



Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

Chairman's Statement

Introduction

I am pleased to present an update on the financial and strategic performance of CBZ Holdings Limited and its subsidiaries for the half year ended 30 June 2022.

Operating Environment

The half-year period saw the relaxation of the bulk of COVID-19 induced restrictions, allowing the corporate world to slowly transition to a post-crisis mode whilst the subsequent reopening of borders and airspaces, resulted in a noticeable recovery in the tourism, hospitality, and aviation sectors.

In Zimbabwe, provisional figures indicate that tourist arrivals more than doubled during the first five months of 2022, compared to the same period of 2021. Destinations such as Victoria Falls further benefitted through hosting business conferences and major sporting events, which also boosted activity across the value chains. Furthermore, activity in the mining sector remained fairly active, buoyed by ongoing investments in new operations in the lithium, iron & steel and gas subsectors, as well as resuscitation and expansion of existing mines. Additionally, government driven infrastructure projects, among them roads, dams and airports construction projects, continued in earnest, supported by the Government's public sector investments programs, although these continued to crowd-in the private sector thereby widening business opportunities for the financial services and relate sectors, the period was characterized with an increase in downside risks.

However, the period was also characterised with an increase in downside risks. These included external factors such as rising global inflation and interest rates and firming prices of key raw materials such as fuel, fertilisers and agricultural commodities, which translated into higher domestic production costs, and thus, rising inflationary pressures. Internal factors such as adverse expectations, currency depreciation and general uncertainties also inhibited economic activity during the period under review.

In spite of these adverse macroeconomic conditions, the Group continued to deliver on its value proposition and commitment to its various stakeholders.

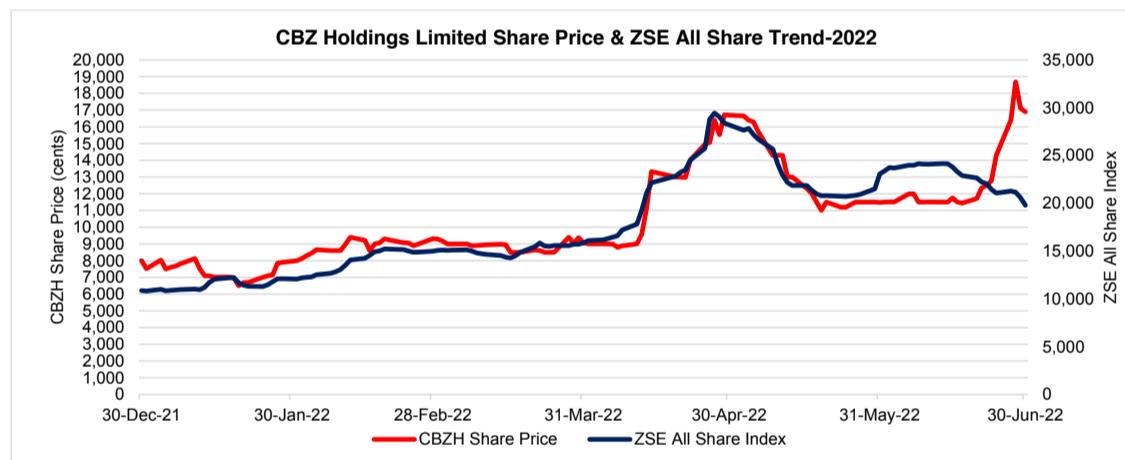
Environmental, Social & Governance

Sustainability has become an integral part of our operations as a Group. This is largely borne out of need to responsibly generate a good return for shareholders and all our stakeholders. CBZ Holdings is dedicated to promoting economic growth and human development that is both sustainable and inclusive, as well as ensuring that our business operations have beneficial effects on society, the environment, and the bottom line. For us, embracing Sustainability and ESG concepts as value drivers has shown us that we are socially responsible partners who consider not just our own interests but those of the society in which we operate. To achieve a net beneficial effect, we make intentional and deliberate trade-offs.

In order to have the greatest possible positive effect, we will keep working to improve our knowledge of our environmental and social implications. Currently, the Group is analyzing and reorganizing its governance structures and procedures in order to ensure that they are in line with worldwide best practices for ESG risk management. In order to better identify and manage our portfolio exposure to climate-risk, we are implementing systems throughout the Group and working towards standardizing our reporting.

Share Price Performance

Activity on the capital markets remained fairly strong, with the introduction of Exchange Traded Funds "ETFs" widening the investment options and opportunities on the Zimbabwe Stock Exchange. The CBZH share price rose by 110.4% from ZWL\$8,032 at the beginning of the year to close the first half of the year at ZWL\$16,900. Meanwhile, the ZSE benchmark index registered a 79.98% growth. CBZH ended the half year with a market capitalisation of ZWL\$88.3 billion. The graph below shows the movements in the CBZH share price and the benchmark industrial index from December 2021 to June 2022.



Overview of the Group's performance

The table below summarises the Group's financial performance for the half year ended 30 June 2022.

	REVIEWED		UNAUDITED		AUDITED	UNAUDITED
	INFLATION ADJUSTED		HISTORICAL	HISTORICAL	INFLATION ADJUSTED	HISTORICAL
	30 JUNE 2022 ZWL\$ 000	30 JUNE 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	30 JUNE 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Key Financial Highlights						
Profit after taxation	17 452.1	7 072.6	37 884.0	3 837.6	16 872.0	16 164.2
Total comprehensive income	23 286.2	5 944.1	52 725.9	4 131.6	20 706.7	20 101.6
Total assets	462 255.9	425 878.5	441 899.1	137 502.0	416 605.7	182 570.9
Total equity	102 646.1	63 521.9	83 436.2	13 676.6	78 359.9	29 710.3
Total deposits	288 680.3	291 808.7	288 680.3	100 084.4	287 600.9	131 374.1
Total advances	182 893.6	144 309.5	182 893.6	49 495.2	122 377.6	55 901.3
Other statistics						
Basic earnings per share (cents)	6 686.59	2 709.78	14 514.08	1 470.16	3 232.43	3 096.43
Non-interest income to total income (%)	77.6	80.0	85.3	81.3	54.3	55.7
Cost to income ratio (%)	27.5	46.1	20.9	42.0	40.2	34.8
Return on assets (%)	13.6	6.6	32.0	9.1	6.2	11.9
Return on equity (%)	35.2	22.5	100.3	62.0	24.0	79.3
Growth in deposits (YTD %)	0.4	27.2	119.7	53.5	25.4	101.5
Growth in advances (YTD %)	49.5	39.3	227.2	68.1	18.1	89.9
Growth in PAT (YOY %)	146.8	(35.5)	887.2	9.9	(5.5)	170.6

Outlook

Going forward, sectors such as mining and construction are expected to remain fairly strong and resilient, whilst recovery in the tourism and aviation sectors may be further catapulted by pent-up demand as tourists travel far and stay longer. The Group will continue to closely monitor these developments in order to better meet the expectations of its customers, employees, shareholders and all stakeholders.

The anticipated introduction of an investment instrument to assist holders to store value in gold coins, announced by the RBZ on June 24, 2022, is an opportunity we will actively participate in as a financial institution. The Central Bank also put in place additional measures to curb inflation and stabilize the economy. We remain optimistic that these steps will help keep the deteriorating economic situation in check and provide the much needed relief.

Appreciation

Our valued clients remain the core of our success and we highly appreciate their continued partnerships with us. I would like to thank fellow Directors of the Board, the Boards of Subsidiary Companies, Management and Staff for their strong commitment to the CBZ brand and their desire to participate in the growth of the country's economy.

Marc Holtzman
Group Chairman

31 August 2022

Statement of Directors' Responsibilities

The Directors are responsible for the oversight of Group's interim condensed consolidated financial statements preparation, to ensure that the statements comply with the Companies and Other Business Entities Act (Chapter 24:31) and International Financial Reporting Standards (IFRS). The Directors have general responsibility, through various Board Committees, Executive management, Compliance and Internal audit function for risk management and ensuring that internal controls are in place to identify and mitigate risks of the Group to prevent and detect fraud and other irregularities.

The Group interim condensed consolidated financial statements are, by Law and International Financial Reporting Standards (IFRS), required to present fairly, the financial position of the Group and its performance for that period. In preparation of the Group interim condensed consolidated financial statements, the Directors are required to:

- state whether they have been prepared in accordance with IAS 34
- prepared on the going concern basis, unless it is inappropriate to presume that the Group will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent;

Compliance with IFRS and local legislation

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24:31), Banking Act (Chapter 24:20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

The interim condensed consolidated financial statements have also been prepared to take account of the effects of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies. The historical cost amounts are shown herein as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 (Financial Reporting in Hyperinflationary Economies). The Group's External auditors have therefore not expressed a review opinion on this historic financial information.

Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these interim condensed consolidated financial statements on a going concern basis is appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Responsibility

The Directors are responsible for preparing the interim condensed consolidated financial statements. These interim condensed consolidated financial statements were prepared by CBZ Holdings Limited's Group Finance Department, under the direction and supervision of the Group Chief Finance Officer, Mr Tawanda L. Gumbo, PAAB Number 0223.

By order of the Board.

T. GUMBO
GROUP CFO

31 August 2022

DR. B. MUDAVANHU
GROUP CEO

31 August 2022

Auditor's Statement

The interim condensed consolidated inflation adjusted financial results of CBZ Holdings Limited, and its subsidiaries and the interim condensed inflation adjusted financial results for CBZ Bank Limited for the half year financial period ended 30 June 2022, have been reviewed by Messrs KPMG Chartered Accountants (Zimbabwe). An unmodified review conclusion has been expressed for both CBZ Holdings Limited and CBZ Bank Limited.

The auditor's review conclusion is available for inspection at the Company's registered office. The engagement partner responsible for this review is Themba Mudidi (PAAB Practicing Certificate Number 0437).

The interim condensed inflation adjusted financial results for CBZ Life Limited ("CBZ Life"), CBZ Insurance (Private) Limited ("CBZ Life") and CBZ Asset Management (Private) Limited t/a Datvest ("Datvest"), for the half year ended 30 June 2022 have not been audited or reviewed by Messrs KPMG Chartered Accountants (Zimbabwe).

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Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	REVIEWED		UNAUDITED	
NOTES	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000
Interest income	22 389 401	11 622 857	14 398 892	3 760 864
Interest expense	(1 883 524)	(5 668 184)	(1 107 124)	(1 807 263)
Net interest income	20 505 877	5 954 673	13 291 768	1 953 601
Non-interest income	73 090 093	26 243 607	78 895 621	9 276 171
Net underwriting income	612 777	612 675	261 946	183 359
Total income	94 208 747	32 810 955	92 449 335	11 413 131
Operating expenditure	(25 887 031)	(15 115 214)	(19 277 869)	(4 798 928)
Operating income	68 321 716	17 695 741	73 171 466	6 614 203
Transfer to reserves	(528 456)	(186 994)	(343 001)	(64 135)
Credit loss expense	(22 857 913)	(4 149 516)	(22 857 913)	(1 423 199)
Charge for impairment on insurance assets	(81 433)	(20 226)	(81 433)	(6 937)
Monetary loss	(14 923 209)	(897 517)	-	-
Profit before taxation	29 930 705	12 441 488	49 889 119	5 119 932
Taxation	(12 478 586)	(5 368 916)	(12 005 136)	(1 282 308)
Profit after tax for the period	17 452 119	7 072 572	37 883 983	3 837 624
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Gains/(Losses) on property revaluations	6 815 096	(1 292 269)	14 472 595	166 129
Gains/(Losses) on equity instruments at FVOCI	64 121	(76 007)	2 703 980	188 121
Deferred income tax relating to components of other comprehensive income	(1 103 973)	131 783	(2 393 512)	(49 245)
	5 775 244	(1 236 493)	14 783 063	305 005
Items that are or may be reclassified subsequently to profit or loss				
Exchange gains/(losses) on translation of foreign subsidiary	58 870	108 021	58 870	(11 014)
Other comprehensive income for the period net of tax	5 834 114	(1 128 472)	14 841 933	293 991
Total comprehensive income for the period	23 286 233	5 944 100	52 725 916	4 131 615
Profit for the period attributable to:				
Equity holders of parent	17 452 546	7 072 747	37 882 904	3 837 231
Non-controlling interests	(427)	(175)	1 079	393
	17 452 119	7 072 572	37 883 983	3 837 624
Total comprehensive income for the period attributable to:				
Equity holders of parent	23 282 881	5 944 566	52 717 057	4 131 146
Non-controlling interests	3 352	(466)	8 859	469
Total comprehensive income for the period	23 286 233	5 944 100	52 725 916	4 131 615
Earnings per share (cents)				
Basic	6 686.59	2 709.78	14 514.08	1 470.16
Fully Diluted	6 686.59	2 709.78	14 514.08	1 470.16
Headline	2 426.90	3 140.90	10 671.57	1 431.25

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2022

	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	REVIEWED INFLATION ADJUSTED		Total ZWL\$ 000									
									Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000										
RESTATED																				
30 JUNE 2021																				
Opening balance	589 053	3 599 675	-	-	1 173 078	1 725 123	8 299 106	46 611 388	61 997 423	9 712	62 007 135									
Profit for the period	-	-	-	-	-	-	-	7 072 747	7 072 747	(175)	7 072 572									
Other comprehensive income for the period	-	-	-	-	(1 163 435)	(72 767)	108 021	-	(1 128 181)	(291)	(1 128 472)									
Dividend paid	-	-	-	-	-	-	-	-	(4,429,331)	(4,429,331)	-									
Inter-category transfer	-	-	-	-	7 145 788	874 385	(8 020 173)	-	-	-	-									
Closing balance	589 053	3 599 675	-	-	7 155 431	2 526 741	386 954	49 254 804	63 512 658	9 246	63 521 904									
30 JUNE 2022																				
Opening balance	589 053	3 599 675	-	-	1 247 722	11 055 998	3 515 205	459 179	57 883 501	78 350 333	9 573	78 359 906								
Profit for the period	-	-	-	-	-	-	-	-	17 452 546	17 452 546	(427)	17 452 119								
Other comprehensive income for the period	-	-	-	-	-	5 707 514	63 951	58 870	-	5 830 335	3 779	5 834 114								
Shares issued during the period	-	-	1 000 000	-	-	-	-	-	1 000 000	-	1 000 000									
Closing balance	589 053	3 599 675	1 000 000	1 247 722	16 763 512	3 579 156	518 049	75 336 047	102 633 214	12 925	102 646 139									
UNAUDITED HISTORICAL																				
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	SAAR** ZWL\$ 000	Share based payment reserve ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	*FCTR ZWL\$ 000	Retained earnings ZWL\$ 000	Total equity attributable to parent ZWL\$ 000	Non-controlling interests ZWL\$ 000	Total ZWL\$ 000									
30 JUNE 2021																				
Opening balance	5 220	33 876	-	-	2 810 911	913 712	171 378	7 126 176	11 061 273	2 907	11 064 180									
Profit for the period	-	-	-	-	-	-	-	-	3 837 231	3 837 231	393	3 837 624								
Other comprehensive income for the period	-	-	-	-	-	126 043	178 886	(11 014)	-	293 915	76	293 991								
Dividend paid	-	-	-	-	-	-	-	-	(1 519 170)	(1 519 170)	-	(1 519 170)								
Inter-category transfer	-	-	-	-	-	82 066	10 042	(92 108)	-	-	-	-								
Closing balance	5 220	33 876	-	-	3 019 020	1 102 640	68 256	9 444 237	13 673 249	3 376	13 676 625									
30 JUNE 2022																				
Opening balance	5,220	33,876	-	-	569,951	5,790,710	1,964,010	77,029	21,264,515	29,705,311	4,957	29,710,268								
Profit for the period	-	-	-	-	-	-	-	-	37,882,904	37,882,904	1,079	37,883,983								
Other comprehensive income for the period	-	-	-	-	-	12,207,700	2,567,583	58,870	-	14,834,153	7,780	14,841,933								
Shares issued during the period	-	-	1 000 000	-	-	-	-	-	-	1 000 000	-	1 000 000								
Closing balance	5,220	33,876	1 000 000	569,951	17,998,410	4,531,593	135,899	59,147,419	83,422,368	13,816	83,436,184									

** Shares awaiting allotment reserve (Refer to

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

Accounting Policies

For the half year ended 30 June 2022

1. GROUP ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for new standards and amendments adopted effective 1 January 2022 (see 1.1c). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group. For a detailed analysis of the Group's accounting policies, kindly refer to the Group's 2021 annual report, which is available at the Company registered offices.

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as the requirements of Companies and Other Business Entities Act (Chapter 24.31), Banking Act (Chapter 24.20 and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019. The consolidated financial results have been adjusted to take into account the impact of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

a) Basis of consolidation

The Group's consolidated financial results incorporate the financial results of the Company and entities controlled by the Company. The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. Control is achieved when the Company has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The results of subsidiaries acquired or disposed of during the year are incorporated from the dates control was acquired up to the date control ceased. The financial results of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, profits and losses resulting from intra-group transactions that are recognised in assets and liabilities and income and expenses are eliminated in full. Non-controlling interests represent the portion of profit and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

b) Use of judgements and estimates

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

c) New standards, interpretations and amendments adopted by the Group

i. Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

ii. Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

iii. IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

iv. IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no impact on the interim condensed consolidated financial statements of the Group, as there were no modifications of the Group's financial instruments during the period.

v. IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

vi. Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets),

The amendment clarifies that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract, like direct labour and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract).

