 091</b>	<b>243 395 237</b>
Income tax expense	(41 538 807)	(100 120 870)	(486 745 094)	(43 521 699)
<b>Profit for the period</b>	<b>1 284 817 975</b>	<b>599 204 319</b>	<b>3 570 532 998</b>	<b>199 873 538</b>
<b>Other comprehensive income</b>				
Share of other comprehensive income of equity accounted investee net of tax	13 185 917	-	41 911 494	-
<b>Other comprehensive income for the period</b>	<b>13 185 917</b>	<b>-</b>	<b>41 911 494</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1 298 003 892</b>	<b>599 204 319</b>	<b>3 612 444 491</b>	<b>199 873 538</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2022

	Reviewed Inflation adjusted						Total ZWS
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	FCTR equity ZWS	
<b>2022</b>							
Balance at 1 January 2022	33 903 422	647 824 447	264 057 539	2 706 950 716	1 022 913 992	-	4 675 650 117
Total comprehensive income for the period	-	-	-	-	1 298 003 892	-	1 298 003 892
Revaluation of Property	-	-	13 185 917	-	-	-	13 185 917
Dividend paid	-	-	-	-	(11 109 361)	-	(11 109 361)
Transfer to investment reserve	-	-	-	-	-	-	-
Balance at 30 June 2022	33 903 422	647 824 447	277 243 456	2 706 950 716	2 296 622 608	-	5 962 544 652
<b>2021</b>							
Balance at 1 January 2021	33 903 423	647 824 449	184 234 221	2 706 950 716	1 099 792 973	-	4 672 705 781
Total comprehensive income for the period	-	-	-	-	599 204 319	-	599 204 319
Balance at 30 June 2021	33 903 423	647 824 449	184 234 221	2 706 950 716	1 698 997 293	-	5 271 910 101

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued) For the half year ended 30 June 2022

	Unreviewed Historical cost						
	Share capital ZWS	Share premium ZWS	Revaluation reserve ZWS	Investment reserve ZWS	Retained earnings ZWS	FCTR equity ZWS	Total ZWS
<b>2022</b>							
Balance at 1 January 2022	231 908	4 431 623	95 392 205	827 451 668	1 134 962 930	28 051 287	2 090 521 621
Total comprehensive income for the period	-	-	-	-	3 570 532 998	-	3 570 532 998
Revaluation of Property	-	-	41 911 494	-	-	-	41 911 494
Dividend paid	-	-	-	-	(8 500 000)	-	(8 500 000)
Balance at 30 June 2022	231 908	4 431 623	137 303 699	827 451 668	4 696 995 928	28 051 287	5 694 466 110
<b>2021</b>							
Balance at 1 January 2021	231 908	4 431 623	38 701 969	827 451 668	371 827 027	28 051 287	1 270 695 482
Total comprehensive income for the period	-	-	-	-	199 873 539	-	199 873 539
Balance at 30 June 2021	231 908	4 431 623	38 701 969	827 451 668	571 700 566	28 051 287	1 470 569 021

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2022

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>Cash generated from operations</b>	<b>234 345 660</b>	<b>27 520 655</b>	<b>140 471 686</b>	<b>6 787 387</b>
Cash generated / (used) to increase working capital	93 007 972	(8 822 824)	240 884 991	8 185 844
<b>Cash generated from operating activities</b>	<b>327 353 632</b>	<b>18 697 831</b>	<b>381 356 677</b>	<b>14 973 231</b>
Interest received	9 678 519	7 438 403	6 229 552	2 342 001
Dividends received from other equity investments	33 861 678	6 742 627	25 697 987	2 182 923
Dividend paid	(11 109 361)	-	(8 500 000)	-
Taxation paid	(116 962 227)	(36 313 304)	(53 353 383)	(5 299 420)
Operating lease liability interest paid	(24 645 204)	-	-	(1 776 271)
<b>Cash generated from operating activities</b>	<b>218 177 037</b>	<b>(3 434 443)</b>	<b>351 430 833</b>	<b>12 422 464</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(9 096 145)	(1 150 836)	(7 337 501)	(327 052)
Net purchase of financial assets at amortised cost	(89 290 816)	-	(140 658 624)	-
Purchase of equity investments (Purchase) / maturity of funds on deposit	(94 494 144)	(35 202 669)	(59 146 946)	(8 957 449)
Proceeds on disposal of listed equity investments	417 038	(52 546 075)	(79 191 161)	(19 251 371)
<b>Cash used in investing activities</b>	<b>(115 160 106)</b>	<b>116 215 182</b>	<b>70 963 700</b>	<b>23 884 608</b>
<b>Cash flows from financing activities</b>				
Operating Lease payment	(33 646 145)	(11 173 450)	(22 099 972)	(2 543 728)
<b>Cash used in financing activities</b>	<b>(33 646 145)</b>	<b>(11 173 450)</b>	<b>(22 099 972)</b>	<b>(2 543 728)</b>
Increase in cash and cash equivalents	107 226 931	12 707 709	113 960 329	5 227 472
Cash and cash equivalents at the beginning of the period	12 395 645	14 780 438	5 662 247	4 200 400
<b>Cash and cash equivalents at the end of the period</b>	<b>119 622 576</b>	<b>27 488 147</b>	<b>119 622 576</b>	<b>9 427 872</b>

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS For the half year ended 30 June 2022

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>1. FUNDS ON DEPOSIT</b>				
Fixed deposits	146 135 260	146 552 298	146 135 260	66 944 099
Current	146 135 260	146 552 298	146 135 260	66 944 099
<b>Total</b>	<b>146 135 260</b>	<b>146 552 298</b>	<b>146 135 260</b>	<b>66 944 099</b>
These are money market placements with terms of not more than a year.				
<b>2. INVENTORIES TRADE AND OTHER RECEIVABLES</b>				
Printing and stationery stock	1 120 052	831 462	856 970	379 806
Prepayments	1 036 244	6 201 033	1 036 244	2 832 590
Related party balances	3 022 633	7 668 069	3 022 633	3 502 722
Reinsurance claim receivable	10 000	21 892	10 000	10 000
Rent debtors	2 537 686	3 116 502	2 537 686	1 423 597
Sundry debtors	9 185 281	17 814 707	9 185 281	8 115 886
Advances for sales agents	10 154 552	23 025 384	10 154 552	10 517 840
Allowance for credit losses	(125 339)	(2 320 021)	(125 339)	(1 059 770)
<b>Closing balance</b>	<b>26 941 109</b>	<b>56 359 028</b>	<b>26 678 027</b>	<b>25 722 671</b>
Current	26 941 109	56 359 028	26 678 027	25 722 671
<b>Total</b>	<b>26 941 109</b>	<b>56 359 028</b>	<b>26 678 027</b>	<b>25 722 671</b>
<b>3. INVESTMENT SECURITIES</b>				
Designated as fair value through profit and loss:-				
Equity securities - Listed	727 589 525	849 621 990	727 589 525	388 101 458
Equity securities - Unlisted	2 121 977 929	1 664 191 822	2 121 977 929	760 191 578
<b>Closing balance</b>	<b>2 849 567 454</b>	<b>2 513 813 812</b>	<b>2 849 567 454</b>	<b>1 148 293 036</b>
Current	727 589 525	154 082 271	173 084 178	388 101 458
Non current	2 121 977 929	2 359 731 541	2 676 483 276	760 191 578
<b>Total</b>	<b>2 849 567 454</b>	<b>2 513 813 812</b>	<	



# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**
**3.1 Reconciliation of carrying amount**

	Inflation adjusted			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
<b>Reviewed June 2022</b>				
Opening Balance	849 621 990	1 664 191 821	-	2 513 813 811
Additions	94 494 144	-	-	94 494 144
Disposals	(133 771 767)	-	-	(133 771 767)
Fair value gains	(82 754 842)	457 786 108	-	375 031 266
Closing balance	727 589 525	2 121 977 929	-	2 849 567 454
<b>Audited December 2021</b>				
Opening Balance	487 279 816	1 048 341 843	55 624 502	1 591 246 161
Additions	35 177 259	-	-	35 177 259
Disposals	(223 796 915)	-	(38 109 807)	(261 906 721)
Fair value gains	550 961 830	615 849 979	(17 514 695)	1 149 297 113
Closing balance	849 621 990	1 664 191 822	-	2 513 813 812

	Historical cost			
	Equities listed ZW\$	Equities unlisted ZW\$	Gold fund ZW\$	Total ZW\$
<b>Unreviewed June 2022</b>				
Opening Balance	388 101 458	760 191 578	-	1 148 293 036
Additions	59 146 824	-	-	59 146 824
Disposals	(82 608 887)	-	-	(82 608 887)
Fair value gains	362 950 130	1 361 786 351	-	1 724 736 481
Closing balance	727 589 525	2 121 977 929	-	2 849 567 454
<b>Unaudited December 2021</b>				
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

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>4. INVESTMENT PROPERTIES</b>				
Reconciliation of carrying amount				
Opening balance as at 1 January	992 377 862	732 790 921	453 311 500	208 249 228
Fair value adjustment	357 621 138	259 586 941	896 687 500	245 062 272
Closing balance as at 31 December	1 349 999 000	992 377 862	1 349 999 000	453 311 500
<b>Non current</b>	1 349 999 000	992 377 862	1 349 999 000	453 311 500
<b>Total</b>	1 349 999 000	992 377 862	1 349 999 000	453 311 500
<b>5. RIGHT OF USE ASSET</b>				
<b>Cost</b>				
Balance at 1 January	197 189 638	104 688 909	49 263 918	7 010 210
Remeasurement of lease asset	31 145 477	92 500 729	31 145 477	42 253 708
Balance at 31 December	228 335 115	197 189 638	80 409 395	49 263 918
<b>Amortisation and impairment losses</b>				
Balance as at 1 January	117 098 992	78 769 710	17 650 095	1 910 544
Amortisation	11 115 932	38 329 282	11 115 932	15 739 551
Balance as at 31 December	128 214 924	117 098 992	28 766 027	17 650 095
<b>Net book value as at 31 December</b>	100 120 191	80 090 646	51 643 368	31 613 823
<b>Current</b>				
Non current	100 120 191	80 090 646	51 643 368	31 613 823
<b>Total</b>	100 120 191	80 090 646	51 643 368	31 613 823