1.2 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

Date	Indices	Percentage (%) movement	Conversion Factors
30 June 2022	8,707.35	119%	1.0000
31 December 2021	3,977.46	192%	2.1892
30 June 2021	2,986.44	502%	2.9156
30 June 2020	1,445.21		6.0250

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are given below.

The procedures applied in the above restatement of transactions and balances are as follows:

- All comparative figures as at end of the period 31 December 2021 and 30 June 2021 were restated by applying the change in the index from the date of last re-measurement to 30 June 2022.
- Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 30 June 2022. Property and equipment is restated by applying the change in the index from the date of transaction to 30 June 2022.
- Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. Depreciation and amortisation amounts are based on the restated costs or carrying amounts.
- Income statement items/transactions, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the period ended 30 June 2022.
- Opening deferred tax was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax was then inflated to the purchasing power at the reporting date. The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
- All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
- The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

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

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Notes to the Reviewed Inflation Adjusted Consolidated Financial Results

For the half year ended 30 June 2022

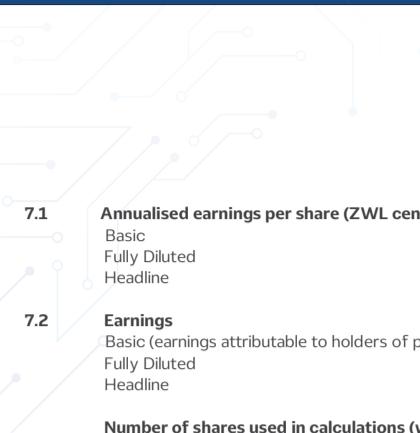
1.4 INCORPORATION AND ACTIVITIES

The consolidated financial results of the Group For the half year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 31 August 2022. The Group offers commercial banking, mortgage finance, asset management, short term insurance, life assurance, Agro Business and other financial services and is incorporated in Zimbabwe.

	REVIEWED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 30 JUNE 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 30 JUNE 2021 ZWLS 000
2. INTEREST				
Interest Income				
Bankers acceptances	290 145	55 607	174 902	17 721
Overdrafts	2 525 656	5 159 357	1 435 685	1 562 341
Loans	15 056 775	3 679 511	9 860 627	1 294 901
Mortgage loans	277 032	178 853	183 017	57 444
Staff loans	168 214	116 121	106 902	37 126
Securities investments	350 319	560 826	231 922	179 563
Other investments	3 721 260	1 872 582	2 405 837	611 768
	22 389 401	11 622 857	14 398 892	3 760 864
Interest expense				
Call deposits	41 637	61 464	28 942	19 666
Savings deposits	397 088	3 234 520	131 439	1 024 116
Money market deposits	1 337 189	2 313 021	864 377	744 734
Other offshore deposits	103 848	53 814	79 647	16 994
Lease liability	3 762	5 365	2 719	1 753
	1 883 524	5 668 184	1 107 124	1 807 263
NET INTEREST INCOME	20 505 877	5 954 673	13 291 768	1 953 601
3. NON-INTEREST INCOME				
Net interest income				
Net income from trading securities	197 987	15 278	119 020	7 957
Fair value adjustments on financial instruments	(2 141 659)	7 595 923	1 745 397	2 792 532
Fair value adjustments on investment properties	6 857 873	(1 240 083)	13 558 805	141 195
Net income from foreign currency dealing	1 245 735	891 254	881 126	286 076
Unrealised on foreign currency exchange	48 210 300	315 448	48 210 300	108 192
Agro business income	8 327 887	9 446 450	7 251 249	3 015 630
Commission and fee income	10 971 500	8 727 413	7 035 140	2 767 253
Profit on disposal of property and equipment	1 690	225	1 282	75
(Loss)/ Profit on disposal of investment property	(494 730)	8 079	(222 062)	2 720
Bad debts recovered	22 472	39 422	14 111	12 504
Property sales	(416 415)	153 088	114 566	51 018
Lease income	144 593	111 633	103 368	18 056
Other operating income	162 860	179 477	83 319	72 963
	73 090 093	26 243 607	78 895 621	9 276 171
Included in unrealised gains, are exchange gains on foreign currency monetary balances held largely by the Banking operations and Agro business segments. Commission and fee income largely comprises income earned from banking operations.				
4. UNDERWRITING INCOME (NET)				
Gross premium insurance				
Reinsurance	1 730 038	1 469 636	1 267 301	480 138
Net written premium				
Unearned premium	(576 339)	(698 794)	(469 916)	(229 178)
Net earned premium				
(67 692)</				

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For the half year ended 30 June 2022



	REVIEWED		UNAUDITED			REVIEWED		AUDITED		
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	
7.1 Annualised earnings per share (ZWL cents)					12.2					
Basic	6 686.59	2 709.78	14 514.08	1 470.16						
Fully Diluted	6 686.59	2 709.78	14 514.08	1 470.16						
Headline	2 426.90	3 140.90	10 671.57	1 431.25						
7.2 Earnings										
Basic (earnings attributable to holders of parent)	17 452 546	7 072 747	37 882 904	3 837 231						
Fully Diluted	17 452 546	7 072 747	37 882 904	3 837 231						
Headline	12 668 784	8 198 002	27 853 658	3 735 668						
Number of shares used in calculations (weighted)					12.3					
Basic	522 016	522 016	522 016	522 016						
Fully diluted	522 016	522 016	522 016	522 016						
Headline	522 016	522 016	522 016	522 016						
7.3 Reconciliation of denominators used for calculating basic and diluted earnings per share:										
Weighted average number of shares before adjustment for treasury shares	522 016	522 016	522 016	522 016						
Weighted average number of shares used for basic EPS	522 016	522 016	522 016	522 016						
Potentially dilutive shares employee share options	-	-	-	-						
Weighted average number of shares used for diluted EPS	522 016	522 016	522 016	522 016						
7.4 Headline Earnings										
Profit attributable to ordinary shareholders	17 452 546	7 072 747	37 882 904	3 837 231						
Adjusted to exclude re-measurements					12.4					
Impairment on property and equipment	2 728	235 460	11 823	-						
Write off of right of use asset and lease liability	-	306	-	92						
Write off of intangible assets	7 479	-	3 599	-						
Write down of land inventory	-	27 214	-	8 985						
Disposal gain on property and equipment	(1 690)	(225)	(1 282)	(75)						
Profit/(loss) on disposal of investment property	494 730	(8 079)	22 062	(2 720)						
Gains/(loss) on investment properties valuation	(6 857 873)	1 240 083	(13 558 805)	(141 195)						
Tax relating to remeasurements	1 570 864	(369 504)	3 293 347	33 350						
Headline earnings	12 668 784	8 198 002	27 853 648	3 735 668						
8. DIVIDENDS					12.5					
Cash dividends on ordinary shares declared and paid:										
Final Dividend	-	4 429 331	-	1 519 170						
Interim paid per share (Cents)	-	4 429 331	-	1 519 170						
Final dividend paid per share (cents)	-	849.00	-	291.02						
Dividends are paid on shares held at the record date net of treasury shares held on the same date.										
Proposed dividend on ordinary shares:					13.					
Interim	-	1 457 813	-	500 000						
Interim dividend per share (cents)	-	279.27	-	95.78						
Proposed dividends on ordinary shares are subject to approval and are not recognised as a liability as at 30 June 2022.										
9. CASH AND CASH EQUIVALENTS					14.					
REVIEWED	AUDITED		UNAUDITED							
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000		HISTORICAL 31 DEC 2021 ZWL\$ 000				
Cash	15 644 652	37 486 914		15 644 652		17 123 769				
Balances with foreign banks	17 504 659	35 197 255		17 504 659		16 077 868				
Balances with the Reserve Bank of Zimbabwe	62 969 573	6 078 428		62 969 573		2 776 585				
RBZ Statutory reserve	4 851 871	7 847 553		4 851 871		3 584 709				
	100 970 755	86 610 150		100 970 755		39 562 931				
The cash and cash equivalents balance represent the Group's cash and cash equivalent balance. RBZ Statutory reserve balances relates to restricted liquid reserve determined in line with the RBZ Statutory reserve guidelines currently 5% for demand deposits and 2.5% for term deposits denominated in ZWL.										
Included in cash and cash equivalents are the following balances that are reserved and restricted in nature and are not available for use by the Group:										
RBZ Statutory reserve	4 851 871	7 533 881		4 851 871		3 441 426				
Amounts secured as guarantees or collateral	4 185 367	2 029 916		4 185 367		927 252				
	9 037 238	9 563 797		9 037 238		4 368 678				
10. MONEY MARKET ASSETS					13.					
Interbank Placements	7 563 722	13 162 259		7 563 722		6 012 431				
RBZ Savings bonds	4 073 279	37 484 944		4 073 279		17 122 869				
Bankers acceptances	1 381 401	2 742 738		1 381 401		1 252 864				
Accrued interest	52 276	93 749		52 276		42 824				
Total gross money market assets	13 070 678	53 483 690		13 070 678		24 430 988				
Allowance for expected credit loss	(4 811 622)	(169 394)		(4 811 622)		(77 378)				
Total net money market assets	12 589 056	53 314 296		12 589 056		24 353 610				
10.1 Maturity analysis					14.					
The maturity analysis of money market assets is shown below.										
Between 0 and 3 months	12 239 077	41 431 106		12 239 077		18 925 449				
Between 3 and 6 months	827 469	12 047 346		827 469		5 503 146				
Above 12 months	4 132	5 238		4 132		2 393				
	13 070 678	53 483 690		13 070 678		24 430 988				
11. FINANCIAL SECURITIES					15.					
Treasury bills	895 330	2 098 162		895 330		958 426				
Accrued interest	13 378	44 878		13 378		20 500				
Total gross financial securities	908 708	2 143 040		908 708		978 926				
Allowance for expected credit loss	(13 829)	(31 544)		(13 829)		(14 409)				
Total net financial securities	894 879	2 111 496		894 879		964 517				
11.1 Maturity analysis										
The maturity analysis of financial securities is shown below:										
Between 0 and 3 months	-	22 128		-		10 108				
Between 3 and 6 months	9 299	100 118		9 299		45 733				
Between 6 and 12 months	3 312	-		3 312		-				
Between 1 and 5 years	46 756	325 346		46 756		148 616				
Above 5 years	849 341	1 695 448		849 341		774 469				
										

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For the half year ended 30 June 2022

16.	LAND INVENTORY	REVIEWED		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000	
		13 029 225	13 029 952	552 094	470 639		
	Opening balance	244 048	401 926	239 463	135 868		
	Additions	(665 653)	(202 851)	(5 308)	(41 755)		
	Disposals	-	(199 802)	-	(12 658)		
	Write off	-	-	-	-		
	Closing balance	12 607 620	13 029 225	786 249	552 094		

17	EQUITY INVESTMENTS	REVIEWED		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000	
		11 869 788	6 769 605	5 422 039	1 923 830		
	Opening balance	2 063 457	2 089 512	1 846 496	917 227		
	Investment in equities during the period	(366 578)	(226 231)	(230 782)	(75 513)		
	Investment disposed during the period	(2 141 659)	2 271 570	1 745 397	1 561 872		
	Fair value adjustments - Profit or loss	64 122	965 332	2 703 980	1 094 623		
	Fair value adjustments - Other comprehensive income						
	11 487 130	11 869 788	11 487 130	5 422 039			

17.1	Investments in Equities	REVIEWED		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000	
		6 555 167	4 853 612	6 555 167	2 217 097		
	Unlisted investments	4 931 963	7 016 176	4 931 963	3 204 942		
	Listed investments						
	Equity investment designated at fair value through profit or loss						
	Equity investment designated at fair value through other comprehensive income						
	11 487 130	11 869 788	11 487 130	5 422 039			

17.2	Investment in subsidiaries	REVIEWED		AUDITED		UNAUDITED	
		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000	
		2 141 354	100	2 141 354	100	21 840	100
	CBZ Bank Limited	194 915	100	194 915	100	1 988	100
	CBZ Asset Management (Private) Limited	-	100	-	100	-	100
	CBZ Building Society	-	-	-	-	-	-
	CBZ Insurance (Private) Limited	416 613	98.4	416 613	98.4	23 615	98.4
	CBZ Properties (Private) Limited	468 586	100	468 586	100	4 779	100
	CBZ Life Assurance (Private) Limited	136 090	100	136 090	100	1 388	100
	CBZ Asset Management Mauritius	8 715	100	8 715	100	89	100
	CBZ Risk Advisory Services (Private) Limited	131 882	100	131 882	100	1 345	100
	Red Sphere Finance (Private) Limited	962 733	100	962 733	100	250 520	100
	CBZ Agro Yield (Private) Limited	21 609	100	21 609	100	1 000	100
	4 482 497	4 482 497				306 564	306 564

18.	CATEGORIES OF FINANCIAL ASSETS	At fair value through profit or loss		At fair value through OCI		At amortised cost		Total carrying amount	
		ZWL\$ 000	%	ZWL\$ 000	%	ZWL\$ 000	%	ZWL\$ 000	
REVIEWED INFLATION ADJUSTED									
30 JUNE 2022									
	Balances with banks and cash	-	-	100 970 755	100	100 970 755			
	Money market Assets	-	-	12 589 056	12 589 056				
	Financial securities	-	-	894 879	894 879				
	Loans and advances to customers	-	-	182 893 601	182 893 601				
	Equity investments	4 931 963	6 555 167	-	11 487 130				
	Other assets	-	-	74 826 680	74 826 680				
	TOTAL ASSETS	4 931 963	6 555 167	372 174 971	383 662 101				

18.	CATEGORIES OF FINANCIAL ASSETS	AUDITED INFLATION ADJUSTED		REVIEWED INFLATION ADJUSTED		AUDITED		UNAUDITED HISTORICAL		
		31 DEC 2021		30 JUNE 2022		31 DEC 2021		30 JUNE 2022		
		ZWL\$ 000	%	ZWL\$ 000	%	ZWL\$ 000	%	ZWL\$ 000	%	
AUDITED INFLATION ADJUSTED										
31 DEC 2021										
	Balances with banks and cash	-	-	86 610 150	86 610 150					
	Money Market assets	-	-	53 314 296	53 314 296					
	Financial securities	-	-	2 111 496	2 111 496					

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20. Right of use assets

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Right of use assets					
Opening balance	140 052	265 280		25 859	20 065
Additions	-	85 988		-	28 607
Write offs	(23 225)	-		(4 931)	
Depreciation charge for the period	(65 825)	(187 991)		(8 793)	(17 882)
	74 227	140 052		17 066	25 859

20.1 Lease liability

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Opening balance	79 401	74 401		36 270	21 144
Additions	-	85 986		-	28 607
Write-offs	-	(16 147)		-	(4 839)
Interest	3 762	9 864		2 719	3 590
Repayment	(33 779)	(60 765)		(18 235)	(21 294)
Exchange loss on lease liability	61 225	19 840		61 225	9 062
Monetary adjustment	(28 630)	(33 778)		-	-
	81 979	79 401		81 979	36 270

20.1c Lease liability maturity analysis

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Less than one month	7 219	4 766		7 219	2 177
One to three months	15 854	11 662		15 854	5 327
Three to six months	18 801	14 300		18 801	6 532
Six to twelve months	21 052	25 473		21 052	11 636
One to five years	28 883	30 493		28 883	13 929
	91 809	86 694		91 809	39 601

20.1d Amounts recognised in Statement of Profit or Loss

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Interest on lease liabilities	3 762	9 864		2 719	3 590
Depreciation	65 825	(187 991)		8 793	(17 882)
	69 587	197 855		11 512	21 472

20.1e Amounts recognised in statement of cash flow

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
	33 779	60 765		18 235	21 294

21. INVESTMENT PROPERTIES

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Opening balance	13 507 113	9 671 003		6 169 958	2 748 368
Additions	9 912	450 215		30 503	175 939
Disposals	(1 153 537)	(160 410)		(537 905)	(54 704)
Fair valuation gain	6 857 873	3 546 305		13 558 805	3 300 355
Closing balance	19 221 361	13 507 113		19 221 361	6 169 958

The carrying amount of the investment property is the fair value of the property as determined by a registered internal appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and the Real Estate Institute of Zimbabwe Standards. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment properties and in reference to the rental yields applicable to similar properties. The properties were valued as at 30 June 2022.

	Valuation technique	Significant observable inputs	Range (weighted average)
Office and Retail properties	Implicit investment approach	Comparable rentals per month per square meter	ZWL\$ 679.19 - ZWL\$ 8 750.00
		Capitalisation rate	10%- 13%
Land and Residential property	Market value of similar properties	Comparable rate per square meter	ZWL\$ 9 000.00 - ZWL\$ 31 050.00

In arriving at the market value for property the implicit investment approach was applied based on the capitalisation of income. This method is based on the principle that rentals and capital values are inter-related. Hence given the income produced by a property its capital value can therefore be estimated. Comparable rentals inferred from properties within the locality of the property based on use location size and quality of finishes were used. The rentals were then adjusted per square meter to the lettable areas being rentals achieved for comparable properties as at 30 June 2022. The rentals are then annualised and a capitalisation factor was applied to arrive at a market value of the property also inferring on comparable premises which are in the same category as regards the building elements.