**6. EQUITY ACCOUNTED INVESTMENTS**

	Inflation adjusted		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
<b>Reviewed June 2022</b>			
Balance at 1 January 2022	8 727 001 999	54 321 799	8 781 323 798
Share of profit/(loss) for the period	428 094 847	(1 456 578)	426 638 269
Share of other comprehensive income	-	13 185 917	13 185 917
Balance at 30 June 2022	9 155 096 846	66 051 138	9 221 147 984
<b>Non current</b>	9 155 096 846	66 051 138	9 221 147 984
<b>Total</b>	9 155 096 846	66 051 138	9 221 147 984
<b>Audited December 2021</b>			
Balance at 1 January 2021	8 698 285 619	38 012 509	8 736 298 128
Share of profit/(loss) for the period	44 780 703	(6 448 439)	38 332 264
Share of other comprehensive income	-	22 757 729	22 757 729
Dividend received	(16 064 323)	-	(16 064 323)
Balance at 31 December 2021	8 727 001 999	54 321 799	8 781 323 798
<b>Non current</b>	8 727 001 999	54 321 799	8 781 323 798
<b>Total</b>	8 727 001 999	54 321 799	8 781 323 798

	Historical cost		
	Associate ZW\$	Subsidiary ZW\$	Total ZW\$
<b>Reviewed June 2022</b>			
Balance at 1 January 2022	3 983 413 613	24 507 035	4 007 920 648
Share of profit/(loss) for the period	5 133 739 139	(882 892)	5 132 856 247
Share of other comprehensive income	-	41 911 494	41 911 494
Balance at 30 June 2022	9 117 152 752	65 535 636	9 182 688 388
<b>Non current</b>	9 117 152 752	65 535 636	9 182 688 388
<b>Total</b>	9 117 152 752	65 535 636	9 182 688 388
<b>Unaudited December 2021</b>			
Balance at 1 January 2021	2 440 255 454	10 493 167	2 450 748 622
Share of profit/(loss) for the period	1 549 264 092	(1 831 148)	1 547 432 944
Share of other comprehensive income	-	15 845 015	15 845 015
Dividends received	(6 105 933)	-	(6 105 933)
Balance at 31 December 2021	3 983 413 613	24 507 034	4 007 920 648
<b>Non current</b>	3 983 413 613	24 507 034	4 007 920 648
<b>Total</b>	3 983 413 613	24 507 034	4 007 920 648

**NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)**

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>7. INTANGIBLE ASSETS</b>				
<b>Cost</b>				
Balance at 1 January	123 472 996	116 713 855	4 072 031	1 311 569
Additions	-	6 759 141	-	2 760 462
Balance at 30 June	123 472 996	123 472 996	4 072 031	4 072 031
<b>Amortisation and impairment losses</b>				
Balance as at 1 January	55 839 213	32 383 789	890 434	315 274
Amortisation	12 347 300	23 455 424	678 672	575 160
Balance as at 30 June	68 186 513	55 839 213	1 569 106	890 434
<b>Net book value as at 30 June</b>	55 286 483	67 633 783	2 502 925	3 181 597
<b>Non current</b>	55 286 483	67 633 783	2 502 925	3 181 597
<b>Total</b>	55 286 483	67 633 783	2 502 925	3 181 597

**8. EQUIPMENT**

	Inflation adjusted			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
<b>Reviewed June 2022</b>				
<b>Cost or valuation</b>				
At 1 January 2022	18 082 186	90 290 861	35 705 421	144 078 468
Additions	-	2 190 572	6 905 572	9 096 144
At 30 June 2022	18 082 186	92 481 433	42 610 993	153 174 612
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2022	-	-	-	-
Charge for the period	4 547 065	5 582 251	6 827 351	16 956 667
Balance at 30 June 2022	4 547 065	5 582 251	6 827 351	16 956 667
<b>Carrying amount balance at 30 June 2022</b>	13 535 121	86 899 182	35 783 642	136 217 945
<b>Balance at 31 December 2021</b>	18 082 186	90 290 861	35 705 421	144 078 467
<b>Audited December 2021</b>				
<b>Cost or valuation</b>				
At 1 January 2021	16 487 035	59 384 300	20 442 728	96 314 063
Additions	-	-	8 567 239	8 567 239
Disposals	-	(38 138)	(1 341 283)	(1 379 421)
Revaluation	1 595 151	30 944 696	8 036 739	40 576 586
At 31 December 2021	18 082 186	90 290 858	35 705 423	144 078 467
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2021	3 709 582	5 366 938	7 518 366	16 594 886
Disposal	-	(3 146)	(101 557)	(104 703)
Revaluation	(3 709 582)	(5 363 792)	(7 416 809)	(16 490 183)
Balance at 31 December 2021	18 082 186	90 290 858	35 705 423	144 078 467
<b>Carrying amount balance at 31 December 2021</b>	16 487 035	59 384 300	20 442 728	96 314 063