In assessing the market value of the residential stands values of various properties that had been recently sold or which are currently on sale and situated in comparable residential areas were used. Market evidence from other estate agents and local press was also taken into consideration.

If the fair value adjustment had been 5% up or down, the Group's profit would have been ZWL\$ 258,130,255 higher or lower the reported position. The Statement of Financial Position would be ZWL\$ 342,893,538 higher or lower than the reported position.

22. INTANGIBLE ASSETS

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
At cost	1 411 110	1 475 951		275 044	273 836
Accumulated amortisation	(830 987)	(810 141)		(103 045)	(60 079)
	580 123	665 810		171 999	213 757

22. Movement in intangible assets

	REVIEWED	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000		HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
Opening balance	665 810	434 679		213 757	87 202
Additions	580	227 206		555	119 761
Transfer from property and equipment	4 252	159 282		4 252	46 156
Write offs	(7 479)	(1 254)		(3 599	

Reviewed Inflation Adjusted Financial Results

34. OPERATING SEGMENTS

The Group is comprised of the following operating segments:

01	 Banking Operations Provides commercial banking products through retail banking corporate and merchant banking and investing portfolios through the treasury function.
02	 Mortgage Finance Provides mortgage financing to its clients for both finance and commercial purposes.
03	 Asset Management Provides fund management services to a wide spectrum of investors through placement of either pooled portfolios or individual portfolios.
04	 Insurance Operations Provides short term insurance and Life assurance. Also provides Risk Advisory Services to its clients as part of its insurance operations function.
05	 Property Investments Property investment arm of the Group.
06	 Agro Business Provides contract farming loans to farmers both individual and commercial
07	 Micro Finance Provides financial services to the informal sector, SMEs, Civil Servants, small holder farmers and all those who are gainfully employed.
08	 Other Operations Other operations provided by the Group include equity investments by the Holding Company.

The table below shows the segment operational results for the period ended 30 June 2022.

34.1 Segment operational results

INFLATION ADJUSTED										
	Banking operations ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000
INCOME										
Net interest income for the period ended 30 June 2022	23 353 285	(578 185)	(16 741)	(16 300)	(29 693)	(2 129 319)	1 100 647	(1 182 498)	4 681	20 505 877
Net interest income for the period ended 30 June 2021	17 668 514	(1 009 964)	(13 770)	(14 100)	(1 892)	(9 786 978)	878 421	(1 768 822)	3 264	5 954 673
Non-interest income for the period ended 30 June 2022	36 143 571	(4 025 347)	903 940	1 568 681	2 745 698	38 887 434	36 126	6 010 004	(9 180 014)	73 090 093
Non-interest income for the period ended 30 June 2021	9 533 999	(317 168)	269 293	363 350	(315 706)	9 275 719	113 090	13 436 512	(6 115 482)	26 243 607
Net underwriting income for the period ended 30 June 2022	-	-	-	622 322	-	-	-	-	(9 545)	612 777
Net underwriting income for the period ended 30 June 2021	-	-	-	654 324	-	-	-	-	(41 649)	612 675
Total income for the period ended 30 June 2022	59 496 856	(4 603 532)	887 199	2 174 703	2 716 005	36 758 115	1 136 773	4 827 506	(9 184 878)	94 208 747
Total income for the period ended 30 June 2021	27 202 513	(1 327 132)	255 523	1 003 574	(317 598)	(511 259)	991 511	11 667 690	(6 153 867)	32 810 955
Depreciation and amortisation for the period ended 30 June 2022	458 808	188 467	5 542	54 185	8 015	64 907	18 227	48 469	8 146	854 766
Depreciation and amortisation for the period ended 30 June 2021	381 078	107 952	10 697	38 038	7 174	31 135	6 266	40 131	(16 335)	606 136
Impairment of assets for the period ended 30 June 2022	5 071 486	338 769	6 139	88 125	14 990	18 741 681	37 809	-	(1 359 653)	22 939 346
Impairment of assets for the period ended 30 June 2021	(2 599 799)	(144 759)	33	(20 225)	(10 406)	(1 364 121)	(30 465)	-		(4 169 742)
Results										
Profit before taxation for the period ended 30 June 2022	13 470 234	(363 795)	1 415 663	1 129 491	2 648 612	12 818 029	(377 132)	4 513 990	(5 324 387)	29 930 705
Profit before taxation for the period ended 30 June 2021	9 309 786	(637 701)	63 497	50 668	(446 216)	(1 552 986)	589 820	10 303 988	(5 239 368)	12 441 488
Cash flows:										
Used in operating activities for the period ended 30 June 2022	5 695 154	290 808	(108 773)	392 305	(372 140)	(159 787)	82 469	6 055 537	(11 647 327)	228 246
Used in operating activities for the period ended 30 June 2021	30 887 165	(229 961)	73 932	343 361	(118 494)	217 583	(234 120)	2 244 109	(2 793 305)	30 390 270
Used in investing activities for the period ended 30 June 2022	(1 249 752)	(15 587)	(88 053)	(111 288)	539 596	(13 958)	(7 695)	(1 399 071)	(1)	(2 345 809)
Used in investing activities for the period ended 30 June 2021	(594 237)	(13 039)	(49 916)	(133 845)	104 334	(58 578)	(28 579)	(150 499)	116 004	(808 355)
Used in financing activities for the period ended 30 June 2022	(1 976 437)	-	(4 051)	(99)	(3 916)	(966 653)	(95 621)	976 414	3 036 584	966 221
Used in financing activities for the period ended 30 June 2021	(4 559 325)	(1 909)	(4 569)	(1 425)	(3 687)	(302 880)	111 406	(4 429 331)	4 733 880	(4 457 840)
Total assets and liabilities										
Reportable segment liabilities for the period ended 30 June 2022	306 994 224	21 131 821	3 947 567	3 845 105	1 995 701	97 082 180	214 965	6 099 359	(81 701 205)	359 609 717
Reportable segment liabilities for the period ended 31 Dec 2021	299 380 781	18 492 559	2 554 004	4 820 688	2 044 836	93 755 669	240 848	2 030 278	(85 073 826)	338 245 837
Total segment assets for the period ended 30 June 2022	375 210 829	21 859 654	3 260 255	8 292 439	8 527 128	111 179 520	1 180 743	17 474 390	(84 729 102)	462 255 856
Total segment assets for the period ended 31 Dec 2021	359 195 936	18 122 387	2 096 769	7 680 114	6 773 968	102 168 703	1 825 063	9 032 449	(90 289 646)	416 605 743

UNAUDITED HISTORICAL

UNAUDITED HISTORICAL

	Banking operations ZWL\$ 000	Mortgage finance ZWL\$ 000	Asset management ZWL\$ 000	Insurance operations ZWL\$ 000	Property investment ZWL\$ 000	Agro business ZWL\$ 000	Micro Finance ZWL\$ 000	Other operations ZWL\$ 000	Elimination of intersegment amounts ZWL\$ 000	Consolidated ZWL\$ 000
INCOME										
Net interest income for the period ended 30 June 2022	15 461 893	(390 519)	(12 510)	(10 554)	(15 647)	(1 770 605)	687 258	(660 746)	3 198	13 291 768
Net interest income for the period ended 30 June 2021	5 715 339	(321 257)	(4 391)	(4 541)	(599)	(3 144 013)	283 878	(571 858)	1 043	1 953 601
Non-interest income for the period ended 30 June 2022	33 453 572	(2 045 908)	1 347 681	3 061 543	5 012 353	37 777 317	17 492	7 887 140	(7 615 569)	78 895 621
Non-interest income for the period ended 30 June 2021	3 236 433	74 764	113 827	209 065	54 469	2 920 796	36 277	4 679 502	(2 048 962)	9 276 171
Net underwriting income for the period ended 30 June 2022	-	-	-	278 289	-	-	-	-	(16 343)	261 946
Net underwriting income for the period ended 30 June 2021	-	-	-	195 321	-	-	-	-	(11 962)	183 359 -
Total income for the period ended 30 June 2022	48 915 465	(2 436 426)	1 335 170	3 329 277	4 996 706	36 006 712	704 751	7 226 393	(7 628 713)	92 449 335
Total income for the period ended 30 June 2021	8 951 772	(246 493)	109 436	399 845	53 871	(223 217)	320 155	4 107 644	(2 059 882)	11 413 131
Depreciation and amortisation for the period ended 30 June 2022	249 627	117 884	1 966	11 671	1 420	18 325	5 166	6 363	2 635	415 057
Depreciation and amortisation for the period ended 30 June 2021	108 080	32 626	1 218	4 289	1 201	4 781	961	4 303	2 148	159 607
Impairment of assets for the period ended 30 June 2022	5 071 486	338 769	6 139	88 125	14 990	18 741 681	37 809	-	(1 359 653)	22 939 346
Impairment of assets for the period ended 30 June 2021	891 678	49 649	(11)	6 937	3 569	467 865	10 449	-	-	1 430 136
Results										
Profit before taxation for the period ended 30 June 2022	32 669 123	(4 535 873)	1 041 530	2 010 244	4 695 596	14 025 117	344 412	3 162 645	(3 523 675)	49 889 119
Profit before taxation for the period ended 30 June 2021	4 956 509	(848 001)	44 938	101 968	(7 861)	(1 112 186)	246 411	3 476 396	(1 738 242)	5 119 932
Cash flows:										
Used in operating activities for the period ended 30 June 2022	9 120 577	52 640	40 188	268 772	(6 002)	179 883	(6 696)	3 787 999	(6 343 149)	7 094 212
Used in operating activities for the period ended 30 June 2021	11 030 304	(63 329)	(16 456)	108 898	(38 397)	77 030	(25 802)	769 669	(1 038 048)	10 803 869
Used in investing activities for the period ended 30 June 2022	(964 478)	(12 077)	(48 361)	(127 851)	(1 245)	(10 541)	(5 524)	(1 409 255)	247 457	(2 331 875)
Used in investing activities for the period ended 30 June 2021	(162 280)	(3 184)	(15 534)	(45 449)	33 591	(20 164)	(33 088)	(19 611)	32 104	(233 615)
Used in financing activities for the period ended 30 June 2022	(1 509 837)	-	(2 719)	(2 649)	(2 649)	(958 596)	(52 769)	994 196	2 516 788	981 765
Used in financing activities for the period ended 30 June 2021	(1 505 136)	(1 288)	(1 461)	(456)	(1 265)	(102 413)	37 546	(1 350 341)	1 396 769	(1 528 045)
Total assets and liabilities										
Reportable segment liabilities for the period ended 30 June 2022	306 337 950	21 131 821	3 942 769	3 697 242	1 978 716	97 049 745	186 481	5 897 588	(81 759 364)	358 462 948
Reportable segment liabilities for the period ended 31 Dec 2021	135 190 639	8 447 276	1 165 165	2 157 066	929 774	42 822 691	107 084	915 127	(38 874 174)	152 860 648
Total segment assets for the period ended 30 June 2022	357 714 652	20 871 278	3 109 240	8 022 927	8 077 560	110 512 553	1 095 758	12 370 061	(79 874 897)	441 899 132
Total segment assets for the period ended 31 Dec 2021	157 481 406	7 896 193	949 761	3 424 821	2 657 122	46 438 527	812 113	1 438 775	(38 527 802)	182 570 916

Partners for Success

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35. RELATED PARTIES

The Group does not have an ultimate parent as it is owned by several shareholders none of which has a controlling interest. The Group has related party relationships with its Directors and key management employees, their companies and close family members. The Group carries out banking and investment related transactions with various companies related to its shareholders, all of which were undertaken at arm's length and in compliance with the relevant Banking Regulations.

Loans and advances to Directors' companies

	INFLATION ADJUSTED					
	Gross limits ZWL\$ 000	Utilised limits ZWL\$ 000	Value of security ZWL\$ 000	30 JUNE 2022	31 DEC 2021	30 JUNE 2022
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Loans to directors' companies	-	-	-	-	-	-

	UNAUDITED HISTORICAL					
	Gross limits ZWL\$ 000	Utilised limits ZWL\$ 000	Value of security ZWL\$ 000	30 JUNE 2022	31 DEC 2021	30 JUNE 2022
	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Loans to directors' companies	-	-	-	-	-	-

The loans to directors' companies above include companies directly owned or significantly influenced by executive and non-executive directors and/or their close family members. The loans above are provided at commercial terms with interest rates ranging from 10% to 12% and a tenure ranging from 1 month to 3 years. The loans to directors and key management personnel are shown in note 12.3.

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Transactions with Directors' companies	-	-	-	-
Interest income	-	-	-	-
Commission and fee income	-	-	-	-

36. CLOSING EXCHANGE RATES

USD	366.2687	108.666	366.2687	108.666
ZAR	0.0443	0.1463	0.0443	0.1463
GBP	444.7235	146.6991	444.7235	146.6991
EUR	383.3002	122.9338	383.3002	122.9338

37. RISK MANAGEMENT

37.1 Risk overview

CBZ Group Enterprise Wide Risk Management Framework is anchored on the desire to uphold a High Risk Management and Compliance Culture as one of the major strategic thrusts and is supported by a clearly defined risk appetite in terms of various key exposures. This approach has given direction to the Group's overall Going Concern underpinned by robust strategic planning and policies. Through the CBZ Group risk management function, the Group regularly carries risk analysis through value at risk (VaR) assessments, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.

37.2 Group risk management framework

The Group's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take root, it has to be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. The Group Board is responsible for setting and reviewing the risk appetite as well as Group Policies. Management and staff are responsible for the implementation of strategies aimed at the management and control of the risks that fall within their strategic organisational responsibilities. The CBZ Group Enterprise Wide Risk Management function is responsible for ensuring that the Group's risk taking remains within the set risk benchmarks. The Group Internal Audit function on the other hand provides independent assurance on the adequacy and effectiveness of the deployed risk management processes.

The CBZ Group Enterprise Wide Governance and Compliance Unit evaluates quality of compliance with policies, processes and governance structures. In terms of risk governance, the Group Board has delegated authority to the following Group Board Committees whose membership consists of Non - Executive Directors of the Group:

Risk Management & Compliance Committee – has the responsibility for oversight and review of prudential risks comprising of but not limited to credit, liquidity, interest rate, exchange, investment, operational, equities, insurance, security, technological, reputational and compliance. Its other responsibilities include reviewing the adequacy and effectiveness of the Group's risk management policies, systems and controls as well as the implications of proposed regulatory changes to the Group. It receives consolidated quarterly risk and compliance related reports from the Group Executive Management Committee (Group EXCO) and Group Risk Management Sub-Committee. The committee governance structures ensure that approval authority and risk management responsibilities are cascaded down from the Board through to the appropriate business units and functional committees. Its recommendations are submitted to the Group Board.

Audit & Finance Committee – manages financial risk related to ensuring that the Group's financial results are prepared in line with the International Financial Reporting Standards. This committee is responsible for capital management policy as well as the adequacy of the Group's prudential capital requirements taking into account the Group's risk appetite. The committee is also tasked with the responsibility of ensuring that efficient tax management systems are in place and that the Group is in full compliance with tax regulations.

Human Resources & Remunerations Committee – is accountable for people related risks and ensures that the Group has the optimal numbers as well as the right mix in terms of skills and experience for the implementation of the Group's strategy. The committee also looks at succession planning, the welfare of Group staff as well as the positive application of the Group's Code of Ethics.

37.3 Credit risk

This is the risk of potential loss arising from the probability of borrowers and/or counterparties failing to meet their repayment commitments to the Group as and when they fail due in accordance with agreed terms and conditions.

Credit risk management framework

Credit risk is managed through a framework of credit policies and standards covering the identification, management, measurement and control of credit risk. These policies are approved by the Board, which also delegates credit approvals as well as loans reviews to designated sub committees within the Group. Credit origination and approval roles are segregated.

The Group uses an internal rating system based on internal estimates of probability of default over a one year horizon and customers are assessed against a range of both quantitative and qualitative factors. Credit concentration risk is managed within set benchmarks by counterparty or a group of connected counterparties, by sector, maturity profile and by credit rating. Concentration is monitored and audited through the responsible risk committees set up by the Board.

The Group through credit originating units as well as approving committees regularly monitors credit exposures, portfolio performance and external environmental factors that are likely to impact on the credit book. Through this process, clients or portfolios that exhibit material credit weaknesses are put on watch for close monitoring or exiting of such relationships where restructuring is not possible. Those exposures which are beyond restructuring are downgraded to Recoveries and Collections Unit.

Credit mitigation

Credit mitigation is employed in the Group through taking collateral, credit insurance and other guarantees. The Group is guided by considerations related to legal certainty, enforceability, market valuation and the risk related to guarantor's in deciding which securities to accept from clients. Types of collateral that are eligible for risk mitigation include cash, mortgages over residential, commercial and industrial property, plant and machinery, marketable securities, guarantees, assignment of crop or export proceeds, leasebacks and stop-orders.