	Historical cost			
	Motor vehicles ZW\$	Equipment furniture & fittings ZW\$	Computers ZW\$	Total ZW\$
<b>Unreviewed June 2022</b>				
<b>Cost or valuation</b>				
At 1 January 2022	8 259 820	41 244 255	16 309 995	65 814 070
Additions	-	1 385 465	5 952 036	7 337 501
At 30 June 2022	8 259 820	42 629 720	22 262 031	73 151 571
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2022	825 972	2 545 430	4 706 811	8 078 213
Charge for the period	825 972	2 545 430	4 706 811	8 078 213
Balance at 30 June 2022	1 651 944	5 090 860	9 413 622	16 155 426
<b>Carrying amount balance at 30 June 2022</b>	6 607 876	37 538 860	12 848 409	57 005 145
<b>Balance at 31 December 2021</b>	8 259 820	41 244 255	16 309 995	65 814 070
<b>Unaudited December 2021</b>				
<b>Cost or valuation</b>				
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)
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
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2021	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	-	-	-	-
<b>Balance at 31 December 2021</b>	8 259 820	41 244 256	16 309 994	65 814 070
<b>Balance at 31 December 2020</b>	4 685 391	16 876 213	5 809 545	27 371 149

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>9. LIFE ASSURANCE FUNDS</b>				
At 1 January	6 922 860 045	5 889 641 585	3 162 315 677	1 673 756 150
Changes to policyholder liabilities	62 618 455	1 033 218 459	3 823 162 823	1 488 559 527
Closing balance	6 985 478 500	6 922 860 044	6 985 478 500	3 162 315 677
<b>Current</b>	15 225 000	9 640 017	15 255 000	2 149 000
<b>Non current</b>	6 970 253 500	6 913 220 027	6 970 223 500	3 160 166 677
<b>Total</b>	6 985 478 500	6 922 860 044	6 985 478 500	3 162 315 677



NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>10. OPERATING LEASE LIABILITY</b>				
Balance as at 1 January	68 620 571	19 249 961	31 345 413	5 470 576
Remeasurement	31 145 477	84 197 100	31 145 477	55 938 710
Finance charge	24 645 204	11 923 913	15 188 949	4 351 818
Exchange gain/(loss)	(35 653 778)	-	(468 538)	(17 582 423)
Lease payments	(33 646 145)	(46 750 403)	(22 099 972)	(16 833 268)
<b>Balance at 30 June</b>	<b>55 111 329</b>	<b>68 620 571</b>	<b>55 111 329</b>	<b>31 345 413</b>
Non current	55 111 329	68 620 571	55 111 329	31 345 413
<b>Total</b>	<b>55 111 329</b>	<b>68 620 571</b>	<b>55 111 329</b>	<b>31 345 413</b>
<b>11. TRADE AND OTHER PAYABLES</b>				
Policyholders claims intimated but not paid	8 567 341	31 778 896	8 567 341	14 516 385
Other liabilities	26 644 033	40 044 934	26 644 033	18 292 255
Related parties	178 167 860	108 892 281	178 167 860	49 741 258
Unearned Premium	158 043 985	170 829 408	158 043 985	78 033 719
<b>Balance at 30 June</b>	<b>371 423 219</b>	<b>351 545 519</b>	<b>371 423 219</b>	<b>160 583 617</b>
Current	371 423 219	351 545 519	371 423 219	160 583 617
<b>Total</b>	<b>371 423 219</b>	<b>351 545 519</b>	<b>371 423 219</b>	<b>160 583 617</b>
<b>12. GROSS PREMIUM INCOME</b>				
Individual life	663 423 879	48 477 817	446 602 344	15 662 619
Group business	182 584 695	521 956 140	122 911 996	168 637 948
	846 008 574	570 433 957	569 514 340	184 300 567
<b>13. PREMIUMS CEDED TO REINSURERS</b>				
Individual life	(768 992)	(547 616)	(455 327)	(177 256)
Group business	(26 107 965)	(67 314 524)	(15 458 772)	(21 788 859)
	(26 876 957)	(67 862 140)	(15 914 099)	(21 966 115)
<b>14. INVESTMENT INCOME</b>				
Interest income on held to maturity financial instruments	9 678 519	7 438 403	6 229 552	2 342 001
Rentals from investment properties	17 221 098	17 601 270	11 361 194	5 629 631
Dividends from financial assets designated at fair value through profit or loss	33 861 678	6 742 627	25 697 987	2 182 923
	60 761 295	31 782 300	43 288 733	10 154 555
<b>15. OTHER INCOME</b>				
Sundry income	1 335 048	317 165	644 178	101 778
Reinsurance commission	4 671 949	12 752 428	2 660 014	4 135 383
Asset Management income	3 755 258	2 795 652	2 421 002	907 586
Foreign exchange gain	180 113 927	-	180 113 927	-
	189 876 182	15 865 239	185 839 121	5 144 747