37.3 (a) Credit risk exposure

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000
Balances with banks	85 326 103	49 123 236	85 326 103	22 439 162
Money market assets	12 589 055	53 314 294	12 589 055	24 353 609
Financial securities	894 879	2 111 496	894 879	964 517
Loans and advances to customers	182 893 601	122 377 616	182 893 601	55 901 268
Other assets	74 826 681	76 346 530	74 826 681	34 874 579
Total	356 530 319	303 273 172	356 530 319	138 533 135
Financial guarantees	179 042	366 422	179 042	167 379
Loan Commitments	2 227 010	9 403 734	2 227 010	4 295 562
Total	2 406 052	9 770 156	2 406 052	4 462 941

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not maximum risk exposure that could arise in the future as a result of changes in value.

The Group held cash and cash equivalents of ZWL\$85 326 103 388(2021: ZWL\$63 093 811 792) (excluding notes and coins) as at 30 June 2022 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with the Central Bank and foreign banks

37.3(b) An industry sector analysis of the Group's loans and advances before and after taking into account collateral held is as follows:

	INFLATION ADJUSTED		RESTATED		HISTORICAL	
	30 JUNE 2022 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Net maximum exposure (not covered by mortgage security)			Net maximum exposure (not covered by mortgage security)		Net maximum exposure (not covered by mortgage security)	
Gross maximum exposure	14 444 291	14 032 239	4 757 638	14 444 291	14 234 385	2 173 257
Private	14 444 291	14 032 239	4 757 638	14 444 291	14 234 385	2 173 257
Agriculture	130 461 648	13 315 053	70 803 615	17 718 117	130 461 648	32 342 613
Mining	16 102 943	9 678 015	10 315 365	9 339 416	16 102 943	4 266 182
Manufacturing	12 536 397	19 819 122	6 082 073	2 508 334	12 536 397	4 711 989
Distribution	26 855 752	1 503 490	25 103 001	11 432 542	26 855 752	1 145 790
Construction	1 844 353	264	263 250	184 433	1 844 353	264
Transport	926 934	11	192 597	970	926 935	11
Communication	12	17 133				

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ECL RECONCILIATION		UNAUDITED HISTORICAL							
		Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Opening balance		896 342	1 051 060	726 303	67 969	6 448 514	43 687	8 071 159	1 162 716
New assets originated or purchased		2 858 340	1 591 692	2 605 542	4 011	17 360 402	5 546 427	22 824 284	7 142 130
Transfers (from)/to Stage 1		430 357	(1 637 383)	(634 859)	815 015	204 502	822 368	-	-
Transfers to/(from) Stage 2		33 917	21 558	(1 079 462)	(87 649)	1 045 545	66 091	-	-
Transfers to/(from) Stage 3		1 129	1 939	7 737	738	(8 866)	(2 677)	-	-
Amounts written off		-	-	-	-	(16 040)	(11 118)	(16 040)	(11 118)
Amounts paid off		(239 164)	(132 524)	(182 084)	(73 781)	(93 277)	(16 264)	(514 525)	(222 569)
Closing balance		3 980 921	896 342	1 443 177	726 303	24 940 780	6 448 514	30 364 878	8 071 159

b. Financial Securities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and period end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	908 708	2 143 040	-	-	-	-	908 708	2 143 040
Total		908 708	2 143 040	-	-	-	-	908 708	2 143 040

UNAUDITED HISTORICAL									
	SRS Rating	Stage 1 ZWL\$ 000		Stage 2 ZWL\$ 000		Stage 3 ZWL\$ 000		Total ZWL\$ 000	
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Internal rating grade									
Performing	"1 - 3c"	908 708	978 926	-	-	-	-	908 708	978 926
Total		908 708	978 926	-	-	-	-	908 708	978 926

(ii). An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to financial securities as follows:

INFLATION ADJUSTED									
		Stage 1 ZWL\$ 000	Stage 2 ZWL\$ 000	Stage 3 ZWL\$ 000			Stage 1 ZWL\$ 000	Stage 2 ZWL\$ 000	Stage 3 ZWL\$ 000
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Opening balance		2 143 039	3 479 701	-	-	-	-	2 143 039	3 479 701
Monetary adjustment		(1 037 982)	(1 308 531)	-	-	-	-	(1 037 982)	(1 308 531)
Maturities during the period		(196 349)	(28 131)	-	-	-	-	(196 349)	(28 131)
Gross financial securities		908 708	2 143 039	-	-	-	-	908 708	2 143 039
ECL allowance		(13 829)	(31 544)	-	-	-	-	(13 829)	(31 543)
Closing balance		894 879	2 111 495	-	-	-	-	894 879	2 111 496

UNAUDITED HISTORICAL									
		Stage 1 ZWL\$ 000	Stage 2 ZWL\$ 000	Stage 3 ZWL\$ 000			Stage 1 ZWL\$ 000	Stage 2 ZWL\$ 000	Stage 3 ZWL\$ 000
		30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021	30 JUNE 2022	31 DEC 2021
Opening balance									
Opening balance		978 927	988 884	-	-	-	-	978 927	988 884
Maturities during the period		(70 219)	(9 958)	-	-	-	-	(70 219)	(9 958)
Gross financial securities		908 708	978 926	-	-	-	-	908 708	978 926
ECL allowance		(13 829)	(14 409)	-	-	-	-	(13 829)	(14 409)
Closing balance		894 879	964 517	-	-	-	-	894 879	964 517

c. Money market asset

(i) The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and period end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 37.3.1

INFLATION ADJUSTED									
	SRS Rating	Stage 1 ZWL\$							

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Forward looking information

In its ECL model, the Group considers three scenarios, namely, Best Case, Base Case and Worst Case from a spectrum of macro-economic fortunes and the scenarios are probability weighted. The ECL model focuses on perturbing PDs by treating this ECL component as a random variable. It is assumed that macro-economic fortunes are related to credit default.

Gross Domestic Product (GDP) growth rates is the variable in use for forward looking PDs. GDP growth rate is a consistent macro-economic variable that may have the requisite intuitive correlation to credit default risk measurement and can be easily corroborated over time. It is assumed that low GDP growth rate environments will result in higher credit default probabilities and the opposite is also assumed to be true. In addition to being intuitive, the approach relies on observations at both external and internal environments. The model is applicable in the case when there is insufficient data to calibrate standard models with the added feature that implicitly improves credit risk measurement with continued use.

Credit default risk is modelled as a Bernoulli trial in which either default or no default occurs over a specified time interval. The probability of default itself is also treated as a random variable that follows a beta distribution. The model is based on the notion of a mixed Bernoulli-Beta distribution and this mixture has a conjugate prior distribution which will allow a simple way in which the models are re-calibrated in the future as lending portfolios grow and evolve, hence the implicit improvement to credit default measurement.

The GDP growth rates are assumed to be random variables and follow a Gaussian distribution. The parameters of the Gaussian distribution are also treated as random variables. IMF historical GDP growth rates for similar economies are used to calibrate parameters for the Gaussian distribution. In addition to historical GDP for the nation and similar economies, Group Economics team provides estimates of future Best Case GDP growth rate for Zimbabwe. Using the statistical concepts of Bayesian Inference, parameter estimates are incorporated to derive predictive distribution of GDP growth rates.

The centre of the distribution (Base Case) for the predictive model is assumed to be the expected growth rate as per Ministry of Finance and Economic Development. In order to postulate credit default probabilities in alternative macro-economic conditions, there is a function that maps the GDP growth rates distribution to the default probabilities distribution. The method employed here relies on establishing Best Case GDP growth rate to be compared to the Base Case GDP growth rate and a measure of likelihood obtained using the assumed Gaussian distribution for GDP growth rates. Using this measure of likelihood, an applicable quantile on the distribution for probability of default is obtained and defined as the upper bound for the Best Case probability of default for the respective credit rating. The Base Case probability of default is determined as the mode of the probability of default distribution. The Worst Case probability of default is determined as function of the mean of the default distribution under the low GDP growth scenarios.

The combination of the Bernoulli-Beta and Gaussian distribution for forward looking PDs resulted in the weightings of 20%, 52% and 28% being applied for Best Case, Base Case and Worst Case scenarios respectively. The scenarios and their attributes are reassessed at least annually.

Based on financial asset's stage, 12 Months or Life-Time Expected Credit Losses were calculated.

- a) 12 Months Expected Credit Losses is a portion of Lifetime expected credit losses that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
- b) Lifetime Expected Credit Losses are the expected present value of losses that arise if borrowers default on their obligations at some time during the life of the financial asset. These are weighted average credit losses that result from all possible default events over the expected life of the financial asset or instrument.

Stage 1: Performing

The financial assets in this stage are neither past due nor specifically impaired, and are current and fully compliant with all contractual terms and conditions. When loans are first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The Group calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original EIR.

Stage 2: Underperforming

The assets have early arrears but not specifically impaired loans. It covers all loans where the counterparties have failed to make contractual payments and are less than 90 days past due, but are expected that the full carrying values will be recovered when considering future cash flows including collateral. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: Credit Impaired

For loans considered credit-impaired, the Group recognises the lifetime expected credit losses (LTECLs) for these loans. LTECLs were calculated for all the assets which were classified under this stage. Loans satisfying the followings were classified under Stage 3;

- a) Instalments (Principal and Interest) were due and unpaid for 90 days or more.
- b) The Group had identified objective evidence of default, such as a breach of a material loan covenant or condition (there is marked significant increase in credit risk i.e. deterioration in asset quality).
- c) The Group had sufficient evidence about significant financial difficulties of the borrower contrary to cash flow projections.
- d) High probability of bankruptcy or other financial reorganization of the borrower has been identified.

Under this stage interest revenue recognised was based on Amortised Cost i.e. Gross exposure amount less allowance.

Purchased or originated credit impaired (POCI)

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Cure, Modification and Forbearance of Financial Assets

During the period under Review, some of the financial assets were cured and modified and forborne.

Cure

Cure is the reclassification of a non-performing or underperforming asset into performing status.

The specific requirements for reclassifying non-performing forborne exposures comprise the completion of a "cure period" of six(6) months and that the debtor's behaviour demonstrates that financial difficulties no longer exist. To dispel concerns regarding financial difficulties, all of the following criteria should be satisfied:

- i) The borrower should have settled, by means of regular payments, an amount equivalent to all the amounts past due on the date the forbearance measures were granted (if there were past-due amounts at this date), or to the amount written-off as part of these forbearance measures (if there was no past-due amount at the date of the forbearance measures).
- ii) It has been established that the obligor is able to meet the requirements of the revised terms and conditions.
- iii) For retail exposures, the borrower should have settled 6 full consecutive monthly payments under the revised terms.
- iv) For other Corporate, Agriculture and some wholesale clients with quarterly or longer dated repayment terms, further evaluation should be done by the Management Credit Committee which may include qualitative factors in addition to compliance with revised payment terms.
- v) The borrower does not have any other transactions with amounts more than 90 days past due at the date when the exposure is reclassified to the performing category.

Modification and Forbearance

These are formal, contractual agreements between the customer and the Group to change cash flows from that originally agreed or previously amended as well as contractual terms and conditions. Where a contract was subjected to some or all of the above forbearance measures, it was referred to as modification. It was also referred to as Restructuring by the Group. Modification in some instances resulted in change in PD, instalment and interest rate among other factors.

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Any loan that has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum six months' probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of six months has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due

The Group also recalculates for recognition, the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss if the contractual cash flows of a financial asset are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Derecognition

Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. The Group de-recognizes a financial asset when, and only when:

- a) The contractual rights to the cash flows from the financial asset expire, or
- b) It transfers the financial asset and the transfer qualifies for de-recognition.

Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance. Any subsequent recoveries are treated as Other income.

- A loan or asset graded "loss" shall be written off after at least a year (360 days) from date of such classification whether or not the Bank intends or is in the process of attempting to recover the loan or asset. These write-offs will require the recommendation of Recoveries and Collections department and approved as per the Group Experience policy in place.
- Write-off of debt arising from Bank charges, service fees, commissions and resultant interest accruals with supporting schedules must be approved as per current the Group experience policy.

37.3.2 Market risk

This is the risk of loss under both the banking book and trading book arising from unfavourable changes in market price such as interest rates, foreign exchanges rates, equity prices, credit spreads and commodity prices, which can cause substantial variations in earnings or economic value of the Group and its strategic business units (SBUs) if not properly managed. The Group's exposure to market risk arises mainly from customer driven transactions.

37.3.3 Group market risks management framework

To manage these risks, there is oversight at Group Board level through the Group Board Risk Management Committee, which covers Asset and Liability Management processes through yearly review of the Group's Asset and Liability as well as investment policies and benchmarks meant to assist in attaining the Group's liquidity strategy plan. The Group's (SBU) Boards are responsible for setting specific market risks strategies for their respective SBU and Executive Management implements policy and track performance regularly against set benchmarks through use of daily liquidity position reports, investment portfolio mix, cash flow analysis, liquidity matrix analysis, liquidity gap analysis and liquidity simulations to evaluate ability of the SBU to withstand stressed liquidity situations.

37.4 Liquidity risk

Liquidity relates to the Group's ability to fund its growth in assets and to meet obligations as they fall due without incurring unacceptable losses. The Group recognises two types of liquidity risks i.e. Market liquidity risk and Funding liquidity risk.

Market liquidity risk is the risk that the Group cannot cover or settle a position without significantly affecting the market price because of limited market depth.

Funding risk on the other hand is the risk that the Group will not be able to efficiently meet both its expected as well as the unexpected current and future cash flow needs without affecting the financial condition of the Group.

The Group's liquidity risk management framework ensures that limits are set under respective Group Strategic Business Units relating to limits such as levels of wholesale funding, retail funding, loans to deposit ratio, counter-party exposures, liquidity coverage ratio, net stable funding ratio as well as prudential liquidity ratio.

The primary funding sources under the Group are customer deposits made up of current, savings and term deposits and these are diversified by customer type and maturity profile. The Group, through the ALCO processes and statement of financial position management ensures that asset growth and maturity are funded by appropriate growth in deposits and stable funding, respectively.

37.4.1 Contractual Gap analysis

CONTRACTUAL LIQUIDITY PROFILE AS AT 30 JUNE 2022

	REVIEWED INFLATION ADJUSTED						
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Total ZWL\$ 000
Assets							
Balances with banks and cash	100 970 755	-	-	-	-	-	100 970 755
Money market assets	9 178 969	3 304 910	903 401	-	4 131	-	13 391 411
Financial securities	-	3 312	-	-	148 616	774 469	926 397
Loans and advances to customers	24 867 385	23 089 567	67 995 281	65 121 330	48 468 093	4 955 518	234 497 174
Insurance assets	53 262	-	42 924	-	-	-	96 186
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Current tax receivable	251	1 210	-	-	-	-	1 461
Other liquid assets	82 894 230	-	27 420	-	-	-	82 921 650
Total assets	217 968 947	26 409 427	68 992 485	65 262 390	48 620 840	5 729 987	432 984 076
Liabilities							
Deposits	256 320 317	22 538 219	2 287 491	1 843 756	7 177 435	2 145	290 169 363
Other liabilities	6 068 237	27 003 888	124 636	-	-	-	33 196 761
Current tax payable	109 292	2 402 834	-	-	-	-	2 512 126
Life Fund	774 724	-	12 838	-	-	-	815 379
Investment contract liabilities	155 504	-	-	-	-	-	155 504
Lease Liabilities	7 219	15 854	18 801	21 052	28 883	-	91 809
Financial guarantees	4 095	10 428	23 459	141 060	-	-	179 042
Capital and Loan Commitments	2 398 633	-	-	-	-	-	2 398 633
Total liabilities	265 838 021	51 971 223	2 467 225	2 005 868	7 234 135	2 145	329 518 617
Liquidity gap	(47 869 074)	(25 561 796)	66 525 260	63 256 522	41 386 705	5 727 842	103 465 459
Cumulative liquidity gap	(47 869 074)	(73 430 870)	(6 905 610)	56 350 912	97 737 617	103 465 459	103 465 459

CONTRACTUAL LIQUIDITY PROFILE AS AT 31 DECEMBER 2021

	AUDITED INFLATION ADJUSTED						
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000					

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37.5 INTEREST RATE RISK

This is the possibility of a Banking Group's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a banking Group's trading funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involves daily monitoring of costs of funds asset yield monthly analysis of interest re-pricing gaps monthly interest rate simulations to establish the Group and its SBUs' ability to sustain a stressed interest rate environment value at risk (VaR) interest rate risk set limits and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Group and its SBUs denominate their credit facilities in the base currency the ZWL\$ in order to minimise cross currency interest rate risk. The Group's interest rate risk profiling is illustrated on the next table.

At 30 June 2022, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant post tax profit would have been ZWL\$ 33 584 101 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

37.5.1 INTEREST RATE REPRICING

	REVIEWED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
Assets								
Balances with banks and cash	80 474 232	-	-	-	-	20 496 523	100 970 755	
Money market assets	8 089 613	3 668 531	827 469	-	3 443	-	12 589 056	
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879
Loans and advances to customers	18 850 944	4 432 624	63 272 024	50 976 152	41 603 410	3 758 447	-	182 893 601
Insurance assets	-	-	-	-	-	1 523 633	1 523 633	
Equity investments	-	-	-	-	-	11 487 130	11 487 130	
Land inventory	-	-	-	-	-	12 607 620	12 607 620	
Other assets	-	-	-	-	-	83 971 544	83 971 544	
Current tax receivable	-	-	-	-	-	36 988	36 988	
Intangible assets	-	-	-	-	-	580 123	580 123	
Investment properties	-	-	-	-	-	19 221 361	19 221 361	
Property and equipment	-	-	-	-	-	27 278 706	27 278 706	
Deferred taxation	-	-	-	-	-	8 200 460	8 200 460	
Total assets	107 414 789	8 104 467	64 099 493	50 976 152	41 723 951	4 532 916	185 404 088	462 255 856
Equity & Liabilities								
Deposits	247 871 203	22 538 219	2 211 559	1 843 756	7 177 435	2 145	7 035 935	288 680 252
Insurance liabilities	-	-	-	-	-	-	1 504 515	1 504 515
Other liabilities	-	-	-	-	-	-	45 750 224	45 750 224
Current tax payable	-	-	-	-	-	-	2 520 562	2 520 562
Life Fund	-	-	-	-	-	-	774 724	774 724
Investment contract liabilities	-	-	-	-	-	-	155 504	155 504
Deferred taxation	-	-	-	-	-	-	20 341 957	20 341 957
Lease liability	7 219	15 854	18 801	21 052	19 053	-	81 979	81 979
Equity	-	-	-	-	-	-	102 646 139	102 646 139
Total liabilities and equity	247 878 422	22 554 073	2 230 360	1 864 808	7 196 488	2 145	180 529 560	462 255 856
Interest rate repricing gap	(140 463 633)	(14 449 606)	61 869 133	49 111 344	34 527 463	4 530 771	4 874 528	-
Cumulative gap	(140 463 633)	(154 913 239)	(93 044 106)	(43 932 762)	(9 405 299)	(4 874 528)	-	-

	AUDITED INFLATION ADJUSTED							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
Restated								
Assets								
Balances with banks and cash	41 275 683	-	-	-	-	-	44 870 459	86 146 142
Money market assets	6 807 736	3 495 728	12 048 186	-	4 932	-	22 356 582	
Financial securities	22 130	-	100 118	-	325 346	1 663 902	-	2 111 496
Loans and advances to customers	8 199 738	8 721 405	18 328 605	71 983 734	12 252 848	2 891 286	-	122 377 616
Insurance assets	-	-	-	-	-	-	3 335 499	3 335 499
Equity investments	-	-	-	-	-	-	24 727 967	24 727 967
Land inventory	-	-	-	-	-	-	28 371 785	28 371 785
Other assets	-	-	-	-	-	-	82 568 648	82 568 648
Current tax receivable	-	-	-	-	-	-	81 407	81 407
Intangible assets	-	-	-	-	-	-	665 810	665 810
Investment properties	-	-	-	-	-	-	42 078 909	42 078 909
Property and equipment	-	-	-	-	-	-	59 726 271	59 726 271
Deferred taxation	-	-	-	-	-	-	17 857 590	17 857 590
Total assets	56 305 287	12 217 133	30 476 909	71 983 734	12 583 126	4 555 188	228 484 367	416 605 744
Equity & Liabilities								
Deposits	229 066 029	10 397 282	15 071 832	482 369	470 204	5 193	32 107 977	287 600 886
Insurance liabilities	-	-	-	-	-	-	2 124 587	2 124 587
Other liabilities	-	-	-	-	-	-	35 675 103	35 675 103
Current tax payable	-	-	-	-	-	-	1 143 979	1 143 979
Life Fund	-	-	-	-	-	-	870 851	870 851
Investment contract liabilities	-	-	-	-	-	-	136 915	136 915
Deferred taxation	-	-	-	-	-	-	10 614 115	10 614 115
Lease Liability	4 766	11 662	14 300	25 473	23 201	-	79 402	79 402
Equity	-	-	-	-	-	-	78 359 905	78 359 905
Total liabilities and equity	229 070 795	10 408 944	15 086 132	50 784 2	493 405	5 193	161 033 432	416 605 743
Interest rate repricing gap	(172 765 508)	1 808 189	15 390 777	71 475 92	12 089 721	4 549 995	67 450 934	-
Cumulative gap	(172 765 508)	(170 957 319)	(155 566 542)	(84 090 650)	(72 000 929)	(67 450 934)	-	-

	UNAUDITED HISTORICAL							
	Less than 1 month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000
30 JUNE 2022								
Assets								
Balances with banks and cash	80 474 232	-	-	-	-	20 496 523	100 970 755	
Money market assets	8 089 613	3 668 531	827 469	-	3 443	-	12 589 056	
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879</

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FOREIGN CURRENCY POSITION AS AT 30 JUNE 2022

	UNDERLYING CURRENCY				
	USD \$'000	ZAR \$'000	GBP \$'000	EUR \$'000	Other foreign currencies \$'000
Assets					
Balances with banks and cash	199 932	122 729	233	7 308	244 382
Money market assets	8 582	337 454	-	-	-
Loans and advances to customers	432 104	2 775	-	-	1
Other assets	211 826	1 133 023	2 848	5 226	2 419 886
Total assets	852 444	1 595 981	3 081	12 534	2 664 269
Liabilities					
Deposits	575 337	461 962	156	158	300 140
Insurance liabilities	-	-	-	-	-
Other liabilities	63 301	1 101 736	2 871	5 298	13 124
Current tax payable	-	-	-	-	-
Total Liabilities	638 638	1 563 698	3 027	5 456	313 264
Net position	213 806	32 283	54	7 078	2 351 005

FOREIGN CURRENCY POSITION AS AT 31 DECEMBER 2021

	UNDERLYING CURRENCY				
	USD \$'000	ZAR \$'000	GBP \$'000	EUR \$'000	Other foreign currencies \$'000
Assets					
Balances with banks and cash	219 801	312 380	199	4 746	41
Money market assets	151 519	98 013	-	-	-
Loans and advances to customers	346 037	3 506	1	-	-
Other assets	118 067	1 075 460	2 855	5 169	6 090
Total assets	835 424	1 489 359	3 055	9 915	6 131
Liabilities					
Deposits	725 862	384 187	149	607	-
Other liabilities	5 530	286 416	2 860	5 263	150 499
Total Liabilities	731 392	670 603	3 009	5 870	150 499
Net position	104 032	818 756	46	4 045	(144 368)

37.7 Operational risk

This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Group and its SBUs revenue or erosion of the Group and its SBUs' statement of financial position value.

37.7.1 Operational risk management framework

The Group Risk Management Committee exercises adequate oversight over operational risks across the Group with the support of SBU Boards as well as business and functional level committees. Group Risk Management is responsible for setting and approving of Group Operational Policies and maintaining standards for operational risk.

The Group Board Audit Committee through the Internal Audit function as well as Group Enterprise Wide Governance and Compliance, performs their independent review and assurances under processes and procedures as set under Business Units policies and procedure manuals. On the other hand, the Group Risk Management and Group IT Department with assistance from the Organisation and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

37.8 Strategic risk

This is the risk that arises where the Group's strategy may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning processes, weak decision making processes as well as weak strategic implementation programs.

To mitigate this risk, the Group's Board, SBU Boards and Management teams craft the strategy which is underpinned by the Group's corporate goals. Approval of the strategy is the responsibility of the appropriate Board whilst implementation is carried out by Management. On the other hand, strategy and goal congruency is audited monthly by management and quarterly by the appropriate Board.

37.9 Regulatory risk

Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Group Board Risk Management Committee and the Group Enterprise Wide Governance and Compliance unit which ensures that:

- a.Comprehensive and consistent compliance policies and procedures exist covering the Group and its SBUs;
- b.A proactive and complete summary statement of the Group and its SBUs position on ethics and compliance exists;
- c.A reporting structure of the Group Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and
- d.Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

37.10 Reputation risk

This is the risk of potential damage to the Group's image that arises from the market perception of the manner in which the Group and its SBUs package and deliver their products and services as well as how staff and management conduct themselves. It also relates to the Group's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Group and its actions. The risk can further arise from the Group's inability to address any of its other key risks. This risk is managed and mitigated through:

- a.continuous improvements to the Group's operating facilities to ensure they remain within the taste of the Group's various stakeholders;
- b.ensuring that staff subscribe to the Group's code of conduct, code of ethics and general business ethics; and
- c.stakeholders' feedback systems that ensures proactive attention to the Group's reputation management.

37.11 Money-laundering risk

This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the subsidiaries of the Group and then use the funds to support illegal activities. The Group manages this risk through:

- a.adherence to Know Your Customer Procedures;
- b.effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- c.development of early warning systems; and
- d.integration of compliance into individual performance measurement and reward structures.

37.12 Insurance risk

The principal risk that the insurance segment faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the insurance subsidiary is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The subsidiaries also purchase reinsurance as part of their risk mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

The insurance company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the company substantially dependent upon any single reinsurance contract.



Partners for Success

37.13 Risk and Credit Ratings

CBZ Bank Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Long term)	AA- _(zw)	A+	A+	A	A	A	A	A+	A+	A+	A+

CBZ Life Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Financial strength)	A- _(zw)	A _(zw) *	A-	A-	BBB+	BBB+	BBB+	-	-	-	-

CBZ Insurance Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating(Claims paying ability)	BBB- _(zw)	BBB-	BBB+	BBB+	BBB+	BBB	BBB	-	-	-	-

CBZ Asset Management Private Limited

Rating agent	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating (Manager quality)	MQ2 _(zw)	MQ2 _(zw)	MQ2 _(zw)	A	A	A	A	-	-	-	-

37.13.2 Reserve Bank Ratings

	CAMELS RATING MATRIX - 31 DECEMBER 2017 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk	
CBZ Bank (current)	2	1	3	2	2	2	2	
CBZ Bank (previous)	1	1	2	1	1	2	2	

Key

1. Strong 2. Satisfactory 3. Fair 4. Substandard 5. Weak

CBZ Bank Limited Risk Matrix Summary

Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
Liquidity Risk	Moderate	Acceptable	Moderate	Stable
Interest Rate Risk	M			

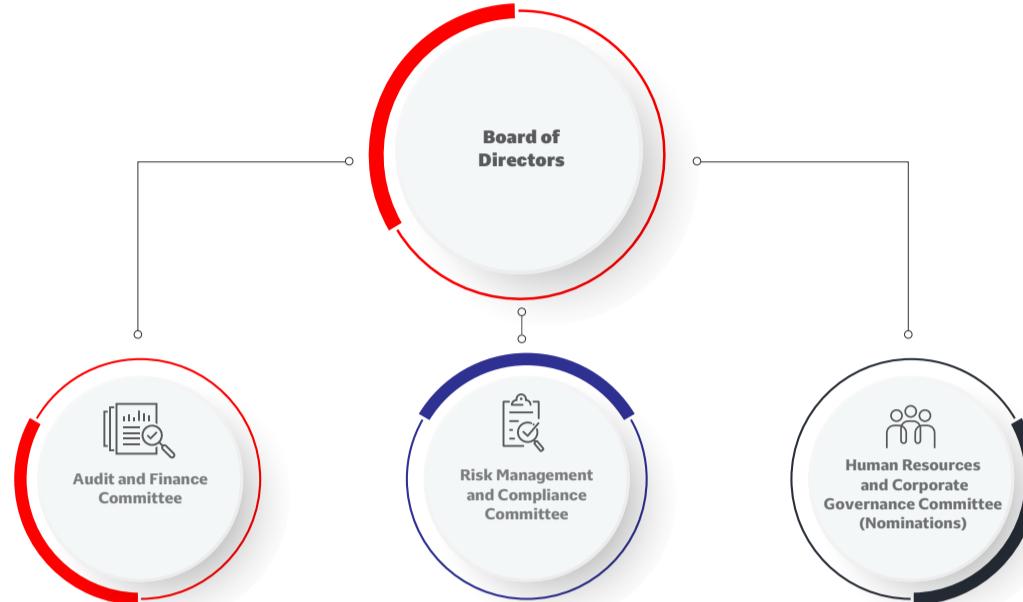
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Corporate Governance

The CBZ Holdings Limited governance framework supports the principles of integrity, strong ethical values and professionalism integral to the company's business. The Board recognises that it is accountable to Shareholders for good corporate governance and is committed to high standards of governance that are recognised and understood throughout the Group. The Board is primarily accountable to shareholders, whilst also considering the interests of other stakeholders such as customers, employees, suppliers, regulators and the community. In an environment of increasing change and complexity of regulation, management aims to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to generate competitive financial returns.

GOVERNANCE STRUCTURE



We aim to stay abreast of developments in good governance and practice, and have a well-developed structure that ensures compliance with the Companies and other Business Entities Act [Chapter 24:31], Zimbabwe Corporate Governance Code (ZIMCODE 2014), the Zimbabwe Stock Exchange Rules SI134/2019, the Reserve Bank of Zimbabwe Corporate governance guidelines No. 01-2004/BSR, The Banking Act (Chapter 24:20), the Banking Amendment Act of 2015, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016; Securities Act (Chapter 24:25); Securities Amendment Act No. 2 of 2013; Asset Management Act (Chapter 24:26) and the South African King reports.

THE BOARD OF DIRECTORS

This is the main decision making body, setting the strategic direction of the Group and ensuring that the Group manages risk effectively. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with strategy and our strong commitment to our stakeholders. In addition, the board is responsible for the overall stewardship of the Group and in particular for its long term growth and profitability through implementation of agreed financial objectives.

The Board comprises of 7 Directors being; 5 Non-Executive Directors and two Executive Directors.

The recruitment of new Directors is currently ongoing and the appointment of new directors is based on pre-established criteria having regard to the existing skills mix on the Board as a whole and having assessed areas where additional skill, expertise or experience is required. These appointments to the Board are made with due cognizance of the need to ensure that the board comprises of a diverse range of skills, knowledge and expertise and has the requisite independence, including, the professional and industry knowledge necessary to meet the Group's strategic objectives.

All appointments follow a transparent procedure and are subject to confirmation by shareholders at the Annual General Meeting. Before appointment, potential board appointees must undergo a fitness and Probity assessment in line with the Banking Act [Chapter 24:20], the Reserve Bank of Zimbabwe (RBZ) Prudential Guidelines, IPEC Directive on Governance and Risk Management for Insurance Companies, March 2016 were applicable.

BOARD COMMITTEES

The Board committees continued to play a crucial role in the company's governance framework, undertaking their work comprehensively and effectively supporting the work of the board. The Board has established and delegated specific roles and responsibilities to three standing committees, to assist it in discharging its duties and these are :- Audit and Finance Committee; Risk Management Committee and Human Resources & Corporate Governance Committee (also sits as Nominations Committee).

The committees meet quarterly in accordance with their terms of reference and members of the executive committee and management attend meetings of the various committees by invitation.

The Boards of Directors of the various units as at 30 June 2022 were constituted as tabulated below:

CBZ Holdings Limited	CBZ Bank Limited	CBZ Asset Management	CBZ Life Limited	CBZ Insurance	CBZ Risk Advisory	CBZ Properties	Red Sphere Finance	CBZ Agro Yield	CBZ Digital
Holtzman M ¹ *	Dr Marufu MPA*	Mhlanga N*	Tshuma H*	Matika ATK*	Magomimbo L*	Sinyoro M*	Jinnah J*	Parham WD*	Bhamre P*
Galante EE	Shangwa ET	Mukanganga CF	Narotam MB	Chitiga WR	DR Ndlovu N	Dr Eng Makwiranou C	Masunda V	Mazike PS	Dr Mudavanhu B
Gaskin Gain R	Dr Beddies CH	Moyo MTV	Khalfan KM	Dr Mudavanhu B	Marandu N	Dr Mudavanhu B	Mariwo T	Dr Mudavanhu B	Gumbo TL
Mashingaidze EU	Shah JG	Joshi HJ	Dr B Mudavanhu	Gumbo TL	Dr Mudavanhu B	Gumbo TL	Ntini WL	Gumbo TL	
Gerken LC	Dr Mudavanhu B	Dr Mudavanhu B	TL Gumbo	Mharadze J ***	Gumbo TL	Smith JF	Dr Mudavanhu B	Chigodora W**	
Dr Mudavanhu B**	Gumbo TL	Gumbo TL	J Mutizwa J ***	Chinyani T***	Snow RJ**	Gumbo TL	Mhungu S**		
Gumbo TL **	Nyazema L**	JF Smith			Bvumbural H**	Ali D**			
									Muzadzi T**

Key	* Chairman	** Executive Director	*** Ex-Officio member

CBZ HOLDINGS LIMITED BOARD COMMITTEE AND BOARD ATTENDANCE REGISTER (January to June 2022)

	Audit & Finance	Special Audit & Finance	Hr & Corporate Governance	Special HR & Corporate Governance	Risk Management & Compliance	Main Board	Total Committees	Total Boards
Meetings Held	2	3	2	8	2	2	17	2
M.L. Holtzman	*	*	2	-	*	2	2	2
L.C. Gerken	2	3	*	-	2	2	7	2
R.Gaskin Gain	*	*	2	-	2	2	4	2
E.U. Mashingaidze ****	2	3	2	8	*	2	15	2
E.E. Galante	2	3	*	-	*	2	5	2
Dr. B. Mudavanhu **	2	3	2	-	2	2	9	2
T.L. Gumbo **	2	3	*	-	2	2	7	2

Key	*not a member	**Executive	- did not attend

**** 3 Special HR Committees meetings attended in April 2022 and 5 Special Committees on 8 June 2022 (These were interviews)