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2021 ZW\$
<b>16. POLICYHOLDERS' BENEFITS</b>				
Claims during the year were as follows:-				
Death and disability benefits	96 722 564	85 553 143	62 175 993	27 166 170
Maturities	14 132 357	2 600 350	10 100 227	854 491
Annuities	19 281 863	7 214 014	14 792 250	2 330 148
Surrenders and pensions withdrawals	50 403 741	44 908 178	34 557 217	14 778 393
	180 540 525	140 275 685	121 625 687	45 129 202
<b>17. OPERATING EXPENSES</b>				
Staff expenses	337 932 506	117 300 323	239 775 253	52 383 912
Administration expenses	126 996 996	150 244 084	75 706 383	41 396 624
Depreciation of equipment	16 956 667	5 490 177	8 078 213	1 755 071
Depreciation of software	12 347 300	423 350	678 672	131 157
Depreciation of right of use asset	31 642 456	3 554 489	11 115 932	1 136 271
Foreign exchange loss	-	6 269 097	-	2 121 850
Directors Fees	17 117 769	9 938 170	11 558 391	3 154 400
Audit Fees	62 497 505	19 211 047	36 870 156	6 141 287
<b>Total</b>	<b>605 491 199</b>	<b>312 430 737</b>	<b>383 783 000</b>	<b>108 220 572</b>
<b>18. INCOME TAX CHARGE</b>				
Current taxation	31 975 691	83 667 949	31 975 691	28 696 394
Deferred taxation	9 563 116	16 452 921	454 769 403	14 825 305
<b>Total</b>	<b>41 538 807</b>	<b>100 120 870</b>	<b>486 745 094</b>	<b>43 521 699</b>
<b>19. RISK MANAGEMENT</b>				
Liquidity risk gap analysis				
Reviewed as at 30 June 2022				
	Up to 1 Month ZW\$	2 to 12 Months ZW\$	Above 12 Months ZW\$	Total ZW\$
<b>Assets</b>				
Bank and cash	119 622 576	-	-	119 622 576
Funds on deposit	145 668 369	171 354	295 537	146 135 260
At Amortised cost	-	183 854 823	-	183 854 823
Investments-At Fair Value	-	2 586 807 962	262 759 492	2 849 567 454
Trade and other receivables	-	26 668 027	-	26 668 027
Reinsurance receivable	10 000	-	-	10 000
<b>Total</b>	<b>265 300 945</b>	<b>2 797 502 166</b>	<b>263 055 029</b>	<b>3 325 858 140</b>
<b>Liabilities</b>				
Trade and other payables	-	371 423 219	-	371 423 219
Reinsurance payable	1 225 582	-	-	1 225 582
<b>Total</b>	<b>1 225 582</b>	<b>371 423 219</b>	<b>-</b>	<b>372 648 801</b>
<b>Period Gap</b>	<b>264 075 363</b>	<b>2 426 078 947</b>	<b>263 055 029</b>	<b>2 953 209 339</b>
<b>Cumulative Gap</b>	<b>264 075 363</b>	<b>2 690 154 310</b>	<b>2 953 209 339</b>	<b>-</b>
<b>20. BASIS OF PREPARATION</b>				
The accounting policies, methods of computation, significant assumptions and estimates adopted for the preparation of ZB Life Assurance Limited financial results as at the reporting date, are consistent with those applied by ZB Financial Holdings Limited as disclosed in note 1 of the ZB Financial Holdings Limited financial results.				

# Let us help you get back on your feet



ZB understands that health is wealth

- ✓ With the ZB Hospital Cash Plan you don't need to worry about financial costs while you or your loved ones are hospitalised.



## REVIEWED FINANCIAL RESULTS for the half year ended 30 June 2022

### AUDITOR'S STATEMENT

These condensed inflation adjusted interim financial results of ZB Reinsurance Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe) and an unmodified conclusion has been expressed.

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equipment	63 590 406	54 210 268	36 870 746	24 762 885
Right of use assets	109 356 258	77 482 996	109 356 258	35 393 709
Investment properties	1 559 136 000	1 141 328 183	1 559 136 000	521 351 000
Investments	1 139 592 464	1 028 127 297	1 139 592 464	469 641 600
<b>Total non-current assets</b>	<b>2 871 675 128</b>	<b>2 301 148 744</b>	<b>2 844 955 468</b>	<b>1 051 149 194</b>
<b>Current assets</b>				
Other assets	6 343 592	39 656 505	6 343 592	18 114 824
Balances receivable from insurance companies	1 087 090 071	456 312 459	1 087 090 071	208 440 447
Cash and cash equivalent	1 695 141 434	1 275 858 191	1 695 141 434	582 803 398
<b>Total current assets</b>	<b>2 788 575 097</b>	<b>1 771 827 155</b>	<b>2 788 575 097</b>	<b>809 358 669</b>
<b>Total assets</b>	<b>5 660 250 225</b>	<b>4 072 975 899</b>	<b>5 633 530 565</b>	<b>1 860 507 863</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	720 642	720 642	5 000	5 000
Share premium	359 600 168	359 600 168	2 495 000	2 495 000
Non-distributable reserves	26 730 250	26 730 250	29 761 519	29 761 519
Retained earnings	3 399 801 450	2 409 104 265	3 686 835 745	1 245 003 334
<b>Total shareholders' equity</b>	<b>3 786 852 510</b>	<b>2 796 155 325</b>	<b>3 719 097 264</b>	<b>1 277 264 853</b>
<b>Non-current liabilities</b>				
Deferred tax liability	553 908 699	206 488 573	594 944 285	94 322 584
<b>Current liabilities</b>				
Unearned premium reserve	343 308 271	222 589 204	343 308 271	101 677 244
Incurring but not reported claims reserve (IBNR)	156 476 492	247 469 331	156 476 492	113 042 318
Outstanding claims	220 571 154	140 651 757	220 571 154	64 248 772
Balances payable to insurance companies	33 663 126	63 900 511	33 663 126	29 189 322
Taxation	199 152 793	26 841 573	199 152 793	12 261 049
Other payables	252 048 447	290 030 300	252 048 447	132 483 882
Lease Liabilities	114 268 733	78 849 325	114 268 733	36 017 839
<b>Total current liabilities</b>	<b>1 319 489 016</b>	<b>1 070 332 001</b>	<b>1 319 489 016</b>	<b>488 920 426</b>
<b>Total equity and liabilities</b>	<b>5 660 250 225</b>	<b>4 072 975 899</b>	<b>5 633 530 565</b>	<b>1 860 507 863</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the half year ended 30 June 2022