CBZ Bank Limited Board Committee and Board Attendance Register (January to June 2022)

Name	Audit & Finance	Risk Management & Compliance	Credit	Special Credit	Loans Review	Main Board	Total Committees	Total Main Board
Number of meetings Held	2	2	2	2	2	3	10	3
M.L. Holtzman	*	*	2	2	2	3	6	3
Dr M.P.A. Marufu	*	*	2	2	*	3	4	3
E.T. Shangwa	2	2	2	2	*	3	8	3
Dr C.H. Beddies	2	2	*	*	*	3	4	3
J.G. Shah	2	*	*	*	2	3	4	3
Dr B. Mudavanhu	2	*	2	2	2	3	8	3
T.L. Gumbo	2	2	*	*	2	3	6	3
L.Nyazema**	2	2	2	2	2	3	10	3

Key
 *not a member
 **Executive
 - did not attend

CBZ Asset Management (Private) Limited Board Attendance Register (January to June 2022)

Name	Audit & Compliance	Investments & Risk	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	4	2
N.Mhlanga	*	2	2	2	2
MTV. Moyo	2	*	2	2	2
CF. Mukanganga	2	2	2	4	2
H.J. Joshi	2	2	2	4	2
Dr B. Mudavanhu	2	-	-	2	-
T.L. Gumbo	2	2	2	4	2
J.F. Smith	2	2	2	4	2
T.Muzadzi**	2	2	2	4	2

Key
 * Not Member
 ** Executive
 - did not attend

CBZ Risk Advisory Services Board Attendance Register (January to June 2022)

Name	Audit & Risk	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	2
L. Magorimbo	*	2	*	2
N. Ndlovu	2	2	2	2
N. Marandu	1	1	1	1
Dr B. Mudavanhu	1	1	1	1
T.L. Gumbo	2	2	2	2
J.F. Smith	2	2	2	2

Key
 * Not Member
 ** Executive
 - did not attend

CBZ Life Limited Board Attendance Register (January to June 2022)

Name	Investments & Risk	Hr & Remuneration	Audit & Finance	Main Board	Total Committees	Total Boards
Number of meetings held	2	2	2	2	6	2
H. Tshuma	2	2	2	2	6	2
M.B. Narotam	2	2	2	2	6	2
K. Khalfan	1	1	1	1	3	2
Dr B. Mudavanhu	-	-	-	-	-	-
T.L. Gumbo	2	2	2	2	6	2

Key
 *not a member
 **Executive
 -did not attend

CBZ Properties Board Attendance Register (January – June 2022)

Name	Main Board	Total Boards
Number of Meetings Held	2	2
M. Sinyoro	2	2
Dr Eng. C. Makwiranou	2	2
Dr B. Mudavanhu	2	2
T.L. Gumbo	2	2
J.F. Smith	2	2
R.J. Snow**	2	2



Reviewed Inflation Adjusted Financial Results

For the year ended 30 June 2022



Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	REVIEWED		UNAUDITED		
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 30 JUNE 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 30 JUNE 2021 ZWL\$ 000	
Interest income	2.1	25 011 096	22 987 196	16 564 103	7 405 865
Interest expense	2.2	(1 657 811)	(5 318 682)	(1 102 210)	(1 690 526)
Net interest income		23 353 285	17 668 514	15 461 893	5 715 339
Non-interest income	3	36 143 571	9 533 999	33 453 572	3 236 433
Total income		59 496 856	27 202 513	48 915 465	8 951 772
Operating expenditure	4	(15 459 969)	(9 729 336)	(11 174 857)	(3 103 585)
Operating income		44 036 887	17 473 177	37 740 608	5 848 187
Credit loss expense	12.1	(5 071 486)	(2 599 799)	(5 071 486)	(891 678)
Monetary Loss		(25 495 167)	(5 563 592)	-	-
Profit before taxation		13 470 234	9 309 786	32 669 122	4 956 509
Taxation	5	(5 547 219)	(4 610 980)	(8 289 591)	(1 293 214)
Profit after tax for the period		7 923 015	4 698 806	24 379 531	3 663 295
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains / (losses) on property revaluations		3 788 430	(528 837)	7 722 029	140 424
Gains on equity instruments at FVOCI		(434 759)	95 571	413 957	76 590
"Deferred income tax relating to components of other comprehensive income"	5.3	(914 762)	125 950	(1 929 583)	(38 541)
Total comprehensive income for the period		10 361 924	4 391 490	30 585 934	3 841 768
Profit for the period attributable to:					
Equity holders of parent		7 923 015	4 698 806	24 379 531	3 663 295
Total comprehensive income for the period attributable to:					
Equity holders of parent		10 361 924	4 391 491	30 585 934	3 841 768
Earnings per share (cents)					
Basic	6.1	1 548.01	918.06	4 763.32	715.74
Fully Diluted	6.1	1 548.01	918.06	4 763.32	715.74

Statement of Financial Position

As at 30 June 2022

	REVIEWED	AUDITED	UNAUDITED		
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000	HISTORICAL 30 JUNE 2022 ZWL\$ 000	HISTORICAL 31 DEC 2021 ZWL\$ 000	
ASSETS					
Cash and cash equivalents	8	99 085 257	81 606 262	99 085 257	37 277 189
Money market assets	9	12 512 569	53 228 775	12 512 569	24 314 545
Financial securities	10	894 879	2 111 496	894 879	964 517
Loans and advances to customers	11	146 258 858	139 171 640	146 258 858	63 572 666
Equity investments	15	1 146 058	1 609 948	1 146 058	735 413
Land inventory	14	11 469 638	11 237 641	670 108	440 259
Other assets	13	83 458 287	55 368 006	81 332 048	24 964 083
Intangible assets	20	418 302	472 052	129 301	159 618
Investment properties	19	3 191 385	2 240 703	3 191 385	1 023 538
Property and equipment	18	16 775 596	12 149 413	12 494 188	4 029 578
TOTAL ASSETS		375 210 829	359 195 936	357 714 651	157 481 406
LIABILITIES					
Deposits	22	283 819 569	279 951 928	283 819 569	127 880 147
Other liabilities	23	12 563 991	12 455 617	12 561 524	5 364 041
Current tax payable		2 354 484	1 098 899	2 354 484	501 970
Deferred tax liability	21	8 225 782	5 839 627	7 571 974	1 428 625
Lease liability		30 399	34 710	30 399	15 856
TOTAL LIABILITIES AND EQUITY		375 210 829	359 195 936	357 714 651	157 481 406

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2022

	REVIEWED INFLATION ADJUSTED					
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	Fair value reserve ZWL\$ 000	Retained earnings ZWL\$ 000	Total ZWL\$ 000
Restated						
30 June 2021						
Opening balance	501 827	1 639 529	4 457 997	570 812	44 834 912	52 005 077
Profit for the period	-	-	-	-	4 698 806	4 698 806
Total comprehensive income for the period	-	-	(398 108)	90 792	-	(307 316)
Dividend paid	-	-	-	-	(4 543 206)	(4 543 206)
Closing balance	501 827	1 639 529	4 059 889	661 604	44 990 512	51 853 361
30 June 2022						
Opening balance	501 827	1 639 529	5 701 512	1 281 882	50 690 405	59 815 155
Profit for the period	-	-	-	-	7 923 015	7 923 015
Other comprehensive income for the period	-	-	2 851 930	(413 021)	-	2 438 909
Dividend paid	-	-	-	-	(1 960 475)	(1 960 475)
Closing balance	501 827	1 639 529	8 553 442	868 861	56 652 945	68 216 604

	UNAUDITED HISTORICAL					
	Share capital ZWL\$ 000	Share premium ZWL\$ 000	Revaluation reserve ZWL\$ 000	reserve ZWL\$ 000	Fair value earnings ZWL\$ 000	Retained Total ZWL\$ 000
30 June 2021						
Opening balance	5 118	16 722	1 307 622	194 551	9 437 429	10 961 442
Profit for the period	-	-	-	-	3 663 295	3 663 295
Other comprehensive income for the period	-	-	105 712	72 761	-	178 473
Dividend paid	-	-	-	-	(1 500 000)	(1 500 000)
Closing balance	5 118	16 722	1 413 334	267 312	11 600 724	13 303 210
30 June 2022						
Opening balance	5 118	16 722	2 615 114	648 987	19 004 826	22 290 767
Profit for the period	-	-	-	-	24 379 531	24 379 531
Other comprehensive income for the period	-	-	5 813 144	393 259	-	6 206 403
Dividend paid	-	-	-	-	(1 500 000)	(1 500 000)
Closing balance	5 118	16 722	8 428 258	1 042 246	41 884 357	51 376 701

* FCTR - Foreign Currency Translation Reserve

Statement of Cash Flows

For the half year ended 30 June 2022

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Reviewed Inflation Adjusted Financial Results

Partners for Success

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022



	UNAUDITED HISTORICAL							
	Level 1		Level 2		Level 3		Total carrying amount	
	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000	30 JUNE 2022 ZWL\$ 000	31 DEC 2021 ZWL\$ 000
Equity investments	18 400	21 712	-	-	1 127 658	713 701	1 146 058	735 413
Land and Buildings	-	-	11 015 606	3 431 538	-	-	11 015 606	3 431 538
Investment properties	-	-	3 191 385	1 023 538	-	-	3 191 385	1 023 538
Total assets at fair value	18 400	21 712	14 206 991	4 455 076	1 127 658	713 701	15 353 049	5 190 489

The fair values of the non-listed equities which have been classified as level 3 investments.

Fair values were derived using a combination of income and market approaches depending on the appropriateness of the methodologies to the type of equity instruments held. The valuation took into account certain assumptions about the model inputs, including but not limited to liquidity discounts, country factor, inflation, credit risk and volatility. A range of probabilities were also applied to these inputs and the fair values derived therefrom were deemed to be within acceptable fair values ranges of the equities.

The following table shows the valuation techniques used in measuring the fair value of unquoted equities as well as the significant unobservable inputs used.

Valuation Technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Earnings Multiple	Liquidity discount GDP Growth	The fair values would increase/ decrease if: • The GDP growth was higher or lower • The Liquidity discount was higher or lower

The fair value adjustment of unquoted equities had been 5% up or down the Bank's other comprehensive income would be ZWL\$20 651 034 and the Statement of Financial Position would be ZWL\$21 737 931 higher or lower than the reported position.

18. PROPERTY AND EQUIPMENT

REVIEWED INFLATION ADJUSTED								
RESTATED 30 JUNE 2022	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
COST								
Opening balance	7 979 533	80 115	505 933	4 061 614	1 177 206	673 433	1 402 965	15 880 799
Additions	-	-	-	57 891	7 881	6 016	1 179 670	1 251 458
Revaluation gain	3 475 254	-	-	-	-	-	-	3 475 254
Disposals	-	-	-	(293)	(22)	(24)	-	(300)
Transfers to intangible assets	-	-	-	-	-	-	(4 252)	(4 252)
Write offs	-	-	-	(123)	(4 605)	-	-	(4 728)
Closing balance	11 454 787	80 115	505 810	4 114 607	1 185 065	679 425	2 578 383	20 598 192
Accumulated depreciation								
Opening balance	277 083	53 862	431 437	1 769 957	833 433	365 614	-	3 731 386
Right of use assets	14 336	-	-	-	-	-	14 336	-
Charge for the period	313 174	219	671	73 193	4 854	1 402	-	393 513
Disposals	-	-	-	(106)	(16)	(16)	-	(138)
Write offs	-	-	-	(87)	(3 240)	-	-	(3 327)
Revaluation	(313 174)	-	-	-	-	-	-	(313 174)
Closing balance	291 419	54 081	432 021	1 839 804	838 271	367 000	-	3 822 596
Net Book Value	11 163 368	26 034	73 789	2 274 803	346 794	312 425	2 578 383	16 775 596

AUDITED INFLATION ADJUSTED								
RESTATED 31 DEC 2021	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
COST								
Opening balance	6 634 895	73 221	502 193	3 286 532	1 015 838	638 172	1 539 070	13 689 921
Right of use assets	21 672	-	-	-	-	-	-	21 672
Additions	144 545	-	-	595 777	139 092	10 070	105 692	995 176
Revaluation surplus	1 174 616	-	-	-	-	-	-	1 174 616
Disposals	-	-	-	(483)	(16)	(87)	-	(586)
Transfers (PPE Intercategories)	3 805	6 894	3 740	179 788	22 292	25 278	(241 797)	-
Closing balance	7 979 533	80 115	505 933	4 061 614	1 177 206	673 433	1 402 965	15 880 799
Accumulated depreciation & impairment								
Opening balance	148 673	53 244	428 764	1 520 422	773 283	361 298	-	3 285 684
Right of use assets	128 410	-	-	-	-	-	128 410	-
Charge for the period	477 237	618	2 673	249 785	60 164	4 384	-	794 861
Disposals	-	-	-	(250)	(14)	(68)	-	(32)
Revaluation	(477 237)	-	-	-	-	-	(477 237)	-
Closing balance	277 083	53 862	431 437	1 769 957	833 433	365 614	-	3 731 386
Net Book Value	7 702 450	26 253	74 496	2 221 657	343 773	307 819	1 402 965	12 149 413

UNAUDITED HISTORICAL								
30 JUNE 2022	Buildings ZWL\$ 000	Leasehold improvements ZWL\$ 000	Motor vehicles ZWL\$ 000	Computers ZWL\$ 000	Equipment ZWL\$ 000	Furniture & fittings ZWL\$ 000	Work in progress ZWL\$ 000	Total ZWL\$ 000
COST								
Opening balance	3 459 652	3 111	8 601	503 031	79 986	21 777	86 279	4 162 437
Additions	-	-	-	37 020	7 000	5 291	916 052	7 555 954
Revaluation gain	7 555 954	-	-	-	-	-	-	-
Disposals	-	-	-	(146)	(11)	(12)	-	(169)
Transfers to intangible assets	-	-	-	-	-	-	(4 252)	(4 252)
Write offs	-	-	-	(59)	(2 216)	-	-	(2 275)
Closing balance	11 015 606	3 111	8 542	537 689	86 975	27 056	998 079</	

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

	REVIEWED		AUDITED		UNAUDITED		REVIEWED		AUDITED		UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000		HISTORICAL 30 JUNE 2022 ZWL\$ 000		HISTORICAL 31 DEC 2021 ZWL\$ 000		INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000		RESTATED 31 DEC 2021 ZWL\$ 000	
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)
23. OTHER LIABILITIES												
Revenue received in advance	25 118	820 109			22 651	49 020			1 018 843	215 892	1 018 843	98 618
Sundry creditors	2 510 184	2 836 620			2 510 184	1 295 748			87 065 133	55 604 126	87 065 133	25 399 589
Accruals	285 510	378 757			285 510	173 014			28 709 602	-	28 709 602	-
Suspense	5 628 998	4 835 990			5 628 998	2 209 048			11 341 252	20 139 127	11 341 252	9 199 417
Provisions	4 114 181	3 584 141			4 114 181	1 637 211			19 807 691	21 170 178	19 807 691	9 670 394
	12 563 991	12 455 617			12 561 524	5 364 041			147 942 521	97 129 323	147 942 521	44 368 018
24. CATEGORIES OF FINANCIAL LIABILITIES												
The Bank's financial liabilities are carried at amortised cost as follows:												
Deposits	283 819 569	279 951 928			283 819 569	127 880 147						
Other liabilities	12 538 873	11 635 508			12 538 873	5 315 021						
Leases	30 399	34 710			30 399	15 856						
	296 388 841	291 622 146			296 388 841	133 211 024						
25. EQUITY												
25.1 Share capital												
Authorised	600 000 000 ordinary shares of ZWL\$ 0.01 each	6 000	6 000		6 000	6 000						
Issued and fully paid 511 817 951 ordinary shares at ZWL\$ 0.01 each	501 827	501 827			5 118	5 118						
25.2 Share premium												
Opening balance	1 639 529	1 639 529			16 722	16 722						
Closing balance	1 639 529	1 639 529			16 722	16 722						
25.3 Revaluation reserve												
Opening balance	5 701 512	4 457 997			2 615 114	1 307 622						
Net revaluation gain	2 851 930	1 243 515			5 813 144	1 307 492						
Closing balance	8 553 442	5 701 512			8 428 258	2 615 114						
25.4 Retained earnings												
Opening balance	50 690 405	44 834 912			19 004 826	9 437 429						
Profit for the period	7 923 015	11 701 406			24 379 531	11 567 397						
Dividend paid	(1 960 475)	(5 845 913)			(1 500 000)	(2 000 000)						
	56 652 945	50 690 405			41 884 357	19 004 826						
25.5 Fair value reserve												
Opening balance	1 281 882	570 810			648 987	194 550						
Other comprehensive income	(413 021)	711 072			393 259	454 437						
	868 861	1 281 882			1 042 246	648 987						
26. RELATED PARTY DISCLOSURES												
CBZ Holdings Limited owns 100% of CBZ Bank (Private) Limited , CBZ Properties (Private) Limited, CBZ Building Society, CBZ Asset Management (Private) Limited, CBZ Insurance (Private) Limited , CBZ Life (Private) Limited and CBZ Risk Advisory Services (Private) Limited are related to CBZ Bank Limited through common shareholding.												
The Bank has related party relationships with its Directors and key management employees, their companies and close family members.												
The volumes of related party transactions and related income and expenses are as follows:												
Loans and advances to Directors' companies												
There were no loans and advances to Director's Companies during the year.												
	REVIEWED	AUDITED			UNAUDITED							
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000			HISTORICAL 30 JUNE 2022 ZWL\$ 000							
(a)	Deposits from directors and key management personnel	11 351	56 822		11 351	25 956						
Closing balance												
(b)	Balances with group company	1 439 502	-		1 439 502	-						
Deposits held for group Companies												
(c)	Balances with fellow subsidiaries	62 672 654	78 530 637		62 672 654	35 872 264						
Loans and advances	14 577 224	9 141 394		14 577 224	4 175 727							
Other receivables	1 489 111	1 530 077		1 489 111	698 929							
(d)	Transactions with group companies	13 612 123	30 209 760		8 997 244	10 881 618						
Interest income on amounts due from group companies	30 393	40 795		19 110	15 693							
Interest expense on amounts due to group companies	153 363	190 953		142 957	70 386							
Non - interest income from group companies	2 412 371	2 653 194		1 678 114	955 829							
Costs charged by group companies												
27. RISK MANAGEMENT												
27.1 Risk overview												
CBZ Bank Limited has continued to be guided by a desire to uphold a "High Risk Management and Compliance Culture" as one of its major strategic thrusts which is embedded under clearly defined risk appetite in terms of the various key risk exposures. This approach has given direction to the Bank's overall strategic planning and policies. Through the CBZ Bank risk management function, the Bank regularly carries out risk analysis through value at risk (VaR) assessment, stress testing as well as simulations to ensure that there is congruency or proper alignment between its strategic focus and its desired risk appetite.												
27.2 Bank risk management framework												
The Bank's risk management framework looks at enterprise wide risks and recognises that for effective risk management to take effect, it must be structured in terms of acceptable appetite, defined responsibility, accountability and independent validation of set processes. Bank Management and staff are responsible for the management of the risks that fall within their organisational responsibilities. The CBZ Bank Risk Management function is responsible for ensuring that the Bank's risk taking remains within the set risk benchmarks. The CBZ Bank Internal Audit function continuously provides independent assurance on the adequacy and effectiveness of the deployed risk management processes. The CBZ Bank Enterprise Wide Governance and Compliance Unit evaluates the quality of compliance with policies, processes and governance structures.												
27.3 Credit risk												
27.3.1 Credit risk exposure												
The table below shows the maximum exposure to credit risk for the components of the statement of financial position.												
	REVIEWED	AUDITED			UNAUDITED							
	INFLATION ADJUSTED 30 JUNE 2022 ZWL\$ 000	RESTATED 31 DEC 2021 ZWL\$ 000			HISTORICAL 30 JUNE 2022 ZWL\$ 000							
	Gross maximum exposure	Net maximum exposure (not covered by mortgage security)			Gross maximum exposure	Net maximum exposure (not covered by mortgage security)						
Balances with banks	85 326 103	63 093 812			85 326 103	28 820 827						
Money market assets	12 512 569	53 228 775			12 512 569	24 314 545						
Financial securities	894 879	2 111 496			894 879	964 517						

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

30. INTEREST RATE RISK

This is the possibility of a Bank's interest income being negatively influenced by unforeseen changes in the interest rate levels arising from weaknesses related to a Bank's trading, funding and investment strategies.

This is managed at both Board and Management level through the regular policy and benchmarks which relate to interest rate risk management. The major areas of intervention involve daily monitoring of costs of funds, monthly analysis of interest re-pricing gaps, monthly interest rate simulations to establish the Bank's ability to sustain a stressed interest rate environment and various interest rate risk hedging strategies. The use of stress testing is an integral part of the interest rate risk management framework and considers both the historical market events as well as anticipated future scenarios. The Bank denominates its credit facilities in the base currency, the ZWL\$ in order to minimize cross currency interest rate risk. The Bank's interest rate risk profiling is illustrated below:

At 30 June 2022, if interest rates (both earning and paying rates) at that date had been 15 basis points higher or lower with all other variables held constant, post tax profit would have been ZWL\$1 494 613 837 lower or higher respectively than the reported position. This arises as a result of the sensitivity of the net interest assets in the movement in the interest rates.

30.1 INTEREST RATE REPRICING AND GAP ANALYSIS

REVIEWED INFLATION ADJUSTED									
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000	
Assets									
Balances with banks and cash	17 504 659	-	-	-	-	-	81 580 598	99 085 257	
Money market assets	8 016 569	3 592 598	903 402	-	-	-	-	12 512 569	
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879	
Loans and advances to customers	16 534 107	4 961 143	62 871 019	21 922 188	37 453 067	2 517 334	-	146 258 858	
Equity investments	-	-	-	-	-	-	1 146 058	1 146 058	
Land inventory	-	-	-	-	-	-	11 469 638	11 469 638	
Other assets	-	-	-	-	-	-	83 458 287	83 458 287	
Intangible assets	-	-	-	-	-	-	418 302	418 302	
Investment properties	-	-	-	-	-	-	3 191 385	3 191 385	
Property and equipment	-	-	-	-	-	-	16 775 596	16 775 596	
Total assets	42 055 335	8 557 053	63 774 421	21 922 188	37 570 165	3 291 803	198 039 864	375 210 829	
Equity & Liabilities									
Deposits	242 935 092	22 537 714	2 287 491	1 843 756	7 177 435	2 145	7 035 936	283 819 569	
Other liabilities	-	-	-	-	-	-	12 563 991	12 563 991	
Current tax payable	-	-	-	-	-	-	2 354 484	2 354 484	
Deferred taxation	-	-	-	-	-	-	8 225 782	8 225 782	
Lease liability	3 335	6 613	11 417	5 047	3 987	-	-	30 399	
Equity	-	-	-	-	-	-	68 216 604	68 216 604	
Total liabilities and equity	242 938 427	22 544 327	2 298 908	1 848 803	7 181 422	2 145	98 396 797	375 210 829	
Interest rate repricing gap	(200 883 092)	(13 987 274)	61 475 513	20 073 385	30 388 743	3 289 658	99 643 067	-	
Cumulative gap	(200 883 092)	(214 870 366)	(153 394 853)	(133 321 468)	(102 932 725)	(99 643 067)	-	-	

AUDITED INFLATION ADJUSTED									
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000	
Assets									
Balances with banks and cash	35 987 575	-	-	-	-	-	45 618 687	81 606 262	
Money market assets	6 751 881	3 475 931	12 043 252	-	-	-	30 957 711	53 228 775	
Financial securities	22 130	-	100 117	-	325 345	1 663 904	-	2 111 496	
Loans and advances to customers	17 412 518	8 419 702	17 954 415	84 181 036	9 225 554	1 978 415	-	139 171 640	
Equity investments	-	-	-	-	-	-	1 609 948	1 609 948	
Land inventory	-	-	-	-	-	-	11 237 641	11 237 641	
Other assets	-	-	-	-	-	-	55 368 006	55 368 006	
Intangible assets	-	-	-	-	-	-	472 052	472 052	
Investment properties	-	-	-	-	-	-	2 240 703	2 240 703	
Property and equipment	-	-	-	-	-	-	12 149 413	12 149 413	
Total assets	60 174 104	11 895 633	30 097 784	84 181 036	9 550 899	3 642 319	159 654 161	359 195 936	
Equity & Liabilities									
Deposits	222 173 092	10 397 282	15 102 129	482 369	470 204	5 192	31 321 660	279 951 928	
Other liabilities	-	-	-	-	-	-	12 455 617	12 455 617	
Current tax payable	-	-	-	-	-	-	1 098 899	1 098 899	
Deferred taxation	-	-	-	-	-	-	5 839 627	5 839 627	
Lease liability	2 335	4 628	6 837	14 753	6 157	-	-	34 710	
Equity	-	-	-	-	-	-	59 815 155	59 815 155	
Total liabilities and equity	222 175 427	10 401 910	15 108 966	497 122	476 361	5 192	110 530 958	359 195 936	
Interest rate repricing gap	(162 001 323)	1 493 723	14 988 818	83 683 914	9 074 538	3 637 127	49 123 203	-	
Cumulative gap	(162 001 323)	(160 507 600)	(145 518 782)	(61 834 868)	(52 760 330)	(49 123 203)	-	-	

UNAUDITED HISTORICAL									
	Less than one month ZWL\$ 000	1 to 3 months ZWL\$ 000	3 to 6 months ZWL\$ 000	6 to 12 months ZWL\$ 000	1 to 5 years ZWL\$ 000	5 years and above ZWL\$ 000	Non-interest bearing ZWL\$ 000	Total ZWL\$ 000	
Assets									
Balances with banks and cash	17 504 659	-	-	-	-	-	81 580 598	99 085 257	
Money market assets	8 016 569	3 592 598	903 402	-	-	-	-	12 512 569	
Financial securities	-	3 312	-	-	117 098	774 469	-	894 879	
Loans and advances to customers	16 534 107	4 961 143	62 871 019	21 922 188	37 453 067	2 517 334	-	146 258 858	
Equity investments	-	-	-	-	-	-	1 146 058	1 146 058	
Land inventory	-	-	-	-	-	-	670 108	670 108	
Other assets	-	-	-	-	-	-	81 332 048	81 332 048	
Intangible assets	-	-	-	-	-	-	129 301	129 301	
Investment properties	-	-	-	-	-	-	3 191 385	3 191 385	
Property and equipment	-	-	-	-	-	-	12 494 188	12 494 188	
Total assets	42 055 335	8 557 053	63 774 421	21 922 188	37 570 165	3 291 803	180 543 686	357 714 651	
Equity & Liabilities									

Reviewed Inflation Adjusted Financial Results

For the half year ended 30 June 2022

32 Operational risk
This is the potential for loss arising from human error and fraud, inadequate or failed internal processes, systems failure, non-adherence to procedure or other external sources that result in the compromising of the Bank's revenue or erosion of the Bank's statement of financial position value.

32.1 Operational risk management framework
CBZ Bank Risk Management Committee exercises adequate oversight over operational risks across the Bank with the support of the Board as well as business and functional level committees. CBZ Bank Risk Management is responsible for setting and approval of Bank Operational Policies and maintaining standards for operational risk.

The Bank Board Audit Committee through Internal Audit function as well as Bank Enterprise Wide Governance and Compliance perform their independent reviews and assurances under processes and procedures as set under policies and procedure manuals. On the other hand, the Bank Risk Management and Bank IT Departments with assistance from the Organization and Methods Department within Group Human Resources ensure that processes, procedures and control systems are in line with variables in the operating environment.

32.2 Strategic risk
This is the risk that arises where the Bank's strategies may be inappropriate to support its long term corporate goals due to underlying inadequate strategic planning process, weak decision making process as well as weak strategic implementation programs.

To mitigate this risk, the Bank's Board and Management teams craft the strategy which is underpinned to the Bank's corporate goals. Approval of the strategy is the responsibility of the Board whilst implementation is carried out by Management. On the other hand strategy and goal congruency is audited monthly by management and quarterly by the Board.

32.3 Regulatory risk
Regulatory risk is defined as the failure to comply with applicable laws and regulations or supervisory requirements, or the exclusion of provisions of relevant regulatory requirements out of operational procedures. This risk is managed and mitigated through the Bank Board Risk Management Committee and the Bank Enterprise Wide Governance and Compliance unit which ensures that:

- Comprehensive and consistent compliance policies and procedures exist covering the Bank;
- A proactive and complete summary statement of the Bank's position on ethics and compliance exists;
- A reporting structure of the Bank Enterprise Wide Compliance Function exists that ensures independence and effectiveness; and that
- Yearly compliance and awareness training targeting employees in compliance sensitive areas is carried out.

32.4 Reputation risk
This is the risk of potential damage to the Bank's image that arises from the market's perception of the manner in which the Bank packages and delivers its products and services as well as how staff and management conduct themselves. It also relates to the Bank's general business ethics. This can result in loss of earnings or adverse impact on market capitalisation as a result of stakeholders adopting a negative view to the Bank and its actions. The risk can further arise from the Bank's inability to address any of its other key risks. This risk is managed and mitigated through:

- Continuous improvements of the Bank's operating facilities to ensure that they remain within the taste of the Bank's various stakeholders;
- Ensuring that staff subscribe to the Bank's code of conduct, code of ethics and general business ethics and that;
- Stakeholders' feedback systems that ensures proactive attention to the Bank's reputation management.

32.5 Money laundering risk
This is the risk of financial or reputational loss suffered as a result of transactions in which criminal financiers disguise the origin of funds they deposit in the Bank and then use the funds to support illegal activities. The Bank manages this risk through:

- Adherence to Know Your Customer Procedures;
- Effective use of compliance enabling technology to enhance anti-money laundering program management, communication, monitoring and reporting;
- Development of early warning systems; and
- Integration of compliance into individual performance measurement and reward structures.

32.6 Risk and Credit Ratings

Rating Agent		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Global Credit Rating Co.(Short Term)		A1+	A+	A1	A1	A1-	A1-	A1-	A1	A1	A1	-	-
Global Credit Rating Co. (Long Term)		AA-	AA-	A+	A+	A	A	A	A	A+	A+	A+	A+

No short-term ratings were provided by the rating agent from 2009 to 2012.

32.6.2 Reserve Bank of Zimbabwe Ratings

CAMELS RATING MATRIX - 31 December 2018 RBZ ONSITE EXAMINATION							
	Composite	Capital Adequacy	Asset Quality	Management	Earnings	Liquidity	Sensitivity to market risk
CBZ Bank Limited	2	1	3	2	2	2	2

CBZ Bank Limited
Risk Matrix Summary

Type of risk	Level of Inherent Risk	Adequacy of Risk Management Systems	Overall Composite Risk	Direction of Overall Composite Risk
Credit Risk	Moderate	Acceptable	Moderate	Stable
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	Stable
Operational Risk	Moderate	Acceptable	Moderate	Stable
Legal & Compliance Risk	Moderate	Acceptable	Moderate	Stable
Reputation Risk	Moderate	Acceptable	Moderate	Stable
Overall	Moderate	Acceptable	Moderate	Stable

KEY

Level of inherent risk

Low - reflects a lower than average probability of an adverse impact on an institution's capital and earnings. Losses in a functional area with low inherent risk would have little negative impact on the institution's overall financial condition.

Moderate - could reasonably be expected to result in a loss which could be absorbed by an institution in the normal course of business.

High - reflects a higher than average probability of potential loss. High inherent risk could reasonably be expected to result in a significant and harmful loss to the institution.

Adequacy of Risk Management Systems

Weak - risk management systems are inadequate or inappropriate given the size complexity and risk profile of the banking institution. Institution's risk management systems are lacking in important ways and therefore a cause of more than normal supervisory attention. The internal control systems will be lacking in important aspects particularly as indicated by continued control exceptions or by the failure to adhere to written down policies and procedures.

Acceptable - management of risk is largely effective but lacking to some modest degree. While the institution might be having some minor risk management weaknesses these have been recognised and are being addressed. Management information systems are generally adequate.

Strong - management effectively identifies and controls all types of risk posed by the relevant functional areas or per inherent risk. The board and senior management are active participants in managing risk and ensure appropriate policies and limits are put in place. The policies comprehensively define the financial institution's risk tolerance responsibilities are effectively communicated.

Overall Composite Risk

Low Risk - would be assigned to low inherent risk areas. Moderate risk areas may be assigned a low composite risk where internal controls and risk management systems are strong and effectively mitigate much of the risk.

Moderate Risk - risk management effectively identifies and controls all types of risk posed by the relevant functional area significant weaknesses in the risk management systems may result in a moderate composite risk assessment. On the other hand a strong risk management system may reduce the risk so that any potential financial loss from the activity would have only a moderate negative impact on the financial condition of the organization.

Direction of Overall Composite Risk Rating

Increasing- based on the current information composite risk is expected to increase in the next twelve months.
Decreasing- based on current information composite risk is expected to decrease in the next twelve months.
Stable - based on the current information composite risk is expected to be stable in the next twelve months.

33. CAPITAL MANAGEMENT

The Bank adopted the Bank Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Bank's approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements of Basel II. The primary objective of the Bank's capital management is to ensure that the Bank complies with externally imposed capital requirements and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholder value. ICAAP incorporates a capital management framework designed to satisfy the needs of key stakeholders i.e. depositors, regulators, rating agencies who have specific interest in its capital adequacy and optimal risk taking to ensure its going concern status (solvency). The focus is also targeted at meeting the expectations of those stakeholders i.e. shareholders, analysts, investors, clients and the general public who are interested in looking at the profitability of the Bank vis-à-vis assumed levels of risk (risk versus return). It is important to highlight that CBZ Bank has three levels of capital and other components that are measured and managed simultaneously:-

- Regulatory capital,
- Economic capital, and
- Available book capital.

33.1 Capital Adequacy

The capital adequacy is calculated in terms of the guidelines issued by the Reserve Bank of Zimbabwe.