Notes	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
Gross premium	2 819 799 626	2 038 067 958	2 049 127 052	656 890 965
Retrocession premium	(732 969 228)	(564 137 998)	(543 790 427)	(183 457 803)
<b>Net premium income</b>	<b>2 086 830 398</b>	<b>1 473 929 960</b>	<b>1 505 336 625</b>	<b>473 433 162</b>
Unearned premium	(334 119 140)	(291 304 720)	(334 098 914)	(92 762 058)
<b>Net earned premium</b>	<b>1 752 711 258</b>	<b>1 182 625 240</b>	<b>1 171 237 711</b>	<b>380 671 104</b>
Net claims	(751 298 584)	(414 535 814)	(546 664 009)	(135 724 020)
Net commission	(624 330 001)	(432 296 484)	(448 325 257)	(138 761 192)
Operating expenses	(473 167 892)	(271 254 148)	(285 819 467)	(88 188 100)
<b>Underwriting result</b>	<b>(96 085 219)</b>	<b>64 538 794</b>	<b>(109 571 022)</b>	<b>17 997 792</b>
Investment income	2 447 363 021	87 984 529	1 886 605 815	28 092 932
Fair value adjustment	393 486 625	155 578 016	1 376 926 118	71 844 706
<b>Net operating profit</b>	<b>2 744 764 427</b>	<b>308 101 339</b>	<b>3 153 960 911</b>	<b>117 935 430</b>
Effects of inflation adjustment	(1 195 140 318)	(183 467 551)	-	-
<b>Profit before tax</b>	<b>1 549 624 109</b>	<b>124 633 788</b>	<b>3 153 960 911</b>	<b>117 935 430</b>
Income tax expense	(558 926 924)	152 923 812	(712 128 500)	(24 511 345)
<b>Profit for the year</b>	<b>990 697 185</b>	<b>277 557 600</b>	<b>2 441 832 411</b>	<b>93 424 085</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2022

	Reviewed inflation adjusted				
	Share capital ZWS	Share premium ZWS	Property revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
<b>2022</b>					
Balance at 1 January 2022	720 642	359 600 168	26 730 250	2 409 104 265	2 796 155 325
Profit for the period	-	-	-	990 697 185	990 697 185
<b>Balance at 30 June 2022</b>	<b>720 642</b>	<b>359 600 168</b>	<b>26 730 250</b>	<b>3 399 801 450</b>	<b>3 786 852 510</b>
<b>2021</b>					
Balance at 1 January 2021	720 642	359 600 168	11 310 804	1 490 835 412	1 862 467 026
Profit for the period	-	-	-	277 557 600	277 557 600
<b>Balance at 30 June 2021</b>	<b>720 642</b>	<b>359 600 168</b>	<b>11 310 804</b>	<b>1 768 393 012</b>	<b>2 140 024 626</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CHANGES IN EQUITY (continued) For the half year ended 30 June 2022

	Unreviewed historical cost					
	Share capital ZWS	Share premium ZWS	Foreign currency translation reserve ZWS	Property revaluation reserve ZWS	Retained earnings ZWS	Total equity ZWS
<b>2022</b>						
Balance at 1 January 2022	5 000	2 495 000	9 649 178	20 112 341	1 245 003 334	1 277 264 853
Profit for the period	-	-	-	-	2 441 832 411	2 441 832 411
<b>Balance at 30 June 2022</b>	<b>5 000</b>	<b>2 495 000</b>	<b>9 649 178</b>	<b>20 112 341</b>	<b>3 686 835 745</b>	<b>3 719 097 264</b>
<b>2021</b>						
Balance at 1 January 2021	5 000	2 495 000	9 649 178	8 959 434	508 179 221	529 287 833
Profit for the period	-	-	-	-	93 424 085	93 424 085
<b>Balance at 30 June 2021</b>	<b>5 000</b>	<b>2 495 000</b>	<b>9 649 178</b>	<b>8 959 434</b>	<b>601 603 306</b>	<b>622 711 918</b>