REVIEWED 30 JUNE 2022 ZWL\$ 000	UNAUDITED 31 DEC 2021 ZWL\$ 000
Risk Weighted Assets	200 045 398
Total Qualifying Capital	50 228 898
Tier 1	5 118
Share capital	5 118
Share premium	16 722
Revenue reserves	41 884 357
Exposure to insiders	(3 648 371)
	38 257 826
	(4 990 456)
	33 267 370
	(2 954 423)
	11 437 861
Tier 2	8 428 258
Revaluation reserves	8 428 258
Fair Value Reserve	1 042 247
General provisions	2 500 567
	11 971 072
	4 392 027
Tier 3	2 838 211
Capital allocated for market risk	2 838 211
Capital allocated to operations risk	2 152 246
	4 990 457
	2 954 423
Capital Adequacy (%)	16.63%
Tier 1	16.63%
Tier 2	5.98%
Tier 3	2.49%
Total	25.11%
	20.82%

Regulatory capital consists of Tier 1 capital which comprises share capital share premium and revenue reserves including current period profit. The other component of the regulatory capital is Tier 2 capital which includes general provisions and revaluation reserves. The regulated minimum capital base required by the Central Bank is US\$ 30 million with a tier 1 ratio of 8% and a total capital adequacy ratio of 12%

34. COMPLIANCE AND REGULATORY RISK

During the year, CBZ Bank was fined ZWL\$ 350,000 by the Reserve Bank of Zimbabwe (RBZ) for publishing its Annual Financial Statements after the set statutory deadline of 30 April 2022.

35. CORPORATE GOVERNANCE STATEMENT

The quality of corporate governance practices is becoming an increasingly important factor in maintaining market confidence. The Bank is committed to and supports the principles contained in the Reserve Bank of Zimbabwe (RBZ) Corporate Governance Guideline No. 01-2004/BSD, as well as the King III Code which is an internationally regarded benchmark in Corporate Governance.

36. DISCLOSURE POLICY

The Board is aware of the importance of balanced and understandable communication of the Bank's activities to stakeholders and strives to clearly present any matters material to a proper appreciation of the Bank's position. The interests and concerns of stakeholders are addressed by communicating information in a timely manner.

The Directors foster a mutual understanding of objectives shared between the Bank and its institutional shareholders by meeting with and making presentations to them on a regular basis. The Board welcomes and encourages the attendance of private shareholders at general meetings and gives them the opportunity to have questions addressed.

The Bank endeavours to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Bank's own expectations. The Bank does not confirm or attempt to influence analysts' opinions or conclusions and does not express comfort with analysts' models and earnings estimates.

37. GOING CONCERN

For going concern assessment refer to CBZ Holdings note 39.





Unaudited Inflation Adjusted Financial Results

For the half year ended 30 June 2022

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	UNAUDITED		REVIEWED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 30 JUNE 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 30 JUNE 2021 ZWLS 000
Gross written premium	766 526	356 478	490 039	115 229
Reinsurance premium	(87 549)	(7 756)	(56 360)	(2 550)
Net written premium	678 977	348 722	433 679	112 679
Unearned premium movement	(26 702)	(2 603)	(48 819)	(790)
Net earned premium	652 276	346 119	384 860	111 890
Net commission	(52 109)	(27 588)	(33 354)	(9 049)
Net claims	(107 760)	(45 357)	(74 431)	(14 569)
Underwriting profit	492 407	273 174	277 075	88 272
Operating expenditure	(559 973)	(356 434)	(385 524)	(106 417)
Transfer to reserves	(528 456)	(186 995)	(343 001)	(64 135)
Expected credit loss	(6 204)	-	(6 204)	-
Monetary gain	777 519	90 318	-	-
Operating profit	175 293	(179 937)	(457 654)	(82 280)
Investment and Other income	772 101	104 971	2 022 255	109 626
Interest from investments & other balances	19 938	377	14 821	122
Profit before taxation	967 332	(74 589)	1 579 423	27 467
Taxation	(198)	(290)	(198)	(99)
Profit for the period	967 134	(74 879)	1 579 225	27 368
Other comprehensive income				
Gains on property revaluations	267 617	(11 620)	514 598	8 393
Gains on equity instruments at FVOCI	80 662	(6 199)	159 344	9 675
Other comprehensive income for the period net of tax	348 279	(17 819)	673 942	12 068
Total comprehensive income	1 315 413	(92 698)	2 253 167	39 436

Statement Of Financial Position

As at 30 June 2022

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
ASSETS				
Current assets				
Cash and cash equivalents	93 735	153 380	93 735	70 063
Money market assets	79 302	67 489	79 302	30 829
Equity investments	998 180	933 317	998 180	426 333
Insurance contract assets	67 115	28 052	53 262	12 429
Other receivables	46 717	41 368	46 717	18 897
Current tax receivables	251	982	251	449
Non-current assets				
Property and equipment	2 326 678	1 571 927	2 326 678	718 046
Investment properties	794 766	557 768	745 355	232 175
TOTAL ASSETS	3 121 444	2 129 695	3 072 033	950 221
EQUITY AND LIABILITIES				
Liabilities				
Life fund	774 724	870 852	774 724	397 799
Investment contract liabilities	155 504	136 915	155 504	62 542
Other payables	360 642	546 053	360 642	249 433
Equity				
Share premium	136 092	136 092	136 092	1 388
Revaluation reserve	655 721	388 104	744 610	230 013
Revenue reserves	2 292 681	1 325 549	2 136 820	557 598
Fair value reserve	31 380	(49 262)	169 792	10 448
TOTAL EQUITY AND LIABILITIES	4 406 744	3 354 283	4 343 480	1 509 221

Statement of Changes in Equity

For the half year ended 30 June 2022

REVIEWED INFLATION ADJUSTED						
	Share premium ZWLS 000	Revaluation reserve ZWLS 000	FCTR ZWLS 000	Fair Value reserve ZWLS 000	Revenue reserve ZWLS 000	Total ZWLS 000
30 June 2021						
Opening balance	136 092	11 620	222 037	(13 204)	910 597	1 267 143
Total comprehensive income	-	(11 620)	-	(6 199)	(74 879)	(92 697)
Closing balance	136 092	-	222 037	(19 403)	835 718	1 174 446
30 June 2022						
Opening balance	136 092	388 104	-	(49 282)	1 325 549	1 800 462
Total comprehensive income	-	267 617	-	80 662	967 134	1 315 413
Closing balance	136 092	655 721	-	31 380	2 292 683	3 115 875
UNAUDITED HISTORICAL						
30 June 2021						
Opening balance	1 388	90 513	2 550	1 740	238 767	334 958
Total comprehensive income	-	8 393	-	3 675	27 368	39 436
Closing balance	1 388	98 906	2 550	5 415	266 135	374 394
30 June 2022						
Opening balance	1 388	230 013	-	10 448	557 596	799 445
Total comprehensive income	-	514 598	-	159 344	1 579 225	2 253 166
Closing balance	1 388	744 611	-	169 792	2 136 821	3 052 611

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2022

	REVIEWED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 30 JUNE 2021 ZWLS 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	967 332	(74 589)
Non cash items:		
Depreciation	33 568	14 340
Unearned premium movement	26 702	2 603
Monetary gain/loss	(777 519)	(90 318)
Claims incurred but not reported	6 738	-
Deferred commission movement	(23 594)	(19 534)
Fair value adjustment on investment properties	(746 274)	78 951
Fair value adjustment on financial instruments	181 296	(195 414)
Transfer to reserves	528 456	186 995
Expected credit loss expense	6 204	-
Unrealised loss on foreign currency position	(74 829)	2 191
Write offs and impairment of fixed assets	-	19 982
Operating profit before changes in operating assets and liabilities	128 080	(74 793)
Changes in operating assets and liabilities		
Other receivables	(34 290)	24 714
Insurance contract assets	(11 218)	(4 665)
Other payables	161 985	136 321
Money market assets	(18 717)	15 972
Life assurance investment contract liabilities	(3 045)	43 740
Corporate tax paid	-	(296)
Net cash inflow from operating activities	94 715	216 083
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in investments	(165 497)	(68 971)
Purchase of property and equipment	(2 950)	(1 764)
Proceeds on disposal of investment properties	-	184 703
Purchase of investment properties	(8 477)	(87 133)
Net cash (outflow)/inflow from investing activities	(176 924)	26 835
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	-
Net cash outflow from financing activities		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	45 871	167 828
Cash and cash equivalents at the beginning of the year	153 380	20 999
Exchange gains on foreign cash balances	38 5	

Unaudited Inflation Adjusted Financial Results

For the half year ended 30 June 2022



Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 30 June 2022

	REVIEWED	UNAUDITED		
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 30 JUNE 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 30 JUNE 2021 ZWLS 000
Revenue	907 462	269 306	1 349 908	113 831
Operating expenditure	(399 033)	(219 857)	(275 451)	(68 893)
Operating income	508 429	49 449	1 074 457	44 938
Monetary gain	52 171	14 048	-	-
Profit before taxation	560 600	63 497	1 074 457	44 938
Taxation	(80 598)	(38 041)	(105 202)	(10 670)
Profit for period after taxation	480 002	25 456	969 255	34 268
Other comprehensive income	9 446	(1 533)	20 136	96
Total comprehensive income	489 448	23 923	989 391	34 364

Statement of Financial Position

As at 30 June 2022

	REVIEWED	AUDITED	UNAUDITED	
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 31 DEC 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 31 DEC 2021 ZWLS 000
ASSETS				
Cash and cash equivalents	60 027	60 002	60 027	27 409
Equity investments	262 090	91 925	262 090	41 991
Other assets	192 421	82 918	190 423	37 876
Investment property	1 324 436	958 733	1 324 436	437 943
Intangible assets	2 763	2 936	850	923
Property and equipment	164 473	169 420	17 066	18 853
Deferred taxation	21 791	25 092	21 794	11 462
TOTAL ASSETS	2 027 701	1 391 026	1 876 686	576 457
LIABILITIES				
Current taxation	8 437	26 840	8 437	12 260
Other liabilities	264 728	160 496	264 728	73 314
Lease liability	61 471	42 432	61 471	19 383
Deferred taxation	119 884	77 525	115 085	33 926
TOTAL LIABILITIES	454 520	307 293	449 721	138 883
EQUITY				
Share capital	6 178	6 178	63	63
Share premium	188 737	188 737	1 925	1 925
Revenue reserves	1 356 672	876 670	1 396 058	426 803
Fair value reserve	21 594	12 148	28 919	8 783
TOTAL EQUITY	1 573 181	1 083 733	1 426 965	437 574
TOTAL LIABILITIES AND EQUITY	2 027 701	1 391 026	1 876 686	576 457

Statement Of Changes In Equity

For the half year ended 30 June 2022

	REVIEWED INFLATION ADJUSTED				
	Share capital ZWLS 000	Share premium ZWLS 000	Fair value reserve ZWLS 000	Revenue reserves ZWLS 000	Total ZWLS 000
Restated 30 June 2021					
Opening balance	6 178	188 737	3 080	365 442	563 437
Profit for the period	-	-	-	25 456	25 456
Other comprehensive loss	-	-	(1 533)	-	(1 533)
Closing balance	6 178	188 737	1 547	390 898	587 360
30 June 2022					
Opening balance	6 178	188 737	12 148	876 670	1 083 733
Profit for the period	-	-	-	480 002	480 002
Other comprehensive income	-	-	9 446	-	9 446
Closing balance	6 178	188 737	21 594	1 356 672	1 573 181
UNAUDITED HISTORICAL					
30 June 2021					
Opening balance	63	1 925	2 809	125 786	130 583
Profit for the period	-	-	-	34 268	34 268
Other comprehensive income	-	-	96	-	96
Closing balance	63	1 925	2 905	160 054	164 947
30 June 2022					
Opening balance	63	1 925	8 783	426 803	437 574
Profit for the period	-	-	-	969 255	969 255
Other comprehensive income	-	-	20 136	-	20 136
Closing balance	63	1 925	28 919	1 396 058	1 426 965

Statement Of Cash Flows

For the half year ended 30 June 2022

	REVIEWED	UNAUDITED		
	INFLATION ADJUSTED 30 JUNE 2022 ZWLS 000	RESTATED 30 JUNE 2021 ZWLS 000	HISTORICAL 30 JUNE 2022 ZWLS 000	HISTORICAL 30 JUNE 2021 ZWLS 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	560 600	63 497	1 074 457	44 938
Adjust for:				
Fair value adjustments	(441 744)	14 248	(1 034 901)	(21 164)
Depreciation and amortisation	5 542	10 697	1 965	1 218
Monetary (gain) / loss	(52 171)	(14 048)	-	-
Expected credit loss expense	6 139	(33)	6 138	(11)
Unrealised (gain)/loss on foreign currency position	(83)	(669)	(83)	(229)
Loss / (profit) on sale of property and equipment	23	-	13	-
Profit on disposal of investment properties	3 727	(8 076)	(2 252)	(2 720)
Interest on lease liability	2 012	2 022	1 380	646
Operating cash inflow before changes in operating assets and liabilities	84 045	67 638	46 717	22 678
Changes in operating assets and liabilities				
Money market assets	-	7 917	-	2 499
Equity investments	(133 868)	(66 611)	(79 476)	(20 934)
Other assets	(277 160)	(40 855)	(158 685)	(13 060)
Other liabilities	302 427	46 486	191 414	13 528
	(108 601)	(53 063)	(46 747)	(17 967)
Corporate tax paid	(46 434)	(7 254)	(39 259)	(2 416)
Cash generated / (utilised) from operating activities	(70 990)	7 321	(39 289)	2 295
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of investment property	46 577	17 574	31 530	5 664
Purchase of investment property	(617)	-	(297)	-
Proceeds on disposal of equipment	-	-	-	-
Purchase of equipment	-	(879)	-	(263)
Purchase of intangible assets	(145)	-	(118)	-
Net cash inflow from investing activities	45 815	16 695	31 115	5 401
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	-	-	-
Lease liability repayment	(2 039)	(2 547)	(1 339)	(64 6)
Interest on lease liability	(2 012)	(2 022)	(1 380)	(815)
Net cash outflow from financing activities	(4 051)	(4 569)	(2 719)	(1 461)
NET INCREASE IN BALANCES WITH BANKS AND CASH	(29 226)	19 447	(10 893)	6 235
Balances with banks and cash at the beginning of the period	60 002	19 317	27 409	5 490
Exchange gains on foreign cash balances	43 511	669	43 511	229
Inflation effects on balances with banks and cash	(14 260)	(4 582)	-	-
BALANCES WITH BANKS AND CASH AT THE END OF THE PERIOD	60 027	34 851	60 027	11 954



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Independent auditors' report on the review of inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results

To the shareholders of CBZ Holdings Limited and shareholder of CBZ Bank Limited

Introduction

We have reviewed the accompanying 30 June 2022 inflation adjusted condensed consolidated interim financial results of:

- CBZ Holdings Limited and its subsidiaries ("the Group"), set out on pages 2 to 12 which comprise the inflation adjusted condensed consolidated statement of financial position as at 30 June 2022, the inflation adjusted condensed consolidated statement of profit or loss and other comprehensive income, the inflation adjusted condensed consolidated statement of changes in equity and the inflation adjusted condensed consolidated statement of cash flows for the half year ended, and notes, comprising significant accounting policies and other explanatory information (hereinafter collectively referred to as "the inflation adjusted condensed consolidated interim financial results"); and
- CBZ Bank Limited ("the Bank"), set out on pages 14 to 20 which comprise the inflation adjusted condensed statement of financial position as at 30 June 2022, the inflation adjusted condensed statement of profit or loss and other comprehensive income, the inflation adjusted condensed statement of changes in equity and the inflation adjusted condensed statement of cash flows for the half year ended, and notes, comprising significant accounting policies and other explanatory information (hereinafter collectively referred to as "the Bank's inflation adjusted condensed interim financial results") .

Directors' responsibility for the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results

- **CBZ Holdings Limited and its subsidiaries (the Group) inflation adjusted condensed consolidated interim financial results**

The directors are responsible for the preparation and presentation of these inflation adjusted condensed consolidated interim financial results in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.

- **CBZ Bank Limited's inflation adjusted interim financial results**

The directors are responsible for the preparation and presentation of CBZ Bank Limited reviewed inflation adjusted financial results in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20).

Independent auditors' responsibility in respect of CBZ Holdings Limited and its subsidiaries inflation adjusted condensed consolidated interim financial results and CBZ Bank Limited's inflation adjusted condensed interim financial results

Our responsibility is to express our conclusions on the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion in respect of CBZ Holdings Limited and its subsidiaries and CBZ Bank Limited

Based on our review, nothing has come to our attention that causes us to believe that:

- the accompanying inflation adjusted condensed consolidated interim financial results as at 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20) and the Zimbabwe Stock Exchange (ZSE) Listing Rules 2019.
- the accompanying inflation adjusted condensed interim financial results of CBZ Bank Limited as at 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting* (IAS 34) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.03), Banking Act (Chapter 24.20).

Other information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Statement of Directors' Responsibilities, Corporate Governance and the financial information in the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results titled "unaudited inflation adjusted" and "unaudited historical cost" but does not include the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results and the review report thereon.



Our conclusion on the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results does not cover the other information and we do not express a conclusion or any form of assurance conclusion thereon.

In connection with our review of the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted condensed consolidated interim financial results and the Bank's inflation adjusted condensed interim financial results or our knowledge obtained in the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact.

A handwritten signature in black ink that reads "KPMG".

Themba Mudidi
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0437

31 August 2022

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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