### CONDENSED INFLATION ADJUSTED INTERIM STATEMENT OF CASH FLOWS For the half year ended 30 June 2022

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Reviewed 30 Jun 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unreviewed 30 Jun 2021 ZWS
<b>Cash generated from operating activities</b>				
Income taxes paid	(39 195 578)	(15 856 246)	(24 615 054)	(7 101 391)
Interest received	8 139 011	3 614 500	5 066 153	1 529 691
<b>Net cash generated from operating activities</b>	<b>599 897 272</b>	<b>12 750 252</b>	<b>1 450 278 111</b>	<b>98 532 340</b>
<b>Cash flows from investing activities</b>				
Additions to equipment	(23 549 964)	(2 044 144)	(20 651 006)	(838 100)
Purchase of prescribed assets	(463 705 750)	(115 383 138)	(463 705 750)	(52 706 238)
Maturity of prescribed assets	336 095 385	102 481 991	161 728 927	40 893 300
Proceeds on disposal of listed securities	2 899 507	-	1 833 843	-
Dividend Received	16 134 637	2 761 354	14 015 495	1 186 565
<b>Net cash generated from investing activities</b>	<b>(132 126 185)</b>	<b>(12 183 937)</b>	<b>(306 778 491)</b>	<b>(11 464 473)</b>
<b>Cash flows from financing activities</b>				
Lease liability paid	(11 822 500)	(4 328 230)	(7 765 434)	(1 638 193)
Interest Expense	(5 608 778)	(3 332 383)	(3 847 249)	(1 418 183)
<b>Net cash utilised in financing activities</b>	<b>(17 431 278)</b>	<b>(7 660 613)</b>	<b>(11 612 683)</b>	<b>(3 056 376)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>419 283 242</b>	<b>(19 336 044)</b>	<b>1 112 338 036</b>	<b>78 439 791</b>
Cash and cash equivalents at the beginning of the period	1 275 858 192	1 114 548 087	582 803 398	421 845 668
<b>Cash and cash equivalents at the end of the period</b>	<b>1 695 141 434</b>	<b>1 095 212 043</b>	<b>1 695 141 434</b>	<b>500 285 459</b>

### NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS For the half year ended 30 June 2022

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZWS	Audited 31 Dec 2021 ZWS	Unreviewed 30 Jun 2022 ZWS	Unaudited 31 Dec 2021 ZWS
<b>1. INVESTMENT PROPERTY</b>				
Opening balance	1 141 328 183	661 051 998	521 351 000	187 862 000
Fair value adjustment	417 807 817	362 840 239	1 037 785 000	292 179 229
Additions	-	117 435 946	-	41 309 771
<b>Closing balance</b>	<b>1 559 136 000</b>	<b>1 141 328 183</b>	<b>1 559 136 000</b>	<b>521 351 000</b>

	Inflation adjusted			
	Quoted Shares ZWS	Bonds & Bills ZWS	Unquoted Investment ZWS	Total ZWS
<b>Reviewed June 2022</b>				
Opening balance	663 121 872	359 022 388	5 983 037	1 028 127 297
Fair value adjustments	7 761 758	-	(3 250 027)	4 511 731
Impairment Loss	-	(20 656 929)	-	(20 656 929)
Additions	-	463 705 750	-	463 705 750
Maturities	-	(336 095 385)	-	(336 095 385)
<b>Closing balance</b>	<b>670 883 630</b>	<b>465 975 824</b>	<b>2 733 010</b>	<b>1 139 592 464</b>
<b>Audited December 2021</b>				
Opening balance	312 573 846	147 414 856	1 827 446	461 816 148
Fair value adjustments	341 922 713	-	4 155 591	346 078 305
Impairment Loss	-	(12 684 726)	-	(12 684 726)
Additions	8 625 313	360 781 689	-	369 407 001
Maturities	-	(136 489 431)	-	(136 489 431)
<b>Closing balance</b>	<b>663 121 872</b>	<b>359 022 388</b>	<b>5 983 037</b>	<b>1 028 127 297</b>

	Historical cost			
	Quoted Shares ZWS	Bonds & Bills ZWS	Unquoted Investment ZWS	Total ZWS
<b>Unreviewed June 2022</b>				
Opening balance	302 909 589	163 999 000	2 733 011	469 641 600
Fair value adjustments	367 974 041	-	-	367 974 041
Additions	-	463 705 750	-	463 705 750
Maturities	-	(161 728 927)	-	(161 728 927)
<b>Closing balance</b>	<b>670 883 630</b>	<b>465 975 823</b>	<b>2 733 011</b>	<b>1 139 592 464</b>
<b>Unaudited December 2021</b>				
Opening balance	88 829 242	41 919 860	519 335	131 268 437
Fair value adjustments	210 356 410	-	2 213 676	212 570 086
Additions	3 723 937	162 999 000	-	166 722 937
Maturities	-	(40 919 860)	-	(40 919 860)
<b>Closing balance</b>	<b>302 909 589</b>	<b>163 999 000</b>	<b>2 733 011</b>	<b>469 641 600</b>





# Reviewed Condensed Consolidated Inflation Adjusted Interim Financial Results for the half year ended 30 June 2022

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Audited 31 Dec 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unaudited 31 Dec 2021 ZW\$
<b>3. BALANCES RECEIVABLE FROM INSURANCE COMPANIES</b>				
Balances receivable	1 146 766 717	484 474 204	1 146 766 717	221 304 542
Impairment allowance	(59 676 646)	(28 161 745)	(59 676 646)	(12 864 095)
	<b>1 087 090 071</b>	<b>456 312 459</b>	<b>1 087 090 071</b>	<b>208 440 447</b>
<b>4. CASH AND CASH EQUIVALENTS</b>				
Local banks	154 549 053	410 888 716	154 549 053	187 691 188
Foreign banks	1 540 592 381	864 969 475	1 540 592 381	395 112 210
	<b>1 695 141 434</b>	<b>1 275 858 191</b>	<b>1 695 141 434</b>	<b>582 803 398</b>
<b>5. UNEARNED PREMIUM RESERVE (UPR)</b>				
Opening balance	222 589 204	391 735 964	101 677 244	111 326 041
Charge/(credit) to profit or loss	334 119 140	53 353 213	334 098 914	(9 648 797)
Effects of Exchange rate	(92 467 887)	-	(92 467 887)	-
Effects of inflation adjustment	(120 932 186)	(222 499 973)	-	-
Closing balance	<b>343 308 271</b>	<b>222 589 204</b>	<b>343 308 271</b>	<b>101 677 244</b>
<b>6. INCURRED BUT NOT REPORTED CLAIMS RESERVE (IBNR)</b>				
Opening balance	247 469 331	317 269 335	113 042 318	90 163 636
Charge/(credit) to profit or loss	(117 026 754)	59 205 613	(26 919 021)	22 878 682
Effects of Exchange rate	70 353 195	-	70 353 195	-
Effects of inflation adjustment	(44 319 280)	(129 005 617)	-	-
Closing balance	<b>156 476 492</b>	<b>247 469 331</b>	<b>156 476 492</b>	<b>113 042 318</b>
<b>7. OUTSTANDING CLAIMS RESERVE</b>				
Opening balance	140 651 757	100 538 119	64 248 772	28 571 568
Charge/(credit) to profit or loss	291 445	85 374 249	362 743	35 677 204
Effects of exchange rate	155 959 639	-	155 959 639	-
Effects of inflation adjustment	(76 331 687)	(45 260 611)	-	-
Closing balance	<b>220 571 154</b>	<b>140 651 757</b>	<b>220 571 154</b>	<b>64 248 772</b>

NOTES TO THE CONDENSED INFLATION ADJUSTED INTERIM FINANCIAL RESULTS (Continued)

	Inflation adjusted		Historical cost	
	Reviewed 30 Jun 2022 ZW\$	Reviewed 30 Jun 2021 ZW\$	Unreviewed 30 Jun 2022 ZW\$	Unreviewed 30 Jun 2021 ZW\$
<b>8. NET CLAIMS</b>				
Gross claims	1 082 128 240	540 365 002	714 600 968	176 569 003
Retrocession recoveries	(214 094 347)	(68 612 240)	(141 380 681)	(22 419 651)
IBNR movement	(117 026 754)	(62 609 205)	(26 919 021)	(18 641 450)
Outstanding claims movement	291 445	5 392 257	362 743	216 118
	<b>751 298 584</b>	<b>414 535 814</b>	<b>546 664 009</b>	<b>135 724 020</b>
<b>9. NET COMMISSIONS</b>				
Gross commissions	795 131 356	570 545 883	570 976 037	183 137 337
Retrocession commissions	(170 801 355)	(138 249 399)	(122 650 780)	(44 376 145)
	<b>624 330 001</b>	<b>432 296 484</b>	<b>448 325 257</b>	<b>138 761 192</b>
<b>10. OPERATING EXPENSES</b>				
Staff expenses	169 889 018	78 414 391	118 781 243	25 392 141
Impairment on balances receivable from insurance companies	46 812 551	22 203 931	46 812 551	7 615 494
Administration expenses	215 961 707	140 156 614	92 751 659	45 089 325
Depreciation of PPE	8 663 555	4 234 842	5 060 609	1 354 062
Directors' remuneration	18 349 470	14 862 246	13 476 572	4 910 670
Current year audit fees	13 491 591	11 382 124	8 936 833	3 826 408
	<b>473 167 892</b>	<b>271 254 148</b>	<b>285 819 467</b>	<b>88 188 100</b>
<b>11. INVESTMENT INCOME</b>				
Interest income	8 139 011	4 813 930	5 066 153	1 529 691
Dividend income	16 134 637	3 677 677	14 015 495	1 186 565
Exchange gain/loss	2 421 469 297	74 130 736	1 866 339 867	23 660 076
Rental Income	4 226 840	5 362 186	2 832 993	1 716 600
Loss on Disposal of Asset	(2 606 764)	-	(1 648 693)	-
	<b>2 447 363 021</b>	<b>87 984 529</b>	<b>1 886 605 815</b>	<b>28 092 932</b>
<b>12. FAIR VALUE ADJUSTMENT</b>				
Increase in fair value of equity investments	(24 321 192)	155 578 016	339 141 118	71 844 706
Increase in fair value of investment property	417 807 817	-	1 037 785 000	-
	<b>393 486 625</b>	<b>155 578 016</b>	<b>1 376 926 118</b>	<b>71 844 706</b>
<b>13. BASIS OF PREPARATION</b>				

The accounting policies, methods of computation, significant assumptions and estimates adopted for the preparation of ZB Reinsurance Limited financial results as at the reporting date, are consistent with those applied by ZB Financial Holdings Limited as disclosed in note 1 of the ZB Financial Holdings Limited financial results.

# Supporting tomorrow's possibilities